

City Council

Regular Meeting Agenda

Monday, December 7, 2015
7:00 p.m., Council Chambers



1. **Call to Order**
2. **Invocation – Reverend Eric Jarvis of 1st Assembly**
3. **Roll Call**
4. **Approval of Agenda**
5. **Consent Agenda: Items A thru F (Roll Call Vote Required)**
(All matters listed under the Consent Agenda are considered to be routine by the City Council and will be enacted by one motion. Unless requested by a Council Member or a citizen, there will be no separate discussion on these items. If discussion is required regarding an item, that item will be removed from the Consent Agenda and considered separately.)
 - A. Council will be requested to approve the City Council regular minutes for November 16, 2015.
 - B. Council will be requested to approve the City Council Special Workshop minutes for November 16, 2015.
 - C. Council will be asked to approve invoices totaling \$721,345.63 for the period ending December 6, 2015 to be approved and forwarded to the Clerk and Treasurer for payment.
 - D. Council will be requested to award the purchase of one 2016 Ford Escape SE to Woodhams Ford of South Haven, Michigan in the amount of \$24,182.00.
 - E. Council will be requested to award the contract for routine inspection, fracture critical inspection, and Metric #19 compliance to Hardesty & Hanover in the amount of \$19,534.25.
 - F. Council will be asked to approve the following minutes:
 - 1) September 22, 2015 South Haven Area Recreation Authority minutes;
 - 2) July 22, 2015 Construction Board of Appeals minutes;
 - 3) October 20, 2015 Harbor Commission minutes; and
 - 4) October 28, 2015 South Haven Housing Commission (SHHC) minutes;

If a member of the public wishes to address any of the following items listed on the agenda they will be given a chance to speak prior to Council discussing the item. They will be given up to 5 minutes to address their concerns.

NEW BUSINESS

6. **Council will be asked hold a public hearing and to approve Resolution 2015- 47, a resolution to approve a 425 agreement with South Haven Charter Township, impacting property located at 09220 S. 76th Street, South Haven, Michigan.**

7. Council will be asked to approve Resolution 2015-48, a resolution adjusting the water/sewer connection fees and modifying the Utility Policy as recommended by the Board of Public Utilities.
8. Council will be requested to take the following actions regarding the city's Electric Fund Energy Optimization program:
 - a. Authorize the City Manager to execute the MECA Letter Agreement for Administrative Services;
 - b. Authorize the City Manager to approve payments to MECA in accordance with the Letter of Agreement not to exceed a total of \$258,658 during the 2016 calendar year;
 - c. Introduce an Ordinance to Amend Rates for the City of South Haven Utilities.
9. Council will be asked to introduce the zoning amendments to the zoning ordinance as proposed by the Planning Commission.
10. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda
(You will be given up to 5 minutes to address your concerns.)
11. City Manager's Comments
12. Mayor and Councilperson's Comments
13. City Council will be asked to go into closed session pursuant to the Michigan Open Meetings Act; Public Act No. 267 of 1978; 15.268; Section 8(a) for annual personnel evaluation for the City Manager.
14. Adjourn

RESPECTFULLY SUBMITTED,



Brian Dissette, City Manager

City Council

Regular Meeting Minutes

Monday, November 16, 2015
7:00 p.m., Council Chambers



1. **Call to Order by Mayor Burr at 7:02 p.m.**
2. **Invocation – Moment of Silence**
3. **Proclamation for National Hospice Month**
4. **Roll Call**

Present: Arnold, Fitzgibbon, Gruber, Klavins, Kozlik Wall, Patterson, Burr
Absent: None

5. **Approval of Agenda**

Moved by Patterson, seconded by Klavins, to approve the agenda with the addition of item 8A, Council will be asked to consider approval of Resolution 2015-46, a resolution to impose a limited moratorium on the issuance of permits for the construction of large residential dwellings.

Voted Yes: All. Motion carried.

6. **Consent Agenda: Items A thru F (Roll Call Vote Required)**

Moved by Fitzgibbon, seconded by Kozlik Wall, to approve the consent agenda.

- A. Council will be requested to approve the City Council Minutes for November 2, 2015.
- B. Council will be asked to approve invoices totaling \$966,620.50 for the period ending November 15, 2015 to be approved and forwarded to the Clerk and Treasurer for payment.
- C. Council will be asked to approve the purchase of a Kubota B2650 tractor and accessories from Bronsink & Bos Equipment of Mattawan, Michigan in the amount of \$33,095.00.
- D. Council will be asked to approve the purchase of a Toro TRX-26 trencher and accessories from Weingartz of Cedar Springs, Michigan in the amount of \$15,761.60.
- E. Council will be asked to review Contract Modifications #1 and #2 and authorize the City Manager to execute the contract modifications.
- F. Council will be asked to approve the following minutes:
 - 1) August 26, 2015 South Haven Housing Commission (SHHC) minutes;
 - 2) September 23, 2015 South Haven Housing Commission (SHHC) minutes;
 - 3) October 1, 2015 Planning Commission minutes;
 - 4) October 12, 2015 Brownfield Redevelopment Authority (BRA) minutes; and

5) October 12, 2015 Local Development Finance Authority (LFDA) minutes.

A Roll Call Vote was taken:

Yeas: Arnold, Fitzgibbon, Gruber, Klavins, Kozlik Wall, Patterson, and Burr

Nays: None.

Motion Carried

NEW BUSINESS

6. Council will be addressed by Van Buren County Prosecutor Michael J. Bedford to give an update and introduce the K-9 Victim Advocate dog, Tehya.

Michael Bedford, Van Buren County Prosecutor, addressed the Council regarding prosecutorial matters and introduced the K-9 Victim Advocate dog, Tehya.

7. Council will be asked to approve the following Special Events:

a. Special Event Application 2015-33, National Blueberry Festival 2016, to be held on August 11, 2016 through August 14, 2016 at Riverfront Park with other events held in various areas of the city.

Rosalie Plechaty addressed the Council regarding the National Blueberry Festival 2016 and provided updates about next year's festival.

Moved by Patterson, seconded by Kozlik Wall, to approve Special Event Application 2015-33, National Blueberry Festival 2016, to be held on August 11, 2016 through August 14, 2016 at Riverfront Park with other events held in various areas of the city.

Voted Yes: All. Motion carried.

b. Special Event 2015-34, Paws on Parade Furry 5k, to be held Sunday, June 26, 2016 from 6 a.m. to 2 p.m. at Riverfront Park.

Moved by Fitzgibbon, seconded by Patterson, to approve Special Event 2015-34, Paws on Parade Furry 5k, to be held Sunday, June 26, 2016 from 6 a.m. to 2 p.m. at Riverfront Park.

Voted Yes: All. Motion carried.

8. Council will be asked consider setting a public hearing for consideration of a 425 agreement with South Haven Charter Township, impacting property located at 09220 S. 76th Street, South Haven, Michigan.

Moved by Fitzgibbon, seconded by Klavins, to set a public hearing for consideration of a 425 agreement with South Haven Charter Township, impacting property located at 09220 S. 76th Street, South Haven, Michigan.

Voted Yes: All. Motion carried.

- a. Council will be asked to consider approval of Resolution 2015-46, a resolution to impose a limited moratorium on the issuance of permits for the construction of large residential dwellings.**

Moved by Fitzgibbon, seconded by Patterson, to approve Resolution 2015-46, a resolution to impose a limited moratorium on the issuance of permits for the construction of large residential dwellings.

Ryan Servatius, 74293 Lambert Drive, addressed the Council regarding the moratorium.

Barb Chartier Raudonis, 30 Apache Court, addressed the Council regarding the moratorium.

Dorothy Appleyard, 806 Wilson Street, addressed the Council regarding the moratorium.

Bill Roberts, 36 Apache Court, addressed the Council regarding the moratorium.

Roger Letts, 98 Clinton Street, addressed the Council regarding the moratorium.

John Lohrstorfer, 712 Maple Street, addressed the Council regarding the moratorium.

Maureen Moravec, 1034 Midway Drive, Allegan County, addressed the Council regarding the moratorium.

Larry King, formerly of 913 Chambers Street, addressed the Council regarding the moratorium.

Matt O'Sullivan, 619 Green Street, addressed the Council regarding the moratorium.

Joann Nordin, 1073 Monroe Boulevard, addressed the Council regarding the moratorium.

Jim Schepers, 52 Lake Court, addressed the Council regarding the moratorium.

Joan Hoyt, 922 Hazel Street, addressed the Council regarding the moratorium.

Michael Burnett, 77 North Shore Drive, addressed the Council regarding the moratorium.

Pat Gaston, 97 Superior Street, addressed the Council regarding the moratorium.

Joyce Thompson, 51 Pine Street, addressed the Council regarding the moratorium.

Susan Ryan, 37 Cass Street, addressed the Council regarding the moratorium.

Amanda Soukup, 1310 Monroe Boulevard, addressed the Council regarding the moratorium.

Phil Hogg, 34 Grand Boulevard, addressed the Council regarding the moratorium.

James Leva, 263 Cherry Court, addressed the Council regarding the moratorium.

A Roll Call Vote was taken:

Yeas: Gruber, Patterson, Arnold, Fitzgibbon, Burr

Nays: Klavins, Kozlik Wall

Motion carried.

9. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda

Larry King, formerly of 913 Chambers Street, addressed the Council regarding a point of order issue.

Debbie Masterson, 27 Grand Boulevard, addressed the Council regarding two issues: (1) appreciating work by boards and commissions, City Council, City Manager Brian Disette and staff for turning this town into something very unique, and (2) concerns stemming from letters received by Monroe Park residents from a community group.

Barb Calhoun, 862 Monroe Boulevard, addressed the Council about points brought up by the prior speaker.

10. City Manager's Comments

None at this time.

11. Mayor and Councilperson's Comments

Kozlik Wall – Thank you for South Haven merchants for a fantastic WOW (Women's Only Weekend) even though the weather was cold. Leaf pick up will continue until it starts snowing. Thank you for everyone's comments and advises that sometimes we must agree to not agree. If you have questions call your councilmember or the city manager. Please get the facts. These are not hotels; we don't allow hotels in R-1 residential neighborhoods.

Gruber – Likes the rental homes, there is one down the street from his home. They are great neighbors. His family has done 16 rental vacations in other communities. He likes tourists and they help pay for his child's college education. As one of the commenter's mentioned, we are seeing an evolution in South Haven. We are trying to design something that will work for the types of larger new buildings. There are several options the Planning Commission to consider and he hopes it can be done quicker than 6 months. Lastly, please end the cyberbullying. It is coming from both sides.

Fitzgibbon – This moratorium is not stopping construction. It is about very large homes that are being built and rented out by 20-25 people. There were concerns spoken tonight that this will stop single family construction. Back in the 80s and 90s, the

condominium were stopped from taking all the waterfront views. This moratorium is a very short time period.

Patterson – Thank you for coming out. It's nice to see people who have never before come to a City Council meeting. Appreciates that some may have skin in the game but advises to keep your eyes open to all the issues going on in your city because one day it may affect you. Now is the time to have a say on this issue. You can go on our website and send us your comments.

Arnold – Thanks for all the new faces in the audience. We definitely need your comments to help make decisions. Last meeting he didn't get a chance to talk about Paul VandenBosch's leaving. Having worked with him on the Harbor Commission and as Harbormaster, his leaving is a huge loss. As for tonight's meeting, people talked about conflicts of interest – he's just a high school teacher and has no skin in the game. This doesn't stop any construction. The moratorium is for 6 months but we really don't anticipate it to last that long. Most everyone tonight seems in favor of rental ordinance. He voted for the moratorium to give Planning Commission, City Council, and residents' time for discussion.

Klavins – Is happy to be here since he had tumor in his spine that was pressing on his spinal cord. It was removed on the 28th. Over the weekend, he was a "yes" vote and didn't go to any special meetings. He stayed away because wanted to make up his own mind and hear both sides of the story. And that is why he was a "no" vote because he cares only for South Haven.

Burr – Thanks everyone for attending this evening. On a brighter note, we continue our search for grant money. We think we will be successful on the North Beach to rebuild that. Hopefully, we can make some announcements by the end of the year.

12. Adjourn

Moved by Patterson, seconded by Klavins, to adjourn the meeting.

Voted Yes: All. Motion carried. Meeting adjourned at 8:38 p.m.

RESPECTFULLY SUBMITTED,



Kate Hosier
Deputy City Clerk

Approved by City Council:

City Council

Special Meeting Workshop Minutes

Monday, November 16, 2015
6:00 p.m., Conference Room B



1. Call to Order by Mayor Burr at 6:00 p.m.

2. Roll Call

Present: Arnold, Fitzgibbon, Gruber, Klavins, Kozlik Wall, Patterson, Burr
Absent: None

3. Approval of Agenda

Moved by Kozlik Wall, seconded by Fitzgibbon, to approve the agenda.
Voted Yes: All. Motion carried.

4. Council will be asked to go into closed session pursuant to Michigan Open Meetings Act; Public Act No. 267 of 1976; MCL 15.268(h) to discuss a written legal opinion.

Moved by Gruber, seconded by Patterson, to go into closed session pursuant to Michigan Open Meetings Act; Public Act No. 267 of 1976; MCL 15.268(h) to discuss two written legal opinions.

A Roll Call Vote was taken:

Yeas: Arnold, Gruber, Klavins, Kozlik Wall, Patterson, and Burr
Nays: None.

Motion carried. Council adjourned into closed session at 6:01 p.m.

5. Adjourn

Moved by Kozlik Wall, seconded by Patterson, to open the Closed Session.
Voted Yes: All. Motion carried. Closed Session opened.

Moved by Fitzgibbon, seconded by Patterson, to adjourn the workshop meeting.
Voted Yes: All. Motion carried. Workshop meeting adjourned at 6:49 p.m.

RESPECTFULLY SUBMITTED,



Kate Hosier
Deputy City Clerk
Approved by City Council:

CITY OF SOUTH HAVEN**December 07, 2015**

	PREPAID	CURRENT	TOTAL
101-GENERAL FUND	\$ 140,116.20	\$ 48,878.82	\$ 188,995.02
202-MAJOR STREET FUND	\$ -	\$ 383.33	\$ 383.33
203-LOCAL STREET FUND	\$ -	\$ -	\$ -
204-STREET FUND	\$ -	\$ 136,191.80	\$ 136,191.80
226-GARBAGE/REFUSE FUND	\$ -	\$ -	\$ -
250-DOWNTOWN DEVELOPMENT	\$ 2,371.84	\$ 3,980.26	\$ 6,352.10
251-LDFA #1	\$ -	\$ -	\$ -
252- LDFA #2	\$ -	\$ -	\$ -
253-LDFA #3	\$ -	\$ -	\$ -
260-BROWNFIELD AUTHORITY	\$ -	\$ 98,706.15	\$ 98,706.15
265-NARCOTICS UNIT	\$ 329.30	\$ -	\$ 329.30
266-POLICE TRAINING	\$ -	\$ -	\$ -
296-RIVER MAINTENANCE	\$ -	\$ -	\$ -
363- CAPITAL BOND	\$ -	\$ -	\$ -
370- BUILDING AUTHORITY #2	\$ -	\$ -	\$ -
371-CAPITAL BOND DEBT SERV	\$ -	\$ -	\$ -
372-WATER PLANT FUND	\$ -	\$ -	\$ -
395-DDA DEBT SERVICE	\$ -	\$ -	\$ -
396- DDA DISTRICT #2	\$ -	\$ -	\$ -
401-CAPITAL PROJECTS	\$ 802.56	\$ 2,988.11	\$ 3,790.67
402-CAPITAL PROJECTS #2	\$ -	\$ -	\$ -
466- PAVILION AND ICE RINK	\$ -	\$ 6,000.00	\$ 6,000.00
545-BLACK RIVER PARK	\$ 305.31	\$ 2,275.72	\$ 2,581.03
577-BEACH FUND	\$ 472.58	\$ 248.69	\$ 721.27
582-ELECTRIC FUND	\$ 31,765.10	\$ 21,999.73	\$ 53,764.83
591-WATER FUND	\$ 9,109.15	\$ 62,891.06	\$ 72,000.21
592-SEWER FUND	\$ 6,089.10	\$ 80,753.18	\$ 86,842.28
594-MUNICIPAL MARINA	\$ 302.70	\$ 217.24	\$ 519.94
636-INFORMATION SERVICES	\$ -	\$ 23.45	\$ 23.45
661-MOTOR POOL	\$ 3,675.52	\$ 13,722.70	\$ 17,398.22
677-SELF INSURANCE	\$ -	\$ -	\$ -
703-TAX FUND	\$ 46,746.03	\$ -	\$ 46,746.03
718-TRUST & AGENCY	\$ -	\$ -	\$ -
750-EMPLOYEE WITHHOLDING	\$ -	\$ -	\$ -
TOTAL	\$ 242,085.39	\$ 479,260.24	\$ 721,345.63

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
Bank 1 FIFTH THIRD BANK						
11/19/2015	1	52726	002098	RAINEY FARMS	STRAW	645.00
11/19/2015	1	52727	000043	AIRGAS USA, LLC	CYLINDER RENTAL	54.56
11/19/2015	1	52728	003418	ALDI INC.	ELECTRIC REBATE YR 1	14,125.50
11/19/2015	1	52729	000088	AMERICAN HOIST,AIR & LUBE	ANNUAL HOIST INSPECTION	565.00
11/19/2015	1	52730	UB REFUND	ATTILI, PHOEBE	UB refund for account: 13677502	70.99
11/19/2015	1	52731	UB REFUND	BEACH CLUB OF SH	UB refund for account: 41447000	1,165.61
11/19/2015	1	52732	UB REFUND	BURNS, TRENTON M	UB refund for account: 10075014	10.09
11/19/2015	1	52733	000418	CDW GOVERNMENT INC	FIREWALL UPGRADE	101.74
11/19/2015	1	52734	000463	CITY OF SOUTH HAVEN	ELECTRIC REBATE - SKATE PARK YR 3 ACCT 4	130.00
11/19/2015	1	52735	UB REFUND	COLE, SELINA R	UB refund for account: 20252007	152.92
11/19/2015	1	52736	000514	CONSTRUCTION ASSOCIATES INC	BUILDING INSPECTIONS	4,273.05
11/19/2015	1	52737	003180	COPS HEALTH TRUST	INSURANCE	1,748.95
11/19/2015	1	52738	003378	CULLIGAN WATER OF ALLEGAN	BOTTLED WATER	53.00
11/19/2015	1	52739	000624	DELTA DENTAL OF MICHIGAN	INSURANCE	5,741.13
11/19/2015	1	52740	003399	DORE & ASSOCIATES CONTRACTING INC	HYDRANT METER DEPOSIT REFUND	500.00
11/19/2015	1	52741	000764	FASTENAL COMPANY	SUPPLIES	33.44
11/19/2015	1	52742	002992	FREIGHTLINER OF GRAND RAPIDS	SUPPLIES	25.12
11/19/2015	1	52743	000843	FRONTIER	TELEPHONE 269-637-3251-010165-5	227.98
					TELEPHONE 269-637-5493-070711-5	128.08
					TELEPHONE 616-040-1864-120202-5	29.20
					TELEPHONE 269-639-8034-092904-5	40.90
						<u>426.16</u>
11/19/2015	1	52744	MISC	GAIL PATTERSON	MEAL & MILEAGE REIMBURSEMENT	247.99
11/19/2015	1	52745	000902	GOLDEN BROWN BAKERY INC	DONUTS	51.00
11/19/2015	1	52746	000963	GRP ENGINEERING INC	CORE CITY SEC PHASE 3	1,596.24
					CORE CITY SEC PHASE 4	7,812.87
						<u>9,409.11</u>
11/19/2015	1	52747	003274	GUMINSKI, DUSTIN	MILEAGE REIMBURSEMENT	57.50
11/19/2015	1	52748	UB REFUND	GUY, LEVI H	UB refund for account: 40995005	98.39
11/19/2015	1	52749	UB REFUND	HENTSCHEL, DONALD F	UB refund for account: 10655010	250.60
11/19/2015	1	52750	003317	HERITAGE-CRYSTAL CLEAN, LLC	VAC PICKUP	1,468.00
11/19/2015	1	52751	003089	ROGER HUFF	2015 PDH LIBRARY REIMBURSEMENT	99.00
11/19/2015	1	52752	001107	HULL LIFT TRUCK INC	BOBCAT ROLLER RENTAL	135.00
11/19/2015	1	52753	001186	JENSEN'S EXCAVATING INC	INSTALL WATER TAP - 568 MOZART	1,735.00
					CRUSHED CONCRETE, SAND FILL & BULL DOZER	10,233.00
						<u>11,968.00</u>
11/19/2015	1	52754	UB REFUND	KOLALIS, JAMES W	UB refund for account: 20258008	83.50
11/19/2015	1	52755	MISC	LAKE ARVESTA FARMS LLC	ELECTRIC REBATE	147.12
11/19/2015	1	52756	001329	LAKE MICHIGAN COLLEGE	PROPERTY TAX COLLECTIONS	2,561.60
11/19/2015	1	52757	003417	LAND INFORMATION ACCESS ASSOCIATION	GREAT LAKES TRAIL TOWN PROJECT	5,000.00
11/19/2015	1	52758	001373	LAWN BOYS INC	IRRIGATION REPAIR - MARINA	216.00
					LANDSCAPING INSTALLATION - LYBERTY HYDE	16,000.00
					LAWNCARE & IRRIGATION TURN OFFS	1,300.00
						<u>17,516.00</u>
11/19/2015	1	52759	UB REFUND	LEFLER, ZACHARY T	UB refund for account: 40340004	48.47
11/19/2015	1	52760	001405	LINCOLN NATIONAL LIFE INS CO	INSURANCE	3,042.24
11/19/2015	1	52761	UB REFUND	LYNCH, JORDAN M	UB refund for account: 11359010	98.13
11/19/2015	1	52762	UB REFUND	MEHTA, RAJNI T	UB refund for account: 20025710	90.83

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
11/19/2015	1	52763	001544	MENARDS	MAINTENANCE SUPPLIES	665.20
11/19/2015	1	52764	UB REFUND	MEYER, KIMBERLY E	UB refund for account: 31040016	29.99
11/19/2015	1	52765	001657	MICHIGAN TOWNSHIP SERVICES	ELECTRICAL INSPECTIONS	2,354.25
11/19/2015	1	52766	UB REFUND	MORA, MARIA A	UB refund for account: 30560101	532.62
11/19/2015	1	52767	UB REFUND	MUNOZ, ESTEBAN	UB refund for account: 13609803	100.00
11/19/2015	1	52768	001888	OKUN BROTHERS SHOES	BOOTS	148.46
					BOOTS	148.46
					BOOTS	118.46
						<u>415.38</u>
11/19/2015	1	52769	UB REFUND	PALANZI, EDWARD P	UB refund for account: 31195002	1.72
11/19/2015	1	52770	001965	PEERLESS MIDWEST INC	CHECK OUT VFD FAULTING	625.00
11/19/2015	1	52771	UB REFUND	PLEASANT VIEW MHP-SOUTH HAVEN	UB refund for account: 20411002	57.77
11/19/2015	1	52772	UB REFUND	PLEASANT VIEW MHP-SOUTH HAVEN	UB refund for account: 20738001	90.50
11/19/2015	1	52773	002033	PRI MAR PETROLEUM INC	CARS WASHED	22.50
11/19/2015	1	52774	UB REFUND	QUINN, THOMAS R	UB refund for account: 10625004	49.77
11/19/2015	1	52775	UB REFUND	ROBERTS, LORETTA	UB refund for account: 20917000	255.30
11/19/2015	1	52776	003143	ROLAND ELECTRIC LLC	REPAIR EXIT GATE AT BLACK RIVER PARK	60.00
					REPAIR GRINDER AT BLACK RIVER PARK	200.00
					REPLACE RECEPTACLE AT NORTH SIDE MARINA	77.27
						<u>337.27</u>
11/19/2015	1	52777	MISC	S C ENVIRONMENTAL	HYDRANT DEPOSIT REFUND	500.00
11/19/2015	1	52778	002268	SECURALARM SYSTEMS INC	SERVICE CALL	480.00
11/19/2015	1	52779	003098	SHAWN SMITH	CPR & AED TRAINING	900.00
11/19/2015	1	52780	002410	SOUTH HAVEN MEMORIAL LIBRARY	PROPERTY TAX COLLECTION	823.57
11/19/2015	1	52781	002415	SOUTH HAVEN PUBLIC SCHOOLS	PROPERTY TAX COLLECTION	28,335.80
11/19/2015	1	52782	002513	STEEL CENTER SUPPLY CO	MAINTENANCE SUPPLIES	45.03
					MAINTENANCE SUPPLIES	306.54
					MAINTENANCE SUPPLIES	60.48
						<u>412.05</u>
11/19/2015	1	52783	002514	STEENSMA LAWN & POWER EQUIP	REPAIRS	187.36
11/19/2015	1	52784	002589	TERMINIX PROCESSING CENTER	EXTERMINATING SERVICE	45.00
11/19/2015	1	52785	002698	U S BUSINESS SYSTEMS INC	CONTRACT COVERAGE 10/01 - 12/31/15	109.50
11/19/2015	1	52786	003327	UNITED HEALTHCARE INSURANCE CO	HEALTH INSURANCE PREMIUMS	66,291.63
11/19/2015	1	52787	002728	USA BLUE BOOK	LAB SUPPLIES	114.26
					LAB SUPPLIES	41.32
						<u>155.58</u>
11/19/2015	1	52788	002752	VAN BUREN COUNTY DRAIN	DRAIN ASSESSMENTS	12,847.82
11/19/2015	1	52789	002757	VAN BUREN COUNTY TREASURER	PROPERTY TAX COLLECTION	15,025.06
11/19/2015	1	52790	002769	VAN METER & ASSOCIATES INC	DICIPLINE & TERMINATION REGISTRASTION	170.00
11/19/2015	1	52791	002792	VERIZON WIRELESS	CELL PHONES 542074882-00001	69.12
11/19/2015	1	52792	003076	KEVIN WILDEY	MEALS REIMBURSEMENT	41.82
					CLOTHING ALLOWANCE	147.48
						<u>189.30</u>
11/19/2015	1	52793	002936	WINKEL'S COMMUNICATION INC	RADIO SYSTEM MAINTENANCE SEP - OCT 15	390.00
11/19/2015	1	52794	002949	WOLVERINE HARDWARE	MAINTENANCE SUPPLIES	1.79
					MAINTENANCE SUPPLIES	9.99
					MAINTENANCE SUPPLIES	1.13
					MAINTENANCE SUPPLIES	14.49

12/01/2015 04:49 PM
User: MARGUE
DB: South Haven

CHECK REGISTER FOR CITY OF SOUTH HAVEN
CHECK DATE FROM 11/17/2015 - 11/19/2015

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
					MAINTENANCE SUPPLIES	1.98
					MAINTENANCE SUPPLIES	35.82
					MAINTENANCE SUPPLIES	71.02
					MAINTENANCE SUPPLIES	5.76
					MAINTENANCE SUPPLIES	19.98
					MAINTENANCE SUPPLIES	14.76
						<u>176.72</u>
11/19/2015	1	52795	002953	WOODHAMS, INC , DON	REPAIRS	<u>1,793.40</u>

1 TOTALS:

Total of 70 Disbursements:

216,633.92

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
Bank 1 FIFTH THIRD BANK						
11/25/2015	1	52796	003126	8TH DISTRICT COURT	CASH BOND DEVON OVERHUEL	100.00
11/25/2015	1	52797	000050	ALEXANDER CHEMICAL CORP	CHEMICALS DEPOSIT REFUND	2,880.91 <u>(1,000.00)</u> 1,880.91
11/25/2015	1	52798	UB REFUND	ALLEN EDWIN HOMES	UB refund for account: 15109400	271.03
11/25/2015	1	52799	UB REFUND	BAUTISTA, BENITO LOPEZ	UB refund for account: 13605404	165.99
11/25/2015	1	52800	003420	CALEBRE PRESS	BULLETPROOFWARRIOR REGISTRATION	945.00
11/25/2015	1	52801	000453	CHIEF SUPPLY CORP	PATROL JACKET	227.29
11/25/2015	1	52802	000471	CITY PLUMBING & HEATING CO	PREVENTIVE MAINTENANCE	288.76
11/25/2015	1	52803	000502	COMMUNITY ANSWERING SERVICE	ANSWERING SERVICES	954.45
11/25/2015	1	52804	UB REFUND	DARLING, BREANNA N	UB refund for account: 10484031	61.73
11/25/2015	1	52805	003127	ADAM DE BOER	MEALS REIMBURSEMENT EVIDENCE DESTRUCTION REIMBURSEMENT	57.16 <u>69.53</u> 126.69
11/25/2015	1	52806	000716	EJ USA INC	SUPPLIES	1,726.94
11/25/2015	1	52807	000764	FASTENAL COMPANY	SUPPLIES	7.49
11/25/2015	1	52808	000843	FRONTIER	TELEPHONE 269-637-5084-060311-5 TELEPHONE 269-637-8578-032095-5 TELEPHONE 616-040-3325-112972-5 TELEPHONE 269-637-2877-050814-5 TELEPHONE 269-639-3050-082313-5 TELEPHONE 269-637-3376-081214-5	275.36 55.78 58.39 59.63 636.77 <u>54.81</u> 1,140.74
11/25/2015	1	52809	001046	HERALD PALLADIUM	ADVERTISING & PUBLISHING	2,080.88
11/25/2015	1	52810	001412	LITTLE OSCAR'S SCREEN PRINTS	UNIFORMS	228.00
11/25/2015	1	52811	UB REFUND	MASHBURN, COREY L	UB refund for account: 31214012	307.09
11/25/2015	1	52812	001544	MENARDS	MAINTENANCE SUPPLIES MAINTENANCE SUPPLIES MAINTENANCE SUPPLIES MAINTENANCE SUPPLIES	914.81 25.94 196.31 <u>7.84</u> 1,144.90
11/25/2015	1	52813	001610	MICHIGAN GAS UTILITIES	NATURAL GAS 4776012-9 NATURAL GAS 4778754-4 NATURAL GAS 4999209-2 NATURAL GAS 4713051-3 NATURAL GAS 4714392-0 NATURAL GAS 4716744-0 NATURAL GAS 4717977-5 NATURAL GAS 5258805-0 NATURAL GAS 5290828-2 NATURAL GAS 5212286-8 NATURAL GAS 4709428-9 NATURAL GAS 4709495-8 NATURAL GAS 4716366-2 NATURAL GAS 5110094-9	311.64 37.25 85.20 180.87 59.25 45.31 46.42 139.42 102.87 12.00 73.31 1,000.38 1,403.13 <u>1,309.68</u> 4,806.73

12/01/2015 04:50 PM
User: MARGUE
DB: South Haven

CHECK REGISTER FOR CITY OF SOUTH HAVEN
CHECK DATE FROM 11/20/2015 - 12/01/2015

Page: 2/2

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
11/25/2015	1	52814	002020	POWER LINE SUPPLY CO	MAINTENANCE SUPPLIES	3,039.94
11/25/2015	1	52815	002386	SOUTH HAVEN AREA CHAMBER	SUMMIT 2015 REGISTRATION	180.00
11/25/2015	1	52816	003132	SOUTH HAVEN HEALTH SYSTEM	PHYSICALS LAB SERVICES	1,001.96 140.00
						<hr/> 1,141.96
11/25/2015	1	52817	002461	SPRING BROOK SUPPLY	SUPPLIES	35.12
11/25/2015	1	52818	002478	STAPLES ADVANTAGE	SUPPLIES	337.81
11/25/2015	1	52819	002492	STATE OF MICHIGAN	SUPPRESSED PLATES RENEWAL	52.00
11/25/2015	1	52820	002583	TELE-RAD INC	INSTALL INTERSECTOR UNDER MIRROR	466.90
11/25/2015	1	52821	002701	ULINE	SUPPLIES	32.32
11/25/2015	1	52822	002721	UPLINK SECURITY LLC	MONTHLY SERVICE FEE	7.45
11/25/2015	1	52823	002728	USA BLUE BOOK	LAB SUPPLIES LAB SUPPLIES LAB SUPPLIES	134.60 986.20 61.69
						<hr/> 1,182.49
11/25/2015	1	52824	002792	VERIZON WIRELESS	CELL PHONES 486573081-00002 CELL PHONES 742053338-00001 CELL PHONES 486573081-00001 CELL PHONES 886568152-00001	38.01 429.83 840.55 870.68
						<hr/> 2,179.07
11/25/2015	1	52825	002799	VILLAGE MARKET	FUEL FUEL FUEL FUEL FUEL	39.75 84.09 43.56 49.83 49.56
						<hr/> 266.79
11/25/2015	1	52826	002883	WEST MICHIGAN DOCUMENT	SHREDDING SERVICE	65.00
						<hr/> 65.00

1 TOTALS:

Total of 31 Disbursements:

25,451.47

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
Bank 1 FIFTH THIRD BANK						
12/07/2015	1	52827	000014	ABONMARCHE CONSULTANTS INC	TOPO/BOUNDARY SURVEY 428 SUPERIOR LIBRARY BUILDING REPAIRS BLACK RIVER PARK - CANOE/KAYAK LAUNCH RIVER RIDGE SITE PLAN REVIEWS BAARS BLDG DEMOLITION/RE-DEVELOPMENT 2015 STREET RESURFACING PROJECTS - CENTE ENGINEERING ASSISTANCE DEMOLITION FOR OVERTON FACTORY PROJECT 1 ADA IMPROVEMENTS FOR CENTER FOR THE ARTS	2,175.00 1,225.00 2,873.75 2,321.25 1,800.00 4,495.95 6,803.89 349.75 499.28 <u>22,543.87</u>
12/07/2015	1	52828	003073	ALS GROUP USA, CORP	CHEMICAL ANALYSIS	740.00
12/07/2015	1	52829	003128	LINDA ANDERSON	MILEAGE & POSTAGE REIMBURSEMENT	53.89
12/07/2015	1	52830	000145	ARISTA TRUCK SYSTEMS, INC	SUPPLIES	109.50
12/07/2015	1	52831	000161	ASPLUNDH TREE EXPERT CO	SPRAYING	4,932.80
12/07/2015	1	52832	000177	AUTO-WARES GROUP	REPAIR/MAINT SUPPLIES- ACCT #23300720 REPAIR/MAINT SUPPLIES- ACCT #23300720	302.20 284.99 <u>587.19</u>
12/07/2015	1	52833	000229	BEAVER RESEARCH COMPANY	SUPPLIES	1,362.50
12/07/2015	1	52834	MISC	BRIAN TIMMER	REFUND MECHANICAL PERMIT FEES	150.00
12/07/2015	1	52835	000418	CDW GOVERNMENT INC	ROUTER FOR ELKENBURG PARK CAMERA PROJECT CAMERA FOR ELECTRIC INVENTORY WEATHERSHIELD KITS FOR EXTERIOR CAMERAS TONER CAMERS FOR DPW TONER	667.72 322.77 101.16 115.45 2,389.25 64.48 <u>3,660.83</u>
12/07/2015	1	52836	000471	CITY PLUMBING & HEATING CO	MAINTENANCE AGREEMENT - CITY HALL MAINTENANCE AGREEMENT - PSB	1,030.00 1,982.00 <u>3,012.00</u>
12/07/2015	1	52837	000505	COMPTON INC	INSTALL WATER SERVICE AT 615 CHERRY ST MOVE TRAILERS STREET RESURFACING PROJECT	7,289.00 200.00 131,143.38 <u>138,632.38</u>
12/07/2015	1	52838	000517	CONSUMERS CONCRETE CORP	MANHOLE ADJUSTMENT RINGS QUIKRETE	88.00 170.25 <u>258.25</u>
12/07/2015	1	52839	000519	CONSUMERS ENERGY	ELECTRIC 1000 1414 0568 ELECTRIC 1000 1414 0840 ELECTRIC 1000 1414 0337	37.02 36.14 61.09 <u>134.25</u>
12/07/2015	1	52840	MISC	DEEM LLC	REFUND MECHANICAL PERMIT FEE	850.00
12/07/2015	1	52841	003398	ECO DEMOLITION, INC.	229 ELKENBURG DEMOLITION	98,706.15

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
12/07/2015	1	52842	000718	ELECSYS INTERNATIONAL CORP	MONTHLY MAINTENANCE	267.00
12/07/2015	1	52843	003123	EMERGENCY VEHICLE PRODUCTS F161733	2016 FORD UTILITY VEHICLE 2016 FORD UTILITY VEHICLE	4,300.98 4,352.31
						<u>8,653.29</u>
12/07/2015	1	52844	000776	FIDLAR TECHNOLOGIES INC	BAIL BOND	50.12
12/07/2015	1	52845	000843	FRONTIER	TELEPHONE 269-637-9127-080204-5 TELEPHONE 616-001-2946-100103-5 TELEPHONE 616-040-6480-021893-5 TELEPHONE 269-639-2048-112509-5 TELEPHONE 269-637-0261-052112-5 TELEPHONE 269-639-9531-040500-5 TELEPHONE 231-189-0674-032599-5 TELEPHONE 616-001-7480-082802-5 TELEPHONE 269-637-7466-021392-5 TELEPHONE 269-637-4778-082302-5 TELEPHONE 269-637-7926-011395-5 TELEPHONE 269-637-3649-041905-5 TELEPHONE 269-637-1386-071613-5 TELEPHONE 269-637-1402-071613-5 TELEPHONE 269-639-795-082214-5	83.43 74.16 26.28 46.44 153.25 110.36 2,344.78 70.23 485.91 46.46 35.02 48.36 58.56 113.81 64.60
						<u>3,761.65</u>
12/07/2015	1	52846	000847	FUEL MANAGEMENT SYSTEM	FUEL	4,546.48
12/07/2015	1	52847	UB REFUND	GORDON, BECA	UB refund for account: 31376008	34.95
12/07/2015	1	52848	000911	GOVERNMENT FINANCE OFFICERS ASSOC	MEMBERSHIP FEES 2016	170.00
12/07/2015	1	52849	001067	HI TEC BUILDING SERVICES	JANITORIAL SERVICE	3,467.87
12/07/2015	1	52850	001102	HUBBELL, ROTH & CLARK INC	SOUTH HAVEN WWTP O&M MANUAL & AMP WWTP &	15,332.30
12/07/2015	1	52851	001120	HYDRO DESIGNS INC	CROSS CONNECTION CONTROL PROGRAM	995.00
12/07/2015	1	52852	001162	INTERSTATE BATTERY SYSTEMS	BATTERIES	217.90
12/07/2015	1	52853	003421	K & M NORTHFIELD DODGE	REPAIRS	22.00
12/07/2015	1	52854	001271	K-JAM SUPPLY INC	SUPPLIES	1,070.88
12/07/2015	1	52855	001396	LEXIS NEXIS MATTHEW BENDER	MI PENAL CODE & MOTOR VEHICLE LAW HANDBO	59.44
12/07/2015	1	52856	001544	MENARDS	MAINTENANCE SUPPLIES MAINTENANCE SUPPLIES	145.84 51.56 134.12 11.60 40.03 29.99 6.16 150.66 53.83 59.92 213.75 6.54 27.15 114.36
						<u>1,045.51</u>
12/07/2015	1	52857	001582	MICHIGAN ASSOC OF CHIEFS OF POLICE	MEMBERSHIP DUES - NATALIE THOMPSON	100.00
12/07/2015	1	52858	001585	MICHIGAN ASSOC OF MUNICIPAL CLERKS	ANNUAL MEMBERSHIP - AMANDA MORGAN	60.00
12/07/2015	1	52859	001619	MICHIGAN MUNICIPAL LEAGUE	CLASSIFIED AD	132.40
12/07/2015	1	52860	001704	MISS DIG SYSTEM INC	ANNUAL MEMBERSHIP	823.00
12/07/2015	1	52861	001888	OKUN BROTHERS SHOES	BOOTS	103.46
12/07/2015	1	52862	001916	OVERISEL LUMBER CO	WOOD	15.58
12/07/2015	1	52863	002002	PLUMBER'S PORTABLE TOILETS	RENTALS	140.00

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
12/07/2015	1	52876	002507	STATE OF MICHIGAN-MDOT	SIGNAL ENERGY	383.33
12/07/2015	1	52877	002514	STEENSMA LAWN & POWER EQUIP	REPAIRS	27.09
12/07/2015	1	52878	002599	THAYER INC	PARKS SUPPLIES	25.58
					DPW SUPPLIES	816.06
						<u>841.64</u>
12/07/2015	1	52879	002644	TRACE ANALYTICAL LAB INC	CHEMICAL ANALYSIS	1,085.00
12/07/2015	1	52880	002665	TREECORE	TREE WORK	16,963.50
12/07/2015	1	52881	002701	ULINE	SUPPLIES	294.45
12/07/2015	1	52882	002728	USA BLUE BOOK	DISTRIBUTION SYSTEM FLUSHING EQUIPMENT	3,619.75
12/07/2015	1	52883	002799	VILLAGE MARKET	FUEL	36.87
					FUEL	82.61
					FUEL	35.74
						<u>155.22</u>
12/07/2015	1	52884	002843	RON WASHEGESIC	CAMERA SEWER	120.00
12/07/2015	1	52885	003220	WINGFOOT COMMERCIAL TIRE SYSTEMS	TIRES	747.20
12/07/2015	1	52886	002949	WOLVERINE HARDWARE	MAINTENANCE SUPPLIES	33.09
					MAINTENANCE SUPPLIES	41.64
					MAINTENANCE SUPPLIES	17.44
					MAINTENANCE SUPPLIES	12.50
					MAINTENANCE SUPPLIES	18.71
					MAINTENANCE SUPPLIES	91.93
					MAINTENANCE SUPPLIES	30.45
					MAINTENANCE SUPPLIES	12.58
					MAINTENANCE SUPPLIES	5.92
					MAINTENANCE SUPPLIES	13.49
						<u>277.75</u>

1 TOTALS:

Total of 60 Disbursements:

479,260.24



City of South Haven

Dept. of Public Works

DPW Building • 1199 8th Ave. • South Haven, Michigan 49090
Telephone (269) 637-0737 • Fax (269) 637-4778

MEMORANDUM

To: Brian Dissette, City Manager
Tom Martin, Police Chief
Natalie Thompson, Assistant Police Chief

From: Larry Halberstadt, PE, City Engineer

Date: December 7, 2015

RE: Motor Pool Purchase, Detective Vehicle

General Information, Motor Pool Fund

Vehicle purchases are scheduled on a revolving basis. Each department that requires vehicles pays fees from their operating budget into the Motor Pool fund. The annual fees that are paid into the fund cover maintenance and repairs that are required over the service life of the vehicle. In addition, fees are collected to cover the purchase price of a new vehicle at the end of the vehicle's service life. Once beyond this point, vehicles can become unreliable or need excessive maintenance which exceeds the amount budgeted. Police patrol vehicles receive the most use and are scheduled for replacement every three years. As a result, higher fees are contributed into the Motor Pool fund from the police department to cover these expenses. Once a replacement vehicle is purchased, the old vehicle is retired and sold via a public bidding process. Staff will look up the "blue book" value of the vehicle and ensure that a minimum bid level is set. Money obtained from the sale of the old vehicles is returned to the motor pool fund as revenue.

The City has one staff member who spends approximately 95% of his work hours in the Motor Pool. This staff member is responsible for all general maintenance activities on vehicles. The activities typically performed included oil and filter changes, tire rotations and changes, and other manufacturer recommended maintenance. Staff typically does not repair body damage or perform alignments. On occasion, if there is a problem that staff cannot diagnose, the vehicles must be returned to the dealership. In addition, vehicles under manufacturer's warranty would be returned to the dealership for warranty repairs.

Background Information:

A Chevy Impala 4 door sedan is scheduled for replacement. This vehicle is assigned to the police department and is used as a non-patrol vehicle by the City's detective. The South Haven police department currently provides services in the City Limits and throughout South Haven Charter Township.

Law enforcement personnel have requested that an all wheel drive (AWD) vehicle be purchased. This will improve the level of service during inclement winter weather throughout the expanded service area being patrolled by the department. Several vehicles have been considered including the Ford Escape (a small SUV) and the Ford Fusion (a mid-sized sedan). AWD is only available

Memorandum

May 12, 2015

Motor Pool Purchase, Police Patrol Vehicles

Page 2 of 2

on limited higher end trim levels for the Ford Fusion. As a result, that vehicle was eliminated from consideration.

The City of South Haven participates in the MiDEAL purchasing program. MiDEAL allows local units of government to benefit from the State's negotiating and purchasing power. MiDEAL prepares and provides specifications for various vehicles to ensure that a fair bidding process can occur. The vehicle to be purchased is to meet Michigan Spec. #3958-0083, Utility, 4-door, 900 lbs minimum payload. The make of vehicle meeting this specification is the Ford Escape SE.

Staff has reviewed the MiDEAL bids for this vehicle specification and requested that Woodhams Ford, located in South Haven, Michigan, provide alternate pricing. Woodhams is typically able to offer the same manufacturer discounts that are offered to the dealers that participate in the MiDEAL program. As a result, we are able to do business locally and avoid the delivery fees associated with the MiDEAL program.

Varsity Ford of Ann Arbor, Michigan is the Ford dealer that participates in the MiDEAL program for the vehicle selected. They have provided a price of \$22,054 for the base vehicle that meets the state specifications. Varsity Ford also charges \$2.00 per mile for delivery which would amount to approximately \$272.00. Woodhams Ford has provided a quote of \$24,182 for a vehicle that is already on the lot and ready for delivery. The difference in the quote is due to various options on the in stock vehicle that cannot be removed. The vehicle being replaced has developed a severe oil leak and has recently suffered transmission issues. Thus, it is recommended that the replacement be obtained as soon as possible by purchasing the in stock vehicle from Woodhams. This will avoid the need for costly repairs to the vehicle to be retired.

Recommendation:

Award the purchase of one 2016 Ford Escape SE to Woodhams Ford of South Haven, Michigan in the amount of \$24,182.00.

Support Material:

Bid – Woodhams Ford

Don Woodhams Inc
Ford Lincoln
1111 LaGrange
South Haven, MI 49090
269-637-2137, 269-637-8060 Fax
ross@woodhamsford.com

12/2/2015

City of South Haven
RE: Detective vehicle
Attn: Larry Halberstadt

2016 Ford Escape SE 4 door - in stock selection
All standard equipment per attached sheet
All Wheel Drive
1.6L EcoBoost 4 cylinder gasoline engine
6 Speed Automatic Select Shift Automatic
201A package - package discount includes SE convenience group,
Reverse sensing, sync system, perimeter alarm
Power Liftgate

Factory MSRP \$29,235

Net price - \$24,182

Plus \$15 title fee

Ross Woodhams



City of South Haven

Department of Public Works

DPW Building • 1199 8th Ave. • South Haven, Michigan 49090
Telephone (269) 637-0737 • Fax (269) 637-4778

MEMORANDUM

To: Brian Dissette, City Manager
From: Larry Halberstadt, PE, City Engineer
Date: December 7, 2015
RE: State Mandated Bridge Inspections
Approval of Contract

Background Information:

As part of the National Bridge Inventory system, the Federal Highway Administration (FHWA) requires all bridges subject to vehicular traffic to have a safety inspection performed every two years. In Michigan, the Department of Transportation (MDOT) administers this program for FHWA. The City currently owns and operates one bridge that is required to participate in this program, the Dyckman Avenue Bascule Bridge over the Black River.

The last safety inspection for this bridge was performed by Hardesty & Hanover in December of 2013. It is now time to perform the required biennial safety inspection. In addition, MDOT requires that we perform additional, detailed inspections of the fracture critical members on the Bascule Bridge. A fracture critical member is a steel member with a tension element whose failure would probably cause serious structural damage, closing the bridge to traffic. The main beams and possibly other structural members on the Bascule Bridge are fracture critical. Performing the detailed inspections of the fracture critical members is the primary method of ensuring that future problems do not develop.

This year, MDOT received additional scrutiny from the FHWA related to Metric #19: Inspection procedures – Complex Bridges. This Metric is part of the National Bridge Inspection Program standards. The Dyckman Avenue Bascule Bridge is classified as a complex bridge because it contains electrical systems, mechanical systems, and other operational systems and controls that permit the bridge to be opened for river navigation. The objective of Metric #19 is to assure that all complex bridges have specialized inspection procedures which clearly identify the complex features, inspection frequency of those features, unique specific risk factors, and detailed inspection methods and equipment to be employed. Although this does seem to be a regulatory burden, it should be used as an opportunity to develop a proper operations and maintenance manual that will be useful to staff in maintaining the bridge in a state of good repair.

These inspections are not optional. Failure to complete these inspections could lead to a withholding of all federal funding being provided to the City of South Haven via MDOT, including Act 51 major street funds.

Memorandum

December 7, 2015

State Mandated Bridge Inspections

Approval of Contract

Page 2 of 2

The City has requested a proposal from Hardesty & Hanover to perform the required safety inspection, fracture critical inspection, and to develop the specialized inspection procedures that are required to comply with Metric #19. They have developed a cost for two options. The first option would be the minimum work necessary to comply with Metric #19. The second option would include additional mechanical and electrical inspections.

At this point in time, the mechanical and electrical systems are considered to be in good condition due to completion of the rehabilitation project earlier this year. As a result, staff recommends approval of option 1 at this time. The specialized inspection procedures that will be developed will likely require detailed mechanical and electrical inspections in future years. Due to the cost of these inspections, the City will need to adjust the budget to ensure adequate funding is available in future years.

Hardesty & Hanover has performed inspections for the City since 2009 and served as the designer of the recent rehabilitation project. In addition, they have experience in assisting MDOT with Metric #19 compliance for State Trunkline Bridges.

Recommendation:

Award contract for routine inspection, fracture critical inspection, and Metric #19 compliance to Hardesty & Hanover in the amount of \$19,534.25.

Support Material:

Metric 19 Letter from MDOT – January 28, 2015

Metric #19 Inspection procedures – Complex Bridges

Hardesty & Hanover Proposal – November 16, 2015



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
BAY CITY TRANSPORTATION SERVICE CENTER

KIRK T. STEUDLE
DIRECTOR

January 28, 2015

Larry Halberstadt
City of South Haven
1199 8th Avenue
South Haven, MI 48090

Dear Mr. Halberstadt:

Subject: National Bridge Program Review
Metric 19 Inspection Procedures – Complex Bridges

The Federal Highway Administration has determined that the requirements of Metric 19 Inspection Procedures – Complex Bridges were not achieved as a result of the 2014 (PY15) National Bridge Inspection Program Review (NBIP). The evaluation of this metric is in association with the regulations promulgated under 23 CFR Part 650.313(f) of the National Bridge Inspection Standards (NBIS).

The objective is to assure that all complex bridges have specialized inspection procedures which clearly identify the complex features, inspection frequency of those features, unique specific risk factors, and detailed inspection methods and equipment to be employed. Also, to establish recognized criteria and processes for additional inspector training, necessary experience for inspecting complex structures, and monitoring to verify the work is completed according to established policy. Information describing the NBIP review for the metric may be accessed online at the following webpage: <http://www.fhwa.dot.gov/bridge/nbip/metrics.pdf>

The Michigan Department of Transportation (MDOT) issued a formal response to the finding during December 2014. In order for improved understanding of the requirements meetings will be scheduled with each bridge owner during the month of May. The discussion will focus on current inspection activities that are occurring to identify improvements that may be accomplished, documenting the inspection procedures, and the associated costs of complying with NBIS.

The Plan of Corrective Action (PCA) requires the establishment of an implementation schedule for the development of procedures, required inspection team leader experience, and frequencies for in-depth inspection of structural, mechanical, and electrical components by September 1, 2015. An implementation schedule must also be enacted by each agency and provided to MDOT by November 1, 2015.

Mr. Larry Halberstadt
City of South Haven
January 28, 2015

A request for a date and time to meet will be forthcoming. If you have any questions or concerns please contact me at (517) 749-4274.

Sincerely,

A handwritten signature in black ink that reads "Richard D. Kathrens". The signature is written in a cursive style with a large initial 'R'.

Richard Kathrens, P.E.
Bridge Safety Inspection Engineer
Bridge Field Services

RK:

cc: Mark Lewis, FHWA Bridge Program Leader
Matthew Chynoweth, Engineer of Bridge Field Services
Eric Burns, Bridge Field Services
Andrew Bouvy, Bridge Field Services
File

NBIS Reference: 23 CFR 650.313 (f) – Complex bridges

- Criteria**
- Complex bridges have the following identified:
 - Specialized inspection procedures which clearly identify the complex features, specify the frequency of inspection of those features, describe any specific risk factors unique to the bridge, and clearly detail inspection methods and equipment to be employed.
 - Additional inspector training and experience required to inspect complex bridges.
 - Complex bridges are inspected according to those procedures.

Population: Bridges for the entire State or selected geographic/owner subset that are complex bridge types.

- Compliance Levels**
- Compliance (C):** All of the following must be met for C:
- All complex bridges have specialized written inspection procedures and have any required additional inspector training and experience identified.
 - All complex bridges are inspected according to the specialized procedures, and inspectors of those bridges have the identified additional training and experience.
- Substantial Compliance (SC):** All of the following must be met for SC:
- At least 90% of complex bridges have specialized written inspection procedures and have additional inspector training and experience requirements.
 - At least 90% of complex bridges are inspected according to the specialized procedures, and inspectors have the identified additional training and experience.
- Non-Compliance (NC):** One or more SC criteria not met.
- Conditional Compliance (CC):** Adhering to FHWA approved plan of corrective action (PCA).

- Assessment Levels (AL)**
- Minimum Assessment (Min-AL):** Perform all of the following:
- Monitor PCA if in effect.
 - Assess based on previous review results and the reviewer’s knowledge and awareness of complex bridge inspection procedures.
- Intermediate Assessment (Int-AL):** In addition to the Min-AL:
- Randomly sample bridges identified as complex using Intermediate criteria.
 - Verify that sample bridge files identify specialized inspection procedures, and training and experience, and that the additional training or experience has been met by the inspectors.
 - Include site visits of sample bridges in the field review sample for Metric 12 and 22.
- In-Depth Assessment (InD-AL):** In addition to the Int-AL:
- Randomly sample bridges using In-depth criteria.
 - Observe some complex bridge inspections being conducted to ensure specialized procedures are being followed.
 - Review NBI bridge data to check independently if any bridges, currently not identified as complex, may in fact be.

General: *Complex features* found in complex bridges include, but are not limited to:

- suspension cables
- stay cables
- anchorages of cables and post-tensioning
- electrical systems
- mechanical systems
- operational systems and controls
- other unusual characteristics which may include:
 - floating bridge components
 - materials with known problems
 - special seismic features

Features may be considered complex due to design, constructability, and/or inspectability issues.

Complex bridges must be inspected according to the written inspection procedures for the bridge and by inspectors with the additional training and experience specified, which should result in thorough inspections yielding accurate condition assessments.

Specific risk factors include, but are not limited to:

- complex structural response
- difficult access
- specialized inspection equipment needs
- high ADT & ADTT
- low redundancy
- history of past problems

By identifying these conditions or risk factors in the inspection procedures, the complex bridge inspectors can appropriately prepare for, and perform, a thorough inspection.

Population: Complex bridges are defined in the NBIS as movable, suspension, cable stayed, and other bridges with unusual characteristics. States have the flexibility to define additional bridges that they consider to be complex because of unusual characteristics. If additional bridge types are considered complex, include them in the population.

Compliance levels: Acceptable *specialized written inspection procedures* are those procedures required in the NBIS for specific types of more complex inspections, in this case for complex bridges, to address those items that need to be communicated to the inspection team leader to insure a successful inspection. These inspections must be planned and prepared for, taking into account identified complex features (detailed above), risk factors (detailed above), inspection methods and frequencies, and the required qualifications of inspecting personnel. The AASHTO Manual (MBE), Section 4, has general considerations regarding inspection plans.

An owner may have general inspection procedures in their bridge inspection manual which address common aspects of inspecting particular features; however, each complex bridge with unique elements requiring special inspection must have specific written inspection procedures. These procedures must identify which features have unusual characteristics and detail how to inspect them. The prior inspection report is valuable to review for previous inspection findings, but most often does not serve the same purpose as the inspection procedures. The inspection report records what an inspector actually did, what was looked at, and what was found. Procedures lay out what should be done, looked at, etc. However, the required procedures may be incorporated into the report, many times as an introductory section, and this is certainly an acceptable practice.

Assessment levels: The process for determining the number and selection of sample bridges for inclusion in the field review sample for Metric 12 and 22 is covered in the *Field Review Guidance* section of this document.

The reviewer should, for those bridges selected from this metric for field review, look for any evidence of risk factors or unique circumstances or conditions at each site. Then evaluate whether the inspection procedures developed for these bridges adequately address these items, and also whether the inspection reports adequately address them, as appropriate.

Bridges sampled, but not field reviewed, should have the inspection procedures and the inspection reports evaluated likewise, but with no field assessment in this case an alternative might be comparing with the bridge plans.

Background/ changes for PY 2014: Risk is incorporated into this metric by reviewing the risk items associated with complex bridges. This change coincides with a change to reduce the substantial compliance threshold percentage used in the 2011 metrics baseline. The issue is how and where can the risk we are most concerned about best be identified, its impact to the bridge and the program be assessed. The risk associated with complex bridges is assessed by looking at the bridge, examining whether the developed inspection procedures are adequate, and if the report documents a thorough inspection was done in accordance with the prescribed procedures.

The metric has been reformatted for improved clarity. The Commentary section was added to give further guidance and more specific insight into the intent of the metric.

Larry Halberstadt
City of South Haven
539 Phoenix Street
South Haven, MI 49090

November 16, 2015

RE: DYCKMAN AVE BASCULE BRIDGE INSPECTION FOR METRIC 19 COMPLIANCE

Dear Mr. Halberstadt,

There have been several changes regarding bridge file information and inspection requirements since the previous inspection. These changes have been developed to provide inspectors and owners guidelines for meeting the requirements of the National Bridge Inspection Standards (NBIS) and Michigan's Inspection Program policies and procedures. MDOT has developed the Michigan Structure Inspection Manual to outline all of these expectations for overall consistency and FWHA compliance.

One of the recent changes is the RESPONSE DEADLINE. Previously it was November 1, 2015. However MDOT is now requesting that responses are completed within 30 days of the performed inspections. For example, if the next inspection occurs December 2015, the procedures and checklist would be due during January 2015.

Dyckman Avenue over the Black River is not on the National Highway System (NHS), so an element level inspection is not required for the bridge however the City of South Haven will be required to draft a 4 to 5 page white paper outlining specialized inspection features, procedures, and experience required to inspect the bridge to satisfy FWHA requirements for the bridge file.

Dyckman Ave Bascule Bridge is not required to have a detailed (in-depth) inspection on file, but information must be provided for when a detailed inspection is performed and who will perform the work. The FWHA requires a detailed (in-depth) inspection every 5 years for complex structures on the NHS and recommends that a recent detailed inspection report be on file to assist with troubleshooting information for complex structures that are not on the NHS. At a minimum, the report on file should include a detailed (in-depth) inspection schedule or whether the inspections are condition based; and who may be called to perform troubleshooting and repairs if/when the bridge will not operate.

As I have previously mentioned, local agencies typically do not perform scheduled detailed inspections due to cost, but information relating to the entity that will be contacted to repair the bridge when it malfunctions is required. These contacts are typically local contractors that the City has a positive working relationship with.

Below are two inspection procedures that outline and meet the requirements for the new METRIC 19 standards.

1. METRIC 19 COMPLIANCE ONLY (Routine and Complex Inspection Procedures)
2. DETAILED INSPECTION AND METRIC 19 COMPLIANCE

Scenario 1 includes a senior and junior inspector that exceed the experience qualifications for Routine and Complex Inspection Procedures per MDOT's Movable Bridge Inspection Checklist. Scenario 2 includes 3 senior inspectors that exceed the experience qualifications for Detailed Inspections per MDOT's Movable Bridge Inspection Checklist.

1. METRIC 19 COMPLIANCE ONLY

Checklist for Routine and Complex Structures

- Inspection Procedures
- Special Inspection Equipment
- Complex Inspection Elements, locations, and frequencies
 - o Routine Inspection (24 mo)
 - o Fracture Critical Elements (24 mo)
 - o Mechanical Systems (Visual/Auditory) (24 mo)
 - o Electrical Systems (Visual) (24 mo)
 - o Traffic Control Gates (Visual/Auditory) (24 mo)
 - o Uplift Bearings and Span locks (Visual) (24 mo)

Field Work

STRUCTURAL

- Routine Inspection
 - o Update MiBridge File (SIA and BSIR-does not include AASHTO Elements)
- Fracture Critical (Arms Length)
 - o Special Equipment – Reachall, D-meter, Dye Penetrant, Flashlight, Misc Hand Tools
 - o Update MiBridge File (FCIR)

MECHANICAL

- Operational testing
- Visual and Auditory

ELECTRICAL AND CONTROLS

- Operational testing
- Visual and Auditory

USCG

- No permit required

Report Content

Metric 19 information as outlined in the Movable bridge inspection Checklist including:

- 4-5 page white paper
- Substructure
- Superstructure
- Deck
- Fracture Critical Elements
- Overview of Mechanical/Hydraulic System
- Overview of Electrical and Control System

Generate/Update contact list of electrical/mechanical contractors for emergency response as approved or recommended by the City of South Haven.

Inspection procedures for Structural, Mechanical, and Electrical systems

ACCESS

Traffic Control and Reachall inspection vehicle – Coordinated with MDOT

2. DETAILED INSPECTION AND METRIC 19 COMPLIANCE

(MDOT recommends that all complex structures have a detailed inspection every 5 years)

Checklist for Routine and Complex Structures

- Inspection Procedures
- Special Inspection Equipment
- Complex Inspection Elements, locations, and frequencies
 - o Element Level Inspection and record keeping
 - o Fracture Critical Elements
 - o Mechanical Systems
 - o Electrical Systems
 - o Traffic Control Gates
 - o Uplift Bearings and Span locks (measurements and tolerance)
 - o Span Balance (Initial or as needed after span changes)

Field Work

STRUCTURAL

- Routine Structural
- Fracture Critical (Arms Length)
 - o Special equipment Reachall, D-meter, Dye penetrant, Flashlight, Misc hand tools

MECHANICAL

- Routine inspection of bearings, pinions, cylinders, span locks, and anchorages.
 - o Requires on site mechanic for opening miscellaneous machinery for access
- Span Balance
 - o Pressure transducers and data-logger, laptop computer
- Operational testing- Visual, Auditory, Investigative

ELECTRICAL AND CONTROLS

- Routine inspection of mainline feed voltages, drives
- Visual inspection
- Record current draws
- Hydraulic control signals
- Sample currents of Submarine Cable (Not necessary but will be inspected and reported)
- Nav lights
- MCC complete inspection
- House lighting (Not necessary but will be inspected and reported)
- Control Desk
- Operational testing- Visual, Auditory, Investigative

USCG

- Permit for navigation shutdown for disassembly of any machinery.

Report

- Metric 19 compliance report with Structural, Mechanical, Electrical.
- Detailed outlines and discussion of deficiencies and observations
- Prioritized Recommendations with Cost estimates for anticipated contracted work
- Update MiBridge file and AASHTO Elements.

ACCESS

Traffic Control and Reachall inspection vehicle – Coordinated with MDOT

COST ESTIMATE 1

South Haven, MI - Dyckman Ave, Bascule Bridge

1. METRIC 19 COMPLIANCE ONLY

	Class	Grade 6 68.07	Grade 5 59.91	Grade 4 47.68	Grade 3 40.75	Grade 2 34.5	
Field Time & Travel				24		24	
Report				48		48	
QA/QC		8					
							Sub Total
Hours By Grade		8	0	72	0	72	152.00
Direct Labor		\$544.56	\$0.00	\$3,432.96	\$0.00	\$2,484.00	\$6,461.52
Overhead @ %	157.37	\$856.97	\$0.00	\$5,402.45	\$0.00	\$3,909.07	\$10,168.49
FCCM @	0.80%	\$1.23	\$0.00	\$7.78	\$0.00	\$5.63	\$14.63
Profit @	12%	\$168.18	\$0.00	\$1,060.25	\$0.00	\$767.17	\$1,995.60
Total By Grade		\$1,570.95	\$0.00	\$9,903.43	\$0.00	\$7,165.87	\$18,640.25
Direct Expenses							\$894.00
Total							\$19,534.25

South Haven, MI - Dyckman Ave, Bascule Bridge

Metric 19 Compliance

Expense Detail

Local Transportation	Miles	0	\$0.575	\$0.00
Car Rental	Days	3	\$100.00	\$300.00
Hotel	Days	4	\$75.00	\$300.00
Meals	Days	4	\$36.00	\$144.00
Field Supplies	Units	1	\$150.00	\$150.00
Total				\$894.00

COST ESTIMATE 2

South Haven, MI - Dyckman Ave, Bascule Bridge
 2. DETAILED INPSECTION AND METRIC 19 COMPLIANCE

Estimate

	Class	Grade 6 68.07	Grade 5 59.91	Grade 4 47.68	Grade 3 40.75	Grade 2 34.5	
Inspection & Travel		40	40	40			120
Report		55	55	110			220
QA/QC		8					8
							348
							Sub Total
Hours By Grade		103	95	150	0	0	348.00
Direct Labor		\$7,011.21	\$5,691.45	\$7,152.00	\$0.00	\$0.00	\$19,854.66
Overhead @ %	157.37	\$11,033.54	\$8,956.63	\$11,255.10	\$0.00	\$0.00	\$31,245.28
FCCM @	0.80%	\$15.88	\$12.89	\$16.20	\$0.00	\$0.00	\$44.97
Profit @	12%	\$2,165.37	\$1,757.77	\$2,208.85	\$0.00	\$0.00	\$6,131.99
Total By Grade		\$20,226.00	\$16,418.75	\$20,632.15	\$0.00	\$0.00	\$57,276.90
Direct Expenses							\$2,649.00
Total							\$59,925.90

South Haven, MI - Dyckman Ave, Bascule Bridge
 Detailed Inspection and Report

Expense Detail

Local Transportation	Miles	0	\$0.575	\$0.00
Car Rental	Days	8	\$100.00	\$800.00
Hotel	Days	9	\$75.00	\$675.00
Meals	Days	9	\$36.00	\$324.00
Field Supplies	Units	1	\$450.00	\$450.00
Oil Sample Testing	Each	4	\$100.00	\$400.00
				\$2,649.00

**South Haven Area Recreation Authority (SHARA)
Regular Meeting**

**Tuesday, September 22, 2015
3:00 p.m., South Haven Charter Township Hall**

MINUTES

1. Call to Order

Meeting Opened at 3:00 p.m.

2. Roll Call

Members Present: Mr. Ross Stein, Mr. Dennis Fitzgibbon, Mr. Mark McClendon

Absent: Mr. Dana Getman, Dr. Robert Herrera

Guests: Mr. Brian Dissette, City Manager, City of South Haven
Mr. Peter Ter Louw, SWMLC
Mr. Tony McGhee, Abonmarche
Mr. Jason Marquardt, PE, Abonmarche

3. Approval of Meeting Minutes:

July 21, 2015 Board Meeting: Motion by McClendon, seconded by Fitzgibbon to approve the minutes as presented. All in favor, motion carried.

4. Approval of Agenda:

Motion by Fitzgibbon, seconded by McClendon to approve the agenda of the September 22, 2015 meeting. All in favor, motion carried.

5. Interested Citizens in the Audience Will Be Heard on Items Not on the Agenda:

6. Approval of the SHARA Finance Reports:

- a) The board discussed the SHARA Finance Report, noting the SHARA account now has a balance of \$131,197.38.

Motion by McClendon, seconded by Fitzgibbon to approve the SHARA finance report. All in favor, motion carried.

- b) The board was updated on the SHARP account, which now has a balance of \$33,625.58.

7. SHARA Board received an update on the planning efforts related to the proposed improvements to the soccer fields located on the property owned by the South Haven Public Schools.

The board was provided an update on the planning efforts, led by Abonmarche Engineering, for the proposed improvements to the soccer fields located on the property

*SHARA Meeting Minutes
September 22, 2015*

owned by the South Haven Public Schools, located at the corner of Aylworth and M-140. Jason Marquardt, PE, Abonmarche, described the proposed site grading for the existing soccer fields and the planned timeline for grading. Marquardt noted that Abonmarche recommended bidding the scope of work this winter, and noted that construction should occur in the late spring/summer in 2016. The board discussed the winter bidding schedule and agreed to consult staff from South Haven Public Schools, prior to finalizing the bidding plans. Dissette noted that the legal agreement between the board and South Haven Public Schools should be completed in the coming weeks. Upon completion of the draft agreement, Dissette noted that he will seek feedback from Dr. Herrera.

8. SHARA Board was asked to consider approval of Resolution 2015-02, an authorizing resolution for the MDNR grant agreement for the Pilgrim Haven improvement project.

The board was asked to consider approval of Resolution 2015-02, an authorizing resolution for the Michigan Department of Natural Resources (MDNR) grant agreement for the Pilgrim Haven improvement project. Dissette noted that the MDNR has committed \$50,000 in grant funding towards improvements at the Pilgrim Haven site. Dissette further noted that for the grant to progress, the MDNR requires the board to provide \$50,000 in matching funds (which can include a variety of in-kind donations.) It was further noted that the MDNR also requires the approval of an authorizing resolution and completion of a project agreement.

Ter Louw noted efforts by Southwest Michigan Land Conservancy to engage the public at the Pilgrim Haven site. Ter Louw also noted continued efforts to raise funds for the development of Pilgrim Haven.

Motion by Fitzgibbon, seconded by McClendon to approve Resolution 2015-02, an authorizing resolution for the MDNR grant agreement for the Pilgrim Haven improvement project. All in favor, motion carried.

9. Staff member comments:

No comments.

10. Board member comments:

No comments.

11. Adjourn

Motion by McClendon, seconded by Fitzgibbon to adjourn the meeting. All in favor, motion carried. The meeting was adjourned at 3:40 p.m.

Respectfully submitted by,

Brian Dissette
City Manager, City of South Haven

Construction Board of Appeals

Regular Meeting Minutes

Wednesday, July 22, 2015
3:00 PM, Conference Room A
City Hall, 539 Phoenix Street



1. Call to Order by Chair Morse at 3:00 p.m.

2. Roll Call

Present: Dibble, Heinig, Morse, Stickland
Absent: None

3. Approval of Agenda

Motion by Heinig, second by Dibble to approve the agenda as presented.

All in favor. Motion carried.

4. Approval of Minutes – June 17, 2015

Motion by Stickland, second by Heinig to approve the June 17, 2015 minutes as written.

All in favor. Motion carried.

5. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda

None at this time.

6. NEW BUSINESS

a) Sherman Hills Demolition Order

Anderson reminded that the deadlines have passed for work that needed to be done. After the June 6 deadline, Anderson was contacted by the city attorney and he asked for all the documents, which were sent to him. The attorney told Anderson that a final demolition order would be necessary to move forward and suggested reconvening the board for that purpose. The owner was notified and is present.

Gritter stated he and his partners are in a dilemma of legal action which is almost done but not one hundred (100) percent resolved. He further stated that the city says it is an

eyesore and Gritter agrees it is an eyesore; “we need to side it, put in windows, and install fascia and soffit. But that is a forty thousand dollar (\$40,000) bill; for us to do that but not have complete ownership is risky. All of this is due to the Mard Enterprises (Augie Zolezzi) dilemma”.

Gritter stated that he had “requested a nine (9) month extension but you gave me six (6) months with an additional possible thirty (30) day extension”. Gritter stated that at the time he knew it would be nip and tuck to get the lien removed in that time frame. “Part of the issue was not just with us but as well with the city; to demolish a structure on a lot that Mard (Zolezzi) is claiming an illegal lien will just agitate the situation until we can get that lien off.” Gritter stated, “You are putting us in a precarious position. If that duplex disappears and he is listed on that lien, he (Zolezzi) will bring a lawsuit. We’ve been right from the beginning and we still have had to spend thousands in legal fees.”

Dibble asked whether city staff knows anything about the lien or not. Anderson stated, “No, and our attorney said it does not matter whether there is a lien on it or not. If demolition in sixty (60) days is the order given today, the process toward demolition will proceed sixty (60) days from today.”

Gritter stated he hears what the lawyer is saying but does not agree. Stated that he asked Cunningham to send Anderson all the paperwork. Has had two (2) meetings with the judge in Grand Haven; the judge agrees with Gritter and his partners and they are working on the wording of the lien dismissal. Gritter thinks they will prevail but does not have it in written form. Gritter stated, “If you pull the trigger on this demolition too soon, you will bear the burden of the litigation. Look at the long scope of this thing. I don’t want to give Augie the ability to recapture us in another round of litigation. If we wait until this is settled, we can all move forward together.”

Stickland asked who Gritter thinks Zolezzi will sue. Gritter said, “Zolezzi has a lien and if you tear this down, he will sue you and he will sue us. I don’t want to see this happen to you or to us.”

Dibble asked how confident Gritter is that this will be resolved. Gritter stated he is very confident. Dibble than asked, “Then why haven’t you put the siding on if you are sure this is about to be settled? We have to do what is right for the people in the area.”

After questions about ownership Gritter stated that he and his partners have ownership of the whole development but there is a lien on this portion.

Stickland pointed out that the city determines that this property is in violation to city ordinances. “It is irrelevant to the city who owns it. That fight is between you and the other party.”

After mention of Gritter owning the property for eight (8) years, Gritter stated, “We haven’t owned it for eight (8) years. Pine Creek has been on things for a very short time, as far as the entire piece of property is concerned. Augie has a lien on the lot; he has already been removed from the development.”

Dibble asked who is paying the taxes on that parcel. Anderson stated that Pine Creek is paying the taxes and the appeal board notices have been being sent to Pine Creek.

Gritter asked if the city is still receiving complaints and Anderson responded yes. After questions from Gritter it was noted that complaints come in the form of phone calls to the building department, complaints relayed to council members and others. Gritter said, "We aren't in the middle of the city. What is bringing all the heat?" Anderson explained that there is nothing in the code that says if a property is not in the middle of the city, there is a different provision. The city only enforces the ordinance as it is written.

Gritter asked what part of the code is not being met to which Rogien responded that since nothing has been done for one hundred twenty (120) days it is considered an abandoned structure. Gritter asked if that is because no one is living there to which Rogien stated, "It is unfinished with no submitted plan or timeframe for completion; that is why it is a problem."

Gritter would like to clarify time frame and what you want done. Part of the discussion in the past was about installing windows and doors. Dibble, referring to previous minutes, stated that Gritter and his partners need to put the windows in three sides, complete the siding and finish the outside.

Gritter said that once the court clearance is completed then Pine Creek has to make the decision at that point, "Are we siding it or taking it down?" Anderson responded, "The city gave you lots of opportunity to have that happen and it did not happen. If you finished it up by the end of the sixty (60) days it would be allowed to remain. At the end of sixty (60) days the city would have to start the demolition process."

Gritter reiterated, "At the end of sixty (60) days from today." Gritter then said that when the judge does sign it, if that happens two weeks before the deadline, Pine Creek cannot have the whole thing done at the end of two weeks. Gritter says he needs some time if the judge says he has been awarded the property.

Dibble asked if Gritter had a (building) permit. Gritter said we applied for a permit but then the illegal lien showed up. Dibble asked, "If it's illegal, why are you worried about it?" Gritter stated that to him and his partners it is illegal but it still has to be taken through the courts. Stickland asked, "What are you going to do when you get that decision?" Morse reminded that Gritter had already said that when he gets the judge's decision in writing, then he and his partners needs to make the decision to finish or demolish.

Gritter said Cindy Compton is marketing the property and he does not want to be evasive but we have three (3) different groups of people looking at the property. "We are aware of some engineering studies; can't say who. Two (2) of the three (3) people have said they want the duplex structure to stay, however the residential use would be changed. One party is saying they would use it for the community/recreation center. If that's the case, that's why I'm coming back to you; I can't say but what the siding would all come off later." Dibble noted that is not the boards' problem. Gritter said Dibble, as a builder, should be able to appreciate the dilemma. Dibble stated that while he can appreciate the dilemma, the board and the city have been waiting for a long time. Dibble said there is city code regulations requiring mowing and "I think that's been done only once."

Dibble said they have been pretty accommodating. Morse agreed saying, "We have given them more consideration than anyone else who has come in here. While we appreciate their situation, it's not a situation we put them in. We have to enforce the code."

Morse stated he is looking for a motion to demolish.

Gritter asked what happens at the end of sixty (60) days to which Anderson responded, "We then begin the court process. Our attorney has everything to date and at the end of sixty (60) days our attorney starts drawing up the papers and filing the documents." Gritter asked how long that takes to which Anderson responded that it varies. "Some have gone quickly; some have been taking a long time, such as the Overton Building. Anywhere from a month and a half to three (3) months."

Gritter said, "What you said is a factor to us; information we need to know. If there is work being done at the end of sixty (60) days, we wouldn't have to face demolition?" Anderson said that would have to be included in the motion. Gritter said according to the past you were looking at getting the exterior finished. Morse responded that the board is looking for a new motion.

Gritter asked how long a permit is good for to which Rogien responded, "Technically, with no communication, in one hundred twenty (120) days the permit is null and void." After it was noted that the house was rewrapped with Tyvek, Rogien pointed out that the building permit was issued for siding and windows, noting that the Tyvek was just an interim measure. The siding and windows were never completed as required.

Motion by Heinig to move forward with demolition. If any time before demolition the building official determines work has started on exterior envelope, the official can void the demolition order.

Dibble stated that he would like to add to the motion that the owners have the yard seeded. Morse commented that he thinks if the owners get an extension they will go to the very end and we will end up with one window and they will say they have started.

Amendment to the motion by Dibble to have the building be fifty (50) percent complete at the end of sixty (60) days. Rogien expressed concern with different interpretations of fifty (50) percent complete and said if you want it done this way give them a completion date.

Morse stated that the house should have siding, soffit and fascia, windows and doors; it should be one hundred (100) percent done before ninety (90) days and we (the city) begin the demolition process in sixty (60) days.

Motion by Heinig to initiate demolition in sixty (60) days unless one hundred (100) percent of the exterior, including the yard, is completed within ninety (90) days from today's date.

Anderson noted, "If nothing has happened in sixty (60) days, the demolition order will go to the attorney. If we see there is serious work being undertaken and they stay in touch with us and let us know the status, that may be taken into consideration."

Dibble asked can we order the demo in sixty (60) days, and we can reconvene to determine if we want to proceed further. Rogien noted that it can take sixty (60) to ninety (90) days for a judge to order the demolition. Nothing prevents the owners of the house from finishing it.

After discussion regarding the original motion and various amendments suggested, a new motion was put forth.

Motion by Dibble to order the demolition of the property in sixty (60) days; if there is any progress at that point we will reconvene to determine where to go at that time. Progress would be physical work, not paperwork or a bag of nails or talking about the judge. Second by Heinig.

Gritter questioned about the yard, stating, " I thought we were talking about windows and siding." Dibble noted that the ordinance requires the lawn to be mowed and maintained; have somebody rototill it and seed it; have somebody mow it. Gritter said there are only ten (10) foot side yards and then you are into the next lot. Dibble asked what the back and front setbacks are. Gritter was not sure but said he thinks the back yard setback is twenty-five (25) feet and whatever the Planned Unit Development (PUD) states is the front setback. After discussion Dibble commented that the whole thing is a bad deal and he does not see it getting better.

Anderson clarified that the motion as Dibble made it allows the owners to complete the exterior of the building and do the work on the yard as an alternative to demolition if completed in the ordered timeframe. All agreed.

Morse called the question.

All in favor. Motion carried.

Anderson informed the board that a demolition permit for the house on Kalamazoo Street has been pulled by the owner's demolition contractor and will be underway very soon.

Gritter thanked the board for their consideration, noting, "You're just doing your job." Dibble said, 'It's doable; you need to give it a push. Show us some earnest; we would rather see the structure completed than torn down.'

7. Adjourn

Motion by Heinig, second by Stickland to adjourn at 3:45 p.m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary

Harbor Commission

Regular Meeting Minutes

Tuesday, October 20, 2015, 5:30 p.m.
Council Chambers, South Haven City Hall



City of South Haven

1. Call to Order by Arnold at 5:30 p.m.

Present: Pyle, Silverman, Stegeman, Stephens, Sullivan, Arnold

Absent: Reineck

Also present: John Marple, Marina Manager

2. Approval of Agenda

Motion by Silverman, second by Sullivan to approve the October 20, 2015 regular meeting agenda as presented.

All in favor. Motion carried.

3. Approval of Minutes: August 18, 2015 Regular Meeting

Motion by Stephens, second by Stegeman to approve the August 18, 2015 regular meeting minutes as written.

All in favor. Motion carried.

4. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda

None at this time.

5. Financial Report

VandenBosch reviewed the Financial Report, noting the increase due to slight increase in transient slip fees and the state's policy of charging by slip length.

6. Capital Improvement Plan

VandenBosch explained this plan as an attempt to be strategic in planning but the state also requires such a plan to apply for grants with the waterways.

VandenBosch informed the board regarding a number of small projects listed under Major Projects, noting that the electric pedestal project is almost complete, with the addition of two more pedestals than originally planned, including one for the charter boat. VandenBosch also noted that twice there were no bids for the original project, which was small, and now we have packaged together several more items.

VandenBosch reviewed details of several of the listed projects including the Northside Steel Dock Rehab, which will include some bumpers and pavement repairs; the Maritime Commercial Umbrella, which will put a covering over the deck using a large umbrella like you might see at a hotel and installing security cameras at all of the marinas. VandenBosch also noted that an improvement is being planned at the Maritime Marina which involves closing in a covered deck to make a lounge for the boaters.

Regarding grants, VandenBosch informed that the city is applying for grants for the Southside Roof and the Southside Dock Extension Engineering, as well as a grant for a cruise ship feasibility study. VandenBosch also proposed moving up the Southside Dock Extension Engineering and the Cruise Ship Feasibility Study.

After a question by Stephens about the need for security cameras when security cameras have not been included in our plan, VandenBosch explained that there have been complaints of break-ins and people sleeping on the boats and some issues with theft and vandalism on boats in both the Northside and Maritime Marinas.

Marple noted that it has been vicious, not so much theft as vandalism. Marple said the ones we have caught have been young folks coming back from the bars. Marple said we had a rash of problems and the Police Department stationed a police officer in the area and the issue seemed to disappear. Marple indicated that the boaters would really like to have a security system in place. Discussion ensued regarding who will monitor the cameras, which VandenBosch said will be connected to the Police Department, who have a number of cameras they already monitor. Silverman noted that is after the fact, which VandenBosch agreed with and which Marple stated that once the offenders learn the cameras are there, and the word gets out on the street that the city is not tolerating inappropriate behavior, the cameras serve as a deterrent.

Stegeman asked if VandenBosch were ever able to talk to someone about getting the buoy information up in the harbor. VandenBosch apologized and said no, that he hadn't realized he was to pursue that. Asked for details, Stegeman explained that the Steelheaders would like to put up a sign at the ramps which would inform boaters how to access the buoy information on-line. Secondly, much like the signs on the water plant that show the temperature, the Steelheaders would like to place similar message boards on the north and west sides of the Southside Municipal Marina and display the conditions, namely, wind direction and wave height. There would not be a need to log in then to retrieve the information. Stegeman also noted that the South Haven buoy is very close to the Cook Plant buoy as far as the number of hits and this is only the second year for the South Haven buoy.

VandenBosch asked that any motion be in the form of a recommendation to City Council because Council has to approve this for the Waterways grant application.

Motion by Stegeman to recommend to City Council the approval of the Five Year Capital Improvement Plan with four additions: 1.) Southside Electric Pedestals 2.) enclosure of a porch to create a Maritime Boater Lounge 3.) Southside Dock Extension Engineering and 4.) Cruise Ship Feasibility Study. Second by Pyle.

After discussion, it was suggested that the NOAA display on the Southside marina be added to the Capital Improvement Plan with a \$10,000 figure as a place holder.

Silverman asked if this recommendation is for proceeding with grant applications as opposed to supporting specific capital improvements to which VandenBosch responded that with approval staff would start working on the grant applications; staff would also then start on the projects listed in the Five Year Capital Improvement Plan.

Stephens had questions regarding the plans for the Maritime Boater Lounge which VandenBosch explained as an enclosed porch. Stephens also asked about the umbrella which VandenBosch explained as a steel structure that would cover part of the deck.

Arnold called the question.

Ayes: Pyle, Stegeman, Stephens, Sullivan, Arnold

Nays: Silverman

Motion carried.

7. Marina Contracts

VandenBosch explained that these two (2) contracts were written by the city attorney with the addition of the ability to put a lift in some slips that are affected by the surge.

Seasonal Marina Contract as always

Seasonal Marina Contract with Lift

Resolution naming the City Manager or his designee, in this case, the Marina Manager, the ability to sign these contracts.

Lift contracts

VandenBosch reviewed the various aspects of the contracts, highlighting some of the important details and stated that he is looking for a recommendation to City Council to approve these contracts.

Stegeman remembered the awnings downtown being a license agreement and asked if that is the same thing that is being proposed for the lift agreement. VandenBosch said this is similar but it is actually an addition to the existing Marina Contract. Discussion ensued regarding the cost of the lift being paid for by the lessee of the slip. Stegeman recalled when

he was Commodore of the Yacht Club and said if a member was permitted to install a lift, there were various things to consider including the type of lift, whether there is sufficient electric to run the lift, the aesthetics of the lift and insurance.

VandenBosch noted that the insurance part is addressed in Paragraph 9.

Sullivan commented that at his marina there are a couple of lifts and we have had a request to put an awning over one and some of the other boaters' views would be compromised to which VandenBosch responded that there is a certain amount of discretion at staff level to approve or disapprove a lift.

Pyle asked about whether information about leaving trailers in Black River Park is included in the contract. After discussion VandenBosch, said he will reread the agreement and add it if it is not in there, he will be sure it is added, noting it has to be included.

Silverman pointed out that with regard to the slip agreement, look at Paragraphs 3.c. and 3.d.; the provisions are contradictory. Silverman suggested that to alleviate that contradiction, sub-paragraph 3.c. should be omitted. VandenBosch noted that the problem with that is when it is a serious breach that needs to be dealt with immediately Sub-Paragraph 3.c. allows the City Manager to deal with it immediately. Silverman took issue with the language "reasonable belief" included in 3.c. After discussion, it was suggested that the last paragraph of 3.d. be removed and placed at the end of 3.c. to make 3.c. deal with incidents with cause and 3.d. deal with situations without cause.

Stegeman suggested making that a motion with the caveat that this be reviewed. Silverman suggested taking out the last sentence of paragraph 3.d. and you no longer have the conflict. Further discussion ensued.

Silverman noted that Paragraph 5 says it is a non-exclusive license and questioned whether the license is granted for a specific slip to which VandenBosch noted the license is granted to a specific person for a specific boat.

Stegeman pointed out that if someone installs a lift, then leaves for a week on vacation, the marina cannot rent the slip out. VandenBosch said from the financial perspective, we generate much more income from renting to a seasonal boater than a transient. Stegeman expressed his opinion that in that case the lifts should be limited to those slips most affected by wave action. Discussion ensued regarding that point.

Silverman said from his perspective the first contract needs to be corrected and he needs additional time to review the second contract. Silverman noted that those slips have had to be abandoned due to the surge; if that can be resolved by installing the lift, it gives us a seasonal renter that might otherwise occupy a slip with no lift'; the slip will be a substantial investment so it guarantees that the owner of the lift will occupy the slip for the foreseeable future. The worst that could happen is the owner could abandon the slip and fail to remove the lift; the ownership would revert to the city who could then decide whether to leave the lift or remove

it. Silverman said as long as the city maintains control over the license as to what type and size; whether additional pilings need to be installed and being sure additional pilings do not affect the width of the slip, he does not see why a less usable slip could not be made more usable. VandenBosch noted that all of the slips toward the lake have lifts in them so we are just expanding what is already there.

Marple said we have an individual who has been in a slip for three years and we have had a number of issues with his boat over time. Marple thinks if we are making the lift contracts specific to the steel wall slips, he thinks we should go ahead because there is a source of income. "That area is very much under-used; take an eight (8) foot slip multiplied by \$40,000 and by eight (8) slips; you get the idea. I think that over a span of two (2) to three (3) years we could fill those slips up. They are in the surge but have the best views in town. If we can allow for it, we should."

Marple also noted that notices for the deposits have already been sent out; he would like to move this issue forward so this opportunity can be offered to one very interested individual. "We have plenty of electric. Pilings might need to be addressed properly, that would be the expense of the person who wants the license to add a lift to that slip; the lift has to meet code, be installed properly and inspected." Marple has no problem with specifying this particular area and treating this as a test. Even if it doesn't work out, Marple believes we should attempt to provide a viable method of generating income where historically we have not been able to do so. Currently, Marple pointed out that about \$2000 is being generated annually for the slips in that area by allowing people to put their jet-skis or small watercraft there.

VandenBosch would like a motion which would permit him to take these contracts to the attorneys for review and then take the contracts directly to City Council.

Motion by Silverman to recommend the two draft contracts to City Council subject to review and finalization by the City Attorney. Second by Stephens.

All in favor. Motion carried.

Member and Staff Comments

Sullivan asked if any soundings have been done on the river or turning basin to which VandenBosch responded, "We have not done any soundings."

Sullivan asked about dredging and whether the budget has any money requested for a spoils site. VandenBosch noted that the spoils site is not in the proposed budget, explaining that staff is still in conversation with Ross Stein, the South Haven Township Supervisor. VandenBosch advised that could be done by budget amendment; noting it is somewhat of a strategic number. Discussed ensued regarding funding for the purchase of a spoils site. VandenBosch pointed the board to page sixteen (16) which has some additional information regarding the extent of costs for dredging.

October 20, 2015
Harbor Commission
Regular Meeting Minutes

Adjourn

Motion by Stegeman, second by Sullivan to adjourn at 6:27 p.m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary

SOUTH HAVEN HOUSING COMMISSION
Regular Meeting
Warren Senior Community Center
540 Williams Street, South Haven, Michigan 49090
October 28, 2015

CALL TO ORDER: The Regular Meeting of the South Haven Housing Commission was called to order at 5:09 p.m. by Chairperson Eugene Ladewski at the South Haven Housing Commission Warren Senior Community Center, 540 Williams Street, South Haven, Michigan.

ROLL CALL: Present: Chairperson Eugene Ladewski, Vice-Chairperson Sandra Seroke, Commissioner Teresa Mahone-Jordan and City Council Representative Gail Patterson. Absent: Resident Commissioner Tom Thomson and Commissioner Letitia Wilkins. Also present: Executive Director and Secretary Charles Fullar and Assistant Director Dee Birmingham. Executive Director reported both Resident Commissioner Thomson and Commissioner Wilkins contacted the Housing Commission office to report their meeting absence. It was moved by Vice-Chairperson Seroke to excuse the absent commissioners; the motion was seconded by Commissioner Mahone-Jordan. All votes in favor. Motion carried.

INVOCATION: City Council Representative Gail Patterson delivered the invocation.

PUBLIC COMMENTS: None.

CONSENT AGENDA: 1) Minutes of the Regular Meeting September 23, 2015. 2) Current Operating Expenses - \$110,976.12. 3) Homeownership Expenses - \$0.00; 2013 Capital Fund - \$0.00; 2014 Capital Fund - \$7,895.00; and 2015 Capital Fund - \$0.00. 4) Administrative Reports for Approval: Occupancy and Waiting List Reports; Monthly Investment Report; Delinquent Accounts Report; Accounts Receivable Balance Due Report; and Income and Expenditures Report for September 2015. 5) Correspondence: September 22, 2015, John C. DiPiero, Certified Public Accountant. 6) Other Reports: None.

It was moved by Vice-Chairperson Seroke to approve the Consent Agenda; the motion was seconded by Commissioner Mahone-Jordan. All votes in favor. Motion carried.

UNFINISHED BUSINESS: 1) Status of the 2015 FYE Audit: Executive Director reported the audit has been completed. There are no findings. The draft audit report has been received and will be reviewed.

2) Boards and Commissions Attendance Policy Review: Executive Director Fullar supplied copies and reviewed relevant portions of the City Charter regarding vacancies and absences on City Boards and Commissions. No action was required by the Housing Commissioners

NEW BUSINESS: 1) Resolution 15-12, Maintenance Vehicle Use Policy:

Resolution No. 15-12

MAINTENANCE VEHICLE USE POLICY

WHEREAS, the South Haven Housing Commission (SHHC) has three (3) vehicles for the use by the SHHC's Maintenance Department;

WHEREAS, the Maintenance Vehicle Use Policy establishes and updates the general conditions upon which these vehicles may be used to provide more efficient and effective service to SHHC residents;

WHEREAS, the Maintenance Vehicle Use Policy clarifies vehicle use relative to SHHC employees who are assigned vehicles;

WHEREAS, no personal use of vehicles is allowed and all SHHC owned vehicles are to be used exclusively for SHHC related business;

NOW THEREFORE BE IT RESOLVED, that the SHHC Board of Commissioners hereby adopts and updates its Maintenance Vehicle Use Policy, and directs the Executive Director to fully implement the Maintenance Vehicle Use Policy update no later than November 30, 2015.

It was moved by Commissioner Mahone-Jordan to approve the foregoing Resolution No. 15-12 as introduced and read; Seconded by Vice-Chairperson Seroke. All votes in favor. Thereupon Chairperson Ladewski declared said motion carried.

2) Resolution 15-13, Assistance Animal Policy:

Resolution No. 15-13

ASSISTANCE ANIMAL POLICY

WHEREAS, South Haven Housing Commission (SHHC) is committed to the letter and spirit of the Fair Housing Act, which, among other things, prohibits discrimination against persons with disabilities;

WHEREAS, in accordance with SHHC's statutory responsibilities and management policies, SHHC will make a reasonable accommodation when such accommodations may be necessary to afford persons with disabilities an equal opportunity to use and enjoy their housing community;

WHEREAS, one form of reasonable accommodation includes the need for an assistance animal;

WHEREAS, assistance animals are not pets; they are animals that work, provide assistance, or perform tasks for the benefit of a person with a disability, or animals that provide emotional support that alleviates one or more identified symptoms or effects of a person's disability;

WHEREAS, the SHHC determines that adopting an Assistance Animal Policy provides clarity to management operations;

NOW THEREFORE BE IT RESOLVED, that the SHHC Board of Commissioners hereby establishes an Assistance Animal Policy and that this Resolution No.15-13 is adopted, and will be effective upon adapting this resolution on October 28, 2015.

It was moved by Vice-Chairperson Seroke to approve the foregoing Resolution No. 15-13 as introduced and read; Seconded by Commissioner Mahone-Jordan. All votes in favor. Thereupon Chairperson Ladewski declared said motion carried.

EXECUTIVE DIRECTOR'S REPORT: Executive Director Fullar reported that the two Capital Improvement Projects at Harbor View are expected to begin by the second week in November.

COMMISSIONER'S COMMENTS: Vice-Chairperson Seroke clarified—commercial vehicle insurance is required if tools are being transported in privately owned vehicles to perform Housing Commission related work. Commercial vehicle insurance is not required for personal transportation to and from work.

ADJOURNMENT: It was moved by Vice-Chairperson Seroke to adjourn; the motion was seconded by Resident Commissioner Mahon-Jordan. All votes in favor. Motion carried. Meeting adjourned at 6:21 p.m.

Respectfully submitted:



 Charles R. Fullar, Secretary

Approved November 18, 2015



 Eugene Ladewski, Chairperson



Agenda Item

425 Agreement Consideration

Background Information:

The City Council will be asked to host a public hearing and consider approval of Resolution 2015-47, a resolution granting approval of a 425 agreement with South Haven Charter Township along with Scott and Liston Smith for the conditional transfer of property.

Under Act 425 of the Public Acts of Michigan of 1984, as amended, MCL 124.21 et seq., local units of government may conditionally transfer property for the purpose of planned improvements such as housing developments or protection of the environment. The draft economic development project agreement is the contract which would control the property transfer under Act 425.

The property to be transferred from South Haven Charter Township to the City of South Haven is located at 9220 76th Street (located along Monroe Blvd.) The property is largely surrounded by the city limits. The property was recently purchased by Scott Smith, with the intent of constructing his new home at the site. The city will need to acquire an easement and grading permit from Mr. Smith, for work related to improvements to the sanitary sewer force main connected to the city's Indian Grove lift station. As part of those conversations, Mr. Smith expressed an interest in having the land located within the city limits. Staff worked with officials from South Haven Charter Township to negotiate an agreement, which allows the property to transfer into the city. Further, the proposed agreement allows the city acquire the needed utility easement from Mr. Smith.

When formulating the agreement, the city and township considered the following factors:

Composition of the population; population density; land area and land uses; assessed valuation; topography, natural boundaries and drainage basins; past and probable future growth, including population increase and business, commercial, and industrial development on the property; and the comparative data for the township and the portion of the township remaining after the transfer of the property.

Need for organized community services; the present costs and adequacy of governmental services on the property; the probable future need for services to the property; the practicability of supplying such services to the property; the probable effect of the transfer and of alternative courses of action on the cost and adequacy of services on the property and on the remaining portion of the township; the probable change in taxes and tax rates on the property in relation to the benefits expected to accrue from the transfer; and the financial ability of the city to provide and maintain services to the property.

The general effect of the conditional transfer upon the city and the township and the relationship of the conditional transfer to any established land use plans.

Additionally, Act 425 requires a public hearing to be held by each of the local units involved in the conditional transfer of property. Notice of the hearing must comply with the Open Meetings Act and any decision must be made by a majority vote of the elected members serving on the legislative body of each party to the contract.

This agreement effectively transfers land from South Haven Charter Township to the City of South Haven. In exchange, the city will pay to the township a fee equivalent to what the township would have received from connection fees for water and sanitary sewer services from the two residential parcels on the lot.

Recommendation:

The City Council should consider the following actions:

1. Host a public hearing for consideration of a 425 agreement with South Haven Charter Township.
2. Consider approval of Resolution 2015-47, a resolution approving the economic development project agreement with South Haven Charter Township along with Scott and Liston Smith for the conditional transfer of property.

Support Material:

Resolution 2015-47
DRAFT 425 Agreement
Property Location Map

CITY OF SOUTH HAVEN
VAN BUREN AND ALLEGAN COUNTIES, MICHIGAN

RESOLUTION NO. 2015-47

A RESOLUTION TO APPROVE ECONOMIC DEVELOPMENT PROJECT AGREEMENT WITH
SOUTH HAVEN CHARTER TOWNSHIP AND SCOTT AND LISTON SMITH FOR THE
CONDITIONAL TRANSFER OF PROPERTY PURSUANT TO 1984 PA 425

Minutes of a regular meeting of the City Council of the City of South Haven, Van Buren and Allegan Counties, Michigan, held in the City Hall, 539 Phoenix Street, South Haven, Michigan 49090 on December 7, 2015 at 7:00 p.m. local time.

PRESENT: _____

ABSENT: _____

The following preamble and resolution was offered by Member _____ and supported by Member _____.

WHEREAS, Act 425 of the Public Acts of Michigan of 1984, as amended ("Act 425") authorizes "local governmental units," to enter into agreements to provide for the conditional transfer of property from the jurisdiction of one local governmental unity to that of another local governmental unit, to provide for the sharing of taxes and other revenues, and to address other issues; and

WHEREAS, South Haven Charter Township (the "Township") and the City of South Haven (the "City") are local governmental units as defined in Act 425; and

WHEREAS, Scott Smith and Liston Smith, husband and wife, own and are seeking to develop real property currently located in the Township (the "Developer"); and

WHEREAS, representatives of the Township and the City prepared a proposed Economic Development Project Agreement for consideration by the Township Board of Trustees (the "Township Board"), the City Council, and the Developer, a copy of which is attached as **Exhibit 1** (the "Agreement"); and

WHEREAS, the City Council held a public hearing on the Agreement on December 7, 2015, as required by Act 425; and

WHEREAS, the Township Board held a public hearing on the Agreement on December 9, 2015, as required by Act 425; and

WHEREAS, the Developer has determined to enter into the Agreement; and

WHEREAS, the City Council has determined to enter into the Agreement in the form attached as Exhibit 1, finding it to be in the best interests of the City and after considering all of the factors and issues as recited in the Agreement; and

WHEREAS, the Agreement cannot be signed or take effect until at least 30 days have elapsed since the public hearing and provided no petitions have been filed seeking a referendum on the Agreement;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Agreement is approved in all respects.
2. The Mayor and City Clerk are authorized and directed to sign the Agreement on behalf of the City, provided no petitions have been filed seeking referendum on the Agreement within 30 days after the public hearing on the Agreement.
3. All resolutions and parts of resolutions are, to the extent of any conflict with this resolution, rescinded.

BE IT FURTHER RESOLVED, that this resolution shall take effect upon passage by the City Council.

RECORD OF VOTE:

Yeas: _____

Nays: _____

RESOLUTION DECLARED ADOPTED.

Robert G. Burr, Mayor

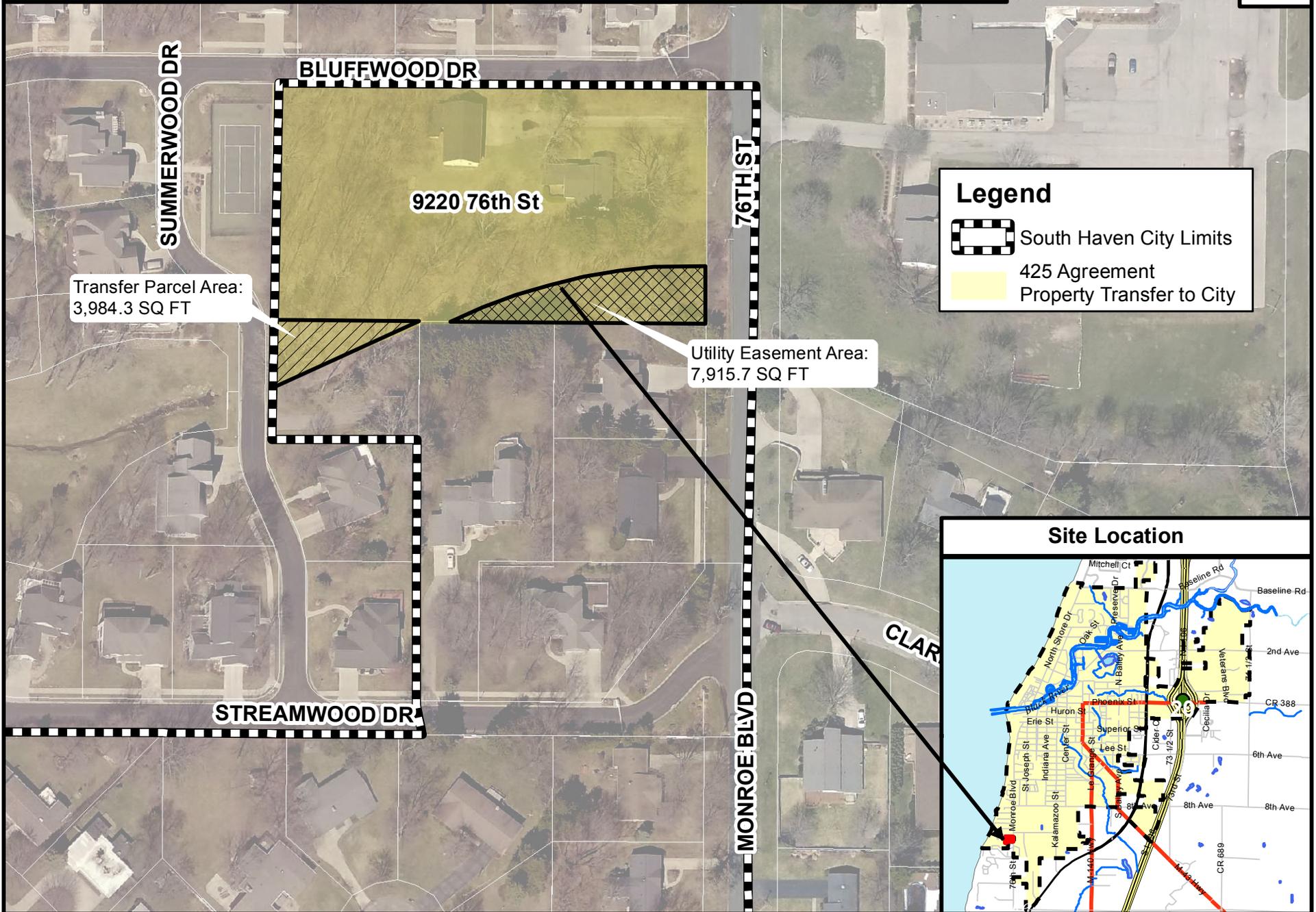
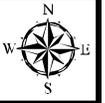
CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council at a meeting held on the 7th day of December, 2015, at which meeting a quorum was present, and that this resolution was ordered to take immediate effect. Public notice of said meeting was given pursuant to and in compliance with the Open Meetings Act, Act No. 167 of the Public Acts of Michigan 1976 (MCL 15.261 *et seq.*).

Amanda Morgan, City Clerk

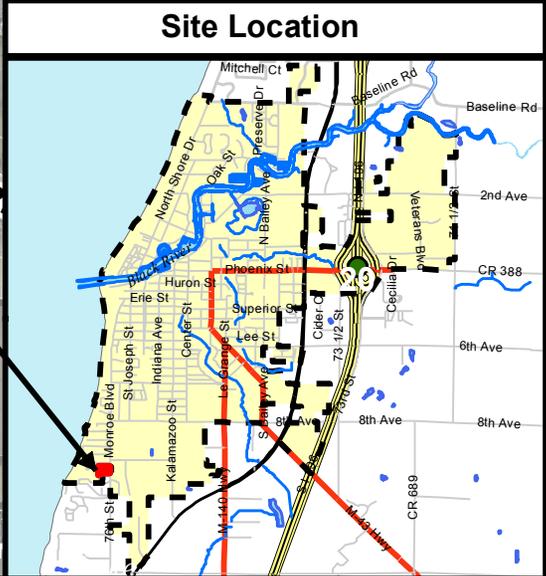
Exhibit 1
Economic Development Project Agreement

City of South Haven / South Haven Twp - 425 Agreement



Legend

-  South Haven City Limits
-  425 Agreement
-  Property Transfer to City



CITY OF SOUTH HAVEN / SOUTH HAVEN TOWNSHIP
ECONOMIC DEVELOPMENT PROJECT AGREEMENT

This Economic Development Project Agreement is made as of _____, 2015, among the City of South Haven, a Michigan home rule city, the principal business address of which is 539 Phoenix Street, South Haven, MI 49090 (the "City"), South Haven Charter Township, a Michigan charter township, the principal business address of which is 9761 Blue Star Memorial Hwy South Haven, MI 49090 (the "Township"), and Scott Smith, a married man owning and seeking to develop real property currently located in the Township (the "Developer").

RECITALS

- A. The City, the Township, and the Developer desire, through cooperation, to foster economic development to benefit both communities.
- B. The cooperation between the parties is designed to facilitate a housing development to consist of not more than 2 single family residential units, located on property owned by the Developer and legally described in the attached **Exhibit A** (the "Property").
- C. By cooperating the parties can prevent future disputes, better accommodate development, assure that development occurs in a mutually beneficial manner, better assure the quality of development, and better utilize their respective resources.

TERMS AND CONDITIONS

In exchange for the consideration in and referred to by this Agreement, the parties agree as follows:

ARTICLE I

Purpose, Authority, Representations and Findings

1.1 **Purpose**. This Agreement is intended to fully address the conditional transfer of the property depicted in Exhibit A and described in Exhibit B of this Agreement (the "Property") from the jurisdiction of the Township to the jurisdiction of the City.

1.2 **Authority**. This Agreement is made pursuant to Act 425 of the Public Acts of Michigan of 1984, as amended, MCL 124.21 *et seq.* ("Act 425"), as well as the general authority of the City and the Township under the statutes authorizing their organization and existence, as well as the City Charter of the City.

1.3 **Findings and Representations**. The City, by action of its City Council in approving this Agreement, and the Township, by action of its Township Board in approving this Agreement, have made the following findings and representations.

(a) **Local Units**. The City, organized and existing as a home rule city under the Home Rule Cities Act, Act 279 of the Public Acts of Michigan of 1909, as amended, MCL 117.1 *et seq.*, and the Township, organized and existing pursuant to Article VII, Section 17 of the 1963 Michigan Constitution and the Charter Township Act, 1946 PA 359, as amended, MCL 42.1 *et seq.*, are both "local units" as defined by Act 425.

(b) **Projects**. As is indicated in the recitals above, this Agreement is for the purpose of an economic development project permissible under Act 425.

(c) **Proposed Transfer**. The City and the Township proposed that the Property be conditionally transferred from the Township to the City pursuant to Act 425.

(d) **Considered Factors**. Both the City and the Township have, as required by Act 425, considered certain factors prior to entering into this written contract Property, including the following.

- (1) Composition of the population; population density; land area and land uses; assessed valuation; topography, natural boundaries and drainage basins; past and probable future growth, including population increase and business, commercial, and industrial development on the Property; and the comparative data for the Township and the portion of the Township remaining after the transfer of the Property.

(2) Need for organized community services; the present costs and adequacy of governmental services on the Property; the probable future need for services to the Property; the practicability of supplying such services to the Property; the probable effect of the transfer and of alternative courses of action on the cost and adequacy of services on the Property and on the remaining portion of the Township; the probable change in taxes and tax rates on the Property in relation to the benefits expected to accrue from the transfer; and the financial ability of the City to provide and maintain services to the Property.

(3) The general effect of the conditional transfer upon the City and the Township and the relationship of the conditional transfer to any established land use plans.

(e) Public Hearing. Pursuant to Act 425, the City Council held a public hearing on [REDACTED], 2015, at 7:00 p.m., and the Township Board held a public hearing on [REDACTED], 2015, at 7:30 p.m., regarding the conditional transfer of the Property, notice of which public hearing was given in the manner provided by the Open Meetings Act, Act 267 of the Public Acts of Michigan of 1976.

(f) Majority Vote. The City Council and the Township Board have each decided, by majority vote of the members elected and serving on each body, to enter into this Agreement.

(g) Hearings, Notice and No Referendum. Neither the City Council nor the Township Board adopted a resolution calling for a referendum on the conditional transfer to be made pursuant to this Agreement, and more than 30 days have elapsed since the public hearings of the City Council and the Township Board have been held regarding this Agreement and since the City Council and the Township Board have adopted resolutions indicating their intention to enter into this Agreement and neither the City Clerk nor the Township Clerk has received a petition calling for a referendum on this Agreement or the conditional transfer of the Property to occur pursuant to this Agreement.

1.4 Township Representation Concerning Property for Transfer. The Township represents and covenants that it has not pledged any revenue from and has not represented to any obligees, lenders, bond holders or creditors that it is dependent upon or anticipating any revenue from the Property to meet any obligations of the Township or any entity created or controlled by the Township. The Township further represents and covenants that it knows of no special assessments which have been levied against the Property.

ARTICLE II Transfer and Effects

2.1 Transfer of Property. The Property shall be conditionally transferred from the jurisdiction of the Township to the jurisdiction of the City, effective January 2, 2016, but only if the applicable conditions in Article III are satisfied. If the conditions in Article III are not satisfied, then this Agreement shall be void and of no effect and the Property shall not be transferred to the City.

2.2 Effect of Transfer. The Property shall, for all purposes, be within the jurisdiction of the City. The Township shall have no further jurisdiction over that property. Without limiting the generality of the City's jurisdiction and the effect of that jurisdiction, the parties wish to emphasize the following:

(a) Zoning of Transferred Area. The City shall have jurisdiction over zoning, and may rezone the Property into a zoning classification provided in the City's zoning ordinance.

(b) Governmental Services. The City shall be obligated to provide all governmental services to the Property, including, without limitation, water distribution services; sanitary sewer collection and disposal services; police and fire protection; economic development services; real and personal property assessment and collection services; street and road maintenance and repair; real and personal property tax abatement; and other municipal facilities and services on the same basis and to the same extent as the City provides such governmental services within the legal limits of the City. The Township shall have no obligation to provide any services to the Property or its occupants, except to the extent otherwise provided in this Agreement.

(c) Applicability and Enforcement of Ordinances. The Property will be treated as being within the legal limits of the City for the purpose of applying and enforcing all ordinances, rules, and regulations. The City shall be responsible for enforcing all such ordinances, rules and regulations.

(d) Taxes. For the purposes of all taxation, including, without limitation, *ad valorem* real and personal property taxes, income taxes, hotel/motel tax, etc., the Property shall be considered as being within the legal limits and jurisdiction of the City, except that any property taxes against the Property arising out of the Township's tax roll for 2015 and prior years shall remain a lien on the affected parcel(s) in the Property and payable to the Township. Beginning with the 2016 tax roll, the City shall levy and collect any and all applicable taxes from the Property.

(e) Special Assessments. The Property shall be within the legal limits and jurisdiction of the City for purposes of special assessments.

(f) Rates, Charges and Fees. All rates, charges, fees and other costs for governmental services provided to the Property shall be calculated, levied, charged, billed and collected on the same basis all other property within the legal limits and jurisdiction of the City.

(g) Voting. Any persons residing on the Property shall be entitled to vote on the same basis as all other persons residing within the legal limits of the City.

2.3 Sharing of Revenues. During the term of this Agreement, the City shall pay to the Township an amount calculated in accordance with the subsections below. The amount due to the Township shall be paid immediately prior to connecting any residential dwellings to the City's water or sewer system.

(a) If no residential dwellings on the Property, including any divisions or subdivisions thereof, are connected to the City's water or sewer system during the term of this Agreement, the City shall not owe the Township any payment under this Section.

(b) For each residential dwelling on the Property, including any divisions or subdivisions thereof, that connects to the City's water or sewer system during the term of this Agreement, the City shall pay to the Township an amount equal to the fees that the Township would have charged for connecting each dwelling to the Township's water or sewer system, pursuant to applicable ordinances and resolutions in effect at the time each dwelling connects to the City's water or sewer system.

ARTICLE III

Land Swap – Condition Precedent

3.1 Land Swap. The jurisdictional transfer provided in this Agreement shall not take effect unless and until the following property transfers are made and properly recorded in the Van Buren County Register of Deeds not later than December 15, 2015:

(a) The Developer conveys to the City a utility easement on the Property in reasonably the same form as is attached as **Exhibit B**.

(b) The City conveys to the Developer fee title to a parcel adjoining the Property in the form attached as **Exhibit C**.

ARTICLE IV

Term and Termination

4.1 Term. This Agreement shall terminate 10 years from the effective date of this Agreement, unless the conditions in Article III are not satisfied in which case this Agreement shall be void and of no effect and the Property shall not be transferred to the City.

4.2 .

4.3 Jurisdiction of Property at Termination. Upon the termination of this Agreement, the Property shall for all purposes be within the legal limits and jurisdiction of the City, unless the conditions in Article III are not satisfied, in which case this Agreement shall be void and of no effect and the Property shall not be transferred to the City.

ARTICLE V

Miscellaneous

5.1 Notices. Any notice, demand, or communication required, permitted, or desired to be given under this Agreement shall be deemed effectively given when personally delivered or mailed by first-class mail addressed to those addresses first provided above. The parties may, by written notice, designate any further or different address to which subsequent notices, demands, or communications may be given.

5.2 Interpretation.

(a) Article and Other Headings. The article and other headings in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

(b) Entire Agreement. This Agreement is the entire agreement among the parties with respect to its subject matter. It supersedes and replaces all previous or contemporaneous, express or implied, written or oral statements, covenants, representations or agreements. So, no oral statements or prior or contemporaneous written material not specifically incorporated in this Agreement shall be of any force and effect, and both parties specifically acknowledge, in entering into and executing this Agreement, they are relying solely upon the representations and agreements in this Agreement and no others.

(c) Amendment. This Agreement may not be amended except in writing signed by the parties following public hearings before and resolutions adopted by the Township Board and the City Council.

(d) Benefits. Neither party shall be entitled to benefits other than those specified herein. No other party is intended to be a beneficiary of this Agreement.

(e) Counterparts. This Agreement may be executed in any number of counterparts and each such counterpart shall be considered a valid original.

(f) Counsel. Both parties had the opportunity to consult legal counsel and have input into the drafting of this Agreement. It is therefore to be construed as mutually drafted.

5.3 Remedies. The parties agree that remedies at law are inadequate and both parties have the right to all equitable remedies including, without limitation, mandamus, specific performance, and injunctive relief. The parties further agree that no remedies shall be available with respect to the conditions precedent provided in Article III; neither the City nor the Developer have any legal obligation to satisfy those conditions. Before a party may undertake any legal or equitable action pursuant to or to enforce any provision of this Agreement, that party shall first notify the other party of the basis for the claim, including detailed recitations of the facts and the law upon which the claiming party is relying. The party receiving such claim letter shall, within 21 days of receiving the claim, respond in writing identifying those issues on which there is agreement and stating in detail the facts and law upon which the responding party is relying. The parties shall schedule a meeting to occur within 14 days after the date the response is due to discuss and seek to resolve the dispute. These time frames may be adjusted by the written consent of the parties.

5.4 Filing and Effective Date.

(a) Initial Filing and Effective Date. In accordance with Act 425, following the execution of this Agreement by the City and the Township and the fulfillment of the conditions provided in Article III of this Agreement, a duplicate original of the Agreement shall be filed with the Clerk of Van Buren County and with the Michigan Secretary of State. This Agreement, certified by such County Clerk or the Secretary of State, shall be *prima facie* evidence of the conditional transfer of the areas pursuant to this Agreement. This Agreement shall be effective at 12:01 a.m. on January 2, 2016, provided it has been filed with the County Clerk and the Secretary of State and the conditions of Article III have been satisfied.

(b) Additional Filing. The parties agree to sign and file any additional documents, such as notices, forms and reports that may be required or requested by county, state or other agencies, that may be needed to give full effect to and to fully implement this Agreement.

The parties have signed this Agreement as of the date first written above.

CITY OF SOUTH HAVEN

CHARTER TOWNSHIP OF SOUTH HAVEN

By: _____
Robert Burr, Mayor

By: _____
Ross Stein, Supervisor

By: _____
Amanda Morgan, Clerk

By: _____
Brenda Bertorelli, Clerk

SCOTT SMITH

By: _____
Scott Smith

By: _____
_____ Smith, Spouse

DRAFT

EXHIBIT A
LEGAL DESCRIPTION OF CONDITIONALLY TRANSFERRED PROPERTY

DRAFT

EXHIBIT B
EASEMENT TO BE CONVEYED BY DEVELOPER

UTILITY EASEMENT LEGAL DESCRIPTION:

THAT PART OF THE NORTHEAST QUARTER OF SECTION 16, TOWN 1 SOUTH, RANGE 17 WEST, SOUTH HAVEN TOWNSHIP, VAN BUREN COUNTY, MICHIGAN, DESCRIBED AS COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION; THENCE NORTH 00° 00' 00" EAST, ALONG THE EAST LINE OF SAID SECTION, 826.30 FEET; THENCE NORTH 89° 48' 25" WEST, 33.00 FEET TO THE WESTERLY RIGHT OF WAY LINE OF MONROE BOULEVARD AND THE POINT OF BEGINNING OF THE EASEMENT HEREIN DESCRIBED; THENCE CONTINUING NORTH 89° 48' 25" WEST, 228.21 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE, SAID CURVE HAVING A RADIUS OF 515.00 FEET AND A CENTRAL ANGLE OF 25° 31' 27"; THENCE EASTERLY, ALONG THE ARC OF SAID CURVE TO THE RIGHT, A DISTANCE OF 229.42 FEET, SAID ARC SUBTENDED BY A CHORD WHICH BEARS NORTH 77° 14' 17" EAST, A DISTANCE OF 227.53 FEET; THENCE NORTH 90° 00' 00" EAST, 6.30 FEET TO THE WESTERLY RIGHT OF WAY LINE OF MONROE BOULEVARD; THENCE SOUTH 00° 00' 00" EAST, ALONG SAID RIGHT OF WAY LINE, 51.03 FEET TO THE POINT OF BEGINNING.

EXHIBIT C
DEED FOR CONVEYANCE BY THE CITY

TRANSFER PARCEL LEGAL DESCRIPTION:

THAT PART OF THE NORTHEAST QUARTER OF SECTION 16, TOWN 1 SOUTH, RANGE 17 WEST, SOUTH HAVEN TOWNSHIP, VAN BUREN COUNTY, MICHIGAN, DESCRIBED AS COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION; THENCE NORTH 00° 00' 00" EAST, ALONG THE EAST LINE OF SAID SECTION, 826.30 FEET; THENCE NORTH 89° 48' 25" WEST, 288.00 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND HEREIN DESCRIBED; THENCE SOUTH 65° 35' 00" WEST, 144.96 FEET; THENCE NORTH 00° 00' 00" EAST, 60.37 FEET; THENCE SOUTH 89° 48' 25" EAST, 132.00 FEET TO THE POINT OF BEGINNING.

DRAFT

I certify that, as to the lands herein described neither the state nor any person holds a tax title or lien, and that all taxes levied for the five calendar years preceding the date of this instrument have been paid, except that if checked here this certificate does not cover taxes for the most recent year because the delinquent tax roll for the same is not available.

Karen M. Kelly
VAN BUREN COUNTY TREASURER
RD

Stells
DATED

MICHIGAN REAL ESTATE TRANSFER TAX
Van Buren County Tax Stamp #55495
05/06/2015 02:36:25 PM



Receipt# 15-3406 L: 1618 P: 983
State Tax: \$2137.50 County Tax: \$313.50

L: 1618 P: 983 DWD

05/06/2015 02:36:25 PM Page: 1 of 2 Fee: \$ 18.00
LR-3300325 Register of Deeds - Van Buren County, MI



WARRANTY DEED

STATUTORY FORM FOR INDIVIDUALS

This Indenture,

Dated this day of:

KNOW ALL MEN BY THESE PRESENTS THAT:

April 17, 2015

Charles Krouse and Sandra Krouse, husband and wife

90 Lost Tree Rd

Pinehurst, NC 28374

Convey(s) and Warrant(s) To:

Scott Smith and Liston Smith, husband and wife

45 Bluffwood Drive

South Haven, MI 49090

for the sum of

TWO HUNDRED EIGHTY FIVE THOUSAND AND 00/100 DOLLARS --- (\$285,000.00)

the following described premises situated in

The Township of South Haven, County of Van Buren and State of Michigan to wit:

Beginning 826.3 feet North of the East quarter post of Section 16, Town 1 South, Range 17 West, thence West 210 feet; thence North 211.2 feet; thence East 210 feet; thence South 211.2 feet to place of beginning.

ALSO, a parcel described as: Beginning at the Southwest corner of said above described parcel, thence West 210 feet; thence North 211.2, thence East 210 feet, thence South 211.2 feet to the place of beginning.

Subject to easements, reservations, restrictions and limitations of record, if any. And further subject to: None

This premises may be located within the vicinity of farmland or a farm operation. Generally accepted agriculture and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan right to farm act.

The grantor grants to the grantee the right to make all division(s) under section 108 of the division act, Act No. 288 of the Public Acts of 1967.

\$0-17. 016. 013-00 for

05-06-15P12:12 RCVD

ct-sth

Signed by

Charles Krouse
Charles Krouse

Sandra Krouse
Sandra Krouse

STATE OF North Carolina
COUNTY OF Moore

I, Frank Carpenter, a Notary Public of the County and the State first written above, do hereby



City of South Haven

Department of Public Works

DPW Building • 1199 8th Ave. • South Haven, Michigan 49090
Telephone (269) 637-0737 • Fax (269) 637-4778

MEMORANDUM

To: Brian Dissette, City Manager

From: Larry Halberstadt, PE, City Engineer

Date: December 7, 2015

RE: Modification of the Residential Equivalent Unit Schedule

Background Information:

The City of South Haven Public Utilities Rules, Regulations and Policies was adopted by Resolution 2007-04 on January 15, 2007. Resolution 2007-04 permits the assessment of a one-time availability fee for new water and sewer services to be utilized to offset a proportional cost of the existing capital investments for those parts of the water and/or sewer system(s) which provide service jointly to all users of the utilities. Essentially, new users are assessed the availability fee as a purchase of capacity in the existing water and sewer systems and plants. Resolution 2007-04 also permits the availability fee to be changed from time to time as recommended by the Board of Public Utilities and approved by City Council.

In 2007, the City transitioned from assessing availability fees on a foot frontage basis and moved to a Residential Equivalent Unit (REU) basis. A Residential Equivalent Unit is the amount of water that a single family residence of average size would utilize during a single day. The current schedule considers one REU to be 250 gallons per day. At the time that the City transitioned to the REU basis, it adopted a schedule that is used to calculate the number of REUs for various land uses or building occupations. The City elected to adopt the same schedule that was in use by the South Haven/Casco Township Sewer and Water Authority.

Over the past several years, the City has experienced a surge of new residential development on infill lots. Many of the houses are being constructed as rental properties for weekly occupation during the tourist season. Some of the new homes are being built with a large number of bedrooms and are being furnished with bunk rooms that can house in excess of 20 people. Recently, the City received an application for a new single family residence with 10 bedrooms.

Based on the current REU schedule, a new single family home will be assessed availability fees for 1.0 REU regardless of size. It is clear that the larger size seasonal rental homes will utilize more than 250 gallons per day when they are occupied by 10-25 people. As a result it is recommended that the REU schedule be modified to permit assessment of more than 1.0 REU for any new single family residence with more than 4 bedrooms or more than 4 bathrooms. All bedrooms or bathrooms in excess of four would be assessed an additional 0.25 REUs for each additional bedroom or bathroom. The total number of REUs would be based on the larger of the number of bedrooms or bathrooms in excess of four, but not the total of bedrooms plus

Memorandum

December 7, 2015

Modification of Residential Equivalent Unit Schedule

Page 2 of 2

bathrooms. For example, if a new single family home were proposed with 7 bedrooms and 5 bathrooms, it would be assessed 1.0 REU plus 0.25 REU for the three bedrooms in excess of four for a total of 1.75 REUs. If the home had 4 bedrooms and 8 bathrooms, it would be assessed 2.0 REUs.

In addition, language has been added to the REU schedule that would permit the City to collect additional availability fees if an average sized home were demolished and replaced with a larger home containing more than four bedrooms or bathrooms. This would not apply to remodeling/renovation projects.

The Board of Public Utilities reviewed the proposed changes to the REU Schedule at their November 30, 2015 meeting and passed a motion recommending that Council approve the changes to the REU schedule via a Resolution modifying the Utility Policy.

Recommendation:

Council should review and approve the attached Resolution at their December 7, 2015 regular meeting.

Attachments:

Resolution 07-20: Water REU Schedule
Resolution 07-38: Sewer REU Schedule
Draft Resolution for Council Consideration

CITY OF SOUTH HAVEN
VAN BUREN AND ALLEGAN COUNTIES, MICHIGAN

RESOLUTION NO. 2015-48

A RESOLUTION TO INCLUDE AN ADDENDUM TO THE UTILITY
POLICY ADJUSTING THE WATER & SEWER AVAILABILITY FEE SCHEDULES AND
READOPTING THE WATER & SEWER AVAILABILITY FEES

Minutes of a regular meeting of the City Council of the City of South Haven, Van Buren and Allegan Counties, Michigan, held in the City Hall, 539 Phoenix Street, South Haven, Michigan 49090 on _____, 2015 at 7:00 p.m. local time.

PRESENT: _____

ABSENT: _____

The following preamble and resolution was offered by Member _____ and supported by Member _____.

WHEREAS, City Council adopted the Public Utilities Rules, Regulations and Policies by Resolution 2007-04 on January 15, 2007; and,

WHEREAS, Resolution 2007-04 permits the assessment of a one-time availability fee for new water and sewer services to be utilized to offset a proportional cost of the existing capital investments for those parts of the water and/or sewer system(s) which provide service jointly to all users of the utilities; and,

WHEREAS, Resolution 2007-04 permits the availability fee to be changed from time to time as recommended by the Board of Public Utilities, and approved by City Council; and,

WHEREAS, the calculation of the availability fee is based on a Residential Equivalent Unit (REU) schedule adopted by Resolution 2007-20 for new water customers and Resolution 2007-38 for new sewer customers with 1.0 Residential Equivalent Unit equal to 250 gallons per day of metered usage; and,

WHEREAS, Resolution 2015-18 sets the amount of fees to be paid per Residential Equivalent Unit (REU) for each new water and sewer service connection; and,

WHEREAS, the Board of Public Utilities reviewed the availability fee schedules at their regular meeting held on Monday, November 30, 2015 and has recommended changes to the availability fee schedules.

NOW, THEREFORE BE IT RESOLVED that new water and sewer customers shall pay an availability fee based on the occupation or use of the proposed facility based on the total number of Residential Equivalent Units calculated using the schedule shown in the attached Exhibit A.

BE IT FURTHER RESOLVED that the amount of the water and sewer availability fees to be paid shall be calculated by multiplying the total number of Residential Equivalent Units calculated using the schedule shown in Exhibit A by the fees shown in the attached Exhibit B, divided between plant and system improvements as shown.

BE IT FURTHER RESOLVED that this resolution shall be included as an addendum to the Public Utilities Rules, Regulations and Policies.

BE IT FURTHER RESOLVED that Resolutions 2007-20, 2007-38, and 2015-18 are hereby rescinded.

BE IT FURTHER RESOLVED, that this resolution shall take effect upon passage by the City Council.

RECORD OF VOTE:

Yeas: _____

Nays: _____

RESOLUTION DECLARED ADOPTED

Robert G. Burr, Mayor

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council at a meeting held on the 7th day of December, 2015, at which meeting a quorum was present, and that this resolution was ordered to take immediate effect. Public notice of said meeting was give pursuant to and in compliance with the Open Meetings Act, Act No. 167 of the Public Acts of Michigan 1976 (MCL 15.261 *et seq*).

Amanda Morgan, City Clerk

Exhibit A

RESIDENTIAL EQUIVALENT UNIT (REU) SCHEDULE

	<u>Occupation or Use</u>	<u>Units</u>	<u>Unit Factor</u>
1.	Single Family Residence (four or less bedrooms)	1.0	Per residence
2.	Single Family Residence (more than four bedrooms or more than four toilets)	1.0	Per residence plus 0.25 for each bedroom or toilet in excess of four ^{1,2}
3.	Auto Dealers (New and/or Used)	1.0	Per premise plus 0.25 per 1,000 sq ft of building including service area
4.	Auto Repair/Collision	1.0	Per premise plus 0.25 per 1,000 sq ft of building
5.	Auto Wash (Coin Operated, Self Service, 10 gallons or less per car)	1.0	Per stall
6.	Auto Wash (Mechanical, over 10 gallons per car, non-recycled water)	10.0	Per stall or production line including approach and drying area
7.	Auto Wash (Mechanical, over 10 gallons per car, recycled water)	5.0	Per stall or production line including approach and drying area
8.	Bar	4.0	Per 1,000 sq ft
9.	Barber Shop or Beauty Salon	1.0	Per shop plus 0.1 per chair for each chair in excess of two
10.	Bowling Alley (no bar)	1.0	Per premise plus 0.02 per alley
11.	Church	0.25	Per 1,000 sq ft (Minimum 1.0)
12.	Cleaner (drop-off & pick-up only)	1.0	Per premise
13.	Cleaner (cleaning & pressing facilities)	1.0	Per premise plus 0.5 per 500 sq ft
14.	Clinic (medical or dental)	1.0	Per premise plus 0.5 per exam room

15.	Convalescent or Boarding Home	1.0	Per premise plus 0.25 per bedroom
16.	Convent	1.0	Per premise plus 0.25 per bedroom
17.	Country Club or Athletic Club	1.5	Per 1,000 sq ft of clubhouse plus restaurant, bar and pro shop as retail store to be calculated separately
18.	Factory (Office and Production) plus Wet Process Wastewater	0.75	Per 1,000 sq ft Based on metered sewage flow
19.	Funeral Home	1.5	Per 1,000 sq ft plus attached residential use to be calculated separately
20.	Grocery Store and/or Super Market	1.0	Per premise plus 0.8 per 1,000 sq ft
21.	Hospital	1.1	Per bed
22.	Hotel or Motel	0.4	Per room or suite plus restaurant and bar to be calculated separately
23.	Laundry (Self Service)	1.0	Per premise plus 0.5 per washing machine
24.	Two Family Residential	1.0	Per unit
25.	Mobile Home (Free Standing)	1.0	Per unit
26.	Mobile Home (Park or Subdivision)	0.75	Per pad or site plus laundry, community buildings, and office to be calculated separately
27.	Marina	0.6 1.0	Per space 25 ft or less in length Per space over 25 ft in length
28.	Multiple Family Residence (Duplex, Row House, or Townhouse)	1.0	Per building plus 0.8 for each dwelling unit in excess of one

29.	Apartment Residence (with laundry facilities in each unit)	1.0	Per building plus 0.8 for each dwelling unit in excess of one
30.	Apartment Residence (without laundry facilities in each unit)	1.0	Per building plus 0.6 for each dwelling unit in excess of one
31.	Fraternity or Sorority House or Dormitory	1.0	Per building plus 0.6 for each two residents in excess of four
32.	Park, Picnic or Recreation Facility (no bathing or overnight accommodations)	0.2	Per parking space
33.	Park, Picnic or Recreation Facility (with bathing facility or swimming pool)	0.35	Per parking space
34.	Pharmacy	1.0	Per premise
35.	Campground (Tents, recreational vehicles 20 feet in length or less and trailers 12 feet in length or less)	0.35	Per pad or site plus picnic facilities to be calculated separately
36.	Campground (Recreational vehicles over 20 feet in length and trailers over 12 feet in length)	0.50	Per pad or site plus picnic facilities to be calculated separately
37.	Post Office	1.0	Per 1,000 sq ft
38.	Professional Office	0.25	Per 500 sq ft (Minimum 1.0)
39.	Public Institution	0.75	Per 1,000 sq ft
40.	Restaurant (no alcohol service)	2.5	Per 1,000 sq ft excluding restrooms, public areas not in regular use and unfinished areas
41.	Restaurant (with alcohol service)	3.5	Per 1,000 sq ft excluding restrooms, public areas not in regular use and unfinished areas
42.	Restaurant (public areas, auxiliary dining rooms, dance floors or ballrooms not in regular use)	0.5	Per 1,000 sq ft

43.	Retail Store (other than listed)	1.0	Per premise plus 0.1 per 1,000 sq ft
44.	School	1.0	Per classroom
45.	Service Station	1.5	Per 1,000 sq ft
46.	Snack Bar, Drive In, etc.	2.5	Per 1,000 sq ft
47.	Theater	0.04	Per seat
48.	Theater (drive-in)	0.04	Per car space
49.	Warehouse and Storage	0.2	Per 1,000 sq ft
50.	Veterinary Facility (without kennel)	1.0	Per facility
51.	Veterinary Facility (with kennel)	1.0	Per facility plus 0.1 per kennel

¹ The additional unit factor of 0.25 shall apply for the total of all bedrooms over four or all toilets over four, but not to the total of bedrooms and toilets over four. If the total of bedrooms over four and toilets over four is different, the largest total unit factor shall apply.

² If a Single Family Residence with more than four bedrooms or more than four toilets is proposed on a lot that is being redeveloped and the water and sewer connections have been previously disconnected, the services may be reinstated if they meet the current standards for service as determined by the City. The availability fee for reinstating any water or sewer service which has been previously disconnected will be the lesser of the following: Back standby service fees from the date that the service was originally disconnected to the date of reconnection plus 0.25 REU for each bedroom or toilet in excess of four, or the amount calculated using this REU schedule and Exhibit B.

The total number of Residential Equivalent Units to be assessed will be calculated by multiplying the Units by the Unit Factor based on the proposed occupation or use at the time of connection. If multiple occupations or uses are proposed, the calculation will utilize multiple Units and Unit Factors as appropriate for each occupation or use and the total Residential Equivalent Units to be assessed will be the total of the Residential Equivalent Units for each separate occupation or use.

If the proposed occupation or use is expandable in the future, the Residential Equivalent Units for the expandable portion of the occupation or use will be included in the total calculation. The applicant will then be required to enter into a deferral agreement, agreeing to pay the Residential Equivalent Units for the expandable area at the time that construction occurs in the future.

Every connection to the water and/or sewer system will require payment for a minimum of 1.0 Residential Equivalent Unit, even if the calculation results in less than 1.0 Residential Equivalent Unit.

Metering of any commercial or industrial use may be required by the City, in their discretion, for a period of at least three months, to determine the average daily flow. The average daily flow will

be calculated by dividing the total metered flow by the number of days of metering. The average daily flow will be converted to Residential Equivalent Units by dividing the average daily flow, measured in gallons per day, by 250. Such metering shall be accomplished using an approved meter, with all expenses the responsibility of the owner.

Exhibit B

AVAILABILITY FEE SCHEDULE PER RESIDENTIAL EQUIVALENT UNIT (REU)

<u>Water Availability Improvements</u>		<u>Plant Expansion</u>		<u>System</u>
\$5,750	=	\$4,000	+	\$1,750

<u>Sewer Availability Improvements</u>		<u>Plant Expansion</u>		<u>System</u>
\$3,956	=	\$2,226	+	\$1,730

The total availability fees for new water and sewer connections will be determined as follows: The number of Residential Equivalent Units will be calculated using the schedule shown in Exhibit A of this Resolution. The number of Residential Equivalent Units will be multiplied by the per unit fee schedule show above.

The total availability fees for water and sewer combined will be capped at \$250,000 for new customers. The \$250,000 availability fee payment will be prorated to the water fund and sewer fund as follows: \$103,029.05 for Water Plant; \$45,075.21 for Water System; \$57,335.67 for Sewer Plant; and \$44,560.07 for Sewer System. A single building with multiple customer connections that is part of an integrated development, submitted as a single site plan application, is eligible for the total availability fee cap. Multiple buildings within a development will be required to have a separate water and sewer service to each building and pay separate availability fees for each building.

CITY OF SOUTH HAVEN
VAN BUREN AND ALLEGAN COUNTIES, MICHIGAN

RESOLUTION NO. 07-20

A RESOLUTION TO INCLUDE AN ADDENDUM TO THE
UTILITY POLICY SETTING WATER AVAILABILITY FEES

Minutes of a regular meeting of the City Council of the City of South Haven, Van Buren and Allegan Counties, Michigan, held in the City Hall, 539 Phoenix Street, South Haven, Michigan 49090 on April 2, 2007 at 7:30 p.m. local time.

PRESENT: Andersen, Bradley, Fahs, Paull, Stegeman, Appleyard

ABSENT: Smith

The following preamble and resolution was offered by Member Fahs and supported by Member Bradley.

WHEREAS, City Council adopted the Public Utilities Rules, Regulations and Policies by Resolution 07-04 on January 15, 2007; and

WHEREAS, during their meeting on March 26, 2007, the Board of Public Utilities further reviewed new water customer availability fee pricing and has recommended a pricing increase for new water customer availability fees be based on residential equivalency units (REU's) for new connections.

NOW, THEREFORE BE IT RESOLVED, that the new water customer availability fees are to be based on the attached REU factors to be set as described in Exhibit A.

BE IT FURTHER RESOLVED, that this resolution shall be included as an addendum to the Public Utilities Rules, Regulations and Policies.

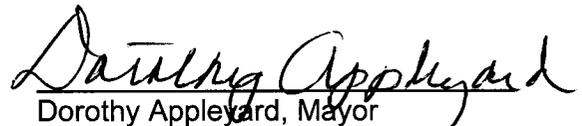
BE IT FURTHER RESOLVED, that this resolution shall take effect upon passage by the City Council.

RECORD OF VOTE:

Yeas: Andersen, Bradley, Fahs, Paull, Stegeman, Appleyard

Nays: None

RESOLUTION DECLARED ADOPTED.


Dorothy Appleyard, Mayor

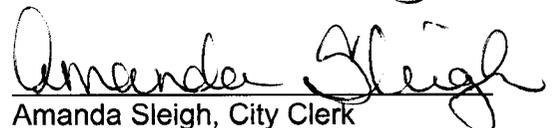

Amanda Sleigh, City Clerk

EXHIBIT A

RESIDENTIAL EQUIVALENT UNIT (REU) FACTORS

<u>Occupation Use</u>	<u>Units</u>	<u>Unit Factor</u>
1. Single Family Residence	1.0	per residence
2. Auto Dealers—New and/or Used	1.0	per premise plus 0.25 per 1,000 sq. ft. of building inc. service area.
3. Auto Repair/Collision	1.0	same as above
4. Auto Wash (Coin-Operated Do-it-yourself 10 gallons or less per car)	1.0	per stall
5. Auto Wash (Mechanical—over 10 Gallons per car—Not Recycled)	10.0	per stall or production line including approach and drying area
6. Auto Wash (Mechanical—over 10 Gallons per car-- Recycled)	5.0	per stall or production line including approach and drying area
7. Barber Shop	1.0	per shop plus 0.1 Per chair after 2
8. Bar	4.0	per 1,000 sq. ft.
9. Beauty Shops	1.0	per shop plus .01 per booth
10. Bowling Alleys (no bar)	1.0	per premise plus .02 per alley
11. Churches	.025	per 1,000 sq. ft.— Minimum 1 unit
12. Cleaners (pick-up)	1.0	per shop
13. Cleaners (cleaning & Pressing facilities)	1.0	per premise plus 0.5 per 500 sq. ft.
14. Clinics (medical or Dental)	1.0	per premise plus 0.5 per exam room
15. Convalescent or Boarding homes	1.0	per premise plus 0.25 per bedroom
16. Convents	1.0	per premise plus 0.25 per bedroom

17. Country Clubs and Athletic Clubs	1.5	per 1,000 sq. ft. of clubhouse plus Restaurant, bar and Pro shop as retail Store
18. Drug Store	1.0	per premise plus snack bar
19. Factories (office and Production) PLUS: Wet Process Wastewater	.75	per 1,000 sq. ft. based on metered Sewage flow
20. Funeral Home	1.5	per 1,000 sq. ft. Plus residence to be Computed separately
21. Grocery Stores and Super Market	1.0	per premise plus 0.8 per 1,000 sq. ft.
22. Hospitals	1.1	per bed
23. Hotels and Motels	0.40	per bedroom plus restaurant and bar
24. Laundry (self-serve)	1.0	per premise plus 0.5 Per washer
25. Two Family Residential	1.0	per unit
26. Mobile Homes (free Standing)	1.0	per unit
27. Mobile Homes (park or Subdivision)	.75	per pad or site at indirect connection rates plus laundry, community bldgs. and office to be computed separately per schedule.
28. Marina—per boat Docking space	.06 .1	per space under 25 ft. in length per space over 25 ft. in length
29. Multiple Family Residence Duplex, Row Houses or Townhouses	1.0 .8	plus for each dwelling unit in excess of 1
30. Apartment Residence-Self contained unit Including laundry facilities in apartment	1.0 .8	plus for each dwelling unit in excess of 1

31. Apartment Residence- Other than self-contained Unit not having laundry Facilities in apartment	1.0 .6	plus for each dwelling unit in excess of 1
32. Fraternity, Sorority Houses; Dormitories	1.0 .6	plus for each 2 residents In excess of 4
33. Parks, Recreation Facilities, campgrounds, Picnic Facilities—no Bathing or overnight Accommodations	.2	per parking space
34. Picnic Facilities With bathing Privileges or Swimming pool	0.35	per parking space
35. Campground Facilities-- Recreational vehicles, Tents, trailers under 12 feet	0.35	per pad or site plus picnic facilities
36. Campground Facilities—Trailer Parks or trailers in Excess of 12 feet	0.50	per pad or site plus picnic facilities
37. Post Office	1.0	per 1,000 sq. ft.
38. Professional Office	0.25	per 500 sq. ft. --minimum 1
39. Public Institutions	0.75	per 1,000 sq. ft.
40. Restaurants (meals Only)	2.5	per 1,000 sq. ft. excluding restrooms, public areas not in regular use and unfinished areas
41. Restaurants (meals And drinks)	3.5	per 1,000 sq. ft. excluding restrooms, public areas not in regular use and unfinished areas
42. Restaurants (public areas, auxiliary dining rooms, dance floors or ballrooms Which are not in regular use)	0.5	per 1,000 sq. ft.

43. Retail Store (other than listed)	1.0	per premise plus 0.1 per 1,000 sq. ft.
44. Schools	1.0	per classroom
45. Service Stations	1.5	per 1,000 sq. ft. of building area
46. Snack bars, Drive-Ins, etc.	2.5	per 1,000 sq. ft.
47. Theaters (drive-in)	0.04	per car space
48. Theaters	0.04	per seat
49. Warehouse and Storage	0.2	per 1,000 sq. ft.
50. Veterinary Facility	1.0	per facility
51. Veterinary Facility With Kennel	1.0 0.5	per facility plus per 5 kennels

Every connection to the System shall require payment of a minimum of 1.0 REU connection charge, even if the Occupation Use Units times Unit Factor is less than 1.0

Metering of any commercial or industrial use may be required by the City, in their discretion, for a period of at least three months, to determine the average daily flow, with the total, metered flow to be divided by the number of days of metering, and the result divided by 250 to determine total REU's. Such metering shall be accomplished using an approved meter, with all expenses the responsibility of the owner.

CITY OF SOUTH HAVEN
VAN BUREN AND ALLEGAN COUNTIES, MICHIGAN

RESOLUTION NO. 07-38

A RESOLUTION TO INCLUDE AN ADDENDUM TO THE
UTILITY POLICY SETTING SEWER AVAILABILITY FEES

Minutes of a regular meeting of the City Council of the City of South Haven, Van Buren and Allegan Counties, Michigan, held in the City Hall, 539 Phoenix Street, South Haven, Michigan 49090 on June 4, 2007 at 7:30 p.m. local time.

PRESENT: Andersen, Bradley, Fahs, Paull, Smith, Stegeman, Appleyard

ABSENT: None

The following preamble and resolution was offered by Member Fahs and supported by Member Andersen.

WHEREAS, City Council adopted the Public Utilities Rules, Regulations and Policies by Resolution 07-04 on January 15, 2007; and

WHEREAS, during their meeting on May 29, 2007, the Board of Public Utilities further reviewed new sewer customer availability fee pricing and has recommended a pricing increase for new sewer customer availability fees be based on residential equivalency units (REU's) for new connections.

NOW, THEREFORE BE IT RESOLVED, that the new sewer customer availability fees are to be based on the attached REU factors to be set as follows:

(see attached REU factors)

BE IT FURTHER RESOLVED, that this resolution shall be included as an addendum to the Public Utilities Rules, Regulations and Policies.

BE IT FURTHER RESOLVED, that this resolution shall take effect upon passage by the City Council.

RECORD OF VOTE:

Yeas: Andersen, Bradley, Fahs, Paull, Smith, Stegeman, Appleyard

Nays: None

RESOLUTION DECLARED ADOPTED.

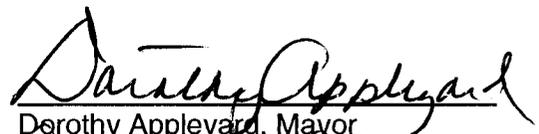
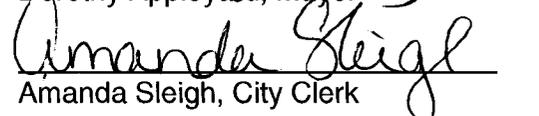

Dorothy Appleyard, Mayor

Amanda Sleigh, City Clerk

EXHIBIT A

RESIDENTIAL EQUIVALENT UNIT (REU) FACTORS

<u>Occupation Use</u>	<u>Units</u>	<u>Unit Factor</u>
1. Single Family Residence	1.0	per residence
2. Auto Dealers—New and/or Used	1.0	per premise plus 0.25 per 1,000 sq. ft. of building inc. service area.
3. Auto Repair/Collision	1.0	same as above
4. Auto Wash (Coin-Operated Do-it-yourself 10 gallons or less per car)	1.0	per stall
5. Auto Wash (Mechanical—over 10 Gallons per car—Not Recycled)	10.00	per stall or production line including approach and drying area
6. Auto Wash (Mechanical—over 10 Gallons per car-- Recycled)	5.0	per stall or production line including approach and drying area
7. Barber Shop	1.0	per shop plus 0.1 Per chair after 2
8. Bar	4.0	per 1,000 sq. ft.
9. Beauty Shops	1.0	per shop plus .01 per booth
10. Bowling Alleys (no bar)	1.0	per premise plus .02 per alley
11. Churches	.025	per 1,000 sq. ft.— Minimum 1 unit
12. Cleaners (pick-up)	1.0	per shop
13. Cleaners (cleaning & Pressing facilities)	1.0	per premise plus 0.5 per 500 sq. ft.
14. Clinics (medical or Dental)	1.0	per premise plus 0.5 per exam room
15. Convalescent or Boarding homes	1.0	per premise plus 0.25 per bedroom
16. Convents	1.0	per premise plus 0.25 per bedroom

17. Country Clubs and Athletic Clubs	1.5	per 1,000 sq. ft. of clubhouse plus Restaurant, bar and Pro shop as retail Store
18. Drug Store	1.0	per premise plus snack bar
19. Factories (office and Production) PLUS: Wet Process Wastewater	.75	per 1,000 sq. ft. based on metered Sewage flow
20. Funeral Home	1.5	per 1,000 sq. ft. Plus residence to be Computed separately
21. Grocery Stores and Super Market	1.0	per premise plus 0.8 per 1,000 sq. ft.
22. Hospitals	1.1	per bed
23. Hotels and Motels	0.40	per bedroom plus restaurant and bar
24. Laundry (self-serve)	1.0	per premise plus 0.5 Per washer
25. Two Family Residential	1.0	per unit
26. Mobile Homes (free Standing)	1.0	per unit
27. Mobile Homes (park or Subdivision)	.75	per pad or site at indirect connection rates plus laundry, community bldgs. and office to be computed separately per schedule.
28. Marina—per boat Docking space	.06 .1	per space under 25 ft. in length per space over 25 ft. in length
29. Multiple Family Residence Duplex, Row Houses or Townhouses	1.0 .8	plus for each dwelling unit in excess of 1
30. Apartment Residence-Self contained unit Including laundry facilities in apartment	1.0 .8	plus for each swelling unit in excess of 1
31. Apartment Residence-	1.0	plus

Other than self-contained Unit not having laundry Facilities in apartment	.6	for each dwelling unit in excess of 1
32. Fraternity, Sorority Houses; Dormitories	1.0 .6	plus for each 2 residents In excess of 4
33. Parks, Recreation Facilities, campgrounds, Picnic Facilities—no Bathing or overnight Accommodations	.2	per parking space
34. Picnic Facilities With bathing Privileges or Swimming pool	0.35	per parking space
35. Campground Facilities-- Recreational vehicles, Tents, trailers under 12 feet	0.35	per pad or site plus picnic facilities
36. Campground Facilities—Trailer Parks or trailers in Excess of 12 feet	0.50	per pad or site plus picnic facilities
37. Post Office	1.0	per 1,000 sq. ft.
38. Professional Office	0.25	per 500 sq. ft. --minimum 1
39. Public Institutions	0.75	per 1,000 sq. ft.
40. Restaurants (meals Only)	2.5	per 1,000 sq. ft. excluding restrooms, public areas not in regular use and unfinished areas
41. Restaurants (meals And drinks)	3.5	per 1,000 sq. ft. excluding restrooms, public areas not in regular use and unfinished areas
42. Restaurants (public areas, auxiliary dining rooms, dance floors or ballrooms Which are not in regular use)	0.5	per 1,000 sq. ft.
43. Retail Store (other	1.0	per premise plus 0.1

than listed)		per 1,000 sq. ft.
44. Schools	1.0	per classroom
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City of South Haven

Department of Public Works

DPW Building • 1199 8th Ave. • South Haven, Michigan 49090
Telephone (269) 637-0737 • Fax (269) 637-4778

MEMORANDUM

To: Brian Dissette, City Manager

From: Larry Halberstadt, PE, City Engineer

Date: December 7, 2015

RE: Energy Optimization Program

Background Information:

On October 6, 2008, the State of Michigan passed the Clean, Renewable, and Efficient Energy Act, Act 295 of 2008. This Act requires Michigan electric providers, including the City of South Haven Electric Utility, to design and implement a renewable energy program and an energy optimization program. Natural gas providers are also required to develop energy optimization programs.

Energy optimization programs are intended to assist electric customers to reduce their electric usage. This is done via educational programs and also via incentives for replacement of inefficient electric consumption devices with modern ENERGY STAR® devices or alternate forms of electric lighting. The incentives typically average 5-10% of the initial investment in the new device. The remainder of the investment is recouped via lower future electric bills.

PA 295 requires energy optimization programs be designed and implemented with a target saving equivalent to 1% of the prior year sales. PA 295 also requires that new energy optimization plans be filed every two years. PA 295 does NOT have a sunset clause that terminates the energy optimization requirement on December 31, 2015. Section 97(7) of PA 295 requires that the Michigan Public Service Commission (MPSC) file a report with the appropriate legislative committees by September 30, 2015. The report shall "review the opportunities for additional cost-effective energy optimization programs and make any recommendations the commission may have for legislation providing for the continuation, expansion, or reduction of energy optimization standards." The report indicates that the energy saving targets have been exceeded, that the programs have met the cost effectiveness standards, and that opportunities exist for additional savings. The report indicates that the achievable potential for electric savings in 2023 is 15.0% of forecasted kWh sales in 2023. The report does not make any recommendations for legislative changes.

Both chambers of the Michigan legislature have been working on amending PA 295. HB 4297 (H-3) is sponsored by Representative Aric Nesbitt. This draft of the legislation would require municipally-owned electric utilities to continue to provide energy optimization programs for 180 days from the date of passage of the legislation. SB 438 (S-1) is sponsored by Senator John Proos. The senate legislation would require all natural gas and electric providers to continue energy optimization programs until December 31, 2018. Neither of the bills have left their

Memorandum

December 7, 2015

Energy Optimization Program

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respective committees at this time for a vote of the respective full chamber. Since there are still differences between the two proposed bills, it appears to be increasingly unlikely that an amendments to PA 295 will be completed prior to the end of 2015.

South Haven Compliance Efforts

On November 24, 2014, the Michigan Public Service Commission (MPSC) issued an Order to Michigan electric and gas providers to file biennial Energy Optimization Plans for the 2016-17 calendar years. Municipal Electric Providers were required to file their biennial plan by August 1, 2015. On September 11, 2015, the City filed a motion to extend the filing deadline until October 31, 2015. On November 2, 2015, the City submitted the attached Biennial Plan Filing.

Utility providers are permitted to use the independent energy optimization program administrator selected by the MPSC in lieu of filing a biennial plan. The independent administrator is Efficiency United. Efficiency United is administered by Michigan Community Action with professional services being provided by various consulting firms including CLEAResult. Since 2012, the City has utilized the services of Efficiency United to comply with the energy optimization requirements of PA 295. Efficiency United provides services to 12 Municipal Electric Providers in Michigan. They also provide services to Indiana-Michigan Power Company and Michigan Gas Utilities.

Prior to 2012, the City utilized a contractor to provide various services and was required to complete certain tasks internally. Significant time was spent by City staff in tracking the progress of the services and providing quarterly progress reports to the MPSC.

On October 27, 2015, Mayor Burr and City staff met with Art Thayer with the Michigan Electric Cooperative Association (MECA). MECA has established a collaborative that consists of approximately 8 cooperative electric providers and 4 municipal electric providers. MECA has staff assigned to run the collaborative and has a contract with Wisconsin Energy Conservation Corporation (WECC) to provide energy optimization services. The collaborative offers a variety of program offerings that meet the requirements of PA 295 and are similar to our current program.

It is recommended that the City discontinue participation in the state administered program and join the MECA collaborative for the 2016 calendar year. MECA has provided a letter agreement for review and signature. The agreement requires that the City pay MECA \$7,500 in administrative fees for participation in the collaborative. The agreement also requires that the City pay or reimburse MECA for all fees and expenses of subcontractors that are hired to provide various energy optimization services and to pay incentives to customers who elect to participate in the program. The fees and expenses are billed on an as provided basis and the total amount of these fees is not known at this time. It is anticipated that all fees for services and incentives paid to customers will not exceed \$258,658 (2% of Retail Sales Revenue in 2014). MECA has indicated that they have been successful in implementing their collaborative program for an amount that is significantly less than 2% of the Retail Sales Revenue.

Memorandum

December 7, 2015

Energy Optimization Program

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Electric Utility Rates

PA 295 permits electric providers to recover the cost of energy optimization services via volumetric surcharges. Council approved the current Energy Optimization Surcharges on December 3, 2012 with a sunset clause of December 31, 2015. Because we need to continue providing services for at least 6 more months, the Energy Optimization Surcharges need to be reapproved by Council. This will ensure that the services can be continued without a detrimental effect to the fund balance. It is recommended that the surcharges be extended at their current amounts until December 31, 2018. If legislative requirements change, the City may elect to discontinue the program and the surcharges could be removed with a future ordinance amendment.

The current energy optimization surcharges are as follows:

- (1) *Residential customers.* Energy Optimization Surcharge: \$0.001612 per kWh
- (2) *Commercial customers.* Energy Optimization Surcharge: \$0.002126 per kWh
- (3) *Commercial power customers.* Energy Optimization Surcharge: \$0.002126 per kWh
- (4) *Industrial and municipal customers.* Energy Optimization Surcharge: \$0.002126 per kWh

Residential customers of the City utilize approximately 600 kWh of electricity on average each month and would pay an average surcharge of \$0.97 per month.

At their October 26, 2015 regular meeting, the Board of Public Utilities passed a motion recommending that Council take action to renew the energy optimization surcharges until December 18, 2018 or until such a time as the legislative requirements change.

Recommendations:

Council should be requested to take the following actions at their December 7, 2015 regular meeting:

- a) Authorize the City Manager to execute the MECA Letter Agreement for Administrative Services.
- b) Authorize the City Manager to approve payments to MECA in accordance with the Letter of Agreement not to exceed a total of \$258,658 during the 2016 calendar year.
- c) Introduce an Ordinance to Amend Rates for the City of South Haven Utilities.

Council should be requested to take the following action at their December 21, 2015 regular meeting:

- a) Hold a public hearing to consider Ordinance Adoption.
- b) Adopt the Ordinance to Amend Rates for the City of South Haven Utilities.

Memorandum

December 7, 2015

Energy Optimization Program

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Attachments:

PA 295 of 2008

2016 Biennial Plan Filing, MPSC Case No. U-17413

MECA – Letter Agreement for Administrative Services

Electric Utility Rate Ordinance – Amended EO Surcharge Rate

CLEAN, RENEWABLE, AND EFFICIENT ENERGY ACT
Act 295 of 2008

AN ACT to require certain providers of electric service to establish renewable energy programs; to require certain providers of electric or natural gas service to establish energy optimization programs; to authorize the use of certain energy systems to meet the requirements of those programs; to provide for the approval of energy optimization service companies; to provide for certain charges on electric and natural gas bills; to promote energy conservation by state agencies and the public; to create a wind energy resource zone board and provide for its power and duties; to authorize the creation and implementation of wind energy resource zones; to provide for expedited transmission line siting certificates; to provide for a net metering program and the responsibilities of certain providers of electric service and customers with respect to net metering; to provide for fees; to prescribe the powers and duties of certain state agencies and officials; to require the promulgation of rules and the issuance of orders; and to provide for civil sanctions, remedies, and penalties.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

The People of the State of Michigan enact:

PART 1.
GENERAL PROVISIONS

460.1001 Short title; purpose of act.

Sec. 1. (1) This act shall be known and may be cited as the "clean, renewable, and efficient energy act".

(2) The purpose of this act is to promote the development of clean energy, renewable energy, and energy optimization through the implementation of a clean, renewable, and energy efficient standard that will cost-effectively do all of the following:

- (a) Diversify the resources used to reliably meet the energy needs of consumers in this state.
- (b) Provide greater energy security through the use of indigenous energy resources available within the state.
- (c) Encourage private investment in renewable energy and energy efficiency.
- (d) Provide improved air quality and other benefits to energy consumers and citizens of this state.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1003 Definitions; A to C.

Sec. 3. As used in this act:

- (a) "Advanced cleaner energy" means electricity generated using an advanced cleaner energy system.
- (b) "Advanced cleaner energy credit" means a credit certified under section 43 that represents generated advanced cleaner energy.
- (c) "Advanced cleaner energy system" means any of the following:
 - (i) A gasification facility.
 - (ii) An industrial cogeneration facility.
 - (iii) A coal-fired electric generating facility if 85% or more of the carbon dioxide emissions are captured and permanently geologically sequestered.
 - (iv) An electric generating facility or system that uses technologies not in commercial operation on the effective date of this act.
- (d) "Affiliated transmission company" means that term as defined in the electric transmission line certification act, 1995 PA 30, MCL 460.562.
- (e) "Applicable regional transmission organization" means a nonprofit, member-based organization governed by an independent board of directors that serves as the federal energy regulatory commission-approved regional transmission organization with oversight responsibility for the region that includes the provider's service territory.
- (f) "Biomass" means any organic matter that is not derived from fossil fuels, that can be converted to usable fuel for the production of energy, and that replenishes over a human, not a geological, time frame, including, but not limited to, all of the following:
 - (i) Agricultural crops and crop wastes.

- (ii) Short-rotation energy crops.
- (iii) Herbaceous plants.
- (iv) Trees and wood, but only if derived from sustainably managed forests or procurement systems, as defined in section 261c of the management and budget act, 1984 PA 431, MCL 18.1261c.
- (v) Paper and pulp products.
- (vi) Precommercial wood thinning waste, brush, or yard waste.
- (vii) Wood wastes and residues from the processing of wood products or paper.
- (viii) Animal wastes.
- (ix) Wastewater sludge or sewage.
- (x) Aquatic plants.
- (xi) Food production and processing waste.
- (xii) Organic by-products from the production of biofuels.
- (g) "Board" means the wind energy resource zone board created under section 143.
- (h) "Carbon dioxide emissions benefits" means that the carbon dioxide emissions per megawatt hour of electricity generated by the advanced cleaner energy system are at least 85% less or, for an integrated gasification combined cycle facility, 70% less than the average carbon dioxide emissions per megawatt hour of electricity generated from all coal-fired electric generating facilities operating in this state on January 1, 2008.
- (i) "Commission" means the Michigan public service commission.
- (j) "Customer meter" means an electric meter of a provider's retail customer. Customer meter does not include a municipal water pumping meter or additional meters at a single site that were installed specifically to support interruptible air conditioning, interruptible water heating, net metering, or time-of-day tariffs.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1005 Definitions; E, F.

Sec. 5. As used in this act:

- (a) "Electric provider", subject to sections 21(1), 23(1), and 25(1), means any of the following:
 - (i) Any person or entity that is regulated by the commission for the purpose of selling electricity to retail customers in this state.
 - (ii) A municipally-owned electric utility in this state.
 - (iii) A cooperative electric utility in this state.
 - (iv) Except as used in subpart B of part 2, an alternative electric supplier licensed under section 10a of 1939 PA 3, MCL 460.10a.
- (b) "Eligible electric generator" means that a methane digester or renewable energy system with a generation capacity limited to the customer's electric need and that does not exceed the following:
 - (i) For a renewable energy system, 150 kilowatts of aggregate generation at a single site.
 - (ii) For a methane digester, 550 kilowatts of aggregate generation at a single site.
- (c) "Energy conservation" means the reduction of customer energy use through the installation of measures or changes in energy usage behavior. Energy conservation does not include the use of advanced cleaner energy systems.
- (d) "Energy efficiency" means a decrease in customer consumption of electricity or natural gas achieved through measures or programs that target customer behavior, equipment, devices, or materials without reducing the quality of energy services.
- (e) "Energy optimization", subject to subdivision (f), means all of the following:
 - (i) Energy efficiency.
 - (ii) Load management, to the extent that the load management reduces overall energy usage.
 - (iii) Energy conservation, but only to the extent that the decreases in the consumption of electricity produced by energy conservation are objectively measurable and attributable to an energy optimization plan.
- (f) Energy optimization does not include electric provider infrastructure projects that are approved for cost recovery by the commission other than as provided in this act.
- (g) "Energy optimization credit" means a credit certified pursuant to section 87 that represents achieved energy optimization.
- (h) "Energy optimization plan" or "EO plan" means a plan under section 71.
- (i) "Energy optimization standard" means the minimum energy savings required to be achieved under section 77.
- (j) "Energy star" means the voluntary partnership among the United States department of energy, the

United States environmental protection agency, product manufacturers, local utilities, and retailers to help promote energy efficient products by labeling with the energy star logo, educate consumers about the benefits of energy efficiency, and help promote energy efficiency in buildings by benchmarking and rating energy performance.

(k) "Federal approval" means approval by the applicable regional transmission organization or other federal energy regulatory commission approved transmission planning process of a transmission project that includes the transmission line. Federal approval may be evidenced in any of the following manners:

(i) The proposed transmission line is part of a transmission project included in the applicable regional transmission organization's board-approved transmission expansion plan.

(ii) The applicable regional transmission organization has informed the electric utility, affiliated transmission company, or independent transmission company that a transmission project submitted for an out-of-cycle project review has been approved by the applicable regional transmission organization, and the approved transmission project includes the proposed transmission line.

(iii) If, after the effective date of this act, the applicable regional transmission organization utilizes another approval process for transmission projects proposed by an electric utility, affiliated transmission company, or independent transmission company, the proposed transmission line is included in a transmission project approved by the applicable regional transmission organization through the approval process developed after the effective date of this act.

(iv) Any other federal energy regulatory commission approved transmission planning process for a transmission project.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1007 Definitions; G to M.

Sec. 7. As used in this act:

(a) "Gasification facility" means a facility located in this state that uses a thermochemical process that does not involve direct combustion to produce synthesis gas, composed of carbon monoxide and hydrogen, from carbon-based feedstocks (such as coal, petroleum coke, wood, biomass, hazardous waste, medical waste, industrial waste, and solid waste, including, but not limited to, municipal solid waste, electronic waste, and waste described in section 11514 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11514) and that uses the synthesis gas or a mixture of the synthesis gas and methane to generate electricity for commercial use. Gasification facility includes the transmission lines, gas transportation lines and facilities, and associated property and equipment specifically attributable to such a facility. Gasification facility includes, but is not limited to, an integrated gasification combined cycle facility and a plasma arc gasification facility.

(b) "Incremental costs of compliance" means the net revenue required by an electric provider to comply with the renewable energy standard, calculated as provided under section 47.

(c) "Independent transmission company" means that term as defined in section 2 of the electric transmission line certification act, 1995 PA 30, MCL 460.562.

(d) "Industrial cogeneration facility" means a facility that generates electricity using industrial thermal energy or industrial waste energy.

(e) "Industrial thermal energy" means thermal energy that is a by-product of an industrial or manufacturing process and that would otherwise be wasted. For the purposes of this subdivision, industrial or manufacturing process does not include the generation of electricity.

(f) "Industrial waste energy" means exhaust gas or flue gas that is a by-product of an industrial or manufacturing process and that would otherwise be wasted. For the purposes of this subdivision, industrial or manufacturing process does not include the generation of electricity.

(g) "Integrated gasification combined cycle facility" means a gasification facility that uses a thermochemical process, including high temperatures and controlled amounts of air and oxygen, to break substances down into their molecular structures and that uses exhaust heat to generate electricity.

(h) "LEED" means the leadership in energy and environmental design green building rating system developed by the United States green building council.

(i) "Load management" means measures or programs that target equipment or devices to result in decreased peak electricity demand such as by shifting demand from a peak to an off-peak period.

(j) "Modified net metering" means a utility billing method that applies the power supply component of the full retail rate to the net of the bidirectional flow of kilowatt hours across the customer interconnection with the utility distribution system, during a billing period or time-of-use pricing period. A negative net metered

quantity during the billing period or during each time-of-use pricing period within the billing period reflects net excess generation for which the customer is entitled to receive credit under section 177(4). Standby charges for modified net metering customers on an energy rate schedule shall be equal to the retail distribution charge applied to the imputed customer usage during the billing period. The imputed customer usage is calculated as the sum of the metered on-site generation and the net of the bidirectional flow of power across the customer interconnection during the billing period. The commission shall establish standby charges for modified net metering customers on demand-based rate schedules that provide an equivalent contribution to utility system costs.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1009 Definitions; N to Q.

Sec. 9. As used in this act:

(a) "Natural gas provider" means an investor-owned business engaged in the sale and distribution of natural gas within this state whose rates are regulated by the commission. However, as used in subpart B of part 2, natural gas provider does not include an alternative gas supplier licensed under section 9b of 1939 PA 3, MCL 460.9b.

(b) "Plasma arc gasification facility" means a gasification facility that uses a plasma torch to break substances down into their molecular structures.

(c) "Provider" means an electric provider or a natural gas provider.

(d) "PURPA" means the public utility regulatory policies act of 1978, Public Law 95-617.

(e) "Qualifying small power production facility" means that term as defined in 16 USC 824a-3.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1011 Definitions; R.

Sec. 11. As used in this act:

(a) "Renewable energy" means electricity generated using a renewable energy system.

(b) "Renewable energy capacity portfolio" means the number of megawatts calculated under section 27(2) for a particular year.

(c) "Renewable energy contract" means a contract to acquire renewable energy and the associated renewable energy credits from 1 or more renewable energy systems.

(d) "Renewable energy credit" means a credit granted pursuant to section 41 that represents generated renewable energy.

(e) "Renewable energy credit portfolio" means the sum of the renewable energy credits achieved by a provider for a particular year.

(f) "Renewable energy credit standard" means a minimum renewable energy portfolio required under section 27.

(g) "Renewable energy generator" means a person that, together with its affiliates, has constructed or has owned and operated 1 or more renewable energy systems with combined gross generating capacity of at least 10 megawatts.

(h) "Renewable energy plan" or "plan", means a plan approved under section 21 or 23 or found to comply with this act under section 25, with any amendments adopted under this act.

(i) "Renewable energy resource" means a resource that naturally replenishes over a human, not a geological, time frame and that is ultimately derived from solar power, water power, or wind power. Renewable energy resource does not include petroleum, nuclear, natural gas, or coal. A renewable energy resource comes from the sun or from thermal inertia of the earth and minimizes the output of toxic material in the conversion of the energy and includes, but is not limited to, all of the following:

(i) Biomass.

(ii) Solar and solar thermal energy.

(iii) Wind energy.

(iv) Kinetic energy of moving water, including all of the following:

(A) Waves, tides, or currents.

(B) Water released through a dam.

(v) Geothermal energy.

(vi) Municipal solid waste.

(vii) Landfill gas produced by municipal solid waste.

(j) "Renewable energy standard" means the minimum renewable energy capacity portfolio, if applicable, and the renewable energy credit portfolio required to be achieved under section 27.

(k) "Renewable energy system" means a facility, electricity generation system, or set of electricity generation systems that use 1 or more renewable energy resources to generate electricity. Renewable energy system does not include any of the following:

(i) A hydroelectric pumped storage facility.

(ii) A hydroelectric facility that uses a dam constructed after the effective date of this act unless the dam is a repair or replacement of a dam in existence on the effective date of this act or an upgrade of a dam in existence on the effective date of this act that increases its energy efficiency.

(iii) An incinerator unless the incinerator is a municipal solid waste incinerator as defined in section 11504 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11504, that was brought into service before the effective date of this act, including any of the following:

(A) Any upgrade of such an incinerator that increases energy efficiency.

(B) Any expansion of such an incinerator before the effective date of this act.

(C) Any expansion of such an incinerator on or after the effective date of this act to an approximate design rated capacity of not more than 950 tons per day pursuant to the terms of a final request for proposals issued on or before October 1, 1986.

(l) "Revenue recovery mechanism" means the mechanism for recovery of incremental costs of compliance established under section 21.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1013 Definitions; S to W.

Sec. 13. As used in this act:

(a) "Site" means a contiguous site, regardless of the number of meters at that site. A site that would be contiguous but for the presence of a street, road, or highway shall be considered to be contiguous for the purposes of this subdivision.

(b) "Transmission line" means all structures, equipment, and real property necessary to transfer electricity at system bulk supply voltage of 100 kilovolts or more.

(c) "True net metering" means a utility billing method that applies the full retail rate to the net of the bidirectional flow of kilowatt hours across the customer interconnection with the utility distribution system, during a billing period or time-of-use pricing period. A negative net metered quantity during the billing period or during each time-of-use pricing period within the billing period reflects net excess generation for which the customer is entitled to receive credit under section 177(4).

(d) "Utility system resource cost test" means a standard that is met for an investment in energy optimization if, on a life cycle basis, the total avoided supply-side costs to the provider, including representative values for electricity or natural gas supply, transmission, distribution, and other associated costs, are greater than the total costs to the provider of administering and delivering the energy optimization program, including net costs for any provider incentives paid by customers and capitalized costs recovered under section 89.

(e) "Wind energy conversion system" means a renewable energy system that uses 1 or more wind turbines to generate electricity and has a nameplate capacity of 100 kilowatts or more.

(f) "Wind energy resource zone" or "wind zone" means an area designated by the commission under section 147.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

PART 2.

ENERGY STANDARDS

SUBPART A.

RENEWABLE ENERGY

460.1021 Electric providers; regulation of rates by commission; applicability of section; filing of proposed renewable energy plan; requirements; establishment of nonvolumetric

mechanism; revenue recovery mechanism; agreement with customer to participate in commission-approved voluntary renewable energy program; reserve funds; contested case hearing on proposed plan; approval; determination; initial approval; review; amendment; rejection of proposed plan or amendment.

Sec. 21. (1) This section applies only to electric providers whose rates are regulated by the commission.

(2) Each electric provider shall file a proposed renewable energy plan with the commission within 90 days after the commission issues a temporary order under section 171. The proposed plan shall meet all of the following requirements:

(a) Describe how the electric provider will meet the renewable energy standards.

(b) Specify whether the number of megawatt hours of electricity used in the calculation of the renewable energy credit portfolio will be weather-normalized or based on the average number of megawatt hours of electricity sold by the electric provider annually during the previous 3 years to retail customers in this state. Once the plan is approved by the commission, this option shall not be changed.

(c) Include the expected incremental cost of compliance with the renewable energy standards for a 20-year period beginning when the plan is approved by the commission.

(d) For an electric provider that had 1,000,000 or more retail customers in this state on January 1, 2008, describe the bidding process to be used by the electric provider under section 33. The description shall include measures to be employed in the preparation of requests for proposals and the handling and evaluation of proposals received to ensure that any bidder that is an affiliate of the electric utility is not afforded a competitive advantage over any other bidder and that each bidder, including any bidder that is an affiliate of the electric provider, is treated in a fair and nondiscriminatory manner.

(3) The proposed plan shall establish a nonvolumetric mechanism for the recovery of the incremental costs of compliance within the electric provider's customer rates. The revenue recovery mechanism shall not result in rate impacts that exceed the monthly maximum retail rate impacts specified under section 45. The revenue recovery mechanism is subject to adjustment under sections 47(4) and 49. A customer participating in a commission-approved voluntary renewable energy program under an agreement in effect on the effective date of this act shall not incur charges under the revenue recovery mechanism unless the charges under the revenue recovery mechanism exceed the charges the customer is incurring for the voluntary renewable energy program. In that case, the customer shall only incur the difference between the charge assessed under the revenue recovery mechanism and the charges the customer is incurring for the voluntary renewable energy program. The limitation on charges applies only during the term of the agreement, not including automatic agreement renewals, or until 1 year after the effective date of this act, whichever is later. Before entering an agreement with a customer to participate in a commission-approved voluntary renewable energy program and before the last automatic monthly renewal of such an agreement that will occur less than 1 year after the effective date of this act, an electric provider shall notify the customer that the customer will be responsible for the full applicable charges under the revenue recovery mechanism and under the voluntary renewable energy program as provided under this subsection.

(4) If proposed by the electric provider in its proposed plan, the revenue recovery mechanism shall result in an accumulation of reserve funds in advance of expenditure and the creation of a regulatory liability that accrues interest at the average short-term borrowing rate available to the electric provider during the appropriate period. If proposed by the electric provider in its proposed plan, the commission shall establish a minimum balance of accumulated reserve funds for the purposes of section 47(4).

(5) The commission shall conduct a contested case hearing on the proposed plan filed under subsection (2), pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. If a renewable energy generator files a petition to intervene in the contested case in the manner prescribed by the commission's rules for interventions generally, the commission shall grant the petition. Subject to subsections (6) and (10), after the hearing and within 90 days after the proposed plan is filed with the commission, the commission shall approve, with any changes consented to by the electric provider, or reject the plan.

(6) The commission shall not approve an electric provider's plan unless the commission determines both of the following:

(a) That the plan is reasonable and prudent. In making this determination, the commission shall take into consideration projected costs and whether or not projected costs included in prior plans were exceeded.

(b) That the life-cycle cost of renewable energy acquired or generated under the plan less the projected life-cycle net savings associated with the provider's energy optimization plan does not exceed the expected life-cycle cost of electricity generated by a new conventional coal-fired facility. In determining the expected life-cycle cost of electricity generated by a new conventional coal-fired facility, the commission shall consider data from this state and the states of Ohio, Indiana, Illinois, Wisconsin, and Minnesota, including, if

applicable, the life-cycle costs of the renewable energy system and new conventional coal-fired facilities. When determining the life-cycle costs of the renewable energy system and new conventional coal-fired facilities, the commission shall use a methodology that includes, but is not limited to, consideration of the value of energy, capacity, and ancillary services. The commission shall also consider other costs such as transmission, economic benefits, and environmental costs, including, but not limited to, greenhouse gas constraints or taxes. In performing its assessment, the commission may utilize other available data, including national or regional reports and data published by federal or state governmental agencies, industry associations, and consumer groups.

(7) An electric provider shall not begin recovery of the incremental costs of compliance within its rates until the commission has approved its proposed plan.

(8) Every 2 years after initial approval of a plan under subsection (5), the commission shall review the plan. The commission shall conduct a contested case hearing on the plan pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. The annual renewable cost reconciliation under section 49 for that year may be joined with the overall plan review in the same contested case hearing. Subject to subsections (6) and (10), after the hearing, the commission shall approve, with any changes consented to by the electric provider, or reject the plan and any proposed amendments to the plan.

(9) If an electric provider proposes to amend its plan at a time other than during the biennial review process under subsection (8), the electric provider shall file the proposed amendment with the commission. If the proposed amendment would modify the revenue recovery mechanism, the commission shall conduct a contested case hearing on the amendment pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. The annual renewable cost reconciliation under section 49 may be joined with the plan amendment in the same contested case proceeding. Subject to subsections (6) and (10), after the hearing and within 90 days after the amendment is filed, the commission shall approve, with any changes consented to by the electric provider, or reject the plan and the proposed amendment or amendments to the plan.

(10) If the commission rejects a proposed plan or amendment under this section, the commission shall explain in writing the reasons for its determination.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides:

"Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

In subsection (2), the reference to "section 171" evidently should read "section 191".

460.1023 Alternative electric suppliers and cooperative electric utilities; applicability of section; filing of proposed renewable energy plan; requirements; public comment; initial approval; review; amendment; rejection of proposed plan or amendment.

Sec. 23. (1) This section applies only to alternative electric suppliers and cooperative electric utilities that have elected to become member-regulated under the electric cooperative member-regulation act, 2008 PA 167, MCL 460.31 to 460.39.

(2) Each alternative electric supplier or cooperative electric utility shall file a proposed renewable energy plan with the commission within 90 days or 120 days, respectively, after the commission issues a temporary order under section 171. The proposed plan shall meet all of the following requirements:

(a) Describe how the electric provider will meet the renewable energy standards.

(b) Specify whether the number of megawatt hours of electricity used in the calculation of the renewable energy portfolio will be weather-normalized or based on the average number of megawatt hours of electricity sold by the electric provider annually during the previous 3 years to retail customers in this state. Once the plan is approved by the commission, this option shall not be changed.

(3) The commission shall provide an opportunity for public comment on the proposed plan filed under subsection (2). After the opportunity for public comment and within 90 days after the proposed plan is filed with the commission, the commission shall approve, with any changes consented to by the electric provider, or reject the plan.

(4) Every 2 years after initial approval of a plan under subsection (3), the commission shall review the plan. The commission shall provide an opportunity for public comment on the plan. After the opportunity for public comment, the commission shall approve, with any changes consented to by the electric provider, or reject any proposed amendments to the plan.

(5) If an electric provider proposes to amend its plan at a time other than during the biennial review process under subsection (4), the electric provider shall file the proposed amendment with the commission. The commission shall provide an opportunity for public comment on the amendment. After the opportunity for public comment and within 90 days after the amendment is filed, the commission shall approve, with any

changes consented to by the electric provider, or reject the amendment.

(6) If the commission rejects a proposed plan or amendment under this section, the commission shall explain in writing the reasons for its determination.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides:
"Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."
In subsection (2), the reference to "section 171" evidently should read "section 191".

460.1025 Municipally-owned electric utilities; applicability of section; filing of renewable energy plan; requirements; public comment; initial approval; review; amendment; determination of noncompliance.

Sec. 25. (1) This section applies only to municipally-owned electric utilities.

(2) Each electric provider shall file a proposed renewable energy plan with the commission within 120 days after the commission issues a temporary order under section 171. Two or more electric providers that each serve fewer than 15,000 customers may file jointly. The proposed plan shall meet all of the following requirements:

(a) Describe how the provider will meet the renewable energy standards.

(b) Specify whether the number of megawatt hours of electricity used in the calculation of the renewable energy credit portfolio will be weather-normalized or based on the average number of megawatt hours of electricity sold by the electric provider annually during the previous 3 years to retail customers in this state. Once the commission determines that the proposed plan complies with this act, this option shall not be changed.

(c) Include the expected incremental cost of compliance with the renewable energy standards.

(d) Describe the manner in which the provider will allocate costs.

(3) Subject to subsection (6), the commission shall provide an opportunity for public comment on the proposed plan filed under subsection (2). After the applicable opportunity for public comment and within 90 days after the proposed plan is filed with the commission, the commission shall determine whether the proposed plan complies with this act.

(4) Every 2 years after the commission initially determines under subsection (3) that a renewable energy plan complies with this act, the commission shall review the plan. Subject to subsection (6), the commission shall provide an opportunity for public comment on the plan. After the applicable opportunity for public comment, the commission shall determine whether any amendment to the plan proposed by the provider complies with this act. The proposed amendment is adopted if the commission determines that it complies with this act.

(5) If a provider proposes to amend its renewable energy plan at a time other than during the biennial review process under subsection (4), the provider shall file the proposed amendment with the commission. Subject to subsection (6), the commission shall provide an opportunity for public comment on the amendment. After the applicable opportunity for public comment and within 90 days after the amendment is filed, the commission shall determine whether the proposed amendment to the plan complies with this act. The proposed amendment is adopted if the commission determines that it complies with this act.

(6) The commission need not provide an opportunity for public comment under subsection (3), (4), or (5) if the governing body of the provider has already provided an opportunity for public comment and filed the comments with the commission.

(7) If the commission determines that a proposed plan or amendment under this section does not comply with this act, the commission shall explain in writing the reasons for its determination.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides:
"Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."
In subsection (2), the reference to "section 171" evidently should read "section 191".

460.1027 Electric utility with 1,000,000 or more retail customers; renewable energy capacity portfolio; renewable energy credit portfolio; standards; substitution of energy optimization credits, advanced cleaner energy credits, or combination; rates.

Sec. 27. (1) Subject to sections 31 and 45, and in addition to the requirements of subsection (3), an electric provider that is an electric utility with 1,000,000 or more retail customers in this state as of January 1, 2008 shall achieve a renewable energy capacity portfolio of not less than the following:

(a) For an electric provider with more than 1,000,000 but less than 2,000,000 retail electric customers in this state on January 1, 2008, a renewable energy capacity portfolio of 200 megawatts by December 31, 2013

and 500 megawatts by December 31, 2015.

(b) For an electric provider with more than 2,000,000 retail electric customers in this state on January 1, 2008, a renewable energy capacity portfolio of 300 megawatts by December 31, 2013 and 600 megawatts by December 31, 2015.

(2) An electric provider's renewable energy capacity portfolio shall be calculated by adding the following:

(a) The nameplate capacity in megawatts of renewable energy systems owned by the electric provider that were not in commercial operation before the effective date of this act.

(b) The capacity in megawatts of renewable energy that the electric provider is entitled to purchase under contracts that were not in effect before the effective date of this act.

(3) Subject to sections 31 and 45, an electric provider shall achieve a renewable energy credit portfolio as follows:

(a) In 2012, 2013, 2014, and 2015, a renewable energy credit portfolio based on the sum of the following:

(i) The number of renewable energy credits from electricity generated in the 1-year period preceding the effective date of this act that would have been transferred to the electric provider pursuant to section 35(1), if this act had been in effect during that 1-year period.

(ii) The number of renewable energy credits equal to the number of megawatt hours of electricity produced or obtained by the electric provider in the 1-year period preceding the effective date of this act from renewable energy systems for which recovery in electric rates was approved on the effective date of this act.

(iii) Renewable energy credits in an amount calculated as follows:

(A) Taking into account the number of renewable energy credits under subparagraphs (i) and (ii), determine the number of additional renewable energy credits that the electric provider would need to reach a 10% renewable energy portfolio in that year.

(B) Multiply the number under sub-subparagraph (A) by 20% for 2012, 33% for 2013, 50% for 2014, and 100% for 2015.

(b) In 2016 and each year thereafter, maintain a renewable energy credit portfolio that consists of at least the same number of renewable energy credits as were required in 2015 under subdivision (a).

(4) An electric provider's renewable energy credit portfolio shall be calculated as follows:

(a) Determine the number of renewable energy credits used to comply with this subpart during the applicable year.

(b) Divide by 1 of the following at the option of the electric provider as specified in its renewable energy plan:

(i) The number of weather-normalized megawatt hours of electricity sold by the electric provider during the previous year to retail customers in this state.

(ii) The average number of megawatt hours of electricity sold by the electric provider annually during the previous 3 years to retail customers in this state.

(c) Multiply the quotient under subdivision (b) by 100.

(5) Subject to subsection (6), each electric provider shall meet the renewable energy credit standards with renewable energy credits obtained by 1 or more of the following means:

(a) Generating electricity from renewable energy systems for sale to retail customers.

(b) Purchasing or otherwise acquiring renewable energy credits with or without the associated renewable energy.

(6) An electric provider may substitute energy optimization credits, advanced cleaner energy credits with or without the associated advanced cleaner energy, or a combination thereof for renewable energy credits otherwise required to meet the renewable energy credit standards if the substitution is approved by the commission. However, commission approval is not required to substitute advanced cleaner energy from industrial cogeneration for renewable energy credits. The commission shall not approve a substitution unless the commission determines that the substitution is cost-effective compared to other sources of renewable energy credits and, if the substitution involves advanced cleaner energy credits, that the advanced cleaner energy system provides carbon dioxide emissions benefits. In determining whether the substitution of advanced cleaner energy credits is cost-effective, the commission shall include as part of the costs of the system the environmental costs attributed to the advanced cleaner energy system, including the costs of environmental control equipment or greenhouse gas constraints or taxes. The commission's determinations shall be made after a contested case hearing that includes consultation with the department of environmental quality on the issue of carbon dioxide emissions benefits, if relevant, and environmental costs.

(7) Under subsection (6), energy optimization credits, advanced cleaner energy credits, or a combination thereof shall not be used by a provider to meet more than 10% of the renewable energy credit standards. Advanced cleaner energy from advanced cleaner energy systems in existence on January 1, 2008 shall not be used by a provider to meet more than 70% of this 10% limit. This 10% limit does not apply to advanced

cleaner energy credits from plasma arc gasification.

(8) Substitutions under subsection (6) shall be made at the following rates per renewable energy credit:

(a) One energy optimization credit.

(b) One advanced cleaner energy credit from plasma arc gasification or industrial cogeneration.

(c) Ten advanced cleaner energy credits other than from plasma arc gasification or industrial cogeneration.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1029 Renewable energy system location; requirements.

Sec. 29. (1) Subject to subsection (2), a renewable energy system that is the source of renewable energy credits used to satisfy the renewable energy standards shall be either located outside of this state in the retail electric customer service territory of any provider that is not an alternative electric supplier or located anywhere in this state. For the purposes of this subsection, a retail electric customer service territory shall be considered to be the territory recognized by the commission on January 1, 2008 and any expansion of retail electric customer service territory recognized by the commission after January 1, 2008 under 1939 PA 3, MCL 460.1 to 460.10cc. The commission may also expand a service territory for the purposes of this subsection if a lack of transmission lines limits the ability to obtain sufficient renewable energy from renewable energy systems that meet the location requirement of this subsection.

(2) The renewable energy system location requirements in subsection (1) do not apply if 1 or more of the following requirements are met:

(a) The renewable energy system is a wind energy conversion system and the electricity generated by the wind energy system, or the renewable energy credits associated with that electricity, is being purchased under a contract in effect on January 1, 2008. If the electricity and associated renewable energy credits purchased under such a contract are used by an electric provider to meet renewable energy requirements established after January 1, 2008 by the legislature of the state in which the wind energy conversion system is located, the electric provider may, for the purpose of meeting the renewable energy credit standard under this act, obtain, by any means authorized under section 27, up to the same number of replacement renewable energy credits from any other wind energy conversion systems located in that state. This subdivision shall not be utilized by an alternative electric supplier unless the alternative electric supplier was licensed in this state on January 1, 2008. Renewable energy credits from a renewable energy system under a contract with an alternative electric supplier under this subdivision shall not be used by another electric provider to meet its requirements under this part.

(b) The renewable energy system is a wind energy conversion system that was under construction or operational and owned by an electric provider on January 1, 2008. This subdivision shall not be utilized by an alternative electric supplier.

(c) The renewable energy system is a wind energy conversion system that includes multiple wind turbines, at least 1 of the wind turbines meets the location requirements of this section, and the remaining wind turbines are within 15 miles of a wind turbine that is part of that wind energy conversion system and that meets the location requirements of this section.

(d) Before January 1, 2008, an electric provider serving not more than 75,000 retail electric customers in this state filed an application for a certificate of authority for the renewable energy system with a state regulatory commission in another state that is also served by the electric provider. However, renewable energy credits shall not be granted under this subdivision for electricity generated using more than 10.0 megawatts of nameplate capacity of the renewable energy system.

(e) Electricity generated from the renewable energy system is sold by a not-for-profit entity located in Indiana or Wisconsin to a municipally-owned electric utility in this state or cooperative electric utility in this state under a contract in effect on January 1, 2008, and the electricity is not being used to meet another state's standard for renewable energy.

(f) Electricity generated from the renewable energy system is sold by a not-for-profit entity located in Ohio to a municipally-owned electric utility in this state under a contract approved by resolution of the governing body of the municipally-owned electric utility by January 1, 2008, and the electricity is not being used to meet another state's standard for renewable energy. However, renewable energy credits shall not be granted for electricity generated using more than 13.4 megawatts of nameplate capacity of the renewable energy system.

(g) All of the following requirements are met:

(i) The renewable energy system is a wind energy system, is interconnected to the electric provider's transmission system, and is located in a state in which the electric provider has service territory.

(ii) The electric provider competitively bid any contract for engineering, procurement, or construction of

the renewable energy system, if the electric provider owns the renewable energy system, or for purchase of the renewable energy and associated renewable energy credits from the renewable energy system, if the provider does not own the renewable energy system, in a process open to renewable energy systems sited in this state.

(iii) The renewable energy credits from the renewable energy system are only used by that electric provider to meet the renewable energy standard.

(iv) The electric provider is not an alternative electric supplier.

(3) Advanced cleaner energy systems that are the source of the advanced cleaner energy credits used under section 27 shall be either located outside this state in the service territory of any electric provider that is not an alternative electric supplier or located anywhere in this state.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1031 Extensions of 2015 renewable energy standard deadline; establishment of revised renewable energy standard; compliance; "good cause" defined.

Sec. 31. (1) Upon petition by an electric provider, the commission may for good cause grant 2 extensions of the 2015 renewable energy standard deadline under section 27. Each extension shall be for up to 1 year.

(2) If 2 extensions of the 2015 renewable energy standard deadline have been granted to an electric provider under subsection (1), upon subsequent petition by the electric provider at least 3 months before the expiration of the second extended deadline, the commission shall, after consideration of prior extension requests under this section and for good cause, establish a revised renewable energy standard attainable by the electric provider. If the electric provider achieves the revised renewable energy standard, the provider is considered to be in compliance with this subpart.

(3) An electric provider that makes a good faith effort to spend the full amount of incremental costs of compliance as outlined in its approved renewable energy plan and that complies with its approved plan, subject to any approved extensions or revisions, shall be considered to be in compliance with this subpart.

(4) As used in this section, "good cause" includes, but is not limited to, the electric provider's inability, as determined by the commission, to meet a renewable energy standard because of a renewable energy system feasibility limitation including, but not limited to, any of the following:

(a) Renewable energy system site requirements, zoning, siting, land use issues, permits, including environmental permits, any certificate of need process under section 6s of 1939 PA 3, MCL 460.6s, or any other necessary governmental approvals that effectively limit availability of renewable energy systems, if the electric provider exercised reasonable diligence in attempting to secure the necessary governmental approvals. For purposes of this subdivision, "reasonable diligence" includes, but is not limited to, submitting timely applications for the necessary governmental approvals and making good faith efforts to ensure that the applications are administratively complete and technically sufficient.

(b) Equipment cost or availability issues including electrical equipment or renewable energy system component shortages or high costs that effectively limit availability of renewable energy systems.

(c) Cost, availability, or time requirements for electric transmission and interconnection.

(d) Projected or actual unfavorable electric system reliability or operational impacts.

(e) Labor shortages that effectively limit availability of renewable energy systems.

(f) An order of a court of competent jurisdiction that effectively limits the availability of renewable energy systems.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1033 Electric provider with 1,000,000 or more retail customers; obtaining renewable energy credits to meet standard in 2015; exception; submission of contract for approval.

Sec. 33. (1) Subject to subsections (2) and (3), an electric provider that had 1,000,000 or more retail customers in this state on January 1, 2008 shall obtain the renewable energy credits that are necessary to meet the renewable energy credit standard in 2015 and thereafter as follows:

(a) At the electric provider's option, up to but no more than 50% of the renewable energy credits shall be from any of the following:

(i) Renewable energy systems that were developed by and are owned by the electric provider. An electric provider shall competitively bid any contract for engineering, procurement, or construction of any new renewable energy systems described in this subdivision. However, an electric provider may consider

unsolicited proposals presented to it by a renewable energy system developer outside of a competitive bid process. If the provider determines that such an unsolicited proposal provides opportunities that may not otherwise be available or commercially practical, the provider may enter into a contract with the developer.

(ii) Renewable energy systems that were developed by 1 or more third parties pursuant to a contract with the electric provider under which the ownership of the renewable energy system may be transferred to the electric provider, but only after the renewable energy system begins commercial operation. Any such contract shall be executed after a competitive bidding process conducted pursuant to guidelines issued by the commission. However, an electric provider may consider unsolicited proposals presented to it by a renewable energy system developer outside of a competitive bid process. If the provider determines that such an unsolicited proposal provides opportunities that may not otherwise be available or commercially practical, the provider may enter into a contract with the developer. An affiliate of the electric provider may submit a proposal in response to a request for proposals, subject to the code of conduct under section 10a(4) of 1939 PA 3, MCL 460.10a, and the sanctions for violation of the code under section 10c of 1939 PA 3, MCL 460.10c.

(b) At least 50% of the renewable energy credits shall be from renewable energy contracts that do not require transfer of ownership of the applicable renewable energy system to the electric provider or from contracts for the purchase of renewable energy credits without the associated renewable energy. A renewable energy contract or contract for the purchase of renewable energy credits under this subdivision shall be executed after a competitive bidding process conducted pursuant to guidelines issued by the commission. However, an electric provider may consider unsolicited proposals presented to it outside of a competitive bid process by a renewable energy system developer that is not affiliated with the electric provider. If the provider determines that such an unsolicited proposal provides opportunities that may not otherwise be available or commercially practical, the provider may enter into a contract with the developer. The contract is subject to review and approval by the commission under section 21. An electric provider or its affiliate may not submit a proposal in response to its own request for proposals under this subdivision. If an electric provider selects a bid other than the lowest price conforming bid from a qualified bidder, the electric provider shall promptly notify the commission. The commission shall determine in the manner provided under section 37 whether the electric provider had good cause for selecting that bid. If the commission determines that the electric provider did not have good cause, the commission shall disapprove the contract.

(2) Subsection (1) does not apply to either of the following:

(a) Renewable energy credits that are transferred to the electric provider pursuant to section 35(1).

(b) Renewable energy credits that are produced or obtained by the electric provider from renewable energy systems for which recovery in electric rates was approved as of the effective date of this act, including renewable energy credits resulting from biomass co-firing of electric generation facilities in existence on the effective date of this act, except to the extent the number of megawatt hours of electricity annually generated by biomass co-firing exceeds the number of megawatt hours generated during the 1-year period immediately preceding the effective date of this act.

(3) An electric provider shall submit a contract entered into pursuant to subsection (1) to the commission for review and approval. If the commission approves the contract, it shall be considered to be consistent with the electric provider's renewable energy plan. The commission shall not approve a contract based on an unsolicited proposal unless the commission determines that the unsolicited proposal provides opportunities that may not otherwise be available or commercially practical.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1035 Resale of renewable energy under PURPA; investor-owned electric utility with less than 20,000 customers, a municipally-owned electric utility, or cooperative electric utility; resale under power purchase agreement or existing agreements; determination of number of renewable energy credits.

Sec. 35. (1) If an electric provider obtains renewable energy for resale to retail or wholesale customers under an agreement under PURPA, ownership of the associated renewable energy credits shall be as provided by the PURPA agreement. If the PURPA agreement does not provide for ownership of the renewable energy credits, then:

(a) Except to the extent that a separate agreement governs under subdivision (b), for the duration of the PURPA agreement, for every 5 renewable energy credits associated with the renewable energy, ownership of 4 of the renewable energy credits is transferred to the electric provider with the renewable energy, and ownership of 1 renewable energy credit remains with the qualifying small power production facility.

(b) If a separate agreement in effect on January 1, 2008 provides for the ownership of the renewable attributes of the generated electricity, the separate agreement shall govern until January 1, 2013 or until expiration of the separate agreement, whichever occurs first.

(2) If an investor-owned electric utility with less than 20,000 customers, a municipally-owned electric utility, or cooperative electric utility obtains all or substantially all of its electricity for resale under a power purchase agreement or agreements in existence on the effective date of this act, ownership of any associated renewable energy credits shall be considered to be transferred to the electric provider purchasing the electricity. The number of renewable energy credits associated with the purchased electricity shall be determined by multiplying the total number of renewable energy credits associated with the total power supply of the seller during the term of the agreement by a fraction, the numerator of which is the amount of energy purchased under the agreement or agreements and the denominator of which is the total power supply of the seller during the term of the agreement. This subsection does not apply unless 1 or more of the following occur:

(a) The seller and the electric provider purchasing the electricity agree that this subsection applies.

(b) For a seller that is an investor-owned electric utility whose rates are regulated by the commission, the commission reduces the number of renewable energy credits required under the renewable energy credit standard for the seller by the number of renewable energy credits to be transferred to the electric provider purchasing the electricity under this subsection.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1037 Renewable energy contract without associated renewable energy; determination of compliance with retail rate impact limits.

Sec. 37. If, after the effective date of this act, an electric provider whose rates are regulated by the commission enters a renewable energy contract or a contract to purchase renewable energy credits without the associated renewable energy, the commission shall determine whether the contract provides reasonable and prudent terms and conditions and complies with the retail rate impact limits under section 45. In making this determination, the commission shall consider the contract price and term. If the contract is a renewable energy contract, the commission shall also consider at least all of the following:

(a) The cost to the electric provider and its customers of the impacts of accounting treatment of debt and associated equity requirements imputed by credit rating agencies and lenders attributable to the renewable energy contract. The commission shall use standard rating agency, lender, and accounting practices for electric utilities in determining these costs, unless the impacts for the electric provider are known.

(b) Subject to section 45, the life-cycle cost of the renewable energy contract to the electric provider and customers including costs, after expiration of the renewable energy contract, of maintaining the same renewable energy output in megawatt hours, whether by purchases from the marketplace, by extension or renewal of the renewable energy contract, or by the electric provider purchasing the renewable energy system and continuing its operation.

(c) Electric provider and customer price and cost risks if the renewable energy systems supporting the renewable energy contract move from contracted pricing to market-based pricing after expiration of the renewable energy contract.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1039 Granting 1 renewable energy credit for each megawatt hour of electricity generated from renewable energy system; conditions; granting Michigan incentive renewable energy credits; expiration.

Sec. 39. (1) Except as otherwise provided in section 35(1), 1 renewable energy credit shall be granted to the owner of a renewable energy system for each megawatt hour of electricity generated from the renewable energy system, subject to all of the following:

(a) If a renewable energy system uses both a renewable energy resource and a nonrenewable energy resource to generate electricity, the number of renewable energy credits granted shall be based on the percentage of the electricity generated from the renewable energy resource.

(b) A renewable energy credit shall not be granted for renewable energy generated from a municipal solid waste incinerator to the extent that the renewable energy was generated by operating the incinerator in excess of the greater of the following, as applicable:

(i) The incinerator's nameplate capacity rating on January 1, 2008.

(ii) If the incinerator is expanded after the effective date of this act to an approximate continuous design rated capacity of not more than 950 tons per day pursuant to the terms of a final request for proposals issued not later than October 1986, the nameplate capacity rating required to accommodate that expansion.

(c) A renewable energy credit shall not be granted for renewable energy the renewable attributes of which are used by an electric provider in a commission-approved voluntary renewable energy program.

(2) Subject to subsection (3), the following additional renewable energy credits, to be known as Michigan incentive renewable energy credits, shall be granted under the following circumstances:

(a) 2 renewable energy credits for each megawatt hour of electricity from solar power.

(b) 1/5 renewable energy credit for each megawatt hour of electricity generated from a renewable energy system, other than wind, at peak demand time as determined by the commission.

(c) 1/5 renewable energy credit for each megawatt hour of electricity generated from a renewable energy system during off-peak hours, stored using advanced electric storage technology or a hydroelectric pumped storage facility, and used during peak hours. However, the number of renewable energy credits shall be calculated based on the number of megawatt hours of renewable energy used to charge the advanced electric storage technology or fill the pumped storage facility, not the number of megawatt hours actually discharged or generated by discharge from the advanced energy storage facility or pumped storage facility.

(d) 1/10 renewable energy credit for each megawatt hour of electricity generated from a renewable energy system constructed using equipment made in this state as determined by the commission. The additional credit under this subdivision is available for the first 3 years after the renewable energy system first produces electricity on a commercial basis.

(e) 1/10 renewable energy credit for each megawatt hour of electricity from a renewable energy system constructed using a workforce composed of residents of this state as determined by the commission. The additional credit under this subdivision is available for the first 3 years after the renewable energy system first produces electricity on a commercial basis.

(3) A renewable energy credit expires at the earliest of the following times:

(a) When used by an electric provider to comply with its renewable energy credit standard.

(b) When substituted for an energy optimization credit under section 77.

(c) Three years after the end of the month in which the renewable energy credit was generated.

(4) A renewable energy credit associated with renewable energy generated within 120 days after the start of a calendar year may be used to satisfy the prior year's renewable energy standard and expires when so used.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1041 Renewable energy credits; trade, sale, or transfer; demonstration of compliance; establishment of energy credit certification and tracking program; use not required in state.

Sec. 41. (1) Renewable energy credits may be traded, sold, or otherwise transferred.

(2) An electric provider is responsible for demonstrating that a renewable energy credit used to comply with a renewable energy credit standard is derived from a renewable energy source and that the electric provider has not previously used or traded, sold, or otherwise transferred the renewable energy credit.

(3) The same renewable energy credit may be used by an electric provider to comply with both a federal standard for renewable energy and the renewable energy standard under this subpart. An electric provider that uses a renewable energy credit to comply with another state's standard for renewable energy shall not use the same renewable energy credit to comply with the renewable energy credit standard under this subpart.

(4) The commission shall establish a renewable energy credit certification and tracking program. The certification and tracking program may be contracted to and performed by a third party through a system of competitive bidding. The program shall include all of the following:

(a) A process to certify renewable energy systems, including all existing renewable energy systems operating on the effective date of this act, as eligible to receive renewable energy credits.

(b) A process for verifying that the operator of a renewable energy system is in compliance with state and federal law applicable to the operation of the renewable energy system when certification is granted. If a renewable energy system becomes noncompliant with state or federal law, renewable energy credits shall not be granted for renewable energy generated by that renewable energy system during the period of noncompliance.

(c) A method for determining the date on which a renewable energy credit is generated and valid for transfer.

- (d) A method for transferring renewable energy credits.
 - (e) A method for ensuring that each renewable energy credit transferred under this act is properly accounted for under this act.
 - (f) If the system is established by the commission, allowance for issuance, transfer, and use of renewable energy credits in electronic form.
 - (g) A method for ensuring that both a renewable energy credit and an advanced cleaner energy credit are not awarded for the same megawatt hour of energy.
- (5) A renewable energy credit purchased from a renewable energy system in this state is not required to be used in this state.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1043 Granting 1 advanced cleaner energy credit for each megawatt hour of electricity generated from advanced cleaner energy system; expiration; trade, sale, or transfer; establishment of advanced cleaner energy credit certification and tracking program; use not required in state.

Sec. 43. (1) One advanced cleaner energy credit shall be granted to the owner of an advanced cleaner energy system for each megawatt hour of electricity generated from the advanced cleaner energy system. However, if an advanced cleaner energy system uses both an advanced cleaner energy technology and an energy technology that is not an advanced cleaner energy technology to generate electricity, the number of advanced cleaner energy credits granted shall be based on the percentage of the electricity generated from the advanced cleaner energy technology. If a facility or system, such as a gasification facility using biomass as feedstock, qualifies as both an advanced cleaner energy system and a renewable energy system, at the owner's option, either an advanced cleaner energy credit or a renewable energy credit, but not both, may be granted for any given megawatt hour of electricity generated by the facility or system.

(2) An advanced cleaner energy credit expires at the earliest of the following times:

- (a) When substituted for a renewable energy credit under section 27 or an energy optimization credit under section 77.
- (b) 3 years after the end of the month in which the advanced cleaner energy credit was generated.
- (3) Advanced cleaner energy credits may be traded, sold, or otherwise transferred.
- (4) The commission shall establish an advanced cleaner energy credit certification and tracking program. The certification and tracking program may be contracted to and performed by a third party through a system of competitive bidding. The program shall include all of the following:
 - (a) A process to certify advanced cleaner energy systems, including all existing advanced cleaner energy systems operating on the effective date of this act, as eligible to receive advanced cleaner energy credits.
 - (b) A process for verifying that the operator of an advanced cleaner energy system is in compliance with state and federal law applicable to the operation of the advanced cleaner energy system when certification is granted. If an advanced cleaner energy system becomes noncompliant with state or federal law, advanced cleaner energy credits shall not be granted for advanced cleaner energy generated by that advanced cleaner energy system during the period of noncompliance.
 - (c) A method for determining the date on which an advanced cleaner energy credit is generated and valid for transfer.
 - (d) A method for transferring advanced cleaner energy credits.
 - (e) A method for ensuring that each advanced cleaner energy credit transferred is properly accounted for.
 - (f) Allowance for issuance, transfer, and use of advanced cleaner energy credits in electronic form.
 - (g) A method for ensuring that both a renewable energy credit and an advanced cleaner energy credit are not awarded for the same megawatt hour of electricity.

(5) An advanced cleaner energy credit purchased from an advanced cleaner energy system in this state is not required to be used in this state.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1045 Charges for electric provider's tariffs that permit recovery of incremental costs of compliance; calculation; report to residential customer in billing statement; values; determining long-term, life-cycle, levelized costs of building and operating and acquiring nonrenewable electric generating capacity and energy.

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Sec. 45. (1) For an electric provider whose rates are regulated by the commission, the commission shall determine the appropriate charges for the electric provider's tariffs that permit recovery of the incremental cost of compliance subject to the retail rate impact limits set forth in subsection (2).

(2) An electric provider shall recover the incremental cost of compliance with the renewable energy standards by an itemized charge on the customer's bill for billing periods beginning not earlier than 90 days after the commission approves the electric provider's renewable energy plan under section 21 or 23 or determines under section 25 that the plan complies with this act. An electric provider shall not comply with the renewable energy standards to the extent that, as determined by the commission, recovery of the incremental cost of compliance will have a retail rate impact that exceeds any of the following:

- (a) \$3.00 per month per residential customer meter.
- (b) \$16.58 per month per commercial secondary customer meter.
- (c) \$187.50 per month per commercial primary or industrial customer meter.

(3) The retail rate impact limits of subsection (2) apply only to the incremental costs of compliance and do not apply to costs approved for recovery by the commission other than as provided in this act.

(4) The incremental cost of compliance shall be calculated for a 20-year period beginning with approval of the renewable energy plan and shall be recovered on a levelized basis.

(5) In its billing statements for a residential customer, each provider shall report to the residential customer all of the following in a format consistent with other information on the customer bill:

(a) An itemized monthly charge, expressed in dollars and cents, collected from the customer for implementing the renewable energy program requirements of this act. In the first bill issued after the close of the previous year, an electric provider shall notify each residential customer that the customer may be entitled to an income tax credit to offset some of the annual amounts collected for the renewable energy program.

(b) An itemized monthly charge, expressed in dollars and cents, collected from the customer for implementing the energy optimization program requirements of this act.

(c) An estimated monthly savings, expressed in dollars and cents, for that customer to reflect the reductions in the monthly energy bill produced by the energy optimization program under this act.

(d) An estimated monthly savings, expressed in dollars and cents, for that customer to reflect the long-term, life-cycle, levelized costs of building and operating new conventional coal-fired electric generating power plants avoided under this act as determined by the commission.

(e) The website address at which the commission's annual report under section 51 is posted.

(6) For the first year of the programs under this part, the values reported under subsection (5) shall be estimates by the commission. The values in following years shall be based on the provider's actual customer experiences. If the provider is unable to provide customer-specific information under subsection (5)(b) or (c), it shall instead specify the state average itemized charge or savings, as applicable, for residential customers. The provider shall make this calculation based on a method approved by the commission.

(7) In determining long-term, life-cycle, levelized costs of building and operating and acquiring nonrenewable electric generating capacity and energy for the purpose of subsection (5)(d), the commission shall consider historic and predicted costs of financing, construction, operation, maintenance, fuel supplies, environmental protection, and other appropriate elements of energy production. For purposes of this comparison, the capacity of avoided new conventional coal-fired electric generating facilities shall be expressed in megawatts and avoided new conventional coal-fired electricity generation shall be expressed in megawatt hours. Avoided costs shall be measured in cents per kilowatt hour.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1047 Cost of service to be recovered by electric provider; recovery of incremental costs of compliance; calculation; modification of revenue recovery mechanism; excess costs; refund to customer classes; certain actual costs considered as costs of service.

Sec. 47. (1) Subject to the retail rate impact limits under section 45, the commission shall consider all actual costs reasonably and prudently incurred in good faith to implement a commission-approved renewable energy plan by an electric provider whose rates are regulated by the commission to be a cost of service to be recovered by the electric provider. Subject to the retail rate impact limits under section 45, an electric provider whose rates are regulated by the commission shall recover through its retail electric rates all of the electric provider's incremental costs of compliance during the 20-year period beginning when the electric provider's plan is approved by the commission and all reasonable and prudent ongoing costs of compliance during and after that period. The recovery shall include, but is not limited to, the electric provider's authorized rate of return on equity for costs approved under this section, which shall remain fixed at the rate of return and debt

to equity ratio that was in effect in the electric provider's base rates when the electric provider's renewable energy plan was approved.

(2) Incremental costs of compliance shall be calculated as follows:

(a) Determine the sum of the following costs to the extent those costs are reasonable and prudent and not already approved for recovery in electric rates as of the effective date of this act:

(i) Capital, operating, and maintenance costs of renewable energy systems or advanced cleaner energy systems, including property taxes, insurance, and return on equity associated with an electric provider's renewable energy systems or advanced cleaner energy systems, including the electric provider's renewable energy portfolio established to achieve compliance with the renewable energy standards and any additional renewable energy systems or advanced cleaner energy systems, that are built or acquired by the electric provider to maintain compliance with the renewable energy standards during the 20-year period beginning when the electric provider's plan is approved by the commission.

(ii) Financing costs attributable to capital, operating, and maintenance costs of capital facilities associated with renewable energy systems or advanced cleaner energy systems used to meet the renewable energy standard.

(iii) Costs that are not otherwise recoverable in rates approved by the federal energy regulatory commission and that are related to the infrastructure required to bring renewable energy systems or advanced cleaner energy systems used to achieve compliance with the renewable energy standards on to the transmission system, including interconnection and substation costs for renewable energy systems or advanced cleaner energy systems used to meet the renewable energy standard.

(iv) Ancillary service costs determined by the commission to be necessarily incurred to ensure the quality and reliability of renewable energy or advanced cleaner energy used to meet the renewable energy standards, regardless of the ownership of a renewable energy system or advanced cleaner energy technology.

(v) Except to the extent the costs are allocated under a different subparagraph, all of the following:

(A) The costs of renewable energy credits purchased under this act.

(B) The costs of contracts described in section 33(1).

(vi) Expenses incurred as a result of state or federal governmental actions related to renewable energy systems or advanced cleaner energy systems attributable to the renewable energy standards, including changes in tax or other law.

(vii) Any additional electric provider costs determined by the commission to be necessarily incurred to ensure the quality and reliability of renewable energy or advanced cleaner energy used to meet the renewable energy standards.

(b) Subtract from the sum of costs not already included in electric rates determined under subdivision (a) the sum of the following revenues:

(i) Revenue derived from the sale of environmental attributes associated with the generation of renewable energy or advanced cleaner energy systems attributable to the renewable energy standards. Such revenue shall not be considered in determining power supply cost recovery factors under section 6j of 1939 PA 3, MCL 460.6j.

(ii) Interest on regulatory liabilities.

(iii) Tax credits specifically designed to promote renewable energy or advanced cleaner energy.

(iv) Revenue derived from the provision of renewable energy or advanced cleaner energy to retail electric customers subject to a power supply cost recovery clause under section 6j of 1939 PA 3, MCL 460.6j, of an electric provider whose rates are regulated by the commission. After providing an opportunity for a contested case hearing for an electric provider whose rates are regulated by the commission, the commission shall annually establish a price per megawatt hour. In addition, an electric provider whose rates are regulated by the commission may at any time petition the commission to revise the price. In setting the price per megawatt hour under this subparagraph, the commission shall consider factors including, but not limited to, projected capacity, energy, maintenance, and operating costs; information filed under section 6j of 1939 PA 3, MCL 460.6j; and information from wholesale markets, including, but not limited to, locational marginal pricing. This price shall be multiplied by the sum of the number of megawatt hours of renewable energy and the number of megawatt hours of advanced cleaner energy used to maintain compliance with the renewable energy standard. The product shall be considered a booked cost of purchased and net interchanged power transactions under section 6j of 1939 PA 3, MCL 460.6j. For energy purchased by such an electric provider under a renewable energy contract or advanced cleaner energy contract, the price shall be the lower of the amount established by the commission or the actual price paid and shall be multiplied by the number of megawatt hours of renewable energy or advanced cleaner energy purchased. The resulting value shall be considered a booked cost of purchased and net interchanged power under section 6j of 1939 PA 3, MCL 460.6j.

(v) Revenue from wholesale renewable energy sales and advanced cleaner energy sales. Such revenue shall not be considered in determining power supply cost recovery factors under section 6j of 1939 PA 3, MCL 460.6j.

(vi) Any additional electric provider revenue considered by the commission to be attributable to the renewable energy standards.

(vii) Any revenues recovered in rates for renewable energy costs that are included under subdivision (a).

(3) The commission shall authorize an electric provider whose rates are regulated by the commission to spend in any given month more to comply with this act and implement an approved renewable energy plan than the revenue actually generated by the revenue recovery mechanism. An electric provider whose rates are regulated by the commission shall recover its commission approved pre-tax rate of return on regulatory assets during the appropriate period. An electric provider whose rates are regulated by the commission shall record interest on regulatory liabilities at the average short-term borrowing rate available to the electric provider during the appropriate period. Any regulatory assets or liabilities resulting from the recovery costs of renewable energy or advanced cleaner energy attributable to renewable energy standards through the power supply cost recovery clause under section 6j of 1939 PA 3, MCL 460.6j, shall continue to be reconciled under that section.

(4) If an electric provider's incremental costs of compliance in any given month during the 20-year period beginning when the electric provider's plan is approved by the commission are in excess of the revenue recovery mechanism as adjusted under section 49 and in excess of the balance of any accumulated reserve funds, subject to the minimum balance established under section 21, the electric provider shall immediately notify the commission. The commission shall promptly commence a contested case hearing pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, and modify the revenue recovery mechanism so that the minimum balance is restored. However, if the commission determines that recovery of the incremental costs of compliance would otherwise exceed the maximum retail rate impacts specified under section 45, it shall set the revenue recovery mechanism for that electric provider to correspond to the maximum retail rate impacts. Excess costs shall be accrued and deferred for recovery. Not later than the expiration of the 20-year period beginning when the electric provider's plan is approved by the commission, for an electric provider whose rates are regulated by the commission, the commission shall determine the amount of deferred costs to be recovered under the revenue recovery mechanism and the recovery period, which shall not extend more than 5 years beyond the expiration of the 20-year period beginning when the electric provider's plan is approved by the commission. The recovery of excess costs shall be proportional to the retail rate impact limits in section 45 for each customer class. The recovery of excess costs alone, or, if begun before the expiration of the 20-year period, in combination with the recovery of incremental costs of compliance under the revenue recovery mechanism, shall not exceed the retail rate impact limits of section 45 for each customer class.

(5) If, at the expiration of the 20-year period beginning when the electric provider's plan is approved by the commission, an electric provider whose rates are regulated by the commission has a regulatory liability, the refund to customer classes shall be proportional to the amounts paid by those customer classes under the revenue recovery mechanism.

(6) After achieving compliance with the renewable energy standard for 2015, the actual costs reasonably and prudently incurred to continue to comply with this subpart both during and after the conclusion of the 20-year period beginning when the electric provider's plan is approved by the commission shall be considered costs of service. The commission shall determine a mechanism for an electric provider whose rates are regulated by the commission to recover these costs in its retail electric rates, subject to the retail rate impact limits in section 45. Remaining and future regulatory assets shall be recovered consistent with subsections (2) and (3) and section 49.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1049 Renewable cost reconciliation; commencement; contested case proceeding; discovery; modifications of revenue recovery mechanism; reconciliation of revenues with amounts actually expensed and projected; duties of commission; interest accrual.

Sec. 49. (1) This section applies only to an electric provider whose rates are regulated by the commission. Concurrent with the submission of each report under section 51, the commission shall commence an annual proceeding, to be known as a renewable cost reconciliation, for each electric provider whose rates are regulated by the commission. The renewable cost reconciliation proceeding shall be conducted as a contested case pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. Reasonable

discovery shall be permitted before and during the reconciliation proceeding to assist in obtaining evidence concerning reconciliation issues including, but not limited to, the reasonableness and prudence of expenditures and the amounts collected pursuant to the revenue recovery mechanism.

(2) At the renewable cost reconciliation, an electric provider may propose any necessary modifications of the revenue recovery mechanism to ensure the electric provider's recovery of its incremental cost of compliance with the renewable energy standards.

(3) The commission shall reconcile the pertinent revenues recorded and the allowance for the nonvolumetric revenue recovery mechanism with the amounts actually expensed and projected according to the electric provider's plan for compliance. The commission shall consider any issue regarding the reasonableness and prudence of expenses for which customers were charged in the relevant reconciliation period. In its order, the commission shall do all of the following:

(a) Make a determination of an electric provider's compliance with the renewable energy standards, subject to section 31.

(b) Adjust the revenue recovery mechanism for the incremental costs of compliance. The commission shall ensure that the retail rate impacts under this renewable cost reconciliation revenue recovery mechanism do not exceed the maximum retail rate impacts specified under section 45. The commission shall ensure that the recovery mechanism is projected to maintain a minimum balance of accumulated reserve so that a regulatory asset does not accrue.

(c) Establish the price per megawatt hour for renewable energy and advanced cleaner energy capacity and for renewable energy and advanced cleaner energy to be recovered through the power supply cost recovery clause under section 6j of 1939 PA 3, MCL 460.6j, as outlined in section 47(2)(b)(iv).

(d) Adjust, if needed, the minimum balance of accumulated reserve funds established under section 21.

(4) If an electric provider has recorded a regulatory liability in any given month during the 20-year period beginning when the electric provider's plan is approved by the commission, interest on the regulatory liability balance shall be accrued at the average short-term borrowing rate available to the electric provider during the appropriate period, and shall be used to fund incremental costs of compliance incurred in subsequent periods within the 20-year period beginning when the electric provider's plan is approved by the commission.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1051 Compliance with renewable energy standards; submission of annual report by each electric provider; information; submissions of report summary to customers of certain electric utilities; monitoring reports; submission of report to legislative committees; maintenance of report by department of labor and economic growth.

Sec. 51. (1) By a time determined by the commission, each electric provider shall submit to the commission an annual report that provides information relating to the actions taken by the electric provider to comply with the renewable energy standards. By that same time, a municipally-owned electric utility shall submit a copy of the report to the governing body of the municipally-owned electric utility, and a cooperative electric utility shall submit a copy of the report to its board of directors.

(2) An annual report under subsection (1) shall include all of the following information:

(a) The amount of electricity and renewable energy credits that the electric provider generated or acquired from renewable energy systems during the reporting period and the amount of renewable energy credits that the electric provider acquired, sold, traded, or otherwise transferred during the reporting period.

(b) The amount of electricity that the electric provider generated or acquired from advanced cleaner energy systems pursuant to this act during the reporting period.

(c) The capacity of each renewable energy system and advanced cleaner energy system owned, operated, or controlled by the electric provider, the total amount of electricity generated by each renewable energy system or advanced cleaner energy system during the reporting period, and the percentage of that total amount of electricity from each renewable energy system that was generated directly from renewable energy.

(d) Whether, during the reporting period, the electric provider began construction on, acquired, or placed into operation a renewable energy system or advanced cleaner energy system.

(e) Expenditures made in the past year and anticipated future expenditures to comply with this subpart.

(f) Any other information that the commission determines necessary.

(3) Concurrent with the submission of each report under subsection (1), a municipally-owned electric utility shall submit a summary of the report to its customers in their bills with a bill insert and to its governing body. Concurrent with the submission of each report under subsection (1), a cooperative electric utility shall submit a summary of the report to its members in a periodical issued by an association of rural electric

cooperatives and to its board of directors. A municipally-owned electric utility or cooperative electric provider shall make a copy of the report available at its office and shall post a copy of the report on its website. A summary under this section shall indicate that a copy of the report is available at the office or website.

(4) The commission shall monitor reports submitted under subsection (1) and ensure that actions taken under this act by electric providers serving customers in the same distribution territory do not create an unfair competitive advantage for any of those electric providers.

(5) By February 15, 2011 and each year thereafter, the commission shall submit to the standing committees of the senate and house of representatives with primary responsibility for energy and environmental issues a report that does all of the following:

(a) Summarizes data collected under this section.

(b) Discusses the status of renewable energy and advanced cleaner energy in this state and the effect of this subpart and subpart B on electricity prices.

(c) For each of the different types of renewable energy sold at retail in this state, specifies the difference between the cost of the renewable energy and the cost of electricity generated from new conventional coal-fired electric generating facilities.

(d) Discusses how the commission is fulfilling the requirements of subsection (4).

(e) Evaluates whether this subpart has been cost-effective.

(f) Provides a comparison of the cost effectiveness of the methods of an electric utility with 1,000,000 or more retail customers in this state as of January 1, 2008 obtaining renewable energy credits under the options described in section 33.

(g) Describes the impact of this subpart on employment in this state. The commission shall consult with other appropriate agencies of the department of labor and economic growth in the development of this information.

(h) Describes the effect of the percentage limits under section 27(7) on the development of advanced cleaner energy.

(i) Makes any recommendations the commission may have concerning amendments to this subpart, including changes in the percentage limits under section 27(7), or changes in the definition of renewable energy resource or renewable energy system to reflect environmentally preferable technology.

(6) The department of labor and economic growth shall maintain on the department's website a copy of the commission's most recent report under subsection (5).

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1053 Failure to meet renewable energy credit standard by deadline; civil action; contested case; final order.

Sec. 53. (1) If an electric provider whose rates are regulated by the commission fails to meet a renewable energy credit standard by the applicable deadline, subject to any extensions under section 31, both of the following apply:

(a) The electric provider shall purchase sufficient renewable energy credits necessary to meet the renewable energy credit standard.

(b) The electric provider shall not recover from its ratepayers the cost of purchasing renewable energy credits under subdivision (a) if the commission finds that the electric provider did not make a good faith effort to meet the renewable energy standard, subject to any extensions under section 31.

(2) The attorney general or any customer of a cooperative electric utility that has elected to become member-regulated under the electric cooperative member-regulation act, 2008 PA 167, MCL 460.31 to 460.39, may commence a civil action for injunctive relief against such a cooperative electric utility if the electric provider fails to meet the applicable requirements of this subpart or an order issued or rule promulgated under this subpart.

(3) An action under subsection (2) shall be commenced in the circuit court for the circuit in which the principal office of the cooperative electric utility that has elected to become member-regulated is located. An action shall not be filed under subsection (2) unless the prospective plaintiff has given the prospective defendant and the commission at least 60 days' written notice of the prospective plaintiff's intent to sue, the basis for the suit, and the relief sought. Within 30 days after the prospective defendant receives written notice of the prospective plaintiff's intent to sue, the prospective defendant and plaintiff shall meet and make a good faith attempt to determine if there is a credible basis for the action. If both parties agree that there is a credible basis for the action, the prospective defendant shall take all reasonable and prudent steps necessary to comply

with the applicable requirements of this subpart within 90 days of the meeting.

(4) In issuing a final order in an action brought under subsection (2), the court may award costs of litigation, including reasonable attorney and expert witness fees, to the prevailing or substantially prevailing party.

(5) Upon receipt of a complaint by an alternative electric supplier's customer or on the commission's own motion, the commission may conduct a contested case to review allegations that the alternative electric supplier has violated this subpart or an order issued or rule promulgated under this subpart. If the commission finds, after notice and hearing, that an alternative electric supplier has violated this subpart or an order issued or rule promulgated under this subpart, the commission shall do 1 or more of the following:

(a) Revoke the license of the alternative electric supplier.

(b) Issue a cease and desist order.

(c) Order the alternative electric supplier to pay a civil fine of not less than \$5,000.00 or more than \$50,000.00 for each violation.

(6) Upon receipt of a complaint by any customer of a municipally-owned electric utility or upon the commission's own motion, the commission may review allegations that the municipally-owned electric utility has violated this subpart or an order issued or rule promulgated under this subpart. If the commission finds, after notice and hearing, that a municipally-owned electric utility has violated this subpart or an order issued or rule promulgated under this subpart, the commission shall advise the attorney general. The attorney general may commence a civil action for injunctive relief against the municipally-owned electric utility in the circuit court for the circuit in which the principal office of the municipally-owned electric utility is located.

(7) In issuing a final order in an action brought under subsection (6), the court may award costs of litigation, including reasonable attorney and expert witness fees, to the prevailing or substantially prevailing party.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

SUBPART B. ENERGY OPTIMIZATION

460.1071 Proposed energy optimization plan; filing; time period; goal; combining with renewable energy plan; provisions; limitation on expenditures.

Sec. 71. (1) A provider shall file a proposed energy optimization plan with the commission within the following time period:

(a) For a provider whose rates are regulated by the commission, 90 days after the commission enters a temporary order under section 171.

(b) For a cooperative electric utility that has elected to become member-regulated under the electric cooperative member regulation act, 2008 PA 167, MCL 460.31 to 460.39, or a municipally-owned electric utility, 120 days after the commission enters a temporary order under section 171.

(2) The overall goal of an energy optimization plan shall be to reduce the future costs of provider service to customers. In particular, an EO plan shall be designed to delay the need for constructing new electric generating facilities and thereby protect consumers from incurring the costs of such construction. The proposed energy optimization plan shall be subject to approval in the same manner as an electric provider's renewable energy plan under subpart A. A provider may combine its energy optimization plan with its renewable energy plan.

(3) An energy optimization plan shall do all of the following:

(a) Propose a set of energy optimization programs that include offerings for each customer class, including low income residential. The commission shall allow providers flexibility to tailor the relative amount of effort devoted to each customer class based on the specific characteristics of their service territory.

(b) Specify necessary funding levels.

(c) Describe how energy optimization program costs will be recovered as provided in section 89(2).

(d) Ensure, to the extent feasible, that charges collected from a particular customer rate class are spent on energy optimization programs for that rate class.

(e) Demonstrate that the proposed energy optimization programs and funding are sufficient to ensure the achievement of applicable energy optimization standards.

(f) Specify whether the number of megawatt hours of electricity or decatherms or MCFs of natural gas used in the calculation of incremental energy savings under section 77 will be weather-normalized or based on the average number of megawatt hours of electricity or decatherms or MCFs of natural gas sold by the

provider annually during the previous 3 years to retail customers in this state. Once the plan is approved by the commission, this option shall not be changed.

(g) Demonstrate that the provider's energy optimization programs, excluding program offerings to low income residential customers, will collectively be cost-effective.

(h) Provide for the practical and effective administration of the proposed energy optimization programs. The commission shall allow providers flexibility in designing their energy optimization programs and administrative approach. A provider's energy optimization programs or any part thereof, may be administered, at the provider's option, by the provider, alone or jointly with other providers, by a state agency, or by an appropriate experienced nonprofit organization selected after a competitive bid process.

(i) Include a process for obtaining an independent expert evaluation of the actual energy optimization programs to verify the incremental energy savings from each energy optimization program for purposes of section 77. All such evaluations shall be subject to public review and commission oversight.

(4) Subject to subsection (5), an energy optimization plan may do 1 or more of the following:

(a) Utilize educational programs designed to alter consumer behavior or any other measures that can reasonably be used to meet the goals set forth in subsection (2).

(b) Propose to the commission measures that are designed to meet the goals set forth in subsection (1) and that provide additional customer benefits.

(5) Expenditures under subsection (4) shall not exceed 3% of the costs of implementing the energy optimization plan.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides:

"Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

In subdivisions (a) and (b) of subsection (1), the references to "section 171" evidently should read "section 191".

460.1073 Energy optimization plan; approval by commission.

Sec. 73. (1) A provider's energy optimization plan shall be filed, reviewed, and approved or rejected by the commission and enforced subject to the same procedures that apply to a renewable energy plan.

(2) The commission shall not approve a proposed energy optimization plan unless the commission determines that the EO plan meets the utility system resource cost test and is reasonable and prudent. In determining whether the EO plan is reasonable and prudent, the commission shall review each element and consider whether it would reduce the future cost of service for the provider's customers. In addition, the commission shall consider at least all of the following:

(a) The specific changes in customers' consumption patterns that the proposed EO plan is attempting to influence.

(b) The cost and benefit analysis and other justification for specific programs and measures included in a proposed EO plan.

(c) Whether the proposed EO plan is consistent with any long-range resource plan filed by the provider with the commission.

(d) Whether the proposed EO plan will result in any unreasonable prejudice or disadvantage to any class of customers.

(e) The extent to which the EO plan provides programs that are available, affordable, and useful to all customers.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1075 Energy optimization plan; exceeding standard; authorization for commensurate financial incentive; payment; limitation.

Sec. 75. An energy optimization plan of a provider whose rates are regulated by the commission may authorize a commensurate financial incentive for the provider for exceeding the energy optimization performance standard. Payment of any financial incentive authorized in the EO plan is subject to the approval of the commission. The total amount of a financial incentive shall not exceed the lesser of the following amounts:

(a) 25% of the net cost reductions experienced by the provider's customers as a result of implementation of the energy optimization plan.

(b) 15% percent of the provider's actual energy efficiency program expenditures for the year.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides:

"Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."
In subdivision (b), "15 percent" evidently should read "15%".

460.1077 Energy savings; minimum energy optimization standards to be met by natural gas provider; determination of incremental energy savings; calculations; basis; substitution; limitations.

Sec. 77. (1) Except as provided in section 81 and subject to the sales revenue expenditure limits in section 89, an electric provider's energy optimization programs under this subpart shall collectively achieve the following minimum energy savings:

(a) Biennial incremental energy savings in 2008-2009 equivalent to 0.3% of total annual retail electricity sales in megawatt hours in 2007.

(b) Annual incremental energy savings in 2010 equivalent to 0.5% of total annual retail electricity sales in megawatt hours in 2009.

(c) Annual incremental energy savings in 2011 equivalent to 0.75% of total annual retail electricity sales in megawatt hours in 2010.

(d) Annual incremental energy savings in 2012, 2013, 2014, and 2015 and, subject to section 97, each year thereafter equivalent to 1.0% of total annual retail electricity sales in megawatt hours in the preceding year.

(2) If an electric provider uses load management to achieve energy savings under its energy optimization plan, the minimum energy savings required under subsection (1) shall be adjusted by an amount such that the ratio of the minimum energy savings to the sum of maximum expenditures under section 89 and the load management expenditures remains constant.

(3) A natural gas provider shall meet the following minimum energy optimization standards using energy efficiency programs under this subpart:

(a) Biennial incremental energy savings in 2008-2009 equivalent to 0.1% of total annual retail natural gas sales in decatherms or equivalent MCFs in 2007.

(b) Annual incremental energy savings in 2010 equivalent to 0.25% of total annual retail natural gas sales in decatherms or equivalent MCFs in 2009.

(c) Annual incremental energy savings in 2011 equivalent to 0.5% of total annual retail natural gas sales in decatherms or equivalent MCFs in 2010.

(d) Annual incremental energy savings in 2012, 2013, 2014, and 2015 and, subject to section 97, each year thereafter equivalent to 0.75% of total annual retail natural gas sales in decatherms or equivalent MCFs in the preceding year.

(4) Incremental energy savings under subsection (1) or (3) for the 2008-2009 biennium or any year thereafter shall be determined for a provider by adding the energy savings expected to be achieved during a 1-year period by energy optimization measures implemented during the 2008-2009 biennium or any year thereafter under any energy efficiency programs consistent with the provider's energy efficiency plan.

(5) For purposes of calculations under subsection (1) or (3), total annual retail electricity or natural gas sales in a year shall be based on 1 of the following at the option of the provider as specified in its energy optimization plan:

(a) The number of weather-normalized megawatt hours or decatherms or equivalent MCFs sold by the provider to retail customers in this state during the year preceding the biennium or year for which incremental energy savings are being calculated.

(b) The average number of megawatt hours or decatherms or equivalent MCFs sold by the provider during the 3 years preceding the biennium or year for which incremental energy savings are being calculated.

(6) For any year after 2012, an electric provider may substitute renewable energy credits associated with renewable energy generated that year from a renewable energy system constructed after the effective date of this act, advanced cleaner energy credits other than credits from industrial cogeneration using industrial waste energy, load management that reduces overall energy usage, or a combination thereof for energy optimization credits otherwise required to meet the energy optimization performance standard, if the substitution is approved by the commission. The commission shall not approve a substitution unless the commission determines that the substitution is cost-effective and, if the substitution involves advanced cleaner energy credits, that the advanced cleaner energy system provides carbon dioxide emissions benefits. In determining whether the substitution of advanced cleaner energy credits is cost-effective compared to other available energy optimization measures, the commission shall consider the environmental costs related to the advanced cleaner energy system, including the costs of environmental control equipment or greenhouse gas constraints or taxes. The commission's determinations shall be made after a contested case hearing that includes consultation with the department of environmental quality on the issue of carbon dioxide emissions benefits, if relevant, and environmental costs.

(7) Renewable energy credits, advanced cleaner energy credits, load management that reduces overall energy usage, or a combination thereof shall not be used by a provider to meet more than 10% of the energy optimization standard. Substitutions for energy optimization credits shall be made at the following rates per energy optimization credit:

- (a) 1 renewable energy credit.
- (b) 1 advanced cleaner energy credit from plasma arc gasification.
- (c) 4 advanced cleaner energy credits other than from plasma arc gasification.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1079 Advanced cleaner energy systems; location.

Sec. 79. Advanced cleaner energy systems that are the source of the advanced cleaner energy credits used under section 77 shall be either located outside this state in the service territory of any electric provider that is not an alternative electric supplier or located anywhere in this state.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1081 Applicability of section to certain electric providers; establishment of alternative energy optimization standards; petition.

Sec. 81. (1) This section applies to electric providers that meet both of the following requirements:

- (a) Serve not more than 200,000 customers in this state.
- (b) Had average electric rates for residential customers using 1,000 kilowatt hours per month that are less than 75% of the average electric rates for residential customers using 1,000 kilowatt hours per month for all electric utilities in this state, according to the January 1, 2007, "comparison of average rates for MPSC-regulated electric utilities in Michigan" compiled by the commission.

(2) Beginning 2 years after a provider described in subsection (1) begins implementation of its energy optimization plan, the provider may petition the commission to establish alternative energy optimization standards. The petition shall identify the efforts taken by the provider to meet the electric provider energy optimization standards and demonstrate why the energy optimization standards cannot reasonably be met with energy optimization programs that are collectively cost-effective. If the commission finds that the petition meets the requirements of this subsection, the commission shall revise the energy optimization standards as applied to that electric provider to a level that can reasonably be met with energy optimization programs that are collectively cost-effective.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1083 Energy optimization credit; grant; expiration; carrying forward excess credits.

Sec. 83. (1) One energy optimization credit shall be granted to a provider for each megawatt hour of annual incremental energy savings achieved through energy optimization.

(2) An energy optimization credit expires as follows:

- (a) When used by a provider to comply with its energy optimization performance standard.
- (b) When substituted for a renewable energy credit under section 27.
- (c) As provided in subsection (3).

(3) If a provider's incremental energy savings in the 2008-2009 biennium or any year thereafter exceed the applicable energy optimization standard, the associated energy optimization credits may be carried forward and applied to the next year's energy optimization standard. However, all of the following apply:

(a) The number of energy optimization credits carried forward shall not exceed 1/3 of the next year's standard. Any energy optimization credits carried forward to the next year shall expire that year. Any remaining energy optimization credits shall expire at the end of the year in which the incremental energy savings were achieved, unless substituted, by an electric provider, for renewable energy credits under section 27.

(b) Energy optimization credits shall not be carried forward if, for its performance during the same biennium or year, the provider accepts a financial incentive under section 75. The excess energy optimization credits shall expire at the end of the year in which the incremental energy savings were achieved, unless substituted, by an electric provider, for renewable energy credits under section 27.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1085 Energy optimization credit not transferable; program for transferability of credits; recommendations.

Sec. 85. (1) An energy optimization credit is not transferable to another entity.

(2) The commission, in the 2011 report under section 97, shall make recommendations concerning a program for transferability of energy optimization credits.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1087 Certification and tracking program.

Sec. 87. The commission shall establish an energy optimization credit certification and tracking program. The certification and tracking program may be contracted to and performed by a third party through a system of competitive bidding. The program shall include all of the following:

(a) A determination of the date after which energy optimization must be achieved to be eligible for an energy optimization credit.

(b) A method for ensuring that each energy optimization credit substituted for a renewable energy credit under section 27 or carried forward under section 83 is properly accounted for.

(c) If the system is established by the commission, allowance for issuance and use of energy optimization credits in electronic form.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1089 Recovery of costs; limitation; capitalization costs; funding level for low income residential programs; authorization of natural gas provider to implement revenue decoupling mechanism; limitation on expenditures of total utility retail sales revenues; percentages.

Sec. 89. (1) The commission shall allow a provider whose rates are regulated by the commission to recover the actual costs of implementing its approved energy optimization plan. However, costs exceeding the overall funding levels specified in the energy optimization plan are not recoverable unless those costs are reasonable and prudent and meet the utility system resource cost test. Furthermore, costs for load management undertaken pursuant to an energy optimization plan are not recoverable as energy optimization program costs under this section, but may be recovered as described in section 95.

(2) Under subsection (1), costs shall be recovered from all natural gas customers and from residential electric customers by volumetric charges, from all other metered electric customers by per-meter charges, and from unmetered electric customers by an appropriate charge, applied to utility bills as an itemized charge.

(3) For the electric primary customer rate class customers of electric providers and customers of natural gas providers with an aggregate annual natural gas billing demand of more than 100,000 decatherms or equivalent MCFs for all sites in the natural gas utility's service territory, the cost recovery under subsection (1) shall not exceed 1.7% of total retail sales revenue for that customer class. For electric secondary customers and for residential customers, the cost recovery shall not exceed 2.2% of total retail sales revenue for those customer classes.

(4) Upon petition by a provider whose rates are regulated by the commission, the commission shall authorize the provider to capitalize all energy efficiency and energy conservation equipment, materials, and installation costs with an expected economic life greater than 1 year incurred in implementing its energy optimization plan, including such costs paid to third parties, such as customer rebates and customer incentives. The provider shall also propose depreciation treatment with respect to its capitalized costs in its energy optimization plan, and the commission shall order reasonable depreciation treatment related to these capitalized costs. A provider shall not capitalize payments made to an independent energy optimization program administrator under section 91.

(5) The established funding level for low income residential programs shall be provided from each customer rate class in proportion to that customer rate class's funding of the provider's total energy optimization programs. Charges shall be applied to distribution customers regardless of the source of their electricity or natural gas supply.

(6) The commission shall authorize a natural gas provider that spends a minimum of 0.5% of total natural

gas retail sales revenues, including natural gas commodity costs, in a year on commission-approved energy optimization programs to implement a symmetrical revenue decoupling true-up mechanism that adjusts for sales volumes that are above or below the projected levels that were used to determine the revenue requirement authorized in the natural gas provider's most recent rate case. In determining the symmetrical revenue decoupling true-up mechanism utilized for each provider, the commission shall give deference to the proposed mechanism submitted by the provider. The commission may approve an alternative mechanism if the commission determines that the alternative mechanism is reasonable and prudent. The commission shall authorize the natural gas provider to decouple rates regardless of whether the natural gas provider's energy optimization programs are administered by the provider or an independent energy optimization program administrator under section 91.

(7) A natural gas provider or an electric provider shall not spend more than the following percentage of total utility retail sales revenues, including electricity or natural gas commodity costs, in any year to comply with the energy optimization performance standard without specific approval from the commission:

- (a) In 2009, 0.75% of total retail sales revenues for 2007.
- (b) In 2010, 1.0% of total retail sales revenues for 2008.
- (c) In 2011, 1.5% of total retail sales revenues for 2009.
- (d) In 2012 and each year thereafter, 2.0% of total retail sales revenues for the 2 years preceding.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1091 Alternative compliance payment.

Sec. 91. (1) Except for section 89(6), sections 71 to 89 do not apply to a provider that pays the following percentage of total utility sales revenues, including electricity or natural gas commodity costs, each year to an independent energy optimization program administrator selected by the commission:

- (a) In 2009, 0.75% of total retail sales revenues for 2007.
- (b) In 2010, 1.0% of total retail sales revenues for 2008.
- (c) In 2011, 1.5% of total retail sales revenues for 2009.
- (d) In 2012 and each year thereafter, 2.0% of total retail sales revenues for the 2 years preceding.

(2) An alternative compliance payment received from a provider by the energy optimization program administrator under subsection (1) shall be used to administer energy efficiency programs for the provider. Money unspent in a year shall be carried forward to be spent in the subsequent year.

(3) The commission shall allow a provider to recover an alternative compliance payment under subsection (1). This cost shall be recovered from residential customers by volumetric charges, from all other metered customers by per-meter charges, and from unmetered customers by an appropriate charge, applied to utility bills.

(4) An alternative compliance payment under subsection (1) shall only be used to fund energy optimization programs for that provider's customers. To the extent feasible, charges collected from a particular customer rate class and paid to the energy optimization program administrator under subsection (1) shall be devoted to energy optimization programs and services for that rate class.

(5) Money paid to the energy optimization program administrator under subsection (1) and not spent by the administrator that year shall remain available for expenditure the following year, subject to the requirements of subsection (4).

(6) The commission shall select a qualified nonprofit organization to serve as an energy optimization program administrator under this section, through a competitive bid process.

(7) The commission shall arrange for a biennial independent audit of the energy optimization program administrator.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1093 Self-directed energy optimization plan.

Sec. 93. (1) An eligible primary or secondary electric customer is exempt from charges the customer would otherwise incur under section 89 or 91 if the customer files with its electric provider and implements a self-directed energy optimization plan as provided in this section.

(2) Eligibility requirements for the exemption under subsection (1) are as follows:

(a) In 2009 or 2010, the customer must have had an annual peak demand in the preceding year of at least 2 megawatts at each site to be covered by the self-directed plan or 10 megawatts in the aggregate at all sites to

be covered by the plan.

(b) In 2011, 2012, or 2013, the customer or customers must have had an annual peak demand in the preceding year of at least 1 megawatt at each site to be covered by the self-directed plan or 5 megawatts in the aggregate at all sites to be covered by the plan.

(c) In 2014 or any year thereafter, the customer or customers must have had an annual peak demand in the preceding year of at least 1 megawatt in the aggregate at all sites to be covered by the self-directed plan.

(3) The commission shall by order establish the rates, terms, and conditions of service for customers related to this subpart.

(4) The commission shall by order do all of the following:

(a) Require a customer to utilize the services of an energy optimization service company to develop and implement a self-directed plan. This subdivision does not apply to a customer that had an annual peak demand in the preceding year of at least 2 megawatts at each site to be covered by the self-directed plan or 10 megawatts in the aggregate at all sites to be covered by the self-directed plan.

(b) Provide a mechanism to recover from customers under subdivision (a) the costs for provider level review and evaluation.

(c) Provide a mechanism to cover the costs of the low income energy optimization program under section 89.

(5) All of the following apply to a self-directed energy optimization plan under subsection (1):

(a) The self-directed plan shall be a multiyear plan for an ongoing energy optimization program.

(b) The self-directed plan shall provide for aggregate energy savings that for each year meet or exceed the energy optimization performance standards based on the electricity purchases in the previous year for the site or sites covered by the self-directed plan.

(c) Under the self-directed plan, energy optimization shall be calculated based on annual electricity usage. Annual electricity usage shall be normalized so that none of the following are included in the calculation of the percentage of incremental energy savings:

(i) Changes in electricity usage because of changes in business activity levels not attributable to energy optimization.

(ii) Changes in electricity usage because of the installation, operation, or testing of pollution control equipment.

(d) The self-directed plan shall specify whether electricity usage will be weather-normalized or based on the average number of megawatt hours of electricity sold by the electric provider annually during the previous 3 years to retail customers in this state. Once the self-directed plan is submitted to the provider, this option shall not be changed.

(e) The self-directed plan shall outline how the customer intends to achieve the incremental energy savings specified in the self-directed plan.

(6) A self-directed energy optimization plan shall be incorporated into the relevant electric provider's energy optimization plan. The self-directed plan and information submitted by the customer under subsection (9) are confidential and exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. Projected energy savings from measures implemented under a self-directed plan shall be attributed to the relevant provider's energy optimization programs for the purposes of determining annual incremental energy savings achieved by the provider under section 77 or 81, as applicable.

(7) Once a customer begins to implement a self-directed plan at a site covered by the self-directed plan, that site is exempt from energy optimization program charges under section 89 or 91 and is not eligible to participate in the relevant electric provider's energy optimization programs.

(8) A customer implementing a self-directed energy optimization plan under this section shall submit to the customer's electric provider every 2 years a brief report documenting the energy efficiency measures taken under the self-directed plan during that 2-year period, and the corresponding energy savings that will result. The report shall provide sufficient information for the provider and the commission to monitor progress toward the goals in the self-directed plan and to develop reliable estimates of the energy savings that are being achieved from self-directed plans. A customer shall promptly notify the provider if the customer fails to achieve incremental energy savings as set forth in its self-directed plan for a year that will be the first year covered by the next biannual report. If a customer submitting a report or notice under this subsection wishes to amend its self-directed plan, the customer shall submit with the report or notice an amended self-directed plan. A report under this subsection shall be accompanied by an affidavit from a knowledgeable official of the customer that the information in the report is true and correct to the best of the official's knowledge and belief. If the customer has retained an independent energy optimization service company, the requirements of this subsection shall be met by the energy optimization service company.

(9) An electric provider shall provide an annual report to the commission that identifies customers

implementing self-directed energy optimization plans and summarizes the results achieved cumulatively under those self-directed plans. The commission may request additional information from the electric provider. If the commission has sufficient reason to believe the information is inaccurate or incomplete, it may request additional information from the customer to ensure accuracy of the report.

(10) If the commission determines after a contested case hearing that the minimum energy optimization goals under subsection (5)(b) have not been achieved at the sites covered by a self-directed plan, in aggregate, the commission shall order the customer or customers collectively to pay to this state an amount calculated as follows:

(a) Determine the proportion of the shortfall in achieving the minimum energy optimization goals under subsection (5)(b).

(b) Multiply the figure under subdivision (a) by the energy optimization charges from which the customer or customers collectively were exempt under subsection (1).

(c) Multiply the product under subdivision (b) by a number not less than 1 or greater than 2, as determined by the commission based on the reasons for failure to meet the minimum energy optimization goals.

(11) If a customer has submitted a self-directed plan to an electric provider, the customer, the customer's energy optimization service company, if applicable, or the electric provider shall provide a copy of the self-directed plan to the commission upon request.

(12) By September 1, 2010, following a public hearing, the commission shall establish an approval process for energy optimization service companies. The approval process shall ensure that energy optimization service companies have the expertise, resources, and business practices to reliably provide energy optimization services that meet the requirements of this section. The commission may adopt by reference the past or current standards of a national or regional certification or licensing program for energy optimization service companies. However, the approval process shall also provide an opportunity for energy optimization service companies that are not recognized by such a program to be approved by posting a bond in an amount determined by the commission and meeting any other requirements adopted by the commission for the purposes of this subsection. The approval process for energy optimization service companies shall require adherence to a code of conduct governing the relationship between energy optimization service companies and electric providers.

(13) The department of labor and economic growth shall maintain on the department's website a list of energy optimization service companies approved under subsection (12).

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1095 Duties and authority of commission.

Sec. 95. (1) The commission shall do all of the following:

(a) Promote load management in appropriate circumstances.

(b) Actively pursue increasing public awareness of load management techniques.

(c) Engage in regional load management efforts to reduce the annual demand for energy whenever possible.

(d) Work with residential, commercial, and industrial customers to reduce annual demand and conserve energy through load management techniques and other activities it considers appropriate. The commission shall file a report with the legislature by December 31, 2010 on the effort to reduce peak demand. The report shall also include any recommendations for legislative action concerning load management that the commission considers necessary.

(2) The commission may allow a provider whose rates are regulated by the commission to recover costs for load management undertaken pursuant to an energy optimization plan through base rates as part of a proceeding under section 6 of 1939 PA 3, MCL 460.6, if the costs are reasonable and prudent and meet the utility systems resource cost test.

(3) The commission shall do all of the following:

(a) Promote energy efficiency and energy conservation.

(b) Actively pursue increasing public awareness of energy conservation and energy efficiency.

(c) Actively engage in energy conservation and energy efficiency efforts with providers.

(d) Engage in regional efforts to reduce demand for energy through energy conservation and energy efficiency.

(e) By November 30, 2009, and each year thereafter, submit to the standing committees of the senate and house of representatives with primary responsibility for energy and environmental issues a report on the effort to implement energy conservation and energy efficiency programs or measures. The report may include any

recommendations of the commission for energy conservation legislation.

(4) This subpart does not limit the authority of the commission, following an integrated resource plan proceeding and as part of a rate-making process, to allow a provider whose rates are regulated by the commission to recover for additional prudent energy efficiency and energy conservation measures not included in the provider's energy optimization plan if the provider has met the requirements of the energy optimization program.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1097 Compliance with energy optimization standards; reports.

Sec. 97. (1) By a time determined by the commission, each provider shall submit to the commission an annual report that provides information relating to the actions taken by the provider to comply with the energy optimization standards. By that same time, a municipally-owned electric utility shall submit a copy of the report to the governing body of the municipally-owned electric utility, and a cooperative electric utility shall submit a copy of the report to its board of directors.

(2) An annual report under subsection (1) shall include all of the following information:

- (a) The number of energy optimization credits that the provider generated during the reporting period.
- (b) Expenditures made in the past year and anticipated future expenditures to comply with this subpart.
- (c) Any other information that the commission determines necessary.

(3) Concurrent with the submission of each report under subsection (1), a municipally-owned electric utility shall submit a summary of the report to its customers in their bills with a bill insert and to its governing body. Concurrent with the submission of each report under subsection (1), a cooperative electric utility shall submit a summary of the report to its members in a periodical issued by an association of rural electric cooperatives and to its board of directors. A municipally-owned electric utility or cooperative electric provider shall make a copy of the report available at its office and shall post a copy of the report on its website. A summary under this section shall indicate that a copy of the report is available at the office or website.

(4) Not later than 1 year after the effective date of this act, the commission shall submit a report on the potential rate impacts on all classes of customers if the electric providers whose rates are regulated by the commission decouple rates. The report shall be submitted to the standing committees of the senate and house of representatives with primary responsibility for energy and environmental issues. The commission's report shall review whether decoupling would be cost-effective and would reduce the overall consumption of fossil fuels in this state.

(5) By October 1, 2010, the commission shall submit to the committees described in subsection (4) any recommendations for legislative action to increase energy conservation and energy efficiency based on reports under subsection (1), the energy optimization plans approved under section 89, and the commission's own investigation. By March 1, 2013, the commission shall submit to those committees a report on the progress of electric providers in achieving reductions in energy use. The commission may use an independent evaluator to review the submissions by electric providers.

(6) By February 15, 2011 and each year thereafter and by September 30, 2015, the commission shall submit to the committees described in subsection (4) a report that evaluates and determines whether this subpart and subpart A have each been cost-effective and makes recommendations to the legislature. The report shall be combined with any concurrent report by the commission under section 51.

(7) The report required by September 30, 2015 under subsection (6) shall also review the opportunities for additional cost-effective energy optimization programs and make any recommendations the commission may have for legislation providing for the continuation, expansion, or reduction of energy optimization standards. That report shall also include the commission's determinations of all of the following:

- (a) The percentage of total energy savings required by the energy optimization standards that have actually been achieved by each electric provider and by all electric providers cumulatively.
- (b) The percentage of total energy savings required by the energy optimization standards that have actually been achieved by each natural gas provider and by all natural gas providers cumulatively.
- (c) For each provider, whether that provider's program under this subpart has been cost-effective.

(8) If the commission determines in its report required by September 30, 2015 under subsection (6) or determines subsequently that a provider's energy optimization program under this subpart has not been cost-effective, the provider's program is suspended beginning 180 days after the date of the report or subsequent determination. If a provider's energy optimization program is suspended under this subsection, both of the following apply:

(a) The provider shall maintain cumulative incremental energy savings in megawatt hours or decatherms or equivalent MCFs in subsequent years at the level actually achieved during the year preceding the year in which the commission's determination is made.

(b) The provider shall not impose energy optimization charges in subsequent years except to the extent necessary to recover unrecovered energy optimization expenses incurred under this subpart before suspension of the provider's program.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

SUBPART C. MISCELLANEOUS

460.1111 Municipally-owned electric utilities; new authority not granted to commission.

Sec. 111. This part does not provide the commission with new authority with respect to municipally-owned electric utilities except to the extent expressly provided in this act.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1113 Pollution control equipment; use of electricity or natural gas in installation, operation, or testing; exemption.

Sec. 113. Notwithstanding any other provision of this part, electricity or natural gas used in the installation, operation, or testing of any pollution control equipment is exempt from the requirements of, and calculations of compliance required under, this part.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

PART 3. STATE GOVERNMENT ENERGY EFFICIENCY AND CONSERVATION

460.1131 Reduction in state government grid-based energy purchases; goal.

Sec. 131. It is the goal of this state to reduce state government grid-based energy purchases by 25% by 2015, when compared to energy use and energy purchases for the state fiscal year ending September 30, 2002.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1133 Department of management and budget; duties.

Sec. 133. The department of management and budget, after consultation with the energy office in the department of labor and economic growth, shall do all of the following:

(a) Establish a program for energy analyses of each state building that identifies opportunities for reduced energy use, including the cost and energy savings for each such opportunity, and includes a completion schedule. Under the program, the energy star assessment and rating program shall be extended to all buildings owned or leased by this state. An energy analysis of each such building shall be conducted at least every 5 years. Within 1 year after the effective date of this act, an energy analysis shall be conducted of any such building for which an energy analysis was not conducted within 5 years before the effective date of this act. If building or facility modifications are allowed under the terms of a lease, the state shall undertake any recommendations resulting from an energy audit to those facilities if the recommendations will save money.

(b) Examine the cost and benefit of using LEED building code standards when constructing or remodeling a state building.

(c) Before the state leases a building, examine the cost and benefit of leasing a building that meets LEED building codes standards, or remodeling a building to meet such standards. The state shall take into consideration whether a building has historical, architectural, or cultural significance that could be harmed by a lease not being renewed solely based on the building's failure to meet LEED criteria.

(d) Assist each state department in appointing an energy reduction coordinator to work with the department of management and budget and the state energy office to reduce state energy use.

(e) Ensure that, during any renovation or construction of a state building, energy efficient products are used

whenever possible and that the state purchases energy efficient products whenever possible.

(f) Implement a program to educate state employees on how to conserve energy. The energy office and the department of management and budget shall update the program every 3 years.

(g) Use more cost-effective lighting technologies, geothermal heat pumps, and other cost-effective technologies to conserve energy.

(h) Reduce state government energy use during peak summer energy use seasons with the goal of achieving reductions beginning in 2010.

(i) Create a web-based system for tracking energy efficiency and energy conservation projects occurring within state government.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

PART 4.

WIND ENERGY RESOURCE ZONE

460.1141 Definitions.

Sec. 141. As used in this part:

(a) "Construction" means any substantial action constituting placement or erection of the foundations or structures supporting a transmission line. Construction does not include preconstruction activity or the addition of circuits to an existing transmission line.

(b) "Route" means real property on or across which a transmission line is constructed or proposed to be constructed.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1143 Wind energy resource zone board; membership.

Sec. 143. Within 60 days after the effective date of this act, the commission shall create the wind energy resource zone board. The board shall consist of 9 members, as follows:

- (a) 1 member representing the commission.
- (b) 2 members representing the electric utility industry.
- (c) 1 member representing alternative electric suppliers.
- (d) 1 member representing the attorney general.
- (e) 1 member representing the renewable energy industry.
- (f) 1 member representing cities and villages.
- (g) 1 member representing townships.
- (h) 1 member representing independent transmission companies.
- (i) 1 member representing a statewide environmental organization.
- (j) 1 member representing the public at large.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1145 Wind energy resource zone board; powers, duties, and decision-making authority; report.

Sec. 145. (1) The wind energy resource zone board shall exercise its powers, duties, and decision-making authority under this part independently of the commission.

(2) The board shall do all of the following:

(a) In consultation with local units of government, study all of the following:

(i) Wind energy production potential and the viability of wind as a source of commercial energy generation in this state.

(ii) Availability of land in this state for potential utilization by wind energy conversion systems.

(b) Conduct modeling and other studies related to wind energy, including studying existing wind energy conversion systems, estimates for additional wind energy conversion system development, and average annual recorded wind velocity levels. The board's studies should include examination of wind energy conversion system requests currently in the applicable regional transmission organization's generator interconnection queue.

(3) Within 240 days after the effective date of this act, issue a proposed report detailing its findings under

subsection (2). The board's proposed report shall include the following:

- (a) A list of regions in the state with the highest level of wind energy harvest potential.
 - (b) A description of the estimated maximum and minimum wind generating capacity in megawatts that can be installed in each identified region of this state.
 - (c) An estimate of the annual maximum and minimum energy production potential for each identified region of this state.
 - (d) An estimate of the maximum wind generation capacity already in service in each identified region of this state.
- (4) The board shall submit a copy of the proposed report under subsection (3) to the legislative body of each local unit of government located in whole or part within any region listed in subsection (3)(a). The legislative body may submit comments to the board on the proposed report within 63 days after the proposed report was submitted to the legislative body. After the deadline for submitting comments on the proposed report, the board shall hold a public hearing on the proposed report. The board may hold a separate public hearing in each region listed under subsection (3)(a). The board shall give written notice of a public hearing under this subsection to the legislative body of each local unit of government located in whole or part within the region or regions that are the subject of the hearing and shall publish the notice in a newspaper of general circulation within the region or regions.
- (5) Within 45 days after satisfying the requirements of subsection (4), the board shall issue a final report as described in subsection (3).
- (6) After the board issues its report under subsection (5), electric utilities, affiliated transmission companies and independent transmission companies with transmission facilities within or adjacent to regions of this state identified in the board's report shall identify existing or new transmission infrastructure necessary to deliver maximum and minimum wind energy production potential for each of those regions and shall submit this information to the board for its review.
- (7) The board is dissolved 90 days after it issues its report under subsection (5).

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1147 Wind energy resource zone; designation; creation; preparation of order; report.

Sec. 147. (1) Based on the board's findings as reported under section 145, the commission shall, through a final order, designate the area of this state likely to be most productive of wind energy as the primary wind energy resource zone and may designate additional wind energy resource zones.

(2) A wind energy resource zone shall be created on land that is entirely within the boundaries of this state and shall encompass a natural geographical area or region of this state. A wind zone shall exclude land that is zoned residential when the board's proposed report is issued under section 145, unless the land is subsequently zoned for nonresidential use.

(3) In preparing its order, the commission shall evaluate projected costs and benefits in terms of the long-term production capacity and long-term needs for transmission. The order shall ensure that the designation of a wind zone does not represent an unreasonable threat to the public convenience, health, and safety and that any adverse impacts on private property values are minimal. In determining the location of a wind zone, the commission shall consider all of the following factors pursuant to the findings of the board:

- (a) Average annual wind velocity levels in the region.
- (b) Availability of land in the region that may be utilized by wind energy conversion systems.
- (c) Existing wind energy conversion systems in the region.
- (d) Potential for megawatt output of combined wind energy conversion systems in the region.
- (e) Other necessary and appropriate factors as to which findings are required by the commission.

(4) In conjunction with the issuance of its order under subsection (1), the commission shall submit to the legislature a report on the effect that setback requirements and noise limitations under local zoning or other ordinances may have on wind energy development in wind energy resource zones. The report shall include any recommendations the commission may have for legislation addressing these issues. Before preparing the report, the commission shall conduct hearings in various areas of the state to receive public comment on the report.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1149 Electric utility, affiliated transmission company, or independent transmission

company; expedited siting certificate; application; approvals.

Sec. 149. (1) To facilitate the transmission of electricity generated by wind energy conversion systems located in wind energy resource zones, the commission may issue an expedited siting certificate for a transmission line to an electric utility, affiliated transmission company, or independent transmission company as provided in this part.

(2) An electric utility, affiliated transmission company, or independent transmission company may apply to the commission for an expedited siting certificate. An applicant may withdraw an application at any time.

(3) Before filing an application for an expedited siting certificate for a proposed transmission line under this part, an electric utility, affiliated transmission company, or independent transmission company must receive any required approvals from the applicable regional transmission organization for the proposed transmission line.

(4) Sixty days before seeking approval from the applicable regional transmission organization for a transmission line as described in subsection (3), an electric utility, affiliated transmission company, or independent transmission company shall notify the commission in writing that it will seek the approval.

(5) The commission shall represent this state's interests in all proceedings before the applicable regional transmission organization for which the commission receives notice under subsection (4).

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1151 Expedited siting certificate; application; contents.

Sec. 151. An application for an expedited siting certificate shall contain all of the following:

(a) Evidence that the proposed transmission line received any required approvals from the applicable regional transmission organization.

(b) The planned date for beginning construction of the proposed transmission line.

(c) A detailed description of the proposed transmission line, its route, and its expected configuration and use.

(d) Information addressing potential effects of the proposed transmission line on public health and safety.

(e) Information indicating that the proposed transmission line will comply with all applicable state and federal environmental standards, laws, and rules.

(f) A description and evaluation of 1 or more alternate transmission line routes and a statement of why the proposed route was selected.

(g) Other information reasonably required by commission rules.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1153 Notice; conduct of proceeding; determination by commission that requirements are met; precedence; certificate as conclusive and binding; time period for granting or denying certificate.

Sec. 153. (1) Upon applying for a certificate, an electric utility, affiliated transmission company, or independent transmission company shall give public notice in the manner and form the commission prescribes of an opportunity to comment on and participate in a contested case with respect to the application. Notice shall be published in a newspaper of general circulation in the relevant wind energy resource zone within a reasonable time period after an application is provided to the commission and shall be sent to each affected municipality, electric utility, affiliated transmission company, and independent transmission company and each affected landowner on whose property a portion of the proposed transmission line will be constructed. The notice shall be written in plain, nontechnical, and easily understood terms and shall contain a title that includes the name of the electric utility, affiliated transmission company, or independent transmission company and the words "Notice of Intent to Construct a Transmission Line to Serve a Wind Energy Resource Zone".

(2) The commission shall conduct a proceeding on the application for an expedited siting certificate as a contested case under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. Upon receiving an application for a certificate, each affected municipality and each affected landowner shall be granted full intervener status as of right in commission proceedings concerning the proposed transmission lines.

(3) The commission shall grant an expedited siting certificate if it determines that all of the following requirements are met:

(a) The proposed transmission line will facilitate transmission of electricity generated by wind energy conversion systems located in a wind energy resource zone.

(b) The proposed transmission line has received federal approval.

(c) The proposed transmission line does not represent an unreasonable threat to the public convenience, health, and safety.

(d) The proposed transmission line will be of appropriate capability to enable the wind potential of the wind energy resource zone to be realized.

(e) The proposed or alternate route to be authorized by the expedited siting certificate is feasible and reasonable.

(4) If the commission grants an expedited siting certificate for a transmission line under this part, the certificate takes precedence over a conflicting local ordinance, law, rule, regulation, policy, or practice that prohibits or regulates the location or construction of the transmission line. A zoning ordinance or limitation imposed after an electric utility, affiliated transmission company, or independent transmission company files for a certificate shall not limit or impair the transmission line's construction, operation, or maintenance.

(5) In an eminent domain or other related proceeding arising out of or related to a transmission line for which a certificate is issued, a certificate issued under this act is conclusive and binding as to the public convenience and necessity for that transmission line and its compatibility with the public health and safety or any zoning or land use requirements in effect when the application was filed.

(6) The commission has a maximum of 180 days to grant or deny an expedited siting certificate under this section.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1155 Annual report.

Sec. 155. The commission shall make an annual report, summarizing the impact of establishing wind energy resource zones, expedited transmission line siting applications, estimates for future wind generation within wind zones, and recommendations for program enhancements or expansion, to the governor and the legislature on or before the first Monday of March of each year.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1157 Construction of transmission line not prohibited.

Sec. 157. This part does not prohibit an electric utility, affiliated transmission company, or independent transmission company from constructing a transmission line without obtaining an expedited siting certificate.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1159 Commission order subject to review; administration of part.

Sec. 159. (1) A commission order relating to any matter provided for under this part is subject to review as provided in section 26 of 1909 PA 300, MCL 462.26.

(2) In administering this part, the commission has only those powers and duties granted to the commission under this part.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1161 Eminent domain not conferred.

Sec. 161. This part does not confer the power of eminent domain.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

PART 5. NET METERING

460.1171 "Electric utility" defined.

Sec. 171. As used in this part, "electric utility" means any person or entity whose rates are regulated by the commission for the purpose of selling electricity to retail customers in this state.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1173 Statewide net metering program; establishment; order; rules; 1 percent requirement; selection of participating customers; provisions; maintenance of records.

Sec. 173. (1) The commission shall establish a statewide net metering program by order issued not later than 180 days after the effective date of this act. No later than 180 days after the effective date of this act, the commission shall promulgate rules regarding any time limits on the submission of net metering applications or inspections of net metering equipment and any other matters the commission considers necessary to implement this part. Any rules adopted regarding time limits for approval of parallel operation shall recognize reliability and safety complications including those arising from equipment saturation, use of multiple technologies, and proximity to synchronous motor loads. The program shall apply to all electric utilities and alternative electric suppliers in this state. Except as otherwise provided under this part, customers of any class are eligible to interconnect eligible electric generators with the customer's local electric utility and operate the generators in parallel with the distribution system. The program shall be designed for a period of not less than 10 years and limit each customer to generation capacity designed to meet only the customer's electric needs. The commission may waive the application, interconnection, and installation requirements of this part for customers participating in the net metering program under the commission's March 29, 2005 order in case no. U-14346.

(2) An electric utility or alternative electric supplier is not required to allow for net metering that is greater than 1% of its in-state peak load for the preceding calendar year. The utility or supplier shall notify the commission if its net metering program reaches the 1% requirement under this subsection. The 1% limit under this subsection shall be allocated as follows:

(a) No more than 0.5% for customers with a system capable of generating 20 kilowatts or less.

(b) No more than 0.25% for customers with a system capable of generating more than 20 kilowatts but not more than 150 kilowatts.

(c) No more than 0.25% for customers with a system capable of generating more than 150 kilowatts.

(3) Selection of customers for participation in the net metering program shall be based on the order in which the applications for participation in the net metering program are received by the electric utility or alternative electric supplier.

(4) An electric utility or alternative electric supplier shall not refuse to provide or discontinue electric service to a customer solely for the reason that the customer participates in the net metering program.

(5) The program created under subsection (1) shall include all of the following:

(a) Statewide uniform interconnection requirements for all eligible electric generators. The interconnection requirements shall be designed to protect electric utility workers and equipment and the general public.

(b) Net metering equipment and its installation must meet all current local and state electric and construction code requirements. Any equipment that is certified by a nationally recognized testing laboratory to IEEE 1547.1 testing standards and in compliance with UL 1741 scope 1.1A, effective May 7, 2007, and installed in compliance with this part is considered to be eligible equipment. Within the time provided by the commission in rules promulgated under subsection (1) and consistent with good utility practice, protection of electric utility workers, protection of electric utility equipment, and protection of the general public, an electric utility may study, confirm, and ensure that an eligible electric generator installation at the customer's site meets the IEEE 1547 anti-islanding requirements. Utility testing and approval of the interconnection and execution of a parallel operating agreement must be completed prior to the equipment operating in parallel with the distribution system of the utility.

(c) A uniform application form and process to be used by all electric utilities and alternative electric suppliers in this state. Customers who are served by an alternative electric supplier shall submit a copy of the application to the electric utility for the customer's service area.

(d) Net metering customers with a system capable of generating 20 kilowatts or less qualify for true net metering.

(e) Net metering customers with a system capable of generating more than 20 kilowatts qualify for modified net metering.

(6) Each electric utility and alternative electric supplier shall maintain records of all applications and up-to-date records of all active eligible electric generators located within their service area.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1175 Net metering; application fee; limitation; costs; interconnection requirements.

Sec. 175. (1) An electric utility or alternative electric supplier may charge a fee not to exceed \$100.00 to process an application for net metering. A customer with a system capable of generating more than 20 kilowatts shall pay all interconnection costs. A customer with a system capable of generating more than 150 kilowatts shall pay standby costs. The commission shall recognize the reasonable cost for each electric utility and alternative electric supplier to operate a net metering program. For an electric utility with 1,000,000 or more retail customers in this state, the commission shall include in that utility's nonfuel base rates all costs of meeting all program requirements except that all energy costs of the program shall be recovered through the utility's power supply cost recovery mechanism under sections 6j and 6k of 1939 PA 3, MCL 460.6j and 460.6k. For an electric utility with less than 1,000,000 base distribution customers in this state, the commission shall allow that utility to recover all energy costs of the program through the power supply cost recovery mechanism under sections 6j and 6k of 1939 PA 3, MCL 460.6j and 460.6k, and shall develop a cost recovery mechanism for that utility to contemporaneously recover all other costs of meeting the program requirements.

(2) The interconnection requirements of the net metering program shall provide that an electric utility or alternative electric supplier shall, subject to any time requirements imposed by the commission and upon reasonable written notice to the net metering customer, perform testing and inspection of an interconnected eligible electric generator as is necessary to determine that the system complies with all applicable electric safety, power quality, and interconnection requirements. The costs of testing and inspection are considered a cost of operating a net metering program and shall be recovered under subsection (1).

(3) The interconnection requirements shall require all eligible electric generators, alternative electric suppliers, and electric utilities to comply with all applicable federal, state, and local laws, rules, or regulations, and any national standards as determined by the commission.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1177 Customer's energy use in billing period; use of electric meters; credit.

Sec. 177. (1) Electric meters shall be used to determine the amount of the customer's energy use in each billing period, net of any excess energy the customer's generator delivers to the utility distribution system during that same billing period. For a customer with a generation system capable of generating more than 20 kilowatts, the utility shall install and utilize a generation meter and a meter or meters capable of measuring the flow of energy in both directions. A customer with a system capable of generating more than 150 kilowatts shall pay the costs of installing any new meters.

(2) An electric utility serving over 1,000,000 customers in this state may provide its customers participating in the net metering program, at no additional charge, a meter or meters capable of measuring the flow of energy in both directions.

(3) An electric utility serving fewer than 1,000,000 customers in this state shall provide a meter or meters described in subsection (2) to customers participating in the net metering program at cost. Only the incremental cost above that for meters provided by the electric utility to similarly situated nongenerating customers shall be paid by the eligible customer.

(4) If the quantity of electricity generated and delivered to the utility distribution system by an eligible electric generator during a billing period exceeds the quantity of electricity supplied from the electric utility or alternative electric supplier during the billing period, the eligible customer shall be credited by their supplier of electric generation service for the excess kilowatt hours generated during the billing period. The credit shall appear on the bill for the following billing period and shall be limited to the total power supply charges on that bill. Any excess kilowatt hours not used to offset electric generation charges in the next billing period will be carried forward to subsequent billing periods. Notwithstanding any law or regulation, net metering customers shall not receive credits for electric utility transmission or distribution charges. The credit per kilowatt hour for kilowatt hours delivered into the utility's distribution system shall be either of the following:

(a) The monthly average real-time locational marginal price for energy at the commercial pricing node within the electric utility's distribution service territory, or for net metering customers on a time-based rate schedule, the monthly average real-time locational marginal price for energy at the commercial pricing node within the electric utility's distribution service territory during the time-of-use pricing period.

(b) The electric utility's or alternative electric supplier's power supply component of the full retail rate during the billing period or time-of-use pricing period.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1179 Renewable energy credits.

Sec. 179. An eligible electric generator shall own any renewable energy credits granted for electricity generated under the net metering program created in this part.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1181 Finding of noncompliance; remedies and penalties.

Sec. 181. Upon a complaint or on the commission's own motion, if the commission finds, after notice and hearing, that an electric utility has not complied with a provision or order issued under this part, the commission shall order remedies and penalties as necessary to make whole a customer or other person who has suffered damages as a result of the violation.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

PART 6.

MISCELLANEOUS COMMISSION PROVISIONS

460.1191 Temporary order; issuance; rules.

Sec. 191. (1) Within 60 days after the effective date of this act, the commission shall issue a temporary order implementing this act, including, but not limited to, all of the following:

- (a) Formats of renewable energy plans for various categories of electric providers.
- (b) Guidelines for requests for proposals under this act.

(2) Within 1 year after the effective date of this act, the commission shall promulgate rules to implement this act pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. Upon promulgation of the rules, the order under subsection (1) is rescinded.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1193 Contested case proceeding; intervention; confidential business information.

Sec. 193. (1) Any interested party may intervene in a contested case proceeding under this act as provided in general rules of the commission.

(2) The commission and a provider shall handle confidential business information under this act in a manner consistent with state law and general rules of the commission.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1195 Authority of commission not limited.

Sec. 195. This act does not limit any authority of the commission otherwise provided by law.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission’s own motion,)
regarding the regulatory reviews, revisions,)
determinations, and/or approvals necessary for)
the CITY OF SOUTH HAVEN to fully comply)
with Public Act 295 of 2008)
_____)

Case No. U-17413

APPLICATION FOR BIENNIAL REVIEW OF ENERGY OPTIMIZATION PLAN

Pursuant to the Michigan Public Service Commission’s Order issued November 24, 2014, the City of South Haven hereby submits its Application for Biennial Review of Energy Optimization Plan (“EOP”). A copy of the EOP, including any and all exhibits, is attached. The City of South Haven respectfully requests that the Commission review the EOP for compliance with 2008 PA 295.

Respectfully submitted,

DICKINSON WRIGHT PLLC
Attorneys for the City of South Haven

By: _____

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Dated: November 2, 2015

City of South Haven

2016 – 2019 EO Plan Memorandum

November 2, 2015

The City of South Haven wishes to leave Efficiency United and join the MECA EO Collaborative effective January 1, 2016 to implement South Haven's EO Programs jointly with eleven other MECA EO Collaborative members. The composition of the MECA Collaborative on January 1, 2016 will include seven cooperatives; Alger Delta, Cloverland, Great Lakes Energy, HomeWorks Tri-County, Midwest Energy, Ontonagon, and Presque Isle Electric and Gas and 5 municipal utilities; Escanaba, Marquette, Newberry, South Haven, and Stephenson.

South Haven's EO Programs offerings for 2016 – 2019 will include (*reference AThayer Exhibit 1 "City of South Haven Energy Optimization Plan"*):

RESIDENTIAL PROGRAMS

- Income Qualified Services Program
- High Efficiency Products Program
- Appliance Recycling Program
- HVAC Equipment Program
- Solar Program
- Audit/Weatherization/New Construction/Behavioral Program
- Farm Service Program
- Educational Services Program
- Pilot Programs

COMMERCIAL & INDUSTRIAL PROGRAMS:

- C&I General Business Services Program
- C&I Educational Services Program
- C&I Pilot Program

EO REVENUE AND kWh Goal for 2016:

2015 EO Revenue and kWh goals will be applied to 2016 until further modeling can be completed by Morgan Marketing Partners by December 31, 2015 (*reference AThayer Exhibit 2 "Provider Notification of Intent to Elect Efficiency United to Offer Energy Optimization Services for 2014/2015"*):

- EO revenue = \$279,771
- EO kWh goal = 1,368 MWh

IMPLEMENTATION AND EVALUATION:

The MECA EO Collaborative has selected WECC through a competitive bid process to implement all EO Programs and DNV-GL through a competitive bid process to conduct the independent 3rd Party Evaluations

City of South Haven

**In cooperation with the Michigan Electric Cooperative
Association**

Energy Optimization Plan

2016-2019

Program Descriptions



City of South Haven
Energy Optimization Plan
Program Descriptions

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• Overview

Twelve utilities have come together to work collaboratively via the MECA EO Collaborative under the leadership of the Michigan Electric Cooperative Association (MECA) to develop their Energy Optimization (EO) Plan in compliance to the “Clean, Renewable and Efficient Energy Act” (PA 295) and fulfillment of regulated utility regulation.

The energy efficiency programs in this 2016-2019 EO Plan are designed to help member/customer/customers use energy more efficiently. Programs focus on major electric energy using devices such as cooling, heating, lighting, appliances, building and energy management systems, and high use commercial and industrial equipment. The EO portfolio of programs offers a wide variety of options for members/customers of all member/customer classes, including residential income qualified, to participate in EO programs.

The primary goals of the programs are to save energy use in a cost effective manner and encourage members/customers to use more high efficient equipment thus achieving market transformation to more efficient energy use. Besides encouraging members/customers to use less energy with higher efficient equipment, the programs also encourages the wise use of energy.

There are four components to the energy efficiency programs.

- Incentives
- Education and information
- Promotion
- Direct assistance

Each component is designed to complement the others to optimize program performance and delivery.

The EO Plan is designed to cost-effectively achieve the energy savings goals within the spending limits as defined in the PA 295. Programs have been designed to achieve annual energy savings goals of 1% of the utility’s energy sales within a budget of 2% (1.7% C&I, 2.2% Residential) of retail electric revenues. This is a 4-year EO Plan and is design to achieve 4-year energy savings goals within the 4-year budget.

The energy efficiency programs portfolio is cost effective using the Utility System Resource Cost Test (USRCT).

Programs are available to all members/customers that pay an EO surcharge on their energy bill.

- Within our Residential Program, members/customers will be provided:
 - Incentives to purchase measures such as high efficient lighting and energy efficient appliances.

- Incentives for retiring old, working, and inefficient appliances (refrigerators, freezers) that consume some of the highest loads in the home.
- Information for conducting an in-home energy survey that will include an energy efficiency kit if the survey is completed.
- For all Commercial and Industrial (C&I) members/customers, programs include a sufficient number of measures and are flexible so that all businesses can take advantage of a variety of energy efficiency offerings.
- The Residential Income Qualified Program enables the utility to efficiently and effectively serve this member/customer segment.

Energy Optimization educational programs are designed to communicate to and educate members/customers on the benefits of energy efficiency, conservation and load management. The budget for the educational program is 3% of the cost to implement programs. The program will be deemed to generate saving proportional to the program expenditure.

Energy Optimization pilot programs are designed to investigate future energy optimization program development and to assess emerging technologies. The budget for the pilot program is 5% of the cost to implement programs. The program will be deemed to generate saving proportional to the program expenditure.

Energy Optimization Plan (2016-2019)

Residential Programs

• **Residential Program**

Residential Income Qualified Services Program

Program	Residential Income Qualified Services Program
Objective	<p>The objective of the Residential Income Qualified Services Program is to reduce electricity use and lower electric bills of income qualified homeowners through improvements to their existing home at no cost to them. These installations will be made through existing income qualified weatherization agencies. The measures installed will include additional measures not normally installed in the agency weatherization program, making energy savings and bill reduction even greater for income qualified families.</p> <p>The second objective of the program will be to increase the installation of high efficiency equipment in income qualified rental properties.</p> <p>Other channels of installation include direct install in multifamily income qualified households and the installation of self-installed measures in energy efficiency kits through local income qualified services agencies.</p>
Target Market	<p>All income qualified households that are qualified by service or advocacy groups as being at or below 200 percent federal guidelines are eligible for the program.</p>
Program Duration	<p>January 1, 2016 through December 31, 2019.</p>
Program Description	<p>A significant barrier for this member/customer group is lack of funds to make needed improvements to their homes and appliances that would save electricity and money. There is also a lack of awareness and knowledge as to the ways that they can improve their homes. For the income qualified service providers and advocacy organizations there is a lack of money to serve all the income qualified homeowners in need of these services. There is also a lack of funds for electric technologies that could improve the home's energy usage. This program is designed to help overcome these barriers and improve energy efficiency for this specific member/customer group who has large energy needs and a large potential for savings.</p> <p>The Residential Income Qualified Services Program consists of</p>

multiple components targeting specific segments of the income qualified market. The program is delivered at no cost to the member/customer through multiple channels to effectively reach the income qualified members/customers. Each channel will deliver a slightly different set of energy saving measures that will be effective for that particular segment of income qualified members/customers. These channels include:

Weatherization - Delivered through the federal Department of Energy (DOE) Weatherization Grantees (usually Community Action agencies).

Energy efficiency kits - Delivered by the implementation contractor in partnership with the local electric utility and food pantries.

Energy efficiency kits - Program delivered through Head Start agencies during a regularly scheduled home visit.

Home Energy Base Load Services – Program is a direct install program and depending on the needs of the home includes lighting, water, appliances and a power strip.

Refrigerator Replacement – Delivered through partnership with building owners. Includes power strip and lighting.

Rehab Partnership - Delivered through local and county Rehab and Habitat for Humanity programs. Program provides for high efficiency equipment.

Emergency Heating System ECM Upgrade - Delivered as an add-on service through HVAC contractors when a new furnace is installed in an emergency for income qualified members/customers.

In addition to direct energy savings assistance, the program also provides technical information, education and support to income qualified service or advocacy organizations so they can understand and comply with the program requirements and provide additional energy efficiency support. This support will include educational materials where appropriate.

MECA EO Collaborative Members may elect to expand the assistance to income qualified members/customers by working jointly with the natural gas providers to co-fund additional home weatherization projects. These projects will be targeted at redevelopment projects and/or income qualified neighborhoods where at least 75% of the residents are income qualified.

	<p>Recognizing that some income qualified members/customers live in manufactured homes, additional support for this member/customer segment may be provided in coordination with the Manufactured Home component of the Audit/Weatherization Program.</p>
<p>Eligible Measures</p>	<p>The technologies to be included within this program are:</p> <ul style="list-style-type: none"> • CFL and LED bulbs • Smart strip plug outlet • Hot water saving measures • ECM motors on gas furnace replacements • ENERGY STAR® refrigerator, air conditioning, dehumidifier • Heat pump water heater • Co-fund building shell measures and programmable thermostats that save electric energy from reduced air conditioning usage in homes that have central air conditioners. <p>Technologies included in the program will change over time.</p> <p>Measures may be added or removed based on market response, technology availability and changes in efficiency standards.</p> <p>Technologies must be cost-effective, passing the Utility System Resource Cost Test individually, to be included.</p>
<p>Implementation Strategy</p>	<p>With assistance from MECA, the MECA EO Collaborative Members will provide program management and oversight, tracking and reporting oversight, and regulatory review. The Residential Income Qualified Services Program will be delivered through the existing approved Weatherization Providers and third parity contractor. These Community Action Agencies already have a delivery mechanism established with a long running program. By utilizing these agencies, MECA EO Collaborative Members can cost-effectively deliver these needed services without duplicating efforts. The work of the third party contractor will provide energy efficiency measures in homes that would not otherwise be served.</p> <p>Funds for the program will be provided to the Community Action Agencies. There will be a budgeted amount for the program provided to each agency to use according to MECA EO Collaborative Members' guidelines. These funds will cover the total cost of the measure plus</p>

	<p>installation.</p> <p>For the program expansion beyond the CAA delivery channel, the implementation contractor will have day to day implementation responsibility including education and training, application, verification, technical support, member/customer support, and marketing, jointly with the MECA EO Collaborative Member. The third party contractor will also be responsible for developing community relationships in support of this expanded program.</p> <p>The implementation contractor will expand the program as needed by providing direct install measures in income qualified multifamily housing and self-installed energy efficiency kits through income qualified support agencies.</p>
<p>Marketing Strategy</p>	<p>Promotional materials will be developed as needed for each participating agency.</p> <p>The marketing and communications strategy for the CAA weatherization assistance will be designed to help the agencies recruit participants and explain the MECA EO Collaborative Member's portion of the program.</p> <p>As this is an existing program for the Weatherization Providers and since it has a limited and targeted audience based on income, there will be limited additional promotion by MECA EO Collaborative Members.</p> <p>The marketing and communications plan may include:</p> <ul style="list-style-type: none"> • Public relations materials. • Display boards that describe the benefits and features of the program including Community Action Agency contact information. • These display boards will be available for various public awareness events and will be placed in locations supporting the income qualified community. • Newsletters and magazines will include general information about all energy efficiency programs and will be used to feature special stories and solicit participation in this program. • Informational content on the MECA EO Collaborative Member website providing program information.

Milestones		
	Major milestones	Date
	Energy Optimization Plan filed with MPSC	11/15
	Implementation contract signed	12/15
	Energy Optimization Plan approved by MPSC	12/15
	Program implementation begins	1/16
EM&V	<p>MECA will coordinate the impact evaluation of the MECA EO Collaborative Members' Programs. The evaluation will include a certification of energy savings and will leverage knowledge gained from the evaluation of similar utility energy efficiency programs in Michigan. Data collection processes for the certification of energy savings will be reviewed by an independent third party evaluation contractor.</p> <p>The electric energy impact study will reliably estimate the program's gross annual kWh savings over the effective useful life of the energy efficient equipment installations funded by the program.</p> <p>The MECA EO Collaborative Members intends to add or eliminate measures from the program based on cost-effectiveness, market acceptance and standard practice.</p>	

Residential High Efficiency Products Program

Program	Residential High Efficiency Products Program
Objective	<p>The primary objective of the program is to increase the adoption of high efficiency products by influencing manufacturers and retailers to promote and stock high efficiency residential lighting and appliances through retail markets. The premise is that through market support of retailers, these products will have more member/customer exposure and better placement in the store. The sales force will also be more aware of the product and promote it more often to members/customers. It is expected that over time, as the product gets more widely accepted in the market and prices are reduced, the MECA EO Collaborative Member can lower the incentive since the product will be more commonly adopted by their members/customers.</p>
Target Market	<p>All residential members/customers who are looking to save energy (and reduce energy bills) and are not completely committed to energy efficient lighting and appliance products and who might purchase high efficiency products through retail stores or on-line are eligible for the program.</p> <p>The secondary target audience consists of retailers and manufacturers of energy efficient electrical products that can benefit from stocking, promoting, and selling high efficient alternatives. Appliance and lighting retailers are key to the success of this program.</p>
Program Duration	<p>January 1, 2016 through December 31, 2019.</p>
Program Description	<p>Certain barriers exist to the adoption of energy efficiency products, including lack of financial resources, competition for funds with other household budget items, lack of awareness/knowledge about the benefits and costs of energy efficiency products, difficulty of finding retailers carrying the products, and energy saving performance uncertainties. This program is designed to help overcome these market barriers and encourage greater adoption of energy efficiency products used in the market. Having a simple program structure and incentive schedule provides members/customers with certainty and ease of use regarding the incentives they will receive for installing a</p>

wide variety of energy efficiency products.

The Residential High Efficiency Products program benefits are primarily distributed to participating utility members/customers through in-store markdowns and mail-in rebates, online stores, and over-the-counter sales at local participating EO Collaborative Member office locations. Program implementation is retailer-based for lighting and appliance measures. Field services offer localized support to retail stores leading to an increase of store associate awareness and member/customer participation. Stores in EO Collaborative Member territories offer localized measure distribution for utilities that choose to opt-in to the offering. No-cost measure opportunities (through special events, office offerings, or other avenues) will be implemented to support specific utility outreach activities with their members/customers and for specific, limited situations.

The program provides incentives and marketing support to retailers and manufacturers resulting in an expanded market share and purchasing frequency of high-efficiency products. Store-level support from management and associates create awareness of the benefits of, and combined with member/customer incentives, demand for eligible products.

The program is designed to:

- Influence the purchase of energy-efficient products by lowering the cost of energy saving lighting and appliances for utility members/customers.
- Educate members/customers on the benefits of energy-efficient products as well as help them buy the "right product for the right application."
- Display in-store point-of-purchase (POP) marketing to identify benefits of the EO program, eligible measures, and drive the purchase of energy-efficient products.
- Drive awareness of the program using POP, educational documents, and websites.
- Offer convenience for members/customers to participate by offering instant incentive-based savings on the

measure's upfront and operating cost for the duration of the measure's life.

- Provide flexibility to adjust the speed of kWh saved by changing stock keeping unit (SKU) offerings, incentives, and eligible retail locations when necessary.
- Analyze the use of incentive funds against measure type and kWh savings for maximum savings impact from funding.

The program design consists of two primary and two secondary approaches. The two primary approaches are retailer markdown for lighting measures, and mail-in rebate for appliances and fixtures. EO stores and no-cost measures are also offered in select participating utility jurisdictions as secondary approaches.

- Retailer Markdown - primarily for CFL and LED bulbs; delivered through in-store and on-line retail environments
 - Provide immediate savings for members/customers in retail stores by marking down the price of the product on shelf.
 - Include a broad mix of quality high efficiency products pre-screened and approved by implementing contractor's technical lighting manager.
- Mail-in Application - for select home appliances, fixtures, and other measures not included in markdown programs
 - Provide an avenue for members/customers to receive cash-back when they purchase high-efficient appliances included in the program.
 - This approach is cross-promoted in the retail store environment as well as through websites, events, and bill stuffers.
- EO Storefronts (Utility option)
 - The utility may offer low-cost energy-efficient products for sale in their office to provide a high-touch member/customer experience as well as

	<p>convenience for their member/customer to enjoy the program benefits.</p> <ul style="list-style-type: none"> • No-cost Measures <ul style="list-style-type: none"> ○ No-cost measures are delivered by individual utilities using a defined order process to enable tracking and distribution of measures. <p>The products to be included will vary over time as new high efficiency and ENERGY STAR[®] products are developed or existing products become widely adopted and no longer need incentives to encourage purchase.</p>
<p>Eligible Measures</p>	<p>The following measures are selected to provide a wide breadth of eligible measures to members/customers. Technologies that will be included in the program may change over time. The ENERGY STAR[®] and high efficiency technologies for this Plan may include:</p> <ul style="list-style-type: none"> • ENERGY STAR[®] CFL bulbs (various sizes) • ENERGY STAR[®] CFL specialty bulb • ENERGY STAR[®] CFL high wattage bulb • ENERGY STAR[®] CFL indoor/outdoor; 1- or 2-bulb fixture • ENERGY STAR[®] ceiling fan with CFL or LED light • ENERGY STAR[®] CFL outdoor fixture • ENERGY STAR[®] LED down light kit • ENERGY STAR[®] LED replacement lamp • ENERGY STAR[®] LED outdoor fixture • Advanced power strip • ENERGY STAR[®] room air conditioner • ENERGY STAR[®] dehumidifier • ENERGY STAR[®] clothes washer • Clothes Dryer w/moisture sensor • ENERGY STAR[®] refrigerator

	<ul style="list-style-type: none"> • ENERGY STAR® dishwasher • ENERGYSTAR® TV • LED Holiday Lights <p>Measures will be added or removed based on market response, technology availability and changes in ENERGY STAR® standards. Technologies must be cost-effective, passing the Utility System Resource Cost Test individually, to be included.</p>
<p>Implementation Strategy</p>	<p>With assistance from MECA, the MECA EO Collaborative Member will provide program management and oversight, vendor referrals, tracking and reporting oversight, and regulatory review. Through the MECA EO Collaborative the implementation contractor will provide turn-key implementation services including education and training, application and incentive processing, incentive payments, tracking, verification, technical support, member/customer support, and marketing, jointly with the MECA EO Collaborative Member.</p> <p>The Residential High Efficiency Products program is delivered through retail markdown, online stores, and mail-in rebates. Secondary channels include the EO Collaborative Member storefront and available no-cost items.</p> <p><i>Retail Markdown</i></p> <p>Retail channels provide a variety of eligible lighting products; therefore, expanding member's/customer's awareness of standard and specialty lighting options. Members/customers are educated on the benefits of high efficiency products, and are able to make measure comparisons between high efficiency and non-efficient products in the store.</p> <p>The implementation contractor will support retailers and manufacturers with this program including in-field training and marketing/promotion support.</p> <p>The program will recruit the participation of new retailers, including key appliance retailers like Sears, Best Buy, Home Depot, Lowes, and any other local retailers for appliances, as well as independently owned hardware stores, local drug stores, and specialty stores. The implementation contractor will also target on-line retail program options available for utility members/customers.</p>

	<p>When possible the program will coordinate with neighboring utility EO retail programs. Participation “sharing” will be determined using member/customer demographic data from the retail store.</p> <p>In addition to the retail outlets, the program will include an online offering of high efficiency measures. The online retail offering will be available to any MECA EO Collaborative Member.</p> <p><i>Appliance/ Equipment Rebates</i></p> <p>Mail-in application forms are available online and distributed by field service representatives in specific retail channels when approved by store management.</p>
Marketing Strategy	<p>The marketing and communications strategy will be designed to inform members/customers of the availability and benefits of the program and how they can participate in the program. The strategy will include outreach to key partners and trade allies including the retailer community, relevant trade associations and other parties of interest in the market. An important part of the marketing plan will be content and functionality on the MECA EO Collaborative Member’s website, which will direct members/customers to information about the program.</p> <p><i>Marketing Approach</i></p> <p>Marketing materials for energy efficiency products to notify and educate potential participants and partners about high efficiency products and rebates include informational print collateral, in-store point-of-purchase signage and advertising. All pieces are co-branded with ENERGY STAR® whenever possible. Other marketing activities will include public outreach events and a store-finder website tool that enables members/customers to easily search participating retailers. The implementing contractor will provide retailer training and collaboration to promote the High Efficiency Products program.</p> <p>The messaging for the High Efficiency Products program will focus on energy savings, money saved over time, quality products and in-store rebates (for applicable products).</p> <p><i>Outreach Approach</i></p> <p>Outreach will be provided by the implementing contractor through several outlets:</p>

- The contractor will maintain regular communication with trade allies and retailers.
- The contractor's energy advisor provides technical assistance and site visits.
- The relationship the utility has with their members/customers will be leveraged.

The program will support events throughout the year (as budgets allow), such as trade shows, community gatherings and utility events.

The contractor's field staff promotes the EO program to trade allies, manufacturers, retailers and other relevant organizations located in and around the utility's service territory. Utility representatives build relationships with trade allies and encourage them to promote the program to their members/customers.

Other marketing activities will include:

- Public relations materials.
- Brochures that describe the benefits and features of the program including program application forms and processes. The brochures will be available for various public awareness events (presentations, seminars etc.).
- Bill inserts, bill messages and email messages.
- Newsletters and magazines will include general information about all energy efficiency programs and will be used to feature special stories and solicit participation in this program.
- MECA EO Collaborative Member's website content providing program information resources, contact information, downloadable application forms, and links to other relevant service and information resources.
- Member/customer representatives trained to promote the program to their members/customers.
- Presence at conferences and public events used to increase general awareness of the program and distribute program promotional materials.

<p>Milestones</p>	<table border="1"> <thead> <tr> <th data-bbox="508 359 1222 407">Major milestones</th> <th data-bbox="1222 359 1385 407">Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="508 428 1222 489">Energy Optimization Plan filed with MPSC</td> <td data-bbox="1222 428 1385 489">11/15</td> </tr> <tr> <td data-bbox="508 499 1222 560">Implementation contract signed</td> <td data-bbox="1222 499 1385 560">12/15</td> </tr> <tr> <td data-bbox="508 571 1222 632">Energy Optimization Plan approved by MPSC</td> <td data-bbox="1222 571 1385 632">12/15</td> </tr> <tr> <td data-bbox="508 642 1222 703">Program implementation begins</td> <td data-bbox="1222 642 1385 703">1/16</td> </tr> </tbody> </table>		Major milestones	Date	Energy Optimization Plan filed with MPSC	11/15	Implementation contract signed	12/15	Energy Optimization Plan approved by MPSC	12/15	Program implementation begins	1/16
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<p>EM&V</p>	<p>MECA will coordinate the impact evaluation of the MECA EO Collaborative Members' Programs. The evaluation will include a certification of energy savings and will leverage knowledge gained from the evaluation of similar utility energy efficiency programs in Michigan. Data collection processes for the certification of energy savings will be reviewed by an independent third party evaluation contractor.</p> <p>The electric energy impact study will reliably estimate the program's gross annual kWh savings over the effective useful life of the energy efficient equipment installations funded by the program.</p> <p>The MECA EO Collaborative Members intends to add or eliminate measures from the program based on cost-effectiveness, market acceptance and standard practice.</p>											

Residential Appliance Recycling Program

Program	Residential Appliance Recycling Program
Objective	<p>The objective of the Residential Appliance Recycling Program is to produce cost-effective, long-term annual energy savings and demand reduction by removing from the utility grid operable, inefficient appliances in an environmentally safe manner and to prevent those appliances from being resold in the secondary used appliance market. In addition, the program will be designed to educate members/customers on the cost of keeping an inefficient unit in operation and raise awareness of ENERGY STAR® appliances and how much those appliances can save members/customers.</p>
Target Market	<p>All residential members/customers are eligible for the program. The primary target market will be those with working second and third refrigerators and freezers, inefficient room air conditioners (room ACs) and inefficient dehumidifiers.</p>
Program Duration	<p>January 1, 2016 through December 31, 2019.</p>
Program Description	<p>The Appliance Recycling Program will produce cost-effective long-term annual energy savings in the residential market by removing operable, inefficient refrigerators, freezers, room air conditioners (room ACs) and dehumidifiers from the utility grid in an environmentally safe manner. Older room ACs, refrigerators, freezers and dehumidifiers can be some of the least efficient electrical appliances in the home. Often these older inefficient appliances are used when they are not functioning properly and as a result, they use electricity very inefficiently.</p> <p>A certified recycling agency will be responsible for the recycling process of dismantling the refrigerators, freezers, room ACs and dehumidifiers and removing oils and refrigerants and other recyclable components.</p> <p>Certain barriers exist to the replacement of old existing appliances with energy-efficient products, including difficulty in finding places to recycle old appliances, inability to deliver appliances to the drop-off location, lack of financial resources, competition for funds with other household budget items, and lack of awareness/knowledge about the</p>

	<p>benefits and costs of new energy efficiency measures. The Residential Appliance Recycling Program is designed to minimize these market barriers and encourage members/customers to dispose of old inefficient appliances and to increase the market share of ENERGY STAR[®] appliances by offering incentives, convenient scheduling of appointments, and cost-free pick-up of qualifying equipment.</p>
<p>Eligible Measures</p>	<p>Technologies that will be included in the program are:</p> <ul style="list-style-type: none"> • Refrigerators • Freezers • Dehumidifiers • Room Air Conditioners <p>Eligible measures may be revised over time as needed to reflect changes in current market conditions, EM&V results, and program experience.</p>
<p>Implementation Strategy</p>	<p>With assistance from MECA, the Utility will provide program management and oversight, vendor referrals, tracking and reporting oversight, and regulatory review. An appliance recycling contractor will provide turn-key implementation services, including the pick-up and proper disposal of the appliances in an environmentally safe manner, application and incentive processing, incentive payments, education and training, community outreach, tracking, verification, member/customer support, and marketing, jointly with the Utility.</p> <p>Members/customers will receive an incentive to have their old, working refrigerator or freezer picked up. A dehumidifier or room air conditioner can also be scheduled for pick-up in conjunction with a refrigerator or freezer pick-up. Additionally, appliances may be dropped off during special events or recycled through participating appliance retailers.</p> <p>In coordination with the utility, the implementing contractor may develop a community appliance recycling offering and recycling events.</p> <p>The program will be offered either in the summer months or year round depending on the local market demand for appliance recycling,</p>

	Incentives may change based on market and program responses.											
<p>Marketing Strategy</p>	<p>Consumer education and marketing will be key components that emphasize the benefits of savings associated with retiring old, inefficient appliances and the importance of ensuring proper disposal and recycling.</p> <p>The marketing and communications strategy will be designed to inform members/customers of the availability and benefits of the program and how they can participate. To control the implementation of this program and scheduling of the appliance pick-up, direct marketing will be the primary source of communication.</p> <p>Marketing activities will include:</p> <ul style="list-style-type: none"> • Brochures that describe the benefits and features of the program including program contact information. The brochures will be available for various public awareness events (presentations, seminars, etc.). • Bill inserts, bill messages and email messages to targeted members/customers. • Newsletters or magazines will include general information about all energy efficiency programs and will be used to feature special stories and solicit participation in this program. • Informational content on the MECA EO Collaborative Member’s website. • Member/customer representatives trained to promote the program to their members/customers. • Presentations to key retailers and supplier groups to actively solicit their support in the program. 											
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EM&V	<p>MECA will coordinate the impact evaluation of the MECA EO Collaborative Members' Programs. The evaluation will include a certification of energy savings and will leverage knowledge gained from the evaluation of similar utility energy efficiency programs in Michigan. Data collection processes for the certification of energy savings will be reviewed by an independent third party evaluation contractor.</p> <p>The electric energy impact study will reliably estimate the program's gross annual kWh savings over the effective useful life of the energy efficient equipment installations funded by the program.</p> <p>The MECA EO Collaborative Members intends to add or eliminate measures from the program based on cost-effectiveness, market acceptance and standard practice.</p>

Residential HVAC Equipment Program

Program	Residential HVAC Equipment Program
Objective	The primary goal of the Residential HVAC Equipment Program is to encourage residential members/customers to install energy-efficient heating, cooling and water heating equipment. The installation of energy efficiency equipment will be made through HVAC contractors. The program will lower the use of electricity and lower energy bills of the member/customer. It also encourages the HVAC contractors to development business practices (inventory, training, sales) that would promote the use of energy efficiency HVAC equipment.
Target Market	All residential members/customers are eligible for the program. The primary target market is the HVAC contractor who specifies and replaces the heating, cooling and water heating equipment in a home.
Program Duration	January 1, 2016 through December 31, 2019.
Program Description	<p>The Residential HVAC Equipment Program provides incentives to residential members/customers for installing energy-efficient electric heating, cooling and water heating equipment. This program will serve existing homes installing new equipment and to new homes when they do not qualify for the New Home Construction incentives. Incentives will be provided to the home owner and will be based on fulfilling the energy efficiency requirements. More specifically, the program is designed to:</p> <ul style="list-style-type: none"> • Provide incentives to purchase high efficiency equipment as specified within the program. • Provide technical information, education and training to contractors, builders and homeowners so that they can understand the benefits of the high efficiency alternatives and provide high efficiency alternatives as the best choice to members/customers. • Provide a marketing mechanism for contractors and equipment distributors to promote high efficiency equipment. • Ensure that the participation process is clear, easy to understand and simple.

	<p>Certain barriers exist to the adoption of energy-efficient equipment, including lack of investment capital, competition for funds with other home investments or amenities, lack of awareness/knowledge about the benefits and costs of energy efficiency measures, lack of education and skills of the contractor, and technology performance uncertainties. If the equipment is replaced without electric efficiency in mind, there might not be the opportunity to make these improvements until many years later when the equipment fails. Avoiding this lost opportunity at the time of replacement allows energy efficiency to be optimized and is usually less costly than equipment replacement at a later time. This program is designed to help overcome these market barriers and encourage greater adoption of energy-efficient HVAC equipment in the residential market.</p>
<p>Eligible Measures</p>	<p>Technologies that may be included within this program are high efficiency heating, cooling and water heating equipment. Measures included are:</p> <ul style="list-style-type: none"> • Central AC units with SEER ratings of 16 or above • ECM motors in gas furnaces, air conditioners or heat pumps • Geothermal or Air Source Heat Pumps with SEER rating of 15 or above. • Ductless mini-split systems • Heat Pump Water Heaters EF 2.0+ • Water heaters with efficiency of 93% or higher • Programmable thermostat • Water heater savings measures • Pool pumps <p>Guidelines for equipment specified as high efficiency will change over time as market response, technology availability and changes in ENERGY STAR® standards.</p>
<p>Implementation Strategy</p>	<p>With the assistance of MECA, the MECA EO Collaborative Member will provide program management and oversight, vendor referrals, tracking and reporting oversight, and regulatory review. The implementation contractor will provide training and education, application and incentive processing, incentive payments, tracking,</p>

	<p>verification, technical support, member/customer support, and marketing, jointly with the MECA EO Collaborative Member.</p> <p>The contractor will also be responsible for supporting contractors and distributors with this program including training and marketing/promotion support.</p> <p>To make the Residential HVAC Equipment Program effective, the implementation contractor will work to build a strong trade ally relationship with equipment distributors, HVAC contractors and plumbing contractors. Those market participants are key in making sure high efficiency HVAC equipment is available, and key for selling the high efficiency alternative directly to members/customers as they replace their old and failing equipment. The allies use these sales motivations and sound business interests in promoting energy efficiency to encourage high efficiency sales, which in turn, motivate end-users to invest in energy efficiency. Additional water heater sales may be achieved through local EO Collaborative Member direct sales to their members/customers.</p> <p>The incentives for the program will be paid to the member/customer as either an instant incentive on the installing contractor's invoice or a direct payment to the member/customer. Once the equipment is installed and is verified as complying with the minimum standards, the instant incentive provided on the invoice to the member/customer will be paid to the HVAC contractor, or the incentive will be paid to the member/customer. Incentives will be provided to the contractor for all qualifying incentives paid each month.</p>
<p>Marketing Strategy</p>	<p>The marketing and communications strategy will be designed to inform homeowners, contractors and equipment distributors of the availability and benefits of the program and how they can participate in the program. Trade allies are integral to the successful delivery of prescriptive energy efficiency programs and are the primary means for reaching most residential end-users. These partners are often the members/customers first and only point-of-contact and a trusted resource for information on high efficiency equipment when making energy-related decisions. The strategy will include outreach to key partners and trade allies including contractors, equipment distributors, trade associations, and other parties of interest in the market. An important part of the marketing plan will be the content and functionality on the MECA EO Collaborative Members' website, which</p>

will direct members/customers to information about the program.

Marketing and communications plan will include:

- Education seminars implemented in each market area to provide details about the benefits of the program and how to participate in the program. The seminars will be tailored to the needs of homeowners, contractors and equipment distributors.
- A combination of strategies includes outreach and presentations at professional and community forums and events, and through direct outreach to key contractors such as:
 - Brochures that describe the benefits and features of the program including program application forms and worksheets. They will be available through various public awareness events (presentations, home shows, etc.).
 - Print advertisements to promote the program placed in selected local media including the local area newspapers and trade publications.
 - Newsletters and magazines will include general information about all energy efficiency programs and will be used to feature special stories and solicit participation in this program.
 - MECA EO Collaborative Member's website content providing program information resources, contact information, downloadable application forms and worksheets, and links to other relevant service and information resources.
 - Presence at conferences and public events used to increase general awareness of the program and distribute program promotional materials.
 - Presentations to members/customers and trade allies to actively solicit their participation in the program.
- The marketing strategy will identify key member/customer segments and groups for targeted marketing, and will prepare specific outreach activities for these members/customers.

With the assistance of MECA, the MECA EO Collaborative Member will oversee the development of content, messaging, branding, and calls to action of all of the marketing and collateral materials used to promote the program.

<p>Milestones</p>	<p>Major milestones</p>	<p>Date</p>
	<p>Energy Optimization Plan filed with MPSC</p>	<p>11/15</p>
	<p>Implementation contract signed</p>	<p>12/15</p>
	<p>Energy Optimization Plan approved by MPSC</p>	<p>12/15</p>
	<p>Program implementation begins</p>	<p>1/16</p>
<p>EM&V</p>	<p>MECA will coordinate the impact evaluation of the MECA EO Collaborative Members' Programs. The evaluation will include a certification of energy savings and will leverage knowledge gained from the evaluation of similar utility energy efficiency programs in Michigan. Data collection processes for the certification of energy savings will be reviewed by an independent third party evaluation contractor.</p> <p>The electric energy impact study will reliably estimate the program's gross annual kWh savings over the effective useful life of the energy efficient equipment installations funded by the program.</p> <p>The MECA EO Collaborative Members intends to add or eliminate measures from the program based on cost-effectiveness, market acceptance and standard practice.</p>	

Residential Solar Program

Program	Residential Solar Program
Objective	<p>The primary goal of the Residential Solar Program is to encourage residential members/customers to install energy-saving solar equipment. The installation of energy-saving solar equipment will be made through contractors specializing in solar equipment technologies. The program is designed to lower the use of electricity and lower energy bills of the member/customer. The program will encourage solar contractors to use the program to promote solar technologies as a viable electric energy alternative.</p> <p>This program is offered at the utility's option.</p>
Target Market	<p>All residential members/customers are eligible for the program. At the utility's option, the program offers members/customers the opportunity to participate individually or collectively. The target markets will include the member/customer and contractors who specialize in solar technology installations.</p>
Program Duration	<p>January 1, 2016 through December 31, 2019.</p>
Program Description	<p>The Residential Solar Program provides incentives to residential members/customers for installing or participating in the installation of qualifying energy-saving solar systems. More specifically, the program is designed to:</p> <ul style="list-style-type: none"> • Provide incentives to purchase and install electricity producing solar equipment as specified within the program. • Provide technical information, education and training to contractors and homeowners so that they can understand the benefits of solar systems. • Provide a marketing mechanism for contractors and solar equipment distributors to promote electricity producing solar equipment. • Ensure that the participation process is clear, easy to understand and simple. <p>Certain barriers exist to the adoption of solar equipment, including lack of investment capital, competition for funds with other home</p>

	<p>investments or amenities, lack of awareness/knowledge about the benefits and costs of solar systems, lack of education and skills of the contractor, and technology performance uncertainties. This program is designed to help overcome these market barriers and encourage greater adoption of energy-saving solar equipment in the residential market.</p>
<p>Eligible Measures</p>	<p>Technologies that may be included within this program are energy-saving solar equipment that produce electricity. To provide program flexibility, specific technologies and installations will be approved on a case-by-case basis.</p>
<p>Implementation Strategy</p>	<p>With the assistance of MECA, the MECA EO Collaborative Member will provide program management and oversight, vendor referrals, tracking and reporting oversight, and regulatory review. The implementation contractor will provide training and education, application and incentive processing, incentive payments, tracking, verification, technical support, member/customer support, and marketing, jointly with the MECA EO Collaborative Member.</p> <p>The implementation contractor will also be responsible for supporting solar contractors and distributors with this program including training and marketing/promotion support.</p> <p>The incentives for the program will be paid to the member/customer.</p>
<p>Marketing Strategy</p>	<p>The marketing and communications strategy will be designed to inform homeowners, solar contractors and solar equipment distributors of the availability and benefits of the program and how they can participate in the program. An important part of the marketing plan will be the content and functionality on the MECA EO Collaborative Members' website, which will direct members/customers to information about the program.</p> <p>The marketing strategy will be utility based and will be coordinated closely with the utility's communications with their members/customers.</p> <p>The strategy will also include outreach and presentations at professional and community forums and events, and through direct outreach to key contractors.</p> <p>With the assistance of MECA, the MECA EO Collaborative Member will oversee the development of content, messaging, branding, and</p>

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EM&V	<p>MECA will coordinate the impact evaluation of the MECA EO Collaborative Members' Programs. The evaluation will include a certification of energy savings and will leverage knowledge gained from the evaluation of similar utility energy efficiency programs in Michigan. Data collection processes for the certification of energy savings will be reviewed by an independent third party evaluation contractor.</p> <p>The electric energy impact study will reliably estimate the program's gross annual kWh savings over the effective useful life of the energy efficient equipment installations funded by the program.</p> <p>The MECA EO Collaborative Members intends to add or eliminate measures from the program based on cost-effectiveness, market acceptance and standard practice.</p>											

Residential Audit/Weatherization/New Construction/Behavioral Program

Program	Residential Audit/Weatherization/New Construction/Behavioral Program
<p>Objective</p>	<p>The objective of the Residential Audit/Weatherization/New Construction/Behavioral Program is to provide information, incentive and support for members/customers to improve the energy efficiency of their homes in areas not address by the other EO Programs. Most of the focus is on building shell insulation and infiltration.</p> <p>This program offers EO Collaborative Members at cost-effective way to reach members/customers that may not participate in other programs.</p> <p><u>Audit and Weatherization</u></p> <p>The Audit and Weatherization part of the program will include online energy information and easy to install measures to help members/customers take action to reduce energy use. It will also include weatherization for manufactured homes.</p> <p><u>New Construction</u></p> <p>The New Construction part of the program is to encourage residential members/customers to build more efficient new homes and to install energy-efficient lighting, heating and cooling equipment, and improve building envelope efficiency in new homes.</p> <p><u>Behavioral</u></p> <p>The behavioral part of the program will include programmable thermostat and member/customer use reporting.</p>
<p>Target Market</p>	<p><u>Audit and Weatherization</u></p> <p>All residential members/customers are eligible for the online energy survey and energy saving measures kit. At the utility's option and depending on available resources, an in-home audit (assessment) with direct install measures may be included.</p> <p><u>New Construction</u></p> <p>All residential members/customers and builders constructing new single family homes in the utility's service territories are eligible for this program. The primary target market is the custom and</p>

	<p>production builders and developers of new homes.</p> <p><u>Behavioral</u></p> <p>At the utility's option and depending on available resources, the behavioral components of the program may be offered.</p> <ul style="list-style-type: none"> • The thermostat measure will be offered to all residential members/customers. • The member/customer usage reporting program will be delivered to those members/customers identified by the utility as having the greatest opportunity to save energy.
<p>Program Duration</p>	<p>January 1, 2016 through December 31, 2019.</p>
<p>Program Description</p>	<p><u>Audit and Weatherization</u></p> <p>The single family market has significant barriers to energy efficiency. The primary barrier is a lack of awareness and knowledge as to the ways that they can improve their home and change behaviors to save energy. Another major barrier is the lack of funds to make needed improvements to their homes that would save energy and money. Home owners have little time to implement or knowledge of energy efficiency measures. By providing online home energy audit (as part of the Residential Educational Program) and energy savings kits, the homeowner can improve their efficiency and reduce energy costs. This program is designed to actively engage members/customers to help overcome these barriers and improve energy efficiency for this member/customer group who has large energy needs and a large potential for savings.</p> <p>The residential Audit and Weatherization part of the program provides an energy savings kit to residential members/customers who complete the online energy survey.</p> <ul style="list-style-type: none"> • Receiving the energy saving kit interacts with the online home energy audit that is included in the Educational Program. • For completing the self-audit information for the online energy survey, the member/customer will receive an energy savings kit that includes easy to install energy saving measures. <p>At the utility's option, an in-home audit (assessment) may be offered. Besides the assessment, energy efficiency measures such as</p>

	<p>CFLs/LEDs, low flow shower heads and faucet aerators leaders, pipe insulation and smart power strips will be installed by the assessor.</p> <p><u>New Construction</u></p> <p>The Residential New Construction program provides assistance and encouragement for builders to build more efficient new homes and to install energy-efficient lighting, heating and cooling equipment, and improve the building envelope efficiency in new homes. The program provides financial bonuses for the installation of high efficiency appliances and kits that include high efficiency lighting and other energy saving measures.</p> <p>Certain barriers exist to the adoption of energy efficiency measures, including lack of investment capital, competition for funds with other home investments or amenities, lack of awareness/knowledge about the benefits and costs of energy efficiency measures, lack of education and skills of the builder, and technology performance uncertainties. If the home is not designed and constructed with electric efficiency in mind, there might not be the opportunity to make these improvements until many years later when the equipment fails or further building remodeling occurs. Avoiding this lost opportunity at the time of design and construction allows energy efficiency to be optimized and is usually less costly than equipment replacement or redesign. This program is designed to help overcome these market barriers and encourage greater adoption of energy efficiency measures in the new construction residential market.</p> <p><u>Behavioral</u></p> <p>The thermostat program provides incentives for the installation of a programmable thermostats and programmable thermostats with Wi-Fi connectivity.</p> <p>The member/customer usage reporting component of the program will help members/customers understand how and when they're using energy and provide suggestions and tips to use energy more efficiently and reduce their energy use.</p>
<p>Eligible Measures</p>	<p><u>Audit and Weatherization</u></p> <p>The technologies to be included in the energy savings kit are:</p> <ul style="list-style-type: none"> • 5 CFLs/LEDs • 2 energy efficient faucet aerators

	<ul style="list-style-type: none"> • 1 energy efficient showerhead <p>When an in-home assessment is conducted, additional measures may be included but not limited to pipe insulation and smart power strip.</p> <p>When providing the weatherization component of this program in the electrically heated manufactured home market, duct sealing may also be included.</p> <p><u>New Construction</u></p> <p>The technologies to be included within the New Construction part of the program are high efficiency appliances and other energy efficiency measures.</p> <p><u>Behavioral</u></p> <ul style="list-style-type: none"> • An incentive will be provided for the installation of a programmable thermostat. • For the usage reporting component of this program, the member/customer will be encouraged to generally use less energy and install higher efficiency measures. <p>Measures may be added or removed based on market response, technology availability and changes in efficiency or building code standards.</p>
<p>Implementation Strategy</p>	<p>With assistance from MECA, the MECA EO Collaborative Member will provide program management and oversight, vendor referrals, tracking and reporting, oversight, and regulatory review. An implementation contractor will provide turn-key implementation services including training and education, application and incentive processing, incentive payments, tracking, verification, technical support, member/customer support, and marketing, jointly with the MECA EO Collaborative Member.</p> <p><u>Audit and Weatherization</u></p> <p>The energy survey is offered through the online energy survey. When the self-audit is completed, the member/customer will be sent an energy savings kit containing easy to install energy efficiency measures. The implementing contractor will be responsible for sending the energy efficiency kits.</p> <p>Where utilities choose to provide in-home energy assessments, the</p>

	<p>implementation contractor will provide these assessments and install energy efficiency measures at no charge to the member/customer.</p> <p>For manufactured home weatherization, the implementation contractor will solicit participation, provide the energy assessment and conduct the weatherization project.</p> <p><u>New Construction</u></p> <p>The implementation contractor will provide bonus incentives for the installation of high efficiency appliances and HVAC equipment and will provide energy efficiency kits that can be used by the member/customer to save energy.</p> <p>The implementation of this program will be coordinated with the member's/customer's gas provider where gas and electricity are saved as the result of the installation of high efficiency insulation or infiltration measures.</p> <p><u>Behavioral</u></p> <p>The implementation contractor will provide incentives for the purchase and installation of programmable thermostats. This program will provide two thermostat incentive levels – one incentive level for members/customers wishing to install a programmable thermostat and a higher incentive level for members/customers wishing to install a more expensive Wi-Fi communicating thermostat.</p> <p>Where the utility chooses to implement a member/customer use reporting based behavioral component to this program, the implementing contractor will work with utility to acquire the appropriate data needed to provide customized reporting for participating members/customers.</p>
<p>Marketing Strategy</p>	<p>Marketing activities for the three components of this program may generally include:</p> <ul style="list-style-type: none"> • Direct mail to potential participant members/customers based on zip code. • Newsletters and magazines will include general information about all energy efficiency programs and will be used to feature special stories and solicit participation in this program. • Website content providing program information resources, contact information, downloadable application forms and worksheets, and

links to other relevant service and information resources.

- Presence at conferences and public events used to increase general awareness of the program and distribute program promotional materials.
- Presentations to key members/customers and member/customer groups to actively solicit their participation in the program.
- Public relations materials and general media.
- Brochures that describe the benefits and features of the program including program contact information. The brochures will be available for various public awareness events (presentations, seminars, etc.).
- Bill inserts, bill messages and email messages to targeted members/customers.
- Informational content on the MECA EO Collaborative Member's websites.
- Member/customer representatives trained to promote the program to their members/customers.

Audit and Weatherization

Promotional materials will be developed for all residential members/customers.

The marketing and communications strategy will be designed to inform members/customers of the availability and benefits of the program and how they can participate.

The energy efficiency kit which is available to members/customers completing the online audit will be promoted through the online audit website.

Where the utility ops to provide in-home energy assessments, the utility will identify those members/customers to which the program will be made available. Direct mail materials explaining the benefits of the program and the ways in which members/customers can participate will be mailed to the members/customers soliciting their participation.

Weatherization for electrically heated manufactured homes will be promoted through general program communications and utility references.

New Construction

Promotional materials will be developed for home owners and developers on the benefits of constructing and energy efficiency home. This education will be through a combination of workshops and direct meetings with key market participants in the area.

The marketing and communications strategy will be designed to inform homeowners, builders and developers of the availability and benefits of the program and how they can participate in the program. The strategy will include outreach to key partners and trade allies including builders, developers, architects, contractors, equipment distributors, trade associations, and other parties of interest in the market. An important part of the marketing plan will be the content and functionality on the utility's website, which will direct members/customers to information about the program.

More specifically, the marketing and communications plan will include:

- Educational seminars to provide details about how to participate in the program. The seminars will be tailored to the needs of homeowners, builders, developers and architects.
- A combination of strategies including local media advertising, outreach and presentations at professional and community forums and events, and through direct outreach to key builders and developers.

Behavioral

The thermostat incentive program will be promoted to the HVAC trade allies in the HVAC products program and to retail stores as part of the High Efficiency Products Program.

Where the utility ops to include a member/customer use reporting program, the utility will provide the implementation contractor with information needed to contact, enroll and serve perspective participants. Those members/customers participants will be solicited to participate in the program through direct mail (and email when available).

Milestones	Major milestones	Date
	Energy Optimization Plan filed with MPSC	11/15
	Implementation contract signed	12/15
	Energy Optimization Plan approved by MPSC	12/15
	Program implementation begins	1/16
EM&V	<p>MECA will coordinate the impact evaluation of the MECA EO Collaborative Members' Programs. The evaluation will include a certification of energy savings and will leverage knowledge gained from the evaluation of similar utility energy efficiency programs in Michigan. Data collection processes for the certification of energy savings will be reviewed by an independent third party evaluation contractor.</p> <p>The electric energy impact study will reliably estimate the program's gross annual kWh savings over the effective useful life of the energy efficient equipment installations funded by the program.</p> <p>The MECA EO Collaborative Members intends to add or eliminate measures from the program based on cost-effectiveness, market acceptance and standard practice.</p>	

Residential Farm Service Program

Program	Residential Farm Services Program
Objective	The primary objective of the Residential Farm Services Program is to encourage residential farm operations to install energy-efficient measures in existing and new facilities.
Target Market	All residential farm members/customers are eligible for the program. The target market also includes trade allies supporting the farm producer industry.
Program Duration	January 1, 2016 through December 31, 2019.
Program Description	<p>This program provides prescriptive and custom incentives to residential farm members/customers for the installation of energy-efficient equipment for numerous agricultural applications including but not limited to lighting, motors and drives, controls, heating, ventilation and refrigeration equipment and custom incentives for the installation of innovative and unique energy-efficient equipment and controls. Having a custom incentive allows efficiency measures and systems to be installed for situations specific to that member's/customer's application or process.</p> <p><u>Prescriptive Incentive</u></p> <p>The prescriptive incentives are structured to broadly apply to many common energy efficiency measures that are similar across many types of farm production operations. Having a simple program structure and incentive schedule for common equipment and applications provides members/customers and the market suppliers with certainty and ease of use regarding the incentives they will receive for installing a wide variety of energy efficiency measures.</p> <p><u>Custom Incentive</u></p> <p>Custom incentives for the installation of innovative and unique energy-efficient equipment and controls are to be offered on a per kWh basis based on pre-approved engineering estimates. This program targets energy savings equipment or processes as well as applications with so much variability in operating characteristics that standardized savings cannot be assumed across the farm producer</p>

	<p>base. This program also includes those technologies that are new to the market and have not yet established baseline savings.</p> <p>More specifically, the program is designed to:</p> <ul style="list-style-type: none"> • Provide incentives to farm owners and operators for the installation of high efficiency equipment and controls. • Provide the knowledge necessary and market demand to justify the marketing of high efficiency measures by electrical contractors, mechanical contractors, and their distributors. • Ensure that the participation process is clear, easy to understand and simple. <p>Where applicable, the MECA EO Collaborative Member will work with the gas company supplying services to the member/customer to coordinate incentives, processing and assistance for those measures or systems that apply to both fuels (ex: building shell measure improvements).</p> <p>Certain barriers exist to the adoption of energy efficiency measures, including lack of investment capital, competition for funds with other capital improvements, lack of awareness/knowledge about the benefits and costs of energy efficiency measures, high transaction and information research costs, and technology performance uncertainties. This program is designed to help overcome these market barriers and encourage greater adoption of energy efficiency measures in the farm producer market. The premise of the program is that through engagement and education with the market participants and through member/customer incentives to reduce upfront costs, the risks to energy efficiency implementation will be reduced and the rewards from the savings will become more apparent thus increasing adoption.</p> <p><u>Outdoor Lighting</u></p> <p>To improve efficiency of outdoor lighting, the utility may provide incentives for the installation of LED fixtures.</p>
<p>Eligible Measures</p>	<p><u>Prescriptive Incentive</u></p> <p>Technology categories for which prescriptive incentives have been established include the following.</p> <ul style="list-style-type: none"> • High efficiency lighting

- High-efficiency commercial equipment
- Timer for engine block heater
- Motors/pumps/drives
- Fans
- Low-energy livestock waterer
- Refrigeration Equipment
- Heat recovery tank
- Variable speed controller for vacuum pump
- Electric or solar water heaters for dairy farm milk houses
- Dairy refrigeration tune-ups
- MSU farm energy audit
- Controls
- Other

Specific technologies included in the program will change over time based on codes and standards, changing market needs, introduction of new technologies and market adoption rates.

Custom Incentive

For the effective use of custom incentives, flexibility is the key. Technologies that are unique to that member/customer, new to the market or have a wide range of savings based on their application cannot be covered by prescriptive incentives due to their variability. However these variable energy savings technologies can be significant and encouraged with custom incentives. Measures must show electric energy savings through accepted engineering analysis that will be reviewed and pre-approved by the utility for the incentive. Measures cannot receive a custom incentive if they are eligible for a prescriptive incentive unless they are in combination with other measures or systems that makes them unique.

Measures may be added or removed based on market response, technology availability and changes in efficiency standards.

Outdoor Lighting

The selected LED technology will be used to replace 175 W mercury

	vapor and 100 W high-pressure sodium fixtures.
<p>Implementation Strategy</p>	<p><u>Prescriptive Incentive</u></p> <p>With assistance from MECA, the MECA EO Collaborative Member will provide program management and oversight, vendor referrals, tracking and reporting, oversight, and regulatory review. An implementation contractor will provide turn-key implementation services including training and education, application and incentive processing, incentive payments, tracking, verification, technical support, member/customer support, and marketing, jointly with the MECA EO Collaborative Member.</p> <p>The key to program success is twofold. First, the utility will engage farm producer member/customer participants by using their existing market delivery channel. This market delivery channel includes manufacturers, distributors, consultants, engineers and contractors. The program staff will educate, partner and engage these important market actors in the program. Through these existing market actors who have relationships with farm producer members/customers, the new high efficiency technology will be offered to members/customers as a viable option. To support the market participants, the program also includes farm member/customer educational and promotional pieces designed to assist facility owners, operators and decision makers with the information necessary to improve the energy efficiency of the systems in their facilities. Second, the utility will use account management resources that have direct relationships with members/customers and can help identify opportunities to participate in the program. These resources will build member/customer awareness, educate the member/customer on opportunities and connect interested members/customers with the appropriate participating contractors.</p> <p>Incentives will be offered to reduce the cost of the energy-efficient equipment and will vary based on cost-effectiveness and market response. The program strives to cover a minimum of 50% of the incremental equipment cost of the measure to stimulate the market if it is cost-effective; however, depending on the acceptance of a measure in the marketplace, 50% is not always needed. Additional guidelines may be established such as total incentives available per member/customer per year to assure that funds are allocated across all farm member/customer opportunities.</p>

Where applicable, the MECA EO Collaborative Member will work with the gas company supplying services to the member/customer to coordinate incentives, processing and assistance for those measures or systems that apply to both fuels (ex: building shell measure improvements).

Custom Incentive

Work to achieve cost effective energy savings with custom incentives will center on working with farm members/customers to apply energy efficiency in unique ways to their operations and processes and working with the industry participants to find the right solutions to their needs. The primary key to success is utilizing the existing relationships of the utility's internal staff that has relationships with their farm members/customers and can help identify opportunities to participate in the program. These resources will build member/customer awareness, educate the member/customer, and work with engineering staff, supporting engineering firms and Energy Service Companies. Through the engagement of the market participants throughout the delivery channel, additional projects can be identified and potential solutions suggested. These participants include manufacturers, distributors, trade associations, consultants, engineers and contractors. The program will be supported by utility staff for educating, partnering and engaging these important participants in the program as they also discuss other program offerings. Through these existing market participants who have relationships with residential farm members/customers, new high efficiency technology and custom program solutions will be offered to members/customers as a viable option. To support the market participants, the program also includes member/customer educational and promotional pieces designed to assist facility owners, operators and decision makers with the information necessary to improve the energy efficiency of the systems in their facilities.

Utility's account managers will promote the program to their farm members/customers directly and cross promote it with other programs.

Custom incentives will be set using a per kWh basis so energy savings will be rewarded. Incentive levels will vary over time based on costs and market need but will typically be established in one year increments. Many new technologies will have higher incentive levels and migrate to a lower incentive level over time as they gain

	<p>acceptance within the market. This approach gives appropriate signals to the market about new technologies or riskier technologies that have significant savings potential. Other guidelines to reduce free ridership will also be established. These guidelines may include:</p> <ul style="list-style-type: none"> • Simple payback for the project must be between 1 year and 8 years after the incentive is applied. Incentives can be adjusted to meet the payback criteria. • Program incentives will not exceed 50% of the installed project cost. • The MECA EO Collaborative Member reserves the right to adjust these guidelines over time and to make exceptions. <p>One barrier to getting custom measures identified and installed is getting members/customers to spend funds to analyze the opportunity and savings. To help address this issue, assessment/audit grants will be available to members/customers for up to \$500 of the analysis cost not to exceed an amount to be determined for facilities.</p> <p><u>Outdoor Lighting</u></p> <p>If this option is selected by the utility for implementation, the utility will provide program details to those members/customers who are using 175 W mercury vapor and 100 W high-pressure sodium fixtures. For those members/customers who choose to participate, the utility will install the LED fixtures.</p>
<p>Marketing Strategy</p>	<p>Educational and promotional materials will be developed for farm owners and operators on the benefits of energy efficiency improvements and improved systems performance, including educational brochures, farm member/customer and market provider seminars, program promotional material, and website content. Specific educational, training and promotional efforts will be aimed at market participants such as electrical contractors, building supply firms, and distributors to help them promote efficient measures to their members/customers. This education will be through a combination of mailings and direct meetings with key market participants.</p> <p>A free engine block heater will be used to generate program leads.</p> <p>The marketing and communications strategy will be designed to</p>

inform farm producer members/customers of the availability and benefits of the program and how they can participate in the program. The strategy will include outreach to key partners and market participants including A&E firms, Energy Services Companies, the equipment supply community, the contractor community, relevant professional and trade associations and other interested parties. An important part of the marketing plan will be content and functionality on the MECA EO Collaborative Member's website, which will direct farm members/customers to information about the program.

Marketing and communications plan will include:

- Education seminars will provide details about the program and how to participate in the program.
- A combination of strategies including media advertising, outreach and presentations at professional and community forums and events, and through direct outreach to key members/customers of the farm community and member/customer representatives such as:
 - Brochures that describe the benefits and features of the program including program application forms and worksheets.
 - Targeted direct mailings used to educate members/customers on the benefits of the program and explaining how they can apply.
 - Member/customer and trade partner outreach and presentations informing interested parties about the benefits of the program and how to participate.
 - Print advertisements to promote the program placed in selected local media including newspapers and trade publications in the utility's service territories.
 - Newsletters and magazines will include general information about all energy efficiency programs and will be used to feature special stories and solicit participation in this program.
 - Website content providing program information resources, contact information, downloadable application forms and worksheets, and links to other relevant service and information resources.
 - The utility's' account managers informing their assigned accounts about the program during their regular

	<p>communications.</p> <ul style="list-style-type: none"> ○ Presence at conferences and public events used to increase general awareness of the program and distribute program promotional materials. ○ Presentations to key members/customers and member/customer groups to actively solicit their participation in the program. <p>The marketing strategy will identify key member/customer segments and groups for target marketing, and will prepare specific outreach activities for these members/customers.</p> <p><u>Outdoor Lighting</u></p> <p>With assistance from the program implementation contractor, the utility selecting this program option will develop educational and promotional materials for members/customers that currently have 175 W mercury vapor and 100 W high-pressure sodium fixtures and could benefit from LED energy efficiency improvements. If this option is selected by the utility for implementation, the utility will promote the program by providing program details to those members/customers who are using 175 W mercury vapor and 100 W high-pressure sodium fixtures.</p>										
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<p>EM&V</p>	<p>MECA will coordinate the impact evaluation of the MECA EO Collaborative Members' Programs. The evaluation will include a certification of energy savings and will leverage knowledge gained from the evaluation of similar utility energy efficiency programs in Michigan. Data collection processes for the certification of energy savings will be reviewed by an independent third party evaluation contractor.</p>										

	<p>The electric energy impact study will reliably estimate the program's gross annual kWh savings over the effective useful life of the energy efficient equipment installations funded by the program.</p> <p>The MECA EO Collaborative Members intends to add or eliminate measures from the program based on cost-effectiveness, market acceptance and standard practice.</p>
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Residential Educational Services Program

Program	Residential Educational Services Program
Objective	<p>The objective of the Educational Services Programs is to provide information and education about energy efficiency and conservation. The educational information will be delivered through many media and communication channels. These educational programs will provide the basis for more program specific efforts aimed at getting members/customers to participate in the utility's Energy Optimization portfolio of programs.</p>
Target Market	<p>The target markets are all member/customer segments served by the Energy Optimization Programs. Trade allies will also be a targeted market.</p>
Program Duration	<p>January 1, 2016 through December 31, 2019.</p>
Program Description	<p>The Educational Program will provide information about energy efficiency and conservation, giving members/customers valuable information on the benefits of participation, what they need to do to participate and how to sign up for the program.</p> <p>The Educational Services Programs will increase member/customer participation in the programs by making members/customers aware of the benefits of energy efficiency and conservation programs, educating the member/customer about how much energy and cost savings they can expect, and the long-term environmental benefits associated with these actions.</p> <p>The Educational Services Program will be primarily focused on the members/customers, but it will also to make it easy for trade allies to support the energy efficiency programs.</p> <p>Besides generally supporting all energy efficiency programs, the Educational Program will directly implement the energy efficiency online self-audit program. Besides providing an online audit, the program will also provide a connection to other programs and provide materials members/customers need to participate.</p> <p>Program education and information will be provided through many different channels. The following are examples of channels that might</p>

	<p>be used.</p> <ul style="list-style-type: none"> • Member/customer representatives trained to promote the program to their members/customers • Informational content on the MECA EO Collaborative Members websites • Magazine and newsletters that will include general information about all energy efficiency programs • Residential seminars • Trade ally seminars/education • Radio advertising • Print advertising • Bill inserts • Events and trade shows • School programs • Trade publication advertising
<p>Eligible Measures</p>	<p>The Educational Services Programs will not include eligible measures but will support and promote energy efficiency and conservation messages.</p>
<p>Implementation Strategy</p>	<p>The Educational Services Programs will provide general information on energy efficiency and conservation in support of the program specific marketing messages.</p> <p>The implementation of this program will be coordinated with all MECA EO Collaborative Members.</p>
<p>Marketing Strategy</p>	<p>Marketing strategy for the Educational Program is to have general information about energy efficiency and conservation readily available to members/customers enabling them to understand the benefits of participating. Cost savings as well as the long-term environmental benefits will be communicated.</p> <p>Magazines and newsletters will include general information about all energy efficiency programs and will be used to feature special stories and events promoting specific programs.</p> <p>Besides achieving energy saving by installing energy efficiency</p>

	measures through the energy efficiency programs, low-cost/no-cost energy savings will be promoted with other publications distributed directly to interested members/customers.											
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EM&V	Process evaluation will be conducted under the direction of the MECA EO Collaborative.											

Residential Pilot Programs

Program	Residential Pilot Programs
Objective	The objective of the Pilot Programs is to make current programs as effective as possible for members/customers and test and develop new program designs, test new marketing strategies and approaches to most effectively serve the energy needs of members/customers, and to test the energy saving impact of emerging technologies.
Target Market	All member/customer segments will be served by the pilot programs. Program design and new marketing approaches will be tested to reach “hard-to-reach” market segments. For example, these markets might include the non-English speaking community. This may require a test of social marketing techniques and unique partnerships for effectively delivering energy information, education and programs.
Program Duration	January 1, 2016 through December 31, 2019.
Program Description	<p>The Pilot Programs is designed to enrich the effectiveness of the Energy Optimization Programs. The Pilot Programs will evolve over time and will be dictated by the changing needs of members/customers and new technologies. An important component of the Pilot Programs will be to conduct member/customer research to get the “voice of the member/customer” related to current and future programs and technologies.</p> <p>The Energy Optimization Programs are designed to permit all members/customers to have reasonable access to program benefits. The Pilot Programs will help improve the effectiveness and member/customer reach of the Energy Optimization Programs.</p> <p>The Pilot Programs provides incentives to introduce new products to demonstrate proof of product, technology application, technology acceptance and market acceptance. The Pilot Programs also determines product performance, member/customer satisfaction and energy saving of emerging technologies.</p> <p>At the option of the utility, concepts and energy savings of prepaid metering may be tested. This pilot program will test market acceptance, technology, communication and energy savings.</p>

<p>Eligible Measures</p>	<p>Different technologies, programs or marketing approaches will be considered in the Pilot Programs. These are just examples and are not necessarily ideas that will be tested.</p> <ul style="list-style-type: none"> • Technologies investigated <ul style="list-style-type: none"> ○ Phantom load reduction devices ○ Wireless load control systems ○ Prepaid metering • New programs studied <ul style="list-style-type: none"> ○ Broader application of LEDs ○ Other new lighting technologies and applications • New marketing approaches <ul style="list-style-type: none"> ○ Deliver marketing messages through social networks ○ Test new marketing approaches for soliciting income qualified participation ○ Work with colleges to test new technologies, programs or approaches to the market ○ Work with farm support organizations to test comprehensive approaches to agriculture producer optimization
<p>Implementation Strategy</p>	<p>The Pilot Programs ideas and direction will come from feedback from the current programs, “voice of the member/customer” research and Utility and implementation contractor staff.</p> <p>The implementation of this program will be coordinated with other Members of the MECA EO Collaborative.</p>
<p>Marketing Strategy</p>	<p>Marketing strategy of the Pilot Programs will be dictated by the technology, the program or marketing approach being tested.</p>

<p>Milestones</p>	<p>The Pilot Programs’ roll of enhancing the effectiveness of the energy efficiency programs requires feedback from previous programs and ongoing feedback as programs are implemented. If a program is not reaching the intended market or there are pockets within the market segment not being served, a plan will be designed to improve program performance. This plan will be tested as part of the Pilot Programs.</p> <table border="1" data-bbox="493 594 1390 953"> <thead> <tr> <th data-bbox="493 594 1218 663">Major milestones</th> <th data-bbox="1218 594 1390 663">Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="493 663 1218 737">Energy Optimization Plan filed with MPSC</td> <td data-bbox="1218 663 1390 737">11/15</td> </tr> <tr> <td data-bbox="493 737 1218 810">Implementation contract signed</td> <td data-bbox="1218 737 1390 810">12/15</td> </tr> <tr> <td data-bbox="493 810 1218 884">Energy Optimization Plan approved by MPSC</td> <td data-bbox="1218 810 1390 884">12/15</td> </tr> <tr> <td data-bbox="493 884 1218 953">Program implementation begins</td> <td data-bbox="1218 884 1390 953">1/16</td> </tr> </tbody> </table>	Major milestones	Date	Energy Optimization Plan filed with MPSC	11/15	Implementation contract signed	12/15	Energy Optimization Plan approved by MPSC	12/15	Program implementation begins	1/16
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<p>EM&V</p>	<p>Impact and process evaluation may be conducted on each Pilot Programs. This evaluation will be conducted under the direction of the MECA EO Collaborative.</p>										

Energy Optimization Plan (2016-2019) Commercial and Industrial Programs

• **Commercial & Industrial Programs**

C&I General Business Services Program

Program	C&I General Business Services Program
Objective	The primary objective of the Commercial and Industrial (C&I) General Business Services Program is to encourage commercial and industrial (C&I) members/customers to install energy-efficient measures in existing and new facilities.
Target Market	<p>All C&I members/customers are eligible for the program. Members/customers who elect to implement a self-directed energy optimization plan are not eligible.</p> <p>The target market also includes trade allies serving C&I members/customers.</p>
Program Duration	January 1, 2016 through December 31, 2019.
Program Description	<p>This program provides prescriptive incentives to C&I members/customers for the installation of energy-efficient equipment for numerous applications including but not limited to lighting, motors and drives, controls, heating ventilation and air conditioning (HVAC), refrigeration, and food service equipment and custom incentives for the installation of innovative and unique energy-efficient equipment and controls. Having a custom incentive allows efficiency measures and systems to be installed for situations specific to that member's/customer's application or process.</p> <p><u>Prescriptive Incentive</u></p> <p>The prescriptive incentives are structured to broadly apply to many common energy efficiency measures that are similar across many C&I market segments. Having a simple program structure and incentive schedule for common equipment and applications provides members/customers and the market suppliers with certainty and ease of use regarding the incentives they will receive for installing a wide variety of energy efficiency measures.</p> <p><u>Custom Incentive</u></p> <p>Custom incentives for the installation of innovative and unique energy-efficient equipment and controls will be offered on a per kWh</p>

basis based on pre-approved engineering estimates. This program targets energy savings equipment or processes as well as applications with so much variability in operating characteristics that standardized savings cannot be assumed across the member/customer base. This program also includes those technologies that are new to the market and have not yet established baseline savings.

More specifically, the program is designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls.
- Provide the knowledge necessary and market demand to justify the marketing of high efficiency measures by electrical contractors, mechanical contractors, and their distributors.
- Ensure that the participation process is clear, easy to understand and simple.

Where applicable, the MECA EO Collaborative Member will work with the gas company supplying services to the member/customer to coordinate incentives, processing and assistance for those measures or systems that apply to both fuels (ex: building shell measure improvements).

Certain barriers exist to the adoption of energy efficiency measures, including lack of investment capital, competition for funds with other capital improvements, lack of awareness/knowledge about the benefits and costs of energy efficiency measures, high transaction and information research costs, and technology performance uncertainties. This program is designed to help overcome these market barriers and encourage greater adoption of energy efficiency measures in the C&I market. The premise of the program is that through engagement and education with the market participants and through member/customer incentives to reduce upfront costs, the risks to energy efficiency implementation will be reduced and the rewards from the savings will become more apparent thus increasing adoption.

Outdoor Lighting

To improve efficiency of outdoor lighting, the utility may provide incentives for the installation of LED fixtures.

<p>Eligible Measures</p>	<p><u>Prescriptive Incentive</u></p> <p>Technology categories for which prescriptive incentives have been established include the following.</p> <ul style="list-style-type: none"> • High Efficiency Lighting • HVAC Equipment • Motors/Pumps/Drives • Refrigeration Equipment • Food Service Equipment • Controls • Other <p>Specific technologies included in the program will change over time based on codes and standards, changing market needs, introduction of new technologies and market adoption rates.</p> <p><u>Custom Incentive</u></p> <p>For the effective use of custom incentives, flexibility is the key. Technologies that are unique to that member/customer, new to the market or have a wide range of savings based on their application cannot be covered by prescriptive incentives due to their variability. However these variable energy savings technologies can be significant and encouraged with custom incentives. Measures must show electric energy savings through accepted engineering analysis that will be reviewed and pre-approved by the utility for the incentive. Measures cannot receive a custom incentive if they are eligible for a prescriptive incentive unless they are in combination with other measures or systems that makes them unique.</p> <p>Measures may be added or removed based on market response, technology availability and changes in efficiency standards.</p> <p><u>Outdoor Lighting</u></p> <p>The selected LED technology will be used to replace 175 W mercury vapor and 100 W high-pressure sodium fixtures.</p>
<p>Implementation Strategy</p>	<p><u>Prescriptive Incentive</u></p> <p>With assistance from MECA, the MECA EO Collaborative Member will provide program management and oversight, vendor referrals,</p>

tracking and reporting, oversight, and regulatory review. The implementation contractor will provide turn-key implementation services including training and education, application and incentive processing, incentive payments, tracking, verification, technical support, member/customer support, and marketing, jointly with the MECA EO Collaborative Member.

The key to program success is twofold. First, the contractor will engage member/customer participants by using their existing market delivery channel. This market delivery channel includes manufacturers, distributors, consultants, engineers and contractors. The program will have resources dedicated to educating, partnering and engaging these important market actors in the program.

Through these existing market actors who have relationships with C&I members/customers, the new high efficiency technology will be offered to members/customers as a viable option. To support the market participants, the program also includes member/customer educational and promotional pieces designed to assist facility owners, operators and decision makers with the information necessary to improve the energy efficiency of the systems in their facilities. Second, the utility will use internal staff resources that have direct relationships with members/customers and can help identify opportunities to participate in the program. These resources will build member/customer awareness, educate the member/customer on opportunities and connect interested members/customers with the appropriate participating contractors.

Incentives will be offered to reduce the cost of the energy-efficient equipment and will vary based on cost-effectiveness and market response. The program strives to cover a minimum of 50% of the incremental equipment cost of the measure to stimulate the market if it is cost-effective; however, depending on the acceptance of a measure in the marketplace, 50% is not always needed. Additional guidelines may be established such as total incentives available per member/customer per year to assure that funds are allocated across all member/customer opportunities.

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Work to achieve cost effective energy savings with custom incentives will center on working with members/customers to apply energy efficiency in unique ways to their operations and processes and working with the industry participants to find the right solutions to their needs. The primary key to success is utilizing the existing relationships of the utility's internal staff that has relationships with members/customers and can help identify opportunities to participate in the program. These resources will build member/customer awareness, educate the member/customer, and work with engineering staff, supporting engineering firms and Energy Service Companies. Through the engagement of the market participants throughout the delivery channel, additional projects can be identified and potential solutions suggested. These participants include manufacturers, distributors, trade associations, consultants, engineers and contractors. The program will have staff dedicated to educating, partnering and engaging these important participants in the program as they also discuss other program offerings. Through these existing market participants who have relationships with C&I members/customers, new high efficiency technology and custom program solutions will be offered to members/customers as a viable option. To support the market participants, the program also includes member/customer educational and promotional pieces designed to assist facility owners, operators and decision makers with the information necessary to improve the energy efficiency of the systems in their facilities.

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- Simple payback for the project must be between 1 year and 8

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Marketing Strategy	<p>Educational and promotional materials will be developed for building owners and operators on the benefits of energy efficiency improvements and improved systems performance, including educational brochures, member/customer and market provider seminars, program promotional material, and website content. Specific educational, training and promotional efforts will be aimed at market participants such as electrical contractors, building supply firms, and distributors to help them promote efficient measures to their members/customers. This education will be through a combination of mailings and direct meetings with key market participants.</p> <p>The marketing and communications strategy will be designed to inform members/customers of the availability and benefits of the program and how they can participate in the program. The strategy will include outreach to key partners and market participants including A&E firms, Energy Services Companies, the equipment supply community, the contractor community, relevant professional and trade associations and other interested parties. An important part of the marketing plan will be content and functionality on the MECA EO Collaborative Member’s website, which will direct members/customers to information about the program.</p> <p>Marketing and communications plan will include:</p> <ul style="list-style-type: none">• Education seminars will provide details about the program and how to participate in the program.

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<p>EM&V</p>	<p>MECA will coordinate the impact evaluation of the MECA EO Collaborative Members' Programs. The evaluation will include a certification of energy savings and will leverage knowledge gained from the evaluation of similar utility energy efficiency programs in Michigan. Data collection processes for the certification of energy savings will be reviewed by an independent third party evaluation contractor.</p> <p>The electric energy impact study will reliably estimate the program's gross annual kWh savings over the effective useful life of the energy efficient equipment installations funded by the program.</p> <p>The MECA EO Collaborative Members intends to add or eliminate measures from the program based on cost-effectiveness, market acceptance and standard practice.</p>										

C&I Educational Services Program

Program	C&I Educational Services Program
Objective	<p>The objective of the Educational Services Programs is to provide information and education about energy efficiency and conservation. The educational information will be delivered through many media and communication channels. These educational programs will provide the basis for more program specific efforts aimed at getting members/customers to participate in the utility's Energy Optimization portfolio of programs.</p>
Target Market	<p>The target markets are all member/customer segments served by the Energy Optimization Programs. Trade allies will also be a targeted market.</p>
Program Duration	<p>January 1, 2016 through December 31, 2019.</p>
Program Description	<p>The Educational Services Program will provide information about energy efficiency and conservation, giving members/customers valuable information on the benefits of participation, what they need to do to participate and how to sign up for the program.</p> <p>The Educational Services Programs will increase member/customer participation in the programs by making members/customers aware of the benefits of energy efficiency and conservation programs, educating the member/customer about how much energy and cost savings they can expect, and the long-term environmental benefits associated with these actions.</p> <p>The Educational Services Programs will be primarily focused on the members/customers, but it will also to make it easy for trade allies to support the energy efficiency programs.</p> <p>The program will provide a connection to other programs and provide materials members/customers need to participate.</p> <p>Program education and information will be provided through many different channels. The following are examples of channels that might be used.</p> <ul style="list-style-type: none"> • Member/customer representatives trained to promote the program to their members/customers

	<ul style="list-style-type: none"> • Informational content on the MECA EO Collaborative Members websites • Magazine and newsletters that will include general information about all energy efficiency programs • Business seminars • Trade ally seminars/education • Radio advertising • Print advertising • Bill inserts • Events and trade shows • School programs • Trade publication advertising
<p>Eligible Measures</p>	<p>The Educational Services Programs will not include eligible measures but will support and promote energy efficiency and conservation messages.</p>
<p>Implementation Strategy</p>	<p>The Educational Services Programs will provide general information on energy efficiency and conservation in support of the program specific marketing messages.</p> <p>The implementation of this program will be coordinated with all MECA EO Collaborative Members.</p>
<p>Marketing Strategy</p>	<p>Marketing strategy for the Educational Services Program is to have general information about energy efficiency and conservation readily available to members/customers, enabling them to understand the benefits of participating. Cost savings as well as the long-term environmental benefits will be communicated.</p> <p>Magazines and newsletters will include general information about all energy efficiency programs and will be used to feature special stories and events promoting specific programs.</p> <p>Besides achieving energy saving by installing energy efficiency measures through the energy efficiency programs, low-cost/no-cost energy savings will be promoted with other publications distributed directly to interested members/customers.</p>

Milestones	Major milestones	Date
	Energy Optimization Plan filed with MPSC	11/15
	Implementation contract signed	12/15
	Energy Optimization Plan approved by MPSC	12/15
	Program implementation begins	1/16
EM&V	Process evaluation will be conducted under the direction of the MECA EO Collaborative.	

C&I Pilot Programs

Program	C&I Pilot Programs
Objective	The objective of the Pilot Programs is to make current programs as effective as possible for members/customers and test and develop new program designs, test new marketing strategies and approaches to most effectively serve the energy needs of members/customers, and to test the energy saving impact of emerging technologies.
Target Market	All member/customer segments will be served by the pilot programs. Program design and new marketing approaches will be tested to reach “hard-to-reach” market segments. For example, these markets might include small businesses who lease space for their operations or schools with limited capital budgets. This may require a test of marketing techniques and unique partnerships for effectively delivering energy information, education and programs.
Program Duration	January 1, 2016 through December 31, 2019.
Program Description	<p>The Pilot Programs is designed to enrich the effectiveness of the Energy Optimization Programs. The Pilot Program will evolve over time and will be dictated by the changing needs of members/customers and new technologies. An important component of the Pilot Program will be to conduct member/customer research to get the “voice of the member/customer” related to current and future programs and technologies.</p> <p>The Energy Optimization Programs are designed to permit all members/customers to have reasonable access to program benefits. The Pilot Program will help improve the effectiveness and member/customer reach of the Energy Optimization Programs.</p> <p>The Pilot Programs provides incentives to introduce new products to demonstrate proof of product, technology application, technology acceptance and market acceptance. The Pilot Program also determines product performance, member/customer satisfaction and energy saving of emerging technologies.</p>
Eligible Measures	Different technologies, programs or marketing approaches will be considered in the Pilot Programs. These are just examples and are

	<p>not necessarily ideas that will be tested.</p> <ul style="list-style-type: none"> • Technologies investigated <ul style="list-style-type: none"> ○ Phantom load reduction devices ○ Wireless load control systems • New programs studied <ul style="list-style-type: none"> ○ Broader application of LEDs and hard to place CFLs ○ Other new lighting technologies ○ Hotel room occupancy energy control program ○ Commercial building retro-commissioning • New marketing approaches <ul style="list-style-type: none"> ○ Target non-English speaking community ○ Deliver marketing messages through trade organizations ○ Work with colleges to test new technologies, programs or approaches to the market ○ Work with farm support organizations to test comprehensive approaches to agriculture producer optimization
<p>Implementation Strategy</p>	<p>The Pilot Programs ideas and direction will come from feedback from the current programs, “voice of the member/customer” research and Utility and implementation contractor staff.</p> <p>The implementation of this program will be coordinated with other Members of the MECA EO Collaborative.</p>
<p>Marketing Strategy</p>	<p>Marketing strategy of the Pilot Programs will be dictated by the technology, the program or marketing approach being tested.</p>

<p>Milestones</p>	<p>The Pilot Programs’ roll of enhancing the effectiveness of the energy efficiency programs requires feedback from previously approved programs and ongoing feedback as programs are implemented. If a program is not reaching the intended market or there are pockets within the market segment not being served, a plan will be designed to improve program performance. This plan will be tested as part of the Pilot Program.</p> <table border="1" data-bbox="493 594 1382 953"> <thead> <tr> <th data-bbox="493 594 1216 663">Major milestones</th> <th data-bbox="1216 594 1382 663">Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="493 663 1216 735">Energy Optimization Plan filed with MPSC</td> <td data-bbox="1216 663 1382 735">11/15</td> </tr> <tr> <td data-bbox="493 735 1216 806">Implementation contract signed</td> <td data-bbox="1216 735 1382 806">12/15</td> </tr> <tr> <td data-bbox="493 806 1216 877">Energy Optimization Plan approved by MPSC</td> <td data-bbox="1216 806 1382 877">12/15</td> </tr> <tr> <td data-bbox="493 877 1216 949">Program implementation begins</td> <td data-bbox="1216 877 1382 949">1/16</td> </tr> </tbody> </table>	Major milestones	Date	Energy Optimization Plan filed with MPSC	11/15	Implementation contract signed	12/15	Energy Optimization Plan approved by MPSC	12/15	Program implementation begins	1/16
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Implementation contract signed	12/15										
Energy Optimization Plan approved by MPSC	12/15										
Program implementation begins	1/16										
<p>EM&V</p>	<p>Impact and process evaluation may be conducted on each Pilot Program. This evaluation will be conducted under the direction of the MECA EO Collaborative.</p>										

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,)	
regarding the regulatory reviews, revisions,)	
determinations, and/or approvals necessary for)	Case No. U-16720
the CITY OF SOUTH HAVEN to fully comply)	
with Public Act 295 of 2008)	
_____)	

NOTICE OF INTENT TO RENEW ELECTION TO UTILIZE EFFICIENCY UNITED FOR ENERGY OPTIMIZATION SERVICES

In 2011, the City of South Haven elected to participate in Efficiency United to fulfill its obligations under Michigan Public Act 295 of 2008. Pursuant to an Order issued by the Michigan Public Service Commission on March 17, 2011, every two years following the City's initial election it must either (1) file a new two-year Energy Optimization Plan, or (2) renew its commitment to utilize Efficiency United for compliance with all EO reporting requirements. Attached hereto please find South Haven's Notice of Intent to renew its participation in Efficiency United for energy optimization services for 2014 and 2015.

Respectfully submitted,

DICKINSON WRIGHT PLLC
Attorneys for the City of South Haven

By: Adam M. Wenner Digitally signed by Adam M. Wenner
DN: CN=Adam M. Wenner, O=Dickinson Wright
PLLC, OU=OU.E=awenner@dickinson-wright.com, C=US
Date: 2013.08.01 15:22:42 -04:00

Peter H. Ellsworth (P23657)
Adam M. Wenner (P75309)

Business Address:
215 South Washington Square
Suite 200
Lansing, MI 48933-1816
Telephone: (517) 371-1730

Dated: August 1, 2013

**PROVIDER NOTIFICATION OF INTENT TO ELECT *EFFICIENCY UNITED*¹
TO OFFER ENERGY OPTIMIZATION SERVICES FOR 2014/2015**

PA 295 of 2008 Implementation of
Energy Optimization Plans

DATE: July 31, 2013

PROVIDER NAME, address and contact information, including email address, for a provider representative: City of South Haven 539 Phoenix Street South Haven, MI 49090	Roger Huff, PE, DPW Director 269.637.0719 rhuff@south-haven.com
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This is a renewal. This is a new election. Election is for years (two year minimum):
 2014 2015 2016 2017

Electric Utility	Annual Payment to Efficiency United		Annual Incremental Energy Savings Target - MWh			
	Total Retail Sales Revenue 2012	Payment (Revenue x 2.0%)	Total Retail Sales 2010	Total Retail Sales 2011	Total Retail Sales 2012	Target (1.0% x 3-Year Average)
2014	\$13,815,872	\$276,317	132,569	134,180	137,316	1,347
Program Year	Total Retail Sales Revenue 2013	Payment (Revenue x 2.0%)	Total Retail Sales 2011	Total Retail Sales 2012	Total Retail Sales 2013	Target (1.0% x 3-Year Average)
2015	\$13,988,570	\$279,771	134,180	137,316	139,032	1,368

Gas Utility	Annual Payment to Efficiency United		Annual Incremental Energy Savings Target - Mcf			
	Total Retail Sales Revenue 2012	Payment (Revenue x 2.0%)	Total Retail Sales 2010	Total Retail Sales 2011	Total Retail Sales 2012	Target (0.75% x 3-Year Average)
2014		\$0				0
Program Year	Total Retail Sales Revenue 2013	Payment (Revenue x 2.0%)	Total Retail Sales 2011	Total Retail Sales 2012	Total Retail Sales 2013	Target (0.75% x 3-Year Average)
2015		\$0				0

- Payment and target for 2015 may be estimated by substituting 2012 data for 2013 if forecasts are not available.
- Payment and target for future years will be recalculated annually as updated data becomes available.
- Payment and target may be adjusted based on self-direct customer participation and will be determined during the EO plan review process.

EU Provider Notification Form cont.

¹ 2008 PA 295, Sec. 91, allows providers the option of meeting energy optimization program compliance requirements by paying a percentage of total utility sales revenues, including electricity or natural gas commodity costs, each year to an independent energy optimization program administrator selected by the Michigan Public Service Commission (MPSC). The program run by the independent energy optimization program administrator is called *Efficiency United*. **Providers must make a two-year commitment. An option to renew is provided.**

Providers that have opted to use the independent energy optimization program administrator (*Efficiency United*) are not required to file a PA 295, section 97 (1) annual EO report or individual reports; the administrator shall file a single report addressing energy optimization programs for all providers electing the alternative compliance payment option. Rate regulated providers (IOUs and RRCs) that opt to use *Efficiency United* must still file a financial reconciliation with the MPSC annually.

Breakdown of 2012 Total Retail Sales			
	Residential Customers	Commercial Customers	Industrial Customers
Number	7,769	1,262	21
Volume MWh	49,173	64,240	23,903
Revenue Elec.	\$5,367,582	\$6,648,076	\$1,800,214
Number			
Volume Mcf			
Revenue Gas			

Self-direct Customers Retail Sales	
Number Customers Elected for 2014	0
Total Revenue 2012	
Total MWh 2012	

Robert C. Hill
Signature of Provider Representative

7/31/13
Date

Sharon Theroux
Signature of Efficiency United Representative

8-1-2013
Date

Submit form to: Sharon Theroux
theroux@mcaaa.org
Efficiency United
2173 Commons Parkway
Okemos, MI 48864

Attach copy to: Current PA 295 Plan Filing
Election is contingent upon MPSC approval.

The MPSC will provide an opportunity for public comment if the governing body of a municipal utility provider has not provided an opportunity for public comment and filed the comments with the MPSC. It is suggested that the public comments be filed with the providers EO plan filing.

LETTER AGREEMENT FOR ADMINISTRATIVE SERVICES

January 1, 2016 – December 31, 2019

This is a Letter Agreement for Administrative Services (“Agreement”) between the Michigan Electric Cooperative Association (“MECA”) and Municipal to be named (“Municipal”) and or Cooperative (Co-op) and is entered into by the parties as of the date accepted and signed by MECA below.

It is hereby agreed as follows:

1. Municipal and or Co-op will pay for all administrative services rendered by the Michigan Electric Cooperative Association's Energy Optimization Department in accordance with the attached Rate Schedule, which is made a part of this Agreement. In addition, Municipal shall pay or reimburse MECA for all EO Program Design, Implementation, Tracking, Independent 3rd Party Evaluation services, and legal fees where applicable rendered to the Municipal and or Co-op as contracted for by MECA and as authorized by the Municipal’s and or Co-op’s MECA EO Collaborative Letter of Commitment.
2. This Agreement is for a term of one (4) years beginning January 1, 2016. This Agreement may be terminated at any time by either party due to any legislative or regulatory actions that materially change or eliminate the current statutory requirement for utilities to implement Energy Efficiency Programs.
3. Billing for the MECA Administrative Services hereunder will be rendered by MECA quarterly beginning in January and are payable by Municipal and or Co-op within 30 days of billing.
4. (a) All services shall be provided as part of the MECA EO Collaborative. Services involve assisting the Municipal and or Co-op with the design, implementation, tracking, independent 3rd party evaluation, legal services where applicable, and regulatory reporting of the Energy Optimization Programs enabled under PA-295 known as the Clean,

Renewable and Efficiency Energy Act (the “Act”).

(b) Services include (i) establishing budget and kWh reductions, revenue requirements as required by the Act; (ii) assisting with EO Program selections to achieve the kWh reductions while being cost effective as defined by the Act; (iii) representing the Municipal and or Co-op at Michigan Public Service Commission (“MPSC”) meetings and offering recommendations to the MPSC to protect the interests of the Municipal and or Co-op in regards to final rule making; (iv) issuing Request for Proposals as necessary, evaluation of bids, and making recommendations for bidder selection, contract management, and management of implementation contractors; (v) coordination between the Municipal and or Co-op and the Program Design Contractor, the Implementation Contractor, the Tracking System Contractor, the 3rd Party Evaluation Contractor; and (vi) participating in the MPSC Collaborative Work Groups.

(c) MECA has or will contract for the services of subcontractors to deliver some or all of the EO program design, implementation, tracking, and evaluation services needed by the Municipal and or Co-op to comply with the Act. In addition to the annual rates set forth on the attached Rate Schedule, Municipal and or Co-op is responsible to pay or reimburse MECA for all fees and expenses of the subcontractors for the EO services rendered by the subcontractor hereunder or under any other agreement with MECA or the Municipal and or Co-op to deliver EO programs or services to the Municipal pursuant to the Act.

5. It is understood that neither this Agreement nor the services provided by MECA hereunder are intended to transfer in any way any the responsibility of the Municipal and or Co-op to meet the Energy Optimization requirements of the Act. MECA is acting solely in the capacity of an administrative consultant to Municipal in this regard. Accordingly, the Municipal and or Co-op hereby agrees that MECA has no responsibility for Municipal’s and or Co-op’s compliance with any applicable state or federal statutes, rules or regulations regarding Municipal’s energy optimization programs or compliance activities.

[Signatures on next page]

MICHIGAN ELECTRIC COOPERATIVE ASSOCIATION

Signature: _____

Printed name: Craig Borr

Title: President and Chief Executive Officer

Dated: _____

MUNICIPAL / Co-op

Signature: _____

Name: Brian Dissette

Title: City Manager

Dated: _____

Rate Schedule	
Municipal / Cooperative EO Collaborative & the Michigan Electric Cooperative Association	
Municipal / Cooperative	Annual
Cloverland Electric Cooperative	\$57,000.00
Marquette Board of Light & Power	\$15,000.00
South Haven	\$7,500.00
Escanaba Electric Department	\$7,000.00
Newberry Water and Light Board	\$3,000.00
City of Stephenson	\$1,200.00
Total Annually	\$90,700.00

Please sign and fax to: Art Thayer, MECA, (989) 393-5971, or e-mail to AThayer@meca.coop

CITY OF SOUTH HAVEN
VAN BUREN AND ALLEGAN COUNTIES, MICHIGAN

ORDINANCE NO. ____

AN ORDINANCE TO AMEND RATES FOR THE CITY OF SOUTH HAVEN ELECTRIC
UTILITIES

The City of South Haven Ordains:

SECTION 1

That Section 86-36 regarding electric rates of the Code of Ordinances for the City of South Haven is hereby amended to read as follows:

Sec. 86-36. Electric rate structure.

The following are the electrical charges and rates for electrical service customers:

- (1) *Residential customers.* Basic electric charge: \$5.50/month; power usage rate: \$0.104/kWH; energy optimization surcharge \$0.001612/kWH.
- (2) *Commercial customers.* Basic electric charge: \$6.80/month; power usage rate: \$0.1100/kWH; energy optimization surcharge \$0.002126/kWH.
- (3) *Commercial power customers.* Power usage rate: .0580/kWH; demand charge: \$12.32/kw; minimum demand: 15 kw/month; primary metered customers: rebate of two percent of kWH usage; energy optimization surcharge \$0.002126/kWH.
- (4) *Industrial and municipal customers.* Power usage rate: .0482/kWH; demand charge: \$12.32/kw; minimum demand: 15 kw/month; primary metered customers: rebate of two percent of kWH usage; energy optimization surcharge \$0.002126/kWH.
- (5) *Unmetered Security/Street Lighting.* 150 Watt Lights - \$9.00/Month. 250 Watt Lights - \$15.00/Month.

The Energy Optimization Surcharge shall terminate on December 31, 2018. Monthly electric bills will be increased or decreased to offset fuel charge adjustments billed to the City by the supplier and for PJM open access transmission tariff charges that exceed \$500,000 per year as billed to the City by the supplier.

SECTION 2

If any portion of this ordinance is for any reason held invalid, such decision shall not affect the validity of the remaining provisions of this ordinance.

SECTION 3

This ordinance shall be in full force and effect from and after its passage and publication as provided by law.

Ordinance No. ____

SECTION 4

This ordinance shall take effect ten (10) days after its adoption or upon its publication in the *South Haven Tribune*, whichever occurs later.

INTRODUCED by the City Council of the CITY OF SOUTH HAVEN, MICHIGAN on this 7th day of December, 2015.

ADOPTED by the City Council of the CITY OF SOUTH HAVEN, MICHIGAN on this 21st day of December, 2015.

Robert G. Burr, Mayor

CERTIFICATION

I, Amanda Morgan, Clerk of the City of South Haven, Van Buren County, Michigan do hereby certify that the above Ordinance was adopted by the South Haven City Council on the 21st day of December, 2015; and the same was published in a paper of general circulation in the City, being the *South Haven Tribune*, on the ____ day of December, 2015.

Amanda Morgan, City Clerk



Proposed Zoning Ordinance Amendments

City of South Haven

Background Information:

Since the adoption of the City of South Haven Master Plan in 2011, the planning commission has been working on amendments to the ordinance intended to support the plan recommendations. In addition to the master plan initiated amendments, the planning commission has worked on some general housekeeping amendments such as clarifying certain use groups and adding several new definitions. Of particular interest are the new provisions addressing building height and additional required parking for larger homes. During this past summer the proposed amendments were completed and what is presented in this packet represents approximately half of the proposed amendments. The remaining amendments will be presented at a later date.

The planning commission held a public hearing on the amendments at their December 3, 2015 meeting. The few comments received were generally favorable toward the proposed amendments.

Recommendation:

Staff recommends that the city council introduce the proposed amendments at the December 7, 2015 meeting and adopt the amendments at the following meeting.

Attachments:

Staff summary of proposed changes to the ordinance
Planning Commission resolution of support
Exhibit A (Text amendments)
Minutes of the planning commission hearing

Respectfully submitted,
Linda Anderson
Zoning Administrator

**PLANNING COMMISSION
CITY OF SOUTH HAVEN**

Van Buren and Allegan Counties, Michigan

Commissioner Stimson, supported by Commissioner Miles, moved the adoption of the following resolution:

**A RESOLUTION APPROVING AND RECOMMENDING CITY COUNCIL
ADOPTION OF A SERIES OF ZONING ORDINANCE TEXT AMENDMENTS**

Whereas, after providing notice in accordance with the Michigan Zoning Enabling Act, 2006 PA 110, as amended, MCL 125.3101 *et seq.* (the "MZEA"), and the City of South Haven Zoning Ordinance, the Planning Commission held a public hearing on December 3, 2015, to receive and consider public comment on the zoning ordinance text amendment and to review the information and materials available relating to the rezoning request; and

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. After reviewing the information, materials and comments available in relation to the proposed text amendment (See Attachment A), pursuant to and in accordance with the MZEA and the factors and criteria provided by Section 2501 of the South Haven Zoning Ordinance, the Planning Commission makes the following finding:

The Planning Commission determines that the proposed amendments to zoning ordinance Articles II, IV, VI, VII, VIII, IX, X, XI, XII and XVIII, are appropriate with the intent of both the zoning ordinance and master plan for the City of South Haven.

2. The Planning Commission approves the amendment as submitted, (Case No. 2015-0027) and recommends that the City Council adopt the amendment.

3. All resolutions and parts of resolutions are, to the extent of any conflict with this resolution, rescinded.

YEAS: Commissioners: Paull, Heinig, Webb, Stimson, Gruber, Miles

NAYS: Commissioners: Frost

ABSTAIN: Commissioners: None

ABSENT: Commissioners: Smith, Peterson

RESOLUTION DECLARED ADOPTED.

CERTIFICATION

As its Recording Secretary, I certify that this is a true and complete copy of a resolution adopted by the Planning Commission of the City of South Haven, Van Buren and Allegan Counties, Michigan, at a meeting held on December 3, 2015.

Date: December 4, 2015



Marsha Ransom, Recording Secretary

SUMMARY OF PROPOSED ZONING ORDINANCE TEXT AMENDMENTS

ARTICLE II - DEFINITIONS

New definitions:

Most of the following are definitions for terms already used in the ordinance

Access*

Amusement Enterprise

Building footprint

Buildable area

Drive Through

Easement*

Group Day care facility (Large)

Building height (clarification of average grade)

Lot of Record (clarification only)

Nonconforming Lot (clarification only)

Open Air business

Personal Service business

Planned Shopping center

Professional Service business

Public facilities

Recreation Uses

Retail businesses

New building height definitions pertaining to mansard and flat roof allowable height

Half story definition and references deleted in all residential zones

*Amendments resulting from ZBA interpretation

ARTICLE IV –SINGLE FAMILY RESIDENTIAL

Added is a lot width and depth requirement for flag lots

Height is changed from 40 feet at the peak to 35 feet. Currently there are 2 measurement points (midway between eave and peak and at the peak). A survey of west Michigan communities showed the height maximum ranges from 28 to 35 feet. No community was found to have a 40 foot residential maximum.

ARTICLE VI – CENTRAL BUSINESS DISTRICT (CBD)

Use list is streamlined to add defined, more general terms such as Professional Service Businesses and Indoor Recreation Centers allowing a small amount of flexibility as new uses arise. For example, convenience stores, bakery and antique shops are all retail stores under the proposed definition.

ARTICLE VII – NEIGHBORHOOD BUSINESS (B-1)

The intent statement in this section specifically states that businesses in this zone are intended to be on a neighborhood scale (general maximum 2500 square feet). New commercial building size limits now reflect that.

As with the CBD article the use list for B-1 has been shortened by combining uses into groups such as retail (bakeries, book stores, candy stores, clothing stores, etc.) and professional business (doctors, attorneys, dentist and other types of offices). Also permitted are small personal service businesses such as barber shops, nail salons, tailors and drycleaners.

Some of the business which remain as a separate category include home occupations, ATMs, recreation centers, convenience stores not larger than 3000 square feet and dwellings above permitted commercial uses.

ARTICLE VIII – GENERAL BUSINESS (B-2)

Several permitted and special uses have again have been consolidated into groups, this time allowing slightly larger businesses than in the B-1 zone. Personal service businesses and retail businesses up to 5000 square feet are allowed.

ARTICLE IX – WATERFRONT BUSINESS (B-3)

There were only a few consolidated uses in this zone due to the limited number of uses permitted.

ARTICLE X – MAJOR THOROUGHFARE BUSINESS (B-4)

The only significant change to this district is the deletion of Adult Entertainment Businesses. Those uses are now proposed for only the industrial zones. Allowing these uses in the B-4 zone would open the door to adult businesses in the outlots around Meijer and Walmart as well as in Phoenix Square.

ARTICLE XI – INDUSTRIAL (I-2)

Adult Entertainment Facilities have been added to the permitted use lists in these zones.

ARTICLE XII – PROFESSIONAL BUSINESS (PB-1)

Since this zone is home to some medical and dental offices, pharmacies and medical supply stores have been added to the zone use list.

ARTICLE XIV – SITE PLAN REVIEW

In the application procedures section, the number of paper copies required is reduced in electronic copies are available.

The submittal requirements have been amended to allow the planning commission or zoning administrator to require traffic studies for new projects which are expected to generate traffic

over a stated threshold. The text also clarifies that all costs associated with the study will be the responsibility of the applicant.

ARTICLE XVIII – PARKING AND LOADING SPACES

In cases where an applicant can demonstrate that the required number of spaces is excessive, the planning commission may allow some parking area be set aside as greenspace. Should the additional parking be found to be necessary, the zoning administrator shall require the remaining spaces to be installed.

Retail and commercial parking required reduced from one space for every 150 square feet of usable floor area to one space for every 250 feet of useable floor area. For large scale shopping centers (60k square feet of usable area or more) the parking is on a sliding scale as the usable floor area increase.

Parking space dimensions amended per the city engineer’s recommendation.

This proposed amendment increases the minimum parking requirement for new houses with more than 4 bedrooms.

	Use	Number of Minimum Parking Spaces Per Unit of Measure
a.	Residential Single Family and two Family	Two (2) for each dwelling unit with three (3) or less bedrooms. For single family residences with four (4) or more bedrooms, one (1) additional space is required for each additional bedroom.

Also included is a requirement for area of residential off-street outdoor parking for more than four (4) vehicles shall be located on a pervious surface other than gravel.

Parking space sizes have been amended per the city engineer’s recommendations.

Retail and business parking space requirements have been reduced from one space for every 250 square feet of usable floor area to one space for every 150 square feet of usable floor area.

ATTACHMENT A

ARTICLE II
CONSTRUCTION OF LANGUAGE AND DEFINITIONS

SECTION 200. CONSTRUCTION OF LANGUAGE

Sec. 200. Construction of Language.

The following rules of construction apply to the text of this Ordinance:

1. The particular shall control the general.
2. In the case of any difference of meaning or implication between the text of this Ordinance and any caption or illustration, the text shall control.
3. The word "shall" is always mandatory and not discretionary. The word "may" is permissive.
4. Words used in the present tense shall include the future; and words used in the singular number shall include the plural, and the plural the singular, unless the context clearly indicates the contrary.
5. A "building" or "structure" includes any part thereof.
6. The phrase "used for" or "occupied" includes "arranged for," "designed for," "intended for," "maintained for," or "occupied for."
7. The word "person" includes an individual, a corporation, a partnership, trust, firm, an incorporated association, or any other similar entity.
8. Unless the context clearly indicates the contrary, where a regulation involves two or more items, conditions, provisions, or events connected by the conjunction "and," "or," or "either...or," the conjunction shall be interpreted as follows:
 - a. "And" indicates that all the connected items, conditions, provisions or events shall apply.
 - b. "Or" indicates that the connected items, conditions, provisions or events may apply singly or in any combination.
 - c. "Either...or" indicates that the connected items, conditions, provisions or events shall apply singly but not in combination.
9. Terms not herein defined shall have the meaning customarily assigned to them. A dictionary may be consulted.
10. The word "lot" includes the word "plot", "tract", or "parcel".
11. The words "this Ordinance" means the text of this Ordinance as well as all maps, tables, graphics, schedules as included or attached and as enacted or subsequently amended.
12. The "City" is the City of South Haven in the County's of Allegan and Van Buren, State of Michigan; the "Council" is the City Council of South Haven; the Planning Commission is the Planning Commission of the City of South Haven; the Board of Appeals is the Zoning Board of Appeals, Board of Zoning Appeals or "Board" of the City of South Haven.
13. In computing a period of days, the first day is excluded and the last day is included. If the last day of any period is a Saturday, Sunday, or legal holiday, the

period is extended to include the next day which is not a Saturday, Sunday, or legal holiday.

14. Where any provision of this Ordinance imposes a greater restriction upon the subject matter than another provision, the provision imposing the greater restriction or regulation shall control.

15. The use of the terms "he" or "his" shall be interpreted as gender neutral and shall be used nonspecifically in reference to gender when found in this ordinance.

Sec. 201. Definitions.

The following words, terms and phrases, when used in this Ordinance, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Sec. 201.1. "A".

Access: The right and ability to enter, approach and pass to and from a parcel of property. Also, the physical means to enter and exit property.

Accessory Use or Accessory: A use, which is clearly incidental to, customarily found in connection with, and (except in the case of some accessory off-street parking spaces or loading) located on the same zoning lot as, the principal use to which it is related. When "accessory" is used in this text, it shall have the same meaning as accessory use. An accessory use includes, but is not limited to, the following:

1. Residential accommodations for servants in single-family dwellings.
2. Swimming pools for the use of the occupants of a residence or their guests.
3. Domestic or agricultural storage in a barn, shed, tool room, or similar accessory building or other structure.
4. Storage of merchandise normally carried in stock in connection with a business or industrial use, unless such storage is excluded in the applicable district regulations.
5. Storage of goods used in, or produced by, industrial uses or related activities, unless such storage is excluded in the applicable district regulations.
6. Accessory off-street parking spaces, open or enclosed, subject to the accessory off-street parking regulations for the district in which the zoning lot is located.
7. Uses clearly incidental to a main use such as, but not limited to, offices of an industrial or commercial complex located on the site of the commercial or industrial complex.
8. Accessory off-street loading, subject to the off-street loading regulations for the district in which the zoning lot is located.
9. Accessory signs, subject to the sign regulations for the district in which the zoning lot is located.

Accessory Building or Accessory Structure: A building or structure customarily incidental and subordinate to the principal structure whether attached or detached and located on the same zoning lot as the principal building. Except as otherwise provided by this Ordinance, an accessory building or accessory structure shall not be used for human habitation or as a dwelling. As used in Article XVI, an accessory structure shall not have a permanent foundation and shall be constructed to be readily movable or removed.

Adult Entertainment: See definitions in Section 1510.01. Words defined there include: adult bookstore, adult mini motion picture theater, adult motion picture theater, adult smoking or sexual paraphernalia store, massage parlor, pool or billiard hall, open dance hall, host or hostess establishment, pawnshop, secondhand store, sauna, hot tub or similar health or body improvement enterprises, pinball or video game arcade or establishment, specified sexual activities, and specified anatomical areas.

Alley: Any **publicly owned and** dedicated public way other than a street, affording a secondary means of access to abutting property and not intended for general traffic circulation.

Alterations: Any change, addition or modification in construction or type of occupancy, or in the structural members of a building, such as walls or partitions, columns, beams or girders, the consummated act of which may be referred to herein as "altered" or "reconstructed."

Amusement Enterprise – A commercially operated business that offers rides, games and other forms of entertainment, whether permanent or temporary. This definition does not apply to Adult Entertainment Facilities as regulated in Section 1510.01.

Apartments: A suite of rooms or a room in a multiple-family building, including bath and kitchen facilities, arranged and intended for a place of residence of a single family.

Applicant: A person who submits an application under one of the procedures therefore in this Ordinance.

Assisted Living Facility: A facility providing housing for elderly or disabled people that provides nursing care, housekeeping, and prepared meals as needed.

Attached Dwelling: A one-family dwelling attached to two (2) or more one-family dwellings by common vertical walls.

Automobile Repair: The general repair, engine rebuilding, rebuilding or reconditioning of motor vehicles; collision service, such as body, frame or fender straightening and repair; overall painting and undercoating of automobiles.

Sec. 201.2. "B".

Basement: That portion of a building, which is partly or wholly below finished grade, but so located that the vertical distance from the average grade to the floor is greater than the vertical distance from the average grade to the ceiling. A basement shall not be counted as a story (see Figure 2-1). A cellar is a basement.

Bed and Breakfast Hotel: An owner-occupied bed and breakfast which has more than ten (10) but less than fifteen (15) sleeping rooms available for transient occupancy, including sleeping rooms occupied by the innkeeper and his/her family, and which may or may not have other commercial facilities for use.

Bed and Breakfast Inn: A single family, owner occupied dwelling unit in which transient guests are provided a sleeping room and board for compensation as an accessory use of the one-family dwelling. A continental or American breakfast, lunch, and/or dinner may be served to overnight guests only. A bed and breakfast inn has ten (10) or less sleeping rooms available for transient occupancy, including sleeping rooms occupied by the innkeeper and his/her family.

Benefit, Recognizable and Substantial: A clear benefit, both to the ultimate users of the property in question and to the community, which would reasonably be expected to accrue, taking into consideration the reasonable foreseeable detriments of the proposed development and use(s), including, without limitation: long-term protection and/or preservation of natural resources and natural features and/or historical and/or architectural features of a significant quantity and/or quality in need of protection or preservation on a local, state and/or national basis; reducing to a significant extent the nonconformity of a nonconforming use or structure so that, to a significant extent, it is rendered more conforming, or less offensive, to the zoning district in which it is situated.

Berm: A mound of earth graded, shaped, and improved with landscaping in such a fashion as to be used for visual and/or audible screening purposes to provide a transition between uses of differing intensity.

Billboard: See definition in Section 2000.1.

Block: The property abutting one side of a street and lying between the two nearest intersecting streets (crossing or terminating); or between the nearest such street and railroad right-of-way, unsubdivided acreage, lake, river or live stream; or between any of the foregoing and any other barrier to the continuity of development, or corporate boundary lines of the municipality.

Bluffline: The line that is the edge or crest of the elevated segment of the shoreline above the beach or riverbank, which normally has a precipitous front, inclining steeply on the shoreline side. Where no elevated segment of the shoreline exists, the bluffline shall be determined as the line of continuous, perennial vegetation nearest the water.

Boarding House/Rooming House: A structure in which furnished rooms, or apartments, are let to lodgers on a temporary basis.

Buffer Strip: A strip of land reserved for plant material, berms, walls, or fencing to serve as a visual and/or sound barrier between properties, often between abutting properties and properties in different zoning districts. Landscaping, berms, fencing, or open space can also be used to buffer noise, light and related impacts from abutting properties even if not in a separately established buffer strip and may be so required by this Ordinance.

Building: Any structure, either temporary or permanent, having a roof supported by columns, walls or other supports, and used or intended for the shelter or enclosure of persons, animals, chattels, or property of any kind, or for the conduct of business. The definition includes but is not limited to: mobile homes, tents, inflatable structures, sheds, garages, greenhouses, and other principal and accessory buildings.

Building Footprint – The area included within surrounding exterior walls excluding courtyards. Areas of a building open to the sky, such as uncovered stairs, decks and patios, are not included in the building area.

Buildable Area – That area of a parcel of land inside the required yards upon which structures may be built or moved.

Building Inspector: The City of South Haven Building Inspector or the Code Enforcement Officer.

Building, Principal (same as Main Building): A building in which is conducted the main or principal use of the lot upon which it is situated.

Sec. 201.3. "C".

Campground: A parcel or tract of land under the control of a person in which sites are offered for the use of the public or members of an organization, either free of charge or for a fee, for the establishment of temporary living quarters for five (5) or more recreational units.

Campsite: An area designated for the exclusive, temporary use of a single recreational unit.

Carry-out Food Establishment: A business establishment so developed that its retail or service character is dependent upon the preparation of food for consumption off the premises.

Carport: A partially open structure, intended to shelter one or more vehicles. Such structures shall comply with all yard requirements applicable to garages.

Cemetery: Property, including crematories, mausoleums, and/or columbariums, used, or intended to be used solely for the perpetual interment of deceased human beings or customary household pets.

Certificate of Occupancy: A document signed by the Building Inspector as a condition precedent to the commencement of a use or the occupancy of a structure or building, which acknowledges that such use, structure, or building, complies with the provisions of the Building Code.

Certificate of Zoning Compliance: A document signed by the Zoning Administrator as a condition precedent to the commencement of a use or the occupancy of a structure or building, which acknowledges that such use, structure, or building, complies with the provisions of the Zoning Ordinance.

Change of Use: A use of a building, structure, or parcel of land, or portion thereof, which is different from the previous use in the way it is classified in this Ordinance or in the Building Code, as amended.

Changeable Message Board: A sign which identifies a business, institution or organization on the premises of which it is located and which contains the name of the business, institution or organization, the names of individuals connected with it, and general announcements of events or activities occurring at the institution or similar messages such as products on sale, the price of a product or a special service opportunity.

Church: A building wherein persons regularly assemble for religious worship and which is maintained and controlled by a religious body organized to sustain public worship, together with all accessory buildings and uses customarily associated with such primary purpose.

Club: An organization of persons or a group of persons associated for a common purpose or a special purpose for promotion or engaging in sports, recreational and social activities, arts, sciences, literature, politics or the like, but not operated for profit and open only to members and not to the general public.

Communication Tower: A radio, telephone or television relay structure including but not limited to monopole, skeleton framework, or other design which is attached directly to the ground or to another structure, used for the transmission or reception of radio, television, microwave, or any other form of telecommunications signals.

Comprehensive Plan: The plan adopted by the Planning Commission pursuant to Public Act 33 of 2008, as amended, including text, maps and graphic proposals indicating the general location for streets, parks, schools, public buildings, and all physical development of the municipality, the relationship of land uses to one another, and includes any unit or part of such plan, and any amendment to such plan or parts thereof.

Condominium Project: Means a plan or project consisting of not less than two (2) condominium units if established and approved in conformance with the Condominium Act (Act 59 of the Public Acts of 1978).

Condominium Master Deed: See Master Deed.

Condominium Subdivision: A division of land on the basis of condominium ownership, pursuant to the Condominium Act and which is not subject to the provisions of the Subdivision Control Act of 1967, Public Act 288 of 1967, as amended.

Condominium Subdivision Plan: The drawings attached to the master deed for a condominium subdivision which describe the size, location, area, horizontal and vertical boundaries and volume of each condominium unit contained in the condominium subdivision, as well as the nature, location and size of common elements.

Condominium Unit: Means that portion of a condominium project or condominium subdivision which is designed and intended for separate ownership and use, as described in the master deed, regardless of whether it is intended for residential, office, industrial, business, recreational, use as a time-share unit, or any other type of use. The owner of a condominium unit also owns a share of the common elements. The term "condominium unit" shall be equivalent to the term "lot", for purposes of determining compliance of the site condominium subdivision with the provisions of this Ordinance pertaining to minimum lot size, minimum lot width, and maximum lot coverage.

Conflict of Interest: Participation by a member of the Zoning Board of Appeals, Planning Commission, or City Council in a public hearing, lobbying, or voting on a matter in which the property in question is owned, leased, rented or is proposed to be developed by the member; is owned or is to be developed by a relative, boss or close friend of the member; or involves a party with whom the member shares a financial interest, such as a partner, borrower, lender, renter or investor; or is property which abuts or is near property owned by the member and the member does not feel he/she can objectively evaluate the request and vote in an unbiased manner. This definition applies to any matter being decided under the Zoning Ordinance. Charter provisions or conflict of interest provisions in other Ordinances shall guide other decisions unless the City Attorney or a Court of Law rules otherwise.

Convalescent or Retirement Facility: A structure whose principal purpose is the provision of sleeping, eating and gathering rooms where persons afflicted with illness, injury, or an infirmity are housed or lodged, often for extended periods of time, and who are furnished with meals and nursing care.

Sec. 201.4. "D".

Day Care Center (Child Care Center): A facility, licensed by the State of Michigan, receiving one or more preschool or school age children for care for periods of less than

24 hours a day, and where the parents or guardians are not immediately available to the child. Child care center or day care center includes a facility, which provides care for not less than two consecutive weeks, regardless of the number of hours of care per day. The facility is generally described as a child care center, day care center, day nursery, nursery school, parent cooperative preschool, play group, or drop-in center. Child care center or day care center does not include any of the following:

1. A Sunday school, a vacation bible school, or a religious instructional class that is conducted by a church or other religious organization where children are in attendance for not greater than 3 hours per day for an indefinite period, or not greater than 8 hours per day for a period not to exceed 4 weeks during a 12-month period.
2. A facility operated by a church or other religious organization where children are cared for while persons responsible for the children are on the premises.

Day Care (Family, Home): A licensed day care center as an accessory use in a private home in which at least 1 but less than 7 minor children are received for care and supervision for periods of less than 24 hours a day, unattended by a parent or legal guardian, except children related to an adult member of the family by blood, marriage, or adoption. Family day care home includes a home that gives care to an unrelated minor child for more than 4 weeks during a calendar year.

Day Care (Group, Home) or Day Nursery: As defined in PA 116 of 1973, MCL 722.111, a "group day care home" means a licensed day care center in a private home as an accessory use in which more than 6 but not more than 12 minor children are given care and supervision for periods of less than 24 hours a day unattended by a parent or legal guardian, except children related to an adult member of the family by blood, marriage, or adoption. Group day care home includes a home that gives care to an unrelated minor child for more than 4 weeks during a calendar year.

Deck: An unroofed structure, generally with a pole or pier foundation, used for outdoor living purposes which may or may not be attached to a building and which protrudes more than four (4) inches above the finished grade. (See Section 1722.)

Deed Restriction: A restriction on the use of a lot or parcel of land that is set forth in the deed and recorded with the County Register of Deeds. It is binding on subsequent owners and is sometimes also known as a restrictive covenant. Unless the City has an ownership interest in the property, a deed restriction is enforced by the parties to the agreement, not by the City.

Density: The number of dwelling units situated on or to be developed on a net acre (or smaller unit) of land, which shall be calculated by taking the total gross acreage and subtracting the area in rights-of-way for streets and roads. (See Figure 2-6 and definitions of Lot Area, Gross and Lot Area, Net).

Detached Dwelling: A dwelling that is not attached to any other dwelling by any means.

Development: A parcel of land with one or more structures and a legal use.

District (or Zone): A portion of the incorporated area of the municipality within which certain regulations and requirements, or various combinations thereof, apply under the provisions of this Ordinance.

Drive-in: A business establishment so developed that its retail or service character is dependent on providing a driveway approach or parking spaces for motor vehicles so as to serve patrons while in the motor vehicle rather than within a building or structure.

Drive Through: A type of accessory service provided by a business that allows customers to purchase products or food without leaving their cars.

Driveway: A means of access for vehicles from a street or approved alley across a lot or parcel to a parking or loading area, garage, dwelling or other structure or area on the same lot, that is located and constructed in accordance with the requirements of this Ordinance and any other requirements of the City, the County Road Commission or State of Michigan (depending on which entity exercises authority over the street from which driveway access is derived).

Dwelling: A structure designed for occupancy by one (1) family for residential purposes that is either permanently affixed to the ground, like a dwelling unit, or is a mobile structure like a travel trailer, or motor home.

Dwelling Unit: A building, or portion thereof, designed as a self-contained unit for occupancy by one (1) family for residential purposes and having bathroom and cooking facilities.

Dwelling, One-Family: A dwelling unit designed for occupancy by one (1) family; also known as a single-family dwelling.

Dwelling, Two-Family: A building containing two (2) dwelling units designed for occupancy by two (2) families living independently of each other; also known as a duplex. A structure with two independent housekeeping units with independent entrances and independent cooking, eating, living, sleeping and sanitary facilities shall be considered a two-family dwelling, unless there is a shared common living area joining the housekeeping units.

Dwelling, Multiple-Family: A building or a portion thereof, designed for occupancy of three (3) or more families living independently of each other. A structure with three or more independent housekeeping units with independent entrances and independent cooking, eating, living, sleeping and sanitary facilities shall be considered a multiple-family dwelling, unless there is a shared common living area joining the housekeeping units.

Sec. 201.5. "E".

Easement: An interest in land that entitles its holder to the limited use of another's property for a specified purpose.

Efficiency Unit: A dwelling unit consisting of one (1) room and having such facilities as kitchen, closets, bathrooms, and hallways in or immediately adjoining such room.

Erected: The word "erected" includes built, constructed, altered, reconstructed, moved upon, or any physical operations on the premises, which are required for a building or structure. Excavation, fill, drainage, and the like, shall be considered a part of erection when done in conjunction with a structure.

Essential Services: The erection, construction, alteration, or maintenance by public utilities or municipal departments of underground, surface, or overhead gas, electrical, steam, fuel or water transmission or distribution systems; collection, telephone, communication, supply or disposal system; including poles, wires, mains, drains, sewers, pipes, conduits, cables, fire alarm and police call boxes, traffic signals and hydrants in connection therewith which are necessary for the furnishing of adequate service by such utilities or municipal departments for the general health, safety, convenience or welfare of the public, but not including towers, or office buildings,

substations, or structures which are enclosures or structures for service equipment, or maintenance depots.

Excavation: Any breaking of ground, except common household gardening and ground care.

Sec. 201.6. "F".

Family: One or two persons or parents, with their direct lineal descendants and adopted or foster children (and including the domestic employees thereof) together with not more than three (3) persons not so related, living together in the whole or part of a dwelling comprising a single housekeeping unit.

Farm: The pursuit of any agricultural activity or the raising of livestock or small animals.

Fence: An accessory structure artificially constructed as a barrier and made of wood, metal, stone, brick, or various manufactured materials, which is usually erected, for the enclosure of yard areas.

Flood Related Definitions: See Section 1612. Words defined there include area of special flood hazard, base flood, development, flood or flooding, floodplain, floodway, flood insurance rate map, flood insurance study, substantial improvement, variance.

Floor Area, Usable (For the purposes of computing parking): That area used for, or intended to be used for, the sale of merchandise or services, or for use to serve patrons, clients, or customers. Such floor area which is used, or intended to be used, principally for the storage or processing of merchandise, hallways, stairways, elevator shafts, restrooms, janitorial services, or for utilities or sanitary facilities shall be excluded from this computation of "Usable Floor Area." Measurement of usable floor area shall be the sum of the horizontal areas of the several floors of the building, measured from the interior faces of the exterior walls.

Frontage: The total continuous length of the front lot line. (See also Lot, Front Lot Line.)

Sec. 201.7. "G".

Garage, Private: An accessory building or accessory portion of a main building designed or used solely for the storage of motor-driven vehicles, boats, motor homes, snowmobiles and similar vehicles owned and used by the occupants of the building to which it is accessory.

Gasoline Service Station: A place for the dispensing, sale or offering for sale of motor fuels directly to users of motor vehicles, together with the sale and installation of minor accessories and services for motor vehicles, including but not limited to oil, grease, batteries, tires, other operational fluids and minor accessories for automobiles, but not including major automobile repair.

Grade, Average: The arithmetic average of the lowest and highest grade elevations in an area within five (5) feet of the foundation line of a building or structure (see Figure 2-3).

Grade, Finished: The lowest point of elevation between the exterior wall of the structure and a line five (5) feet from the exterior wall of the structure.

Grade, Natural: The elevation of the ground surface in its natural state, before man-made alterations.

Group Care (Private, Home): A private residence in which a day care center operator licensed by the State of Michigan permanently resides as a member of the household,

which residency shall not be contingent upon caring for children or employment by a licensed or approved child placing agency. Private home includes a full-time foster family home, a full-time foster family group home, a group day care home, or a family day care home.

Group Day Care Facilities (Large): A facility, other than a private residence, receiving one or more preschool or school age children for care for periods of less than twenty-four (24) hours a day and for not less than two (2) consecutive weeks and where the parents or guardians are not immediately available to the child.

Sec. 201.8. "H".

Hazardous Substance: means one of the following:

1. A chemical or other material, which is or may become injurious to the public health, safety, or welfare or to the environment.
2. "Hazardous substance" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, Public Law 96-510, 94 Stat. 2767.
3. "Hazardous waste" as defined in the Natural Resources and Environmental Protection Act of 1994, as amended, MCL 324.11103.
4. "Petroleum" as defined in the Natural Resources and Environmental Protection Act of 1994, as amended, MCL 324.21303(d)(ii).

Height (Building): In the case of a principal building, the vertical distance measured from the average grade of the site to the highest point of the roof ~~to the average height between eaves and ridge for gable, hip and gambrel roofs~~ (see Figure 2-2). A cupola, widow's watch, or tower that extends above the roof line shall be considered the highest point of the roof surface on roofs with such features. The measurement of the height of an accessory building or structure shall be determined as the greatest vertical distance from the average finished grade of any side to the highest point of the roof surface (see also Section 1708(5) and Section 1732). **Average grade to be determined by a topographic survey if lot variation is ten (10) feet or greater.**

High Risk Erosion Area: An area of shoreline which is determined by the Department of Environmental Quality on the basis of studies and surveys to be subject to erosion and which is designated as such pursuant to the, Natural Resources and Environmental Protection Act, Public Act 451 of 1994, Part 323, as amended.

Home Occupation: An occupation or profession customarily carried on by an occupant of a dwelling unit as an accessory use, which is clearly incidental and secondary to the use of the dwelling unit for residential purposes.

Hotel (or Motel): A building or group of buildings, whether detached or in connecting units, used as temporary individual sleeping units designed primarily for travelers and providing for accessory off-street parking facilities. The term hotel shall include buildings designated as auto courts, hotels, tourist courts, motor courts, motor hotel, and similar appellations. A hotel shall not be considered or construed to be a multiple family dwelling or a Bed and Breakfast Inn or Bed and Breakfast Hotel. Hotels may include restaurants, meeting spaces, ballrooms and banquet halls.

Human Habitat: A place in which a human being lives; a place of abode.

Sec. 201.9. "I".

Improvements: Those features and actions associated with a project which are considered necessary by the body or official granting zoning approval, to protect natural resources, or the health, safety, and welfare of the residents of the City and future users or inhabitants of the proposed project area, including, but not limited to roadways, lighting, utilities, sidewalks, screening, drainage, parking areas, and landscaping.

Sec. 201.10. "J".

Junk: For the purpose of this Ordinance, the term "junk" shall mean any motor vehicles, machinery, appliances, products, or merchandise with parts missing, scrap metals or other trash, rubbish, refuse, or scrap materials that are damaged or deteriorated. It includes any inoperable or abandoned motor vehicle which is not licensed for use upon the highways of the State of Michigan for a period in excess of thirty (30) days, unless it is actively in the process of rehabilitation as an antique car, and shall also include whether so licensed or not, any motor vehicle which is inoperative for any reason for a period in excess of thirty (30) days and which is not in a completely enclosed building. It does not include domestic refuse if stored so as to not create a nuisance and is thirty (30) feet or more from any residential structure for a period not to exceed seven (7) days. It also includes any other material so determined to be "debris" pursuant to Ordinance #731, Section 30-91 of the Code of Ordinances of the City of South Haven.

Junk Yard: An area where waste, used or secondhand materials are bought and sold, exchanged, stored, baled, packed, disassembled or handled, including, but not limited to, scrap iron and other metals, paper, rags, rubber tires and bottles. A "Junk Yard" includes automobile salvage yards and includes any open area of more than two hundred (200) square feet for storage, keeping or abandonment of junk.

Sec. 201.11. "K".

Kennel, Commercial: Any lot or premise on which five (5) or more dogs, cats, or other household pets four (4) months of age or older, are either permanently or temporarily boarded for remuneration, breeding, training, transfer or for sale purposes. **This definition shall include the term "doggy daycare".**

Sec. 201.12. "L".

Loading Space: An off-street space on the same lot with a building, or group of buildings, for the temporary parking of a commercial vehicle while loading and unloading merchandise or materials.

Lodging Rental: A lodging unit secured for transient or temporary occupancy for compensation, which may include but is not limited to, daily fees for a hotel room, motel room, bed and breakfast room, or residential dwelling unit. (See Section 1738).

Landscaping structure: A structure intended as an exterior decoration, often associated with plantings, which is open to the sky, and does not support either a floor or a closed roof, including an arbor, gateway arbor, shade arbor, trellis, retaining wall, raised garden bed, ornamental fence post, pillar, monument or statue.

Lodging Unit: A dwelling unit, hotel, motel, and bed and breakfast room or suite, which is used for temporary or transient lodging in exchange for compensation. Any residential dwelling unit, which is rented for a period of less than 48 hours, or offered or advertised as a daily rental, shall be considered a lodging unit, and its use shall not be classified as a residential use. (See Section 1738).

Lot: Land described in a recorded plat or by metes and bounds description, including a condominium unit in a site condominium subdivision, occupied or to be occupied by a building, structure, land use or group of buildings having sufficient size to comply with the frontage, area, width-to-depth ratio, setbacks, yards, coverage and buildable area requirements of this Ordinance, and having its principal frontage upon a public street or on a private road approved by the City (see Figure 2-4). A lot may or may not be specifically designated as such on public records. A lot may consist of: (a) a single lot of record; (b) a portion of a lot of record; (c) any combination of complete and/or portions of contiguous lots of record; or (d) a parcel of land described by metes and bounds, provided that in no case of a lot division or combination shall the width or depth of any lot or parcel created including residuals be less than that necessary to comply with the requirements of this Ordinance.

Lot Area. The area of a horizontal plane contained within the lot lines and right of way lines of a parcel, not including any area within a public right of way, or the 100 year Flood Plain as established by the Flood Insurance Rate Map promulgated by the Federal Emergency Management Agency as referenced within Section 1613.

Lot, Corner: A lot where the interior angle of two adjacent sides at the intersection of two streets is less than one hundred and thirty-five (135) degrees. A lot abutting upon a curved street or streets shall be considered a corner lot for the purposes of this Ordinance if the arc is of less radius than one hundred and fifty (150) feet and the tangents to the curve, at the two points where the lot lines meet the curve or the straight street line extended, form an interior angle of less than one hundred and thirty-five (135) degrees.

Lot Coverage: The amount of a lot, stated in terms of percentage, which is covered by all buildings, and/or structures located thereon. This shall be deemed to include all buildings, roofed porches, arbors, breezeways, patio roofs, whether open box types and/or lathe roofs, or fully roofed, but shall not be deemed to include fences, walls, or hedges used as fences, unroofed decks (four inches or less above the finished grade) or patios or swimming pools. Lot coverage shall be measured from the drip line of the roof or from the wall or foundation if there is no projecting portion of the roof.

Lot, Depth of: The average distance from the front lot line of the lot to its opposite rear line measured in the general direction of the side lines of the lot (see Figure 2-5).

Lot, Flag: A lot whose access to the public street is by a narrow, private right-of-way that is either a part of the lot or an easement across another property. See Figures 2-4 and 2-7.

Lot Frontage: The length of the front lot line.

Lot, Interior: Any lot other than a corner lot, which, with the exception of a "through lot", has only one lot line fronting on a street (see Figure 2-4).

Lot Lines: The lines bounding a lot as defined herein and illustrated on Figure 2-7:

1. **Front Lot Line:** In the case of an interior lot, that line separating said lot from the street, private road, or other access easement. In the case of a through lot,

that line separating said lot from either street, private road, or other access easement. (See Section 1715). (Amended 1/17/85; Ord. No. 663)

2. Rear Lot Line: That lot line opposite the front lot line. In the case of a through lot or a lot having frontage on more than one street, the line, which is opposite, the street address selected by the owner. In the case of a triangular or otherwise irregularly shaped lot or parcel, an imaginary line at least ten (10) feet in length entirely within the lot or parcel, parallel to and at a maximum distance from the front lot line. (Amended 1/17/85; Ord. No. 663)

3. Side Lot Line: Any lot line other than the front lot line or rear lot line. A side lot line separating a lot from a street is a side street lot line. A side lot line separating a lot from another lot or lots is an interior side lot line.

Lot of Record: A lot which is part of a subdivision and is shown on a plat, or a parcel of land, the dimensions of which are shown on a document or map, or a parcel of land described by survey or metes and bounds which is the subject of a deed or land contract and, in all three cases, that was legally created and legally existing at the effective date of this Ordinance, February 3, 1983, as such lot was depicted and dimensionally configured on such date, and is on file with the County Register of Deeds, or in common use by municipal or county officials and which actually exists as so shown, or any part of such parcel held in an record of ownership separate from that of the remainder thereof. For the purposes of Article XVI, a lot of record only includes lots, which predate the effective date of the high-risk erosion designation.

Lot, Through: Any interior lot having frontage on two more or less parallel streets as distinguished from a corner lot (see Figure 2-4). In the case of a row of through lots, all yards of said lots adjacent to streets shall be considered frontage, and front yard setbacks shall be provided as required.

Lot, Waterfront: A lot having a property line abutting the Black River and/or Lake Michigan.

Lot Width: The horizontal straight-line distance between the side lot lines, measured between the two points where the line establishing the setback for the front yard intersects the side lot lines.

Lot, Zoning: A single tract of land, located within a single block, which, at the time of filing for a building permit, is designated by its owner or developer as a tract to be used, developed, or built upon as a unit, under single ownership or control. A zoning lot shall satisfy this Ordinance with respect to area, size, dimensions, and frontage as required in the district in which the zoning lot is located. A zoning lot, therefore, may not coincide with a lot of record as filed with the County Register of Deeds, but may include one or more lots of record.

Sec. 201.13. "M".

Main Building: A building in which is conducted the principal use of the lot upon which it is situated.

Major Thoroughfare: A public street, the principal use or function of which is to provide an arterial route for through traffic, with its secondary function the provision of access to abutting property. A street with a nonresidential character.

Marina: A boat basin with facilities for berthing and securing all types of recreational craft, providing adequate supplies, provisions and service and fueling facilities, and repair and storage of boats.

Marine Terminal: A dock, pier, landing, structure, or property, which provides access from land to a water, based business.

Master Deed: The document recorded as part of a condominium subdivision to which are attached as exhibits and incorporated by reference the approved bylaws for the condominium subdivision and the condominium subdivision plan.

Mezzanine: An intermediate floor in any story occupying not to exceed one-third (1/3) of the floor area of such story.

Minor Thoroughfare: A public street identified as a secondary street or road on Figure 2-8.

Mobile Home: A structure, transportable in one or more sections, which is built on a chassis and designed to be used as a dwelling with or without permanent foundation, when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained in the structure. The term mobile home shall not include pick-up campers, travel trailers, motor homes, modular homes, recreational vehicles, recreational unit, converted buses, tent trailers, or other transportable structures designed for temporary use.

Mobile Home Park: A parcel or tract of land under the control of a person upon which 3 or more mobile homes are located on a continual, nonrecreational basis and which is offered to the public for that purpose regardless of whether a charge is made therefore, together with any building, structure, enclosure, street, equipment, or facility used or intended for use incident to the occupancy of a mobile home.

Mobile Home Site: An area designated for the exclusive use of a single mobile home or recreational unit.

Modular (Pre-Manufactured) Housing Unit: A dwelling unit constructed solely within a factory, as a single unit, or in various sized modules or components, which are then transported by truck or other means to a site where they are assembled on a permanent foundation to form a single-family dwelling unit, and meeting all codes and regulations applicable to conventional single-family home construction.

~~Motel: A building or group of buildings, whether detached or in connecting units, used as individual sleeping or dwelling units designed primarily for transient automobile travelers and providing for accessory off-street parking facilities. The term motel shall include buildings designated as auto courts, tourist courts, motor courts, motor hotel, and similar appellations, which are designed as integrated units of individual rooms under common ownership. A motel shall not be considered or construed to be a multiple family dwelling. See Hotel~~

Motor Home: A self-propelled, licensed vehicle prefabricated on its own chassis, intended for recreational activities and temporary occupancy.

Moveable Structure, Easily: An accessory structure, which is smaller than two hundred twenty-five (225) square feet; is not built on a slab; does not have a permanent foundation; and is easily removable.

Moveable Structure, Readily: A small permanent structure (greater than two hundred twenty-five square feet and less than three thousand five hundred square feet) which is designed, sited, and constructed to accomplish relocation at a reasonable cost relative to other structures of the same size and construction. Access to and from the site shall be of sufficient width and acceptable grade to permit the structure to be relocated. New

construction and installations shall meet the following criteria to be considered readily moveable structures:

1. The buildings shall be on pilings, a basement, or crawl space. Except as noted below, a slab-on-grade foundation does not meet this criterion.
2. Above-grade walls shall be stud wall construction. Above-grade walls that are constructed of masonry, including stone walls, concrete poured or concrete block walls, and brick veneer walls do not meet this criterion.

Existing permanent structures shall be considered readily moveable structures if the cost of relocation landward of the required setback distance is not more than 25% of the replacement cost of the structure (including any added cost of land) or if the existing structure meets the criteria for new construction in this subdivision. A 1- or 2-car garage which is bolted to a slab foundation, which does not have living space within or above the structure, and which does not have plumbing or interior walls shall be considered a readily moveable structure if it meets the remainder of the requirements specified in this subdivision. Septic systems, tile fields, or other waste-handling facilities are not readily moveable structures.

Municipality: The City of South Haven, Michigan.

Sec. 201.14. "N"

Nonconforming Building: A building or portion thereof that does not conform to the provisions of this Ordinance in the district in which it is located.

Nonconforming Lot: **An existing lot of record that does not conform to the area and/or dimensional provisions of this Ordinance in the district in which it is located.**

Nonconforming Lot of Record: A lot legally created and legally existing at the effective date of this Ordinance, February 3, 1983, that does not conform to the area and/or dimensional provisions of this Ordinance in the district in which it is located.

Nonconforming Structure: A structure or portion thereof that does not conform to the provisions of this Ordinance in the district in which it is located. Within Article XVI, it means a permanent structure which does not conform to the required setback distance at the time of high-risk erosion area designation or which became nonconforming due to erosion or became nonconforming due to a change in the required setback distance. Permanent structures that are constructed within the High Risk Erosion Overlay Zone in violation of the requirements of Article XVI shall not be considered to be nonconforming structures.

Nonconforming Use: A use that does not conform to the use **provisions of this Ordinance** in the district in which it is located.

Nuisance: An offensive, annoying, unpleasant or obnoxious thing or practice, a cause or source of annoyance, especially a continuing or repeating invasion of any physical characteristics of activity or use across a property line which can be perceived by or affects a human being, or the generation of an excessive or concentrated movement of people or things such as, but not limited to noise, dust, smoke, odor, glare, fumes, flashes, vibration, shock waves, heat, electronic or atomic radiation, objectionable effluent, noise of congregation of people (particularly at night), passenger traffic, and invasion of nonabutting street frontage by traffic.

Nursery, (Plant Materials): A space, building or structure, or combination thereof, for the storage of live trees, shrubs or plants offered for retail sale on the premises, including products used for gardening or landscaping. The definition of nursery within the meaning of this Ordinance does not include any space, building, or structure used for the sale of fruits, vegetables, or Christmas trees.

Sec. 201.15. "O".

Off-Street Parking Lot: A facility providing vehicular parking spaces, along with adequate drives and aisles for maneuvering, so as to provide access for entrance and exit for the parking of more than three (3) vehicles.

Open Air Business: A business where the goods offered for sale are displayed outside a building. Buildings on the property shall be incidental and used for office space only. This definition does not include seasonal open air businesses as regulated in Section 1731.

Open Space, Common: An area of land in a development, the use of which is limited to landscaping, conservation and recreational purposes and which is held for the collective use and enjoyment of the owners, tenants, or occupants of a single development, or by others if so authorized by this Ordinance or other municipal action.

Open Space, Dedicated: Common open space dedicated as a permanent recorded easement, or other means of permanent dedication that runs with the deed.

Ordinary High Water Mark: The line between upland and bottomland which persists through successive changes in water levels below which the presence and action of the water is so common or recurrent that the character of the land is marked distinctly from the upland and is apparent in the soil itself, the configuration of the surface of the soil, and the vegetation. Pursuant to the Natural Resources and Environmental Protection Act, Public Act 451 of 1994, Part 325, formerly the Great Lakes Submerged Lands Act, P.A. 247 of 1955, as amended, the ordinary high water mark for Lake Michigan is 580.5 feet above sea level, International Great Lakes Datum of 1985.

Owner: The owner of the premises or lesser estate in the premises, a mortgagee or vendee in possession, an assignee of rents, receiver, executor, trustee, lessee, or any other person, sole proprietorship, partnership, association, or corporation directly or indirectly in control of a building, structure, or real property, or his or her duly authorized agent.

Sec. 201.16. "P".

Parcel: A lot described by metes and bounds or described in a recorded plat, or as used in Article XVI, a continuous area or acreage of land, which is under the same ownership at the time of the high-risk erosion area designation.

Park: A parcel of land, building or structure used for recreational purposes including but not limited to playgrounds, sport fields, game courts, beaches, trails, picnicking areas, and leisure time activities.

Parking Spaces: An area of definite length and width used for the parking of a motor vehicle. Said area shall be exclusive of drives, aisles, or entrances giving access thereto, and shall be fully accessible for the parking of permitted vehicles.

Permanent Foundation: As used in Article XVI, a foundation for a structure that includes all frost-free foundations as regulated by the building code as well as concrete block,

poured concrete, and slabs or other materials used to support the walls of a building, even if they do not extend down below the frost free line.

Permanent Structure: As used in Article XVI, any one (1) of the following structures that is erected, installed, or moved on a parcel of property:

1. A residential building.
2. A commercial building.
3. An industrial building.
4. An institutional building.
5. A mobile home.
6. Accessory and related buildings.
7. Septic systems.
8. Tile fields.
9. Other waste handling facilities.

A permanent structure shall be considered small if it has a foundation size of three thousand five hundred (3,500) square feet or less and less than five (5) individual living units. All other permanent structures shall be considered large. The term does not include recreational vehicles, travel trailers, or other recreational units. The term also does not include accessory structures, which have less than two hundred and twenty five (225) square feet, which are used for picnicking, storing of recreational, or lawn equipment, and which are constructed in a manner that facilitates easy removal. The accessory structure shall not have a permanent foundation and shall not be used as a residential facility.

Person: Means an individual, partnership, association, trust, or corporation, or any other legal entity or combination of legal entities.

Personal Service Business - A business or use which provides routine and common service to the public including, but not necessarily limited to, barber shops, hair salons, dry cleaners, tailors, shoe repair and craftsman, not including the sale of products except where incidental to the principal service-oriented use.

Planned Shopping Center – A group of architecturally unified commercial facilities and parking on a site that is centrally owned or managed, designed and operated as a unit.

Planned Unit Development: A tract of land or lot, developed under single ownership or management as a separate neighborhood or community unit. The development shall be based on an approved site plan, which allows flexibility of design not available under normal zoning district requirements. The plan may contain a mixture of housing types, common open space, and other land uses as provided in this Ordinance.

Plat: A map of a subdivision of land recorded with the County Register of Deeds pursuant to Public Act 288 of 1967, or a prior statute.

Plot Plan: A drawing showing the proposed placement of a new building, dwelling structure or use, or an addition to a building, structure, or use on a parcel of land. See Section 2102.

Porch: A roofed open area, which may be screened, usually attached to or part of and with direct access to or from a building. A porch becomes a room when the enclosed space is heated or air-conditioned and when the percentage of window area to wall area is less than fifty (50) percent.

Principal Structure: As used in Article XVI, the main building on a lot or parcel, including but not limited to, residential, commercial, industrial, institutional structures and mobile homes. In the high-risk erosion areas described in this Ordinance, principal structure also includes septic systems, tile fields, any on-site waste handling facility, garages and any other building designed and intended for permanent use.

Principal Use: The primary or predominant use of any lot or parcel of land.

Private Road: A private way or means of approach to provide access to two (2) or more abutting lots, and which is constructed and maintained by the owner or owners and is not dedicated for general public use.

Professional Service Business - Businesses of an executive, administrative, or professional nature, including but not necessarily limited to, certified public accountants, engineers, chiropractors, dentists, osteopaths, physicians and surgeons, podiatrists, chiropodists, architects, attorneys at law, physical therapists, and life insurance agents.

Public Facilities: Public facilities include, but are not limited to parks, administrative offices, fire and police facilities, libraries, museums, recreational centers, indoor and outdoor storage areas for materials, public equipment and buildings for essential public services (including but not limited to electric substations, telephone substations, gas regulator stations). Public schools providing K-12 or post high school education are not included as public facilities in this Section (see Section 1510.31).

Public Utility: A person, firm or corporation, municipal department, board or commission, duly authorized to furnish and furnishing under federal, State, or municipal regulations to the public: gas, steam, electricity, sewage disposal, communication, telephone, telegraph, transportation, or water.

Sec. 201.17. "Q".

Reserved.

Sec. 201.18. "R".

Ramp: A sloping walkway, roadway, or passage used to join and provide a smooth transition between two levels of different elevation, including between land and water at a boat-launching site.

Recession Rate: A quantitative measure of the landward movement of the zone of active erosion determined on the basis of the shoreland erosion studies conducted under the Natural Resources and Environmental Protection Act, Public Act 451 of 1994, Part 323, as amended, and expressed in terms of an annual average rate.

Recreation Center - A publicly or privately owned business which is open to the public where meetings are held, sports are played and activities made available for diverse ages and capabilities.

Recreational Unit: A tent or vehicular-type structure, primarily designed as temporary living quarters for recreational, camping, or travel use, which either has its own motive power or is mounted on or drawn by another vehicle, which is self, powered. A tent means a collapsible shelter of canvas or other fabric stretched and sustained by poles and used for camping outdoors.

Recreational unit includes but is not limited to the following:

1. Travel trailer, which is a vehicular portable structure, mounted on wheels, of such a size or weight as not to require special highway movement permits when drawn by a vehicle, primarily designed and constructed to provide temporary living quarters for recreational, camping, or travel use.
2. Camping trailer, which is a vehicular portable structure, mounted on wheels and constructed with collapsible partial sidewalls of fabric, plastic, or other pliable material which fold for towing by another vehicle and unfold at the campsite to provide temporary living quarters for recreational, camping, or travel use.
3. Motor home, which is a vehicular structure built on a self-propelled motor vehicle chassis, primarily designed to provide temporary living quarters for recreational, camping, or travel use.
4. Truck camper, which is a portable structure built on a self-propelled motor vehicle chassis, primarily designed to provide temporary living quarters for recreational, camping, or travel use.
5. Truck camper, which is a portable structure designed to be loaded onto, or affixed to the bed or chassis of a truck, constructed to provide temporary living quarters for recreational, camping, or travel use. Truck campers are of two (2) basic types:
 - a. Slide-in camper, which is a portable structure designed to be loaded onto and unloaded from the bed of a pickup truck, constructed to provide temporary living quarters for recreational, camping, or travel use.
 - b. Chassis-mount camper, which is a portable structure designed to be mounted on a truck chassis, and constructed to provide temporary living quarters for recreational, camping, or travel use.
6. Boats, or other recreational units, which have the characteristics of the definition of recreational unit but are not listed above.

Recreation Uses: shall include, but need not be limited to, the following:

- a. **Miniature golf.**
- b. **Animal racing, go-cart, automobile or motorcycle tracks.**
- c. **Amphitheatres.**
- d. **Amusement and water parks.**
- e. **Airgun or survival games.**
- f. **Amusement parks**
- g. **Resorts**
- h. **Fairgrounds**
- i. **Batting cages**
- j. **Ski slope**
- k. **Skate board park**
- l. **Flea markets**

- m. Uses similar to the above uses
- n. Uses accessory to the above uses, such as refreshment stands, retail shops selling items related to the above uses, maintenance buildings, office for management functions, spectator seating and service areas, including locker rooms and rest rooms.

Repair: The reconstruction or renewal of any part of an existing building for the purpose of maintenance.

Required Setback Distance: As used in Article XVI, the least distance a permanent structure can be constructed from the bluffline without a special exception.

Residence Hotel: A building, or part of a building, with a common entrance or entrances, in which rooms are rented primarily for long term occupancy, and in which one or more of the following services are offered: maid service, furnishing of linen, telephone, secretarial or desk service, bellboy service and meals in a common eating area. A residence hotel may include a restaurant, or cocktail lounge, public banquet halls, ballrooms or meeting rooms and recreational facilities. A residence hotel is a type of hotel.

Resort: A place of typically seasonal entertainment, recreation, and/or lodging. Resort lodging, if provided, may include hotels, motels, single or multiple-family residential dwelling units, cottages, campgrounds, bed and breakfasts, or some combination, as regulated by appropriate sections of this Ordinance.

Restaurant: An establishment where food is prepared and served for consumption within the principal building, with or without carry-out services.

Restoration: The reconstruction or replication of an existing building's original architectural features.

Retail Businesses – Businesses selling goods or commodities in small quantities directly to consumers. This definition does not include wholesale distributors.

Right-of-Way: A street, alley, or other thoroughfare or easement permanently established for passage of persons, vehicles, or the location of utilities. The right-of-way is delineated by legally established lines or boundaries.

Sec. 201.19. "S".

Satellite Antenna: See definition in Section 1729.1.

Seasonal Mobile Home Park: A parcel or tract of land under the control of a person upon which three (3) or more mobile homes are located on a continual or temporary basis but occupied on a temporary basis only, and which is offered to the public for that purpose regardless of whether a charge is made therefore, together with any building, enclosure, street, equipment, or facility used or intended for use incident to the occupancy of a mobile home. Seasonal mobile home park does not include a campground licensed pursuant to sections 12501 to 12516 of the public health code, Act No. 368 of the Public Acts of 1978, being sections 333.12501 to 333.12516 of the Michigan Compiled Laws.

Setback: The distance required to obtain minimum front, side or rear yard open space provisions of this Ordinance.

Setback Line: As used in Article XVI, the line which is the required setback distance landward of the bluffline and which is the lakeward limit for the construction of permanent structures without a special exception.

Screen: A structure providing enclosure, such as a fence, and a visual barrier between the area enclosed and the adjacent property. A screen may also be non-structural, consisting of shrubs or other growing materials.

Shoreland: The land, water and land beneath the water, which is in close proximity to the shoreline of Lake Michigan.

Shoreline: That area of shorelands where land and water meet.

Shore Protection Structure: Any structural or physical method used to control shoreland erosion processes. Shore protection structures include, but are not limited to, structures such as seawalls, revetments or bulkheads, and may also include any type of beach nourishment by filling.

Sign: A device, structure, fixture, or placard using graphics, symbols, and/or written copy designed specifically for the purpose of advertising or identifying an establishment, product, service, or activity. Definitions of specific types of signs are found in Section 2001.

Site Condominium Subdivision: Means a condominium subdivision which includes units with building envelopes or which grants the owner the right to construct a structure.

Site Plan: A plan showing all salient features of a proposed development, so that it may be evaluated in order to determine whether it meets the provisions of this Ordinance. A plot plan depicts a subset of the information required by this Ordinance for a site plan (see Article XIV).

Special Land Use: A use of land whose characteristics may create a nuisance or nuisance-like impacts on adjoining lands unless carefully sited according to standards established in this Ordinance (see Article XV). Approval for establishing a special land use is indicated by issuance of a Special Use Permit.

Special Use Permit: A permit issued by the City Planning Commission to a person or persons intending to undertake the operation of an activity upon land or within a structure specifically permitted as a special land use pursuant to standards and procedures established in Article XV.

Stop Work Order: An administrative order, which is either posted on the property or mailed or personally delivered to the property owner, which directs a person not to continue, or not to allow the continuation of an activity, which is in violation of this Ordinance.

Story: That part of a building, except a mezzanine as defined herein included between the surface of one floor and the surface of the next floor, or if there is no floor above, then the ceiling next above. A basement shall not be counted as a story (see Figure 2-1).

~~**Story, Half:** An uppermost story lying under a sloping roof with the floor height at or above the level of the roof eave.~~

Street: A publicly **owned and** dedicated right-of-way, other than an alley, ~~or an approved private road or easement~~, which affords the principal means of access to abutting property.

Structure: Anything fabricated, constructed or erected, the use of which requires fixation or placement in, on or attachment to something having location on the ground including but not limited to all buildings, independently supported decks, satellite dishes and free-standing signs; excepting anything lawfully in a public right-of-way including but not limited to utility poles, sewage pumping stations, utility manholes, fire hydrants, electric transformers, telephone boxes, and related public facilities and utilities defined as essential public services.

Subdivision: The division of a lot, tract, or parcel of land into more lots for the purpose of sale or development, and subject to the requirements of Public Act 288 of 1967, as amended, this Ordinance and the requirements of Chapter 78 of the Code of Ordinances of the City of South Haven.

Substandard Lot or Parcel: Also known as "nonconforming" lot or parcel. A lot or parcel of record or a lot or parcel which is described in a land contract or deed that is executed and delivered before the designation of a high risk erosion area and which does not have adequate depth to provide the required setback distance from the bluffline for a permanent structure. The term also means those lots which are legally created after the designation of a high-risk erosion area and which have sufficient depth to meet setback requirements for permanent structures, but which subsequently become substandard due to erosion processes or become substandard due to a change in the required setback distance.

Swimming Pool: Means any structure or container located either above or below grade designed to hold water to a depth of greater than twenty-four (24) inches, intended for swimming or bathing.

Sec. 201.20. "T".

Temporary Dwelling Unit: A dwelling unit occupied continuously for less than six (6) months of the year, or a dwelling unit occupied intermittently for less than fifteen (15) days of each month. A dwelling unit, which is occupied more than one hundred-eighty (180) days per year, is not a temporary dwelling unit. A dwelling unit used to gain residency, as a mailing address, or for a homestead tax exemption is not a temporary dwelling unit.

Temporary Use or Building: A use, building, or structure permitted by procedures established in this Ordinance, to exist during a specified period of time.

Traffic Impact Study: This and various terms related to this one are defined in Section 1737.2 including the following: development, average day, gap (critical gap), level of service, peak hour, study area, traffic impact study, trip (i.e. directional trip).

Travel Trailer: A recreational unit designed to be used for temporary residence purposes.

Sec. 201.21. "U".

Underground Storage Tank: A tank or combination of tanks, including underground pipes connected to the tank or tanks, which is, was, or may have been used to contain hazardous substances, and the volume of which, including the volume of the underground pipes connected to the tank or tanks, is ten percent (10%) or more beneath the surface of the ground.

Use: The principal purpose for which land or a building is arranged, designed, or intended, or for which land or a building is or may be occupied.

Sec. 201.22. "V".

Variance: A modification of the literal provisions of the Zoning Ordinance, granted by the Zoning Board of Appeals, when standards established in Article XXII of this Ordinance have been met.

These standards seek to ensure that no variance is granted unless: (a) strict enforcement of the Zoning Ordinance would cause practical difficulty or unnecessary hardship, (b) would not be contrary to the public interest, (c) there are circumstances unique to the individual property on which the variance is granted, and (d) the variance request is not due to actions of the applicant.

Vicious Animal: Any animal that attacks, bites, or injures human beings or domesticated animals without adequate provocation, or which because of temperament, conditioning, or training, has a known propensity to attack, bite, or injure human beings or domesticated animals. (See Section 1739.)

Sec. 201.23. "W".

Wall, Obscuring: A structure of definite height and location to serve as an obscuring screen in carrying out the requirements of this Ordinance.

Water Based Business: Any business in which the proprietor, employee(s) or customer(s) physically board a ship, boat, barge or vessel at a marine terminal, including, but not limited to dinner boats, charter boats, passenger service, boat tours, watercraft rentals, and commercial fisheries.

Wild Animal: Any living member of the animal kingdom, including those born or raised in captivity, except the following: human beings, domestic dogs (excluding hybrids with wolves, coyotes, or jackals), domestic cats (excluding hybrids with ocelots or margays), rodents, any hybrid animal that is part wild, and captive-bred species of common cage birds. (See Section 1739.)

Sec. 201.24. "X".

Reserved.

Sec. 201.25. "Y".

Yards: The open spaces on the same lot with a main building unoccupied and unobstructed from the ground upward, except as otherwise provided in this Ordinance and as defined herein (see Figure 2-7):

1. Front Yard: An open space extending the full width of the lot, the depth of which is the minimum horizontal distance between the front lot line and the nearest wall of the main building. (Amended 1/17/85; Ord. No. 663)
2. Rear Yard: An open space extending the full width of the lot, the depth of which is the minimum horizontal distance between the rear lot line and the nearest wall of the main building. In the case of a corner lot, the rear yard may be opposite either street frontage. In the case of a waterfront lot, the rear yard shall be defined by the minimum horizontal distance between the nearest wall of the main building and the 100 year Flood Elevation line established by the Flood Insurance Rate Map promulgated by the Federal Emergency Management Agency as referenced within Section 1613.
3. Side Yard: An open space between a main building and the side lot line, extending from the front yard to the rear yard, the width of which is the horizontal

distance from the nearest point on the side lot line to the nearest wall of the main building.

Sec. 201.26. "Z"

Zone of Active Erosion: The area of the shoreland where the disturbance or loss of soil and substrate has occurred with sufficient frequency to cause unstable slopes or prevent vegetation of the area.

Zoning Administrator: The City of South Haven Zoning Administrator hired for the purpose of carrying out certain duties and responsibilities as defined in this Ordinance.

Zoning Board of Appeals: The body appointed by the City Council to hear appeals by any aggrieved party by a decision or order of the Zoning Administrator, or where it is alleged that the literal enforcement of this Ordinance would involve practical difficulties or would cause unnecessary hardship to the property owner.

Zoning Permit: A document signed by the Zoning Administrator according to procedures established in this Ordinance, as a condition precedent to the commencement of a use, or the erection, construction, reconstruction, restoration, alteration, conversion, or installation of a structure or building, that indicates that a site plan, plot plan, and/or other zoning application or request for special zoning approval or variance for a use, structure or building has been reviewed and determined to comply with the requirements of this Ordinance and the conditions which may be attached to the variance, site plan approval or special use permit.

**FIGURE 2-1
BASEMENT AND STORY**

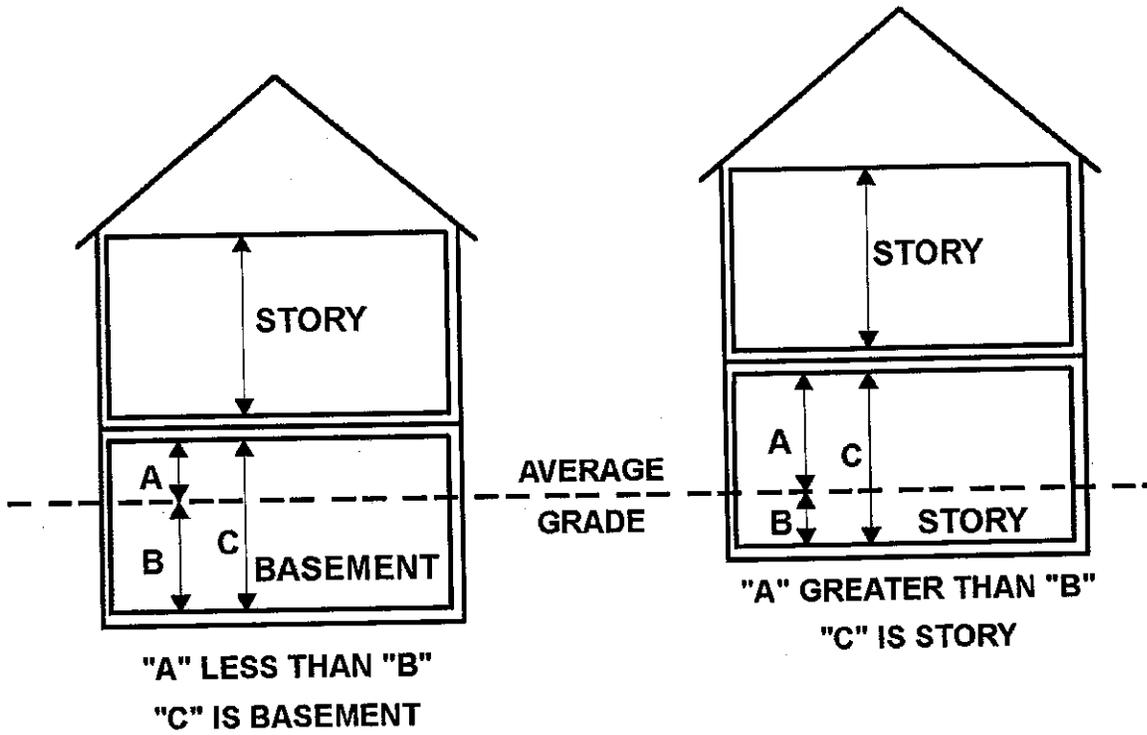
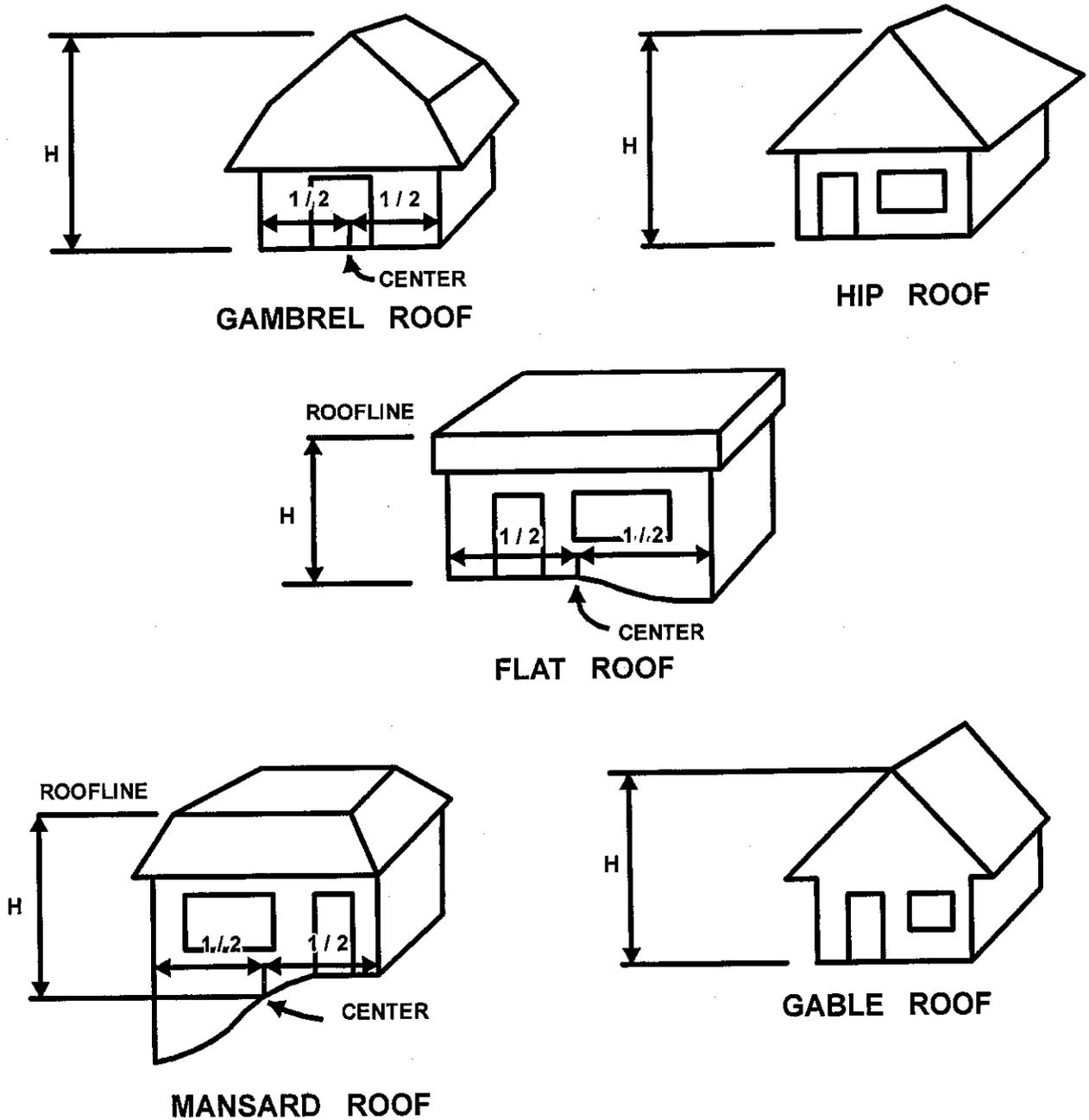


FIGURE 2-2

BUILDING HEIGHTS



**ARTICLE IV
R-1A, R-1B, AND R-1C SINGLE FAMILY RESIDENTIAL
AND R-2 RESIDENTIAL DISTRICTS**

SECTION 400. INTENT

3. The R-1A, R-1B and R-1C Single-Family Residential Districts are designed to preserve the character of the single-family residential neighborhoods in the City from intrusion by incompatible land uses. R-1A districts are typically areas of the City originally platted as 50 foot wide lots, and the setback regulations are designed to permit development similar to the character of existing land uses. R-1B districts are made up of areas of the City where there are typically larger lots than 50 feet in width, with 66 feet as a typical lot width. R-1C districts are cottage districts which typically have smaller lots than 50 feet in width and have dense development. In all of these districts, it is the intent of this ordinance to allow development which fits the existing characteristics and patterns of development. **Single Family residential structures with more than three (3) bedrooms will need the plans reviewed by the city engineer prior to the issuance of the zoning permit.**

SECTION 401. R-1A, R-1B AND R-1C USE REGULATIONS

Land, buildings and structures in the R-1 zoning district may be used for the following purposes only:

1. One-family detached dwellings.
2. Two-family dwellings which were erected prior to the effective date of the amendment which added this provision. Thereafter, no new two-family dwellings, or conversions to two-family dwellings are permitted in this district.
3. Farms in existence on the effective date of this Ordinance are allowed by right, all others by special use permit (see Section 1510.12.)
4. Publicly owned and operated libraries, parks, recreational facilities, and municipal parking lots by special use permit.
5. Cemeteries which lawfully occupied land in this district at the time of adoption of this Ordinance.
6. Churches and other facilities normally incidental thereto when authorized as a special land use. In considering such authorization, the Planning Commission shall ensure compliance with the standards in Article XV:
7. Public, charter, parochial and private schools offering courses in general education, when authorized as a special land use by the Planning Commission. In considering such authorization, the Planning Commission shall ensure compliance with the standards of Article XV.
8. Family day care home with fewer than seven (7) children or adults is permitted. Nursery schools, day nurseries and group day care homes for over six (7) children or adults, not including dormitories, when authorized by the Planning Commission as a special land use. In considering such authorization, the Planning Commission shall ensure compliance with the standards of Article XV.
9. Private noncommercial recreation areas, institutional or community recreation centers, nonprofit swimming pool clubs when authorized as a special land use by the Planning Commission. In considering such authorization, the Planning Commission shall ensure compliance with Article XV.

10. Golf courses when authorized as a planned unit development. In considering such authorization, the Planning Commission shall ensure compliance with the standards in Section 1510.15 and Article XIII:
11. Home occupations, as defined in Section 201, and which meet the requirements which follow, are not required to obtain a special use permit, all others are only permitted when authorized as a special land use by the Planning Commission according to the standards in b., which follow:
 - a. No special use permit is required if the home occupation meets the following standards:
 - 1) No customers or clients visit the property to do business.
 - 2) No parking of commercial vehicles, equipment or trucks.
 - 3) No shipping or receiving of merchandise or freight which is obtrusive to neighbors.
 - 4) No storage of material, products, or other business related items in a garage, accessory building, or outdoors.
 - 5) No signage.
 - 6) No visible evidence of business activity from outside the home.
 - b. In considering authorization for a special use permit for a home occupation, the Planning Commission shall ensure compliance with the following standards and those in Article XV:
 - 1) Said home occupation shall not exceed ten (10) percent of the gross floor area of any floor of the residential structure.
 - 2) There shall be no alteration in the residential character or function of the premise in connection herewith nor shall any garage or parking area be used in connection herewith.
 - 3) An identification sign shall not exceed two (2) square foot in area and shall be mounted flush to the main structure. **The planning commission may waive this size requirement in cases where the dwelling is over thirty (30) feet from the street right-of-way.**
 - 4) The sale of a commodity or stock in trade sold or stored upon the premises shall only be incidental to the specific home occupation.
 - 5) No person not residing on the premises shall be employed in connection with the home occupation.
 - 6) There shall be no equipment or machinery used in connection with a home occupation which is industrial in nature.
 - 7) No home occupation shall be permitted to be established or continued when the same is objectionable as determined by the Planning Commission due to noise, dust, smoke, odor, vibrations, light, traffic congestion, reduction of the living environment, or other impacts detrimental to the neighborhood in which it is located.
12. Planned Unit Development which contains the following uses or mix of uses and as regulated in Article XIII:
 - a. Single-family dwellings.
 - b. Golf courses, tennis clubs, athletic clubs, and other recreational uses.
 - c. Parks and playgrounds.
13. Accessory buildings and structures customarily incidental to the above permitted uses.
14. Museums
15. Model homes including sales office(s) are permitted in subdivisions, condominium developments and planned unit developments and shall comply with the following standards:
 - a. The model home shall be used solely as a sales and promotion office for the development in which the home is located. The model home shall not be used to conduct other business, or as a model home to promote sales in other developments.

- b. The model home requires a temporary zoning permit. The Zoning Administrator may issue temporary zoning permits for up to either three (3) model homes or a number equal to one (1%) percent of the total number of units within the development, whichever is less, with a minimum of one (1) model home permitted per development. Temporary zoning permits shall not be issued until roads, water supply, sewage disposal, storm drainage, and other utilities and infrastructure to service the site used for the model home(s) are completed and determined to be acceptable for use. Certificates of occupancy for model homes shall be limited to model and sales office purposes only and not for habitation.
- c. The model home must be located within the boundaries of the approved development and must comply with all requirements, conditions and stipulations of the development approval, zoning ordinance, and other city, county, state and federal regulations which may apply.
- d. The model home shall be maintained to appear as a home at all times.
- e. Use of the model home for sales and promotion shall cease as soon as fifty (50%) percent of the lots, condominiums, or units are sold or leased, or within two (2) years of the home's occupancy as a model home, whichever occurs first, whereupon the model home shall be offered for sale.
- f. One (1) identification sign shall be permitted subject to the following regulations
 - 1) The sign shall not exceed six (6) square feet in area
 - 2) The sign shall be mounted to the structure or freestanding within five (5) feet of the building
 - 3) If freestanding the sign may be no more than six (6) feet in height
 - 4) The sign may not be illuminated

SECTION 402. R-1A AREA REQUIREMENTS

No building or structure, nor the enlargement of any building or structure, shall be hereafter erected unless the following yards, lot area, and building coverage requirements are provided and maintained in connection with such building, structure, or enlargement.

1. **Front Yard** - There shall be a front yard of no less than fifteen (15) feet, or the average of the front setbacks of the two principle structures on the properties directly adjacent to and fronting on the same right-of-way as the property in question, except that the front setback shall not be less than 10 feet when calculated as an average of the adjacent structure setbacks. If the adjacent property is vacant or the property is on a corner lot, fifteen (15) feet shall be used as the amount for that side when calculating the average. (Amended 10/4/03, Ord. 919)
2. **Side Yard** - There shall be total side yards of fifteen (15) feet, provided that no yard shall be less than three (3) feet.
3. **Rear Yard** - There shall be a rear yard of no less than twenty-five (25) feet.
4. **Lot Area and Width** - The minimum lot area and width for all uses in this District, unless specified elsewhere, shall be five thousand (5000) square feet and fifty (50) feet, respectively.
5. **Maximum Lot Coverage** - The lot area covered by all buildings shall not exceed 40%.

SECTION 403. R-1B AREA REQUIREMENTS

No building or structure, nor the enlargement of any building or structure, shall be hereafter erected unless the following yards, lot area, and building coverage requirements are provided and maintained in connection with such building, structure, or enlargement.

1. **Front Yard** - There shall be a front yard of no less than twenty-five (25) feet, or the average of the front setbacks of the two principle structures on the properties directly adjacent to and fronting on the same right-of-way as the property in question, except that the front setback shall not be

less than 10 feet when calculated as an average of the adjacent structure setbacks. If the adjacent property is vacant or the property is on a corner lot, twenty-five (25) feet shall be used as the amount for that side when calculating the average. (Amended 10/4/03, Ord. 919)

2. **Side Yard** - There shall be total side yards of twenty (20) feet, provided that no yard shall be less than eight (8) feet.
3. **Rear Yard** - There shall be a rear yard of no less than twenty-five (25) feet.
4. **Lot Area and Width** - The minimum lot area and width for all uses in this District, unless specified elsewhere, shall be eight thousand four hundred (8,400) square feet and sixty-six (66) feet, respectively. **Flag lots shall have a minimum of 20 feet of street frontage and shall widen to the minimum lot width no more than one hundred (100) feet from the right-of-way.**
5. **Maximum Lot Coverage** - The lot area covered by all buildings shall not exceed 35%.

SECTION 404. R-1C AREA REQUIREMENTS

No building or structure, nor the enlargement of any building or structure, shall be hereafter erected unless the following yards, lot area, and building coverage requirements are provided and maintained in connection with such building, structure, or enlargement.

1. **Front Yard** - There shall be a front yard of no less than three (3) feet.
2. **Side Yard** - There shall be side yards of no less than three (3) feet in width.
3. **Rear Yard** - There shall be a rear yard of no less than three (3) feet.
4. **Lot Area and Width** - The minimum lot area and width for all uses in this District, unless specified elsewhere, shall be two thousand one hundred seventy eight (2,178) square feet and thirty three (33) feet, respectively.

SECTION 405. R-1A, R-1B AND R-1C HEIGHT REGULATIONS

No building shall exceed ~~thirty (30)~~ **thirty-five** feet and two ~~and one-half (2 1/2)~~ stories in height (see the definition of "Height (Building)"), ~~also, no building shall exceed forty (40) feet from the average grade to the highest point of the roof surface.~~ The highest point of a cupola, widow's watch, tower or similar feature that extends above the roof line shall be considered the highest point of the roof surface on roofs with such features. **Flat roofs and mansard roofs shall be no greater than 25 feet at the highest point.**

SECTION 406. R-2 USE REGULATIONS

Single Family residential structures with more than three (3) bedrooms will need the plans reviewed by the city engineer prior to the issuance of the zoning permit.

Land, buildings and structures in the R-2 District may be used for the following purposes only:

1. All uses as permitted and regulated in the R-1 Residential District, provided that any time more than two (2) one-family dwellings are proposed, the requirements of Article XIII shall be met.
2. Two-family dwellings, provided that any time more than one duplex is proposed, the requirements of Article XIII shall be met.
3. Planned Unit Development which contains the following uses or mix of uses and as regulated in Article XIII:

- a. Single-family attached and detached dwelling units that conform with the standards of Section 501(2).
 - b. Two-family dwellings.
 - c. Golf courses, tennis clubs, athletic clubs and other recreational uses.
 - d. Parks, playgrounds and other open space.
4. Accessory buildings and structures customarily incidental to the above permitted uses.

SECTION 407. R-2 AREA REQUIREMENTS

No building or structure, nor the enlargement of any building or structure, shall be hereafter erected unless the following yards, lot area, and building coverage requirements are provided and maintained in connection with such building, structure, or enlargement.

1. **Front Yard** - There shall be a front yard of no less than twenty-five (25) feet.
2. **Side Yard** - There shall be total side yards of twenty (20) feet, provided that no yard shall be less than eight (8) feet.
3. **Rear Yard** - There shall be a rear yard of no less than twenty-five (25) feet.
4. **Lot Area and Width** - The minimum lot area and width for all uses in this District, unless specified elsewhere, shall be eight thousand four hundred (8,400) square feet and sixty-six (66) feet, respectively. Where no lots are created, the maximum density of dwelling units on the site shall not exceed that permitted by this standard if there were individual dwelling units on individual lots.
5. **Maximum Lot Area** - The lot area covered by all buildings shall not exceed 35%.

SECTION 408. R-2 HEIGHT REGULATIONS

No building shall exceed ~~thirty (30)~~ **thirty-five (35)** feet and ~~two and one-half (2 ½)~~ stories in height.

**ARTICLE VI
CBD CENTRAL BUSINESS DISTRICT**

SECTION 600. INTENT

The CBD Central Business District is intended to permit those uses which provide for a variety of retail stores and related activities, and for office buildings and service establishments which occupy the prime frontages in the Central Business District and which serve the consumer population beyond the corporate boundaries of the city. The district regulations are designed to promote convenient pedestrian shopping and the stability of retail development by encouraging a continuous retail frontage and by prohibiting automotive related services and nonretail uses which tend to break up such continuity. Residential use of floors above the ground floor is encouraged as compatible with nonresidential uses in this District, provided the standards herein are conformed with.

SECTION 601. USE REGULATIONS

In a CBD Central Business District, no building or land shall be used and no building shall be erected except for one or more of the following specified uses, unless otherwise provided in this Ordinance.

1. Any generally recognized retail business which supplies commodities on the premises within a completely enclosed building. ~~such as, but not limited to, foods, groceries, drugs, liquor, furniture, appliances, TV, radio and other electronic devices, variety store, clothing, dry goods, notions, candy, books, florist, gift shops, jewelry, stationary, office supplies, paint and wallpaper, parcel delivery, or hardware.~~
2. Any personal service establishment which performs services on the premises within a completely enclosed building. ~~such as, but not limited to, repair shops (watches, radio, television, shoe and etc.), tailor shops, beauty parlors, barber shops, interior decorators, photographers, travel agencies, and dry cleaners.~~
3. Restaurants delicatessens, ice cream store, soda fountain, and carry-out food establishments, excluding drive-ins **or drive through establishments**. Outdoor cafes and outdoor seating are permitted by special use permit.
4. **Professional Service Businesses** ~~Offices and office buildings of an executive, administrative, or professional nature, including medical, dental and optical clinics.~~
5. Banks, loan and finance offices. Banks with drive-in facilities are permitted by special use permit, when said drive-in facilities are incidental to the principal function.
6. Public and quasi-public buildings, such as:
 - a. Municipal offices
 - b. Municipal off-street parking lots by special use permit
 - c. Libraries
 - d. Museums
 - e. Fraternal organizations
7. **Indoor Recreation Centers** ~~Commercial recreation facilities, such as bowling alleys, and similar uses. Public recreation centers by special land use permit.~~
8. Offices and showrooms of plumbers, electricians, decorators, **artist studios** or similar trades, of which not more than twenty-five (25) percent of the floor area of the building or part of the building occupied by said establishment is used for making, assembling, remodeling, repairing, altering, furnishing, or refinishing its products or merchandise, and provided that the ground floor premises facing upon, and visible from, any abutting street shall be used only for entrances, offices or

display. All storage of materials on any land shall be within the confines of the building or part thereof occupied by said establishment.

9. Business schools or private schools operating for profit; examples of private schools permitted herein include, but are not limited to, the following: trade schools, dance schools, music and voice schools, and art studios. Schools providing K-12 education are not included as permitted uses in this District.
10. Newspaper offices and printing plants; provided the printing plant is not greater than twenty-five hundred (2500) square feet.
11. Storage facilities when incident to, and physically connected with, any principal use permitted, provided that such facility be within the confines of the building or part thereof occupied by said establishment.
12. Hotels and motels when authorized as a special land use. (See Section 1510.22 and Section 1738) (Amended 8/21/06, Ord. 946.)
13. Bus passenger stations.
14. Other uses which are similar to the above when authorized as a special land use. In considering such authorization, the Planning Commission shall consider the following standards and Article XV:
 - a. All business establishments shall be retail or service establishments dealing directly with consumers. All goods produced on the premises shall be sold at retail from premises where produced.
 - b. Outdoor storage of merchandise, products, parts or supplies shall be expressly prohibited. **Excluded from this provision is the outdoor display of goods for sale as authorized by the City of South Haven Code of Ordinances, Section 74-3.**
15. Accessory structures customarily incidental to the above permitted uses.
16. Dwellings located above a permitted use when authorized as a special land use. In considering such authorization, the Planning Commission shall ensure conformance with the following standards and Article XV:
 - a. Ingress and egress to the dwelling unit;
 - b. The availability of parking for tenants and guests. One (1) dwelling unit per lot is allowed above any permitted use without providing any parking space, while additional units require two (2) spaces per unit; and,
 - c. The impact on the building's exterior.
17. Automatic teller machines when located inside a building as an accessory use and not as a freestanding building.
18. **Farmer's markets, art fairs and other outdoor events open to the public as permitted by the City Council.**
- ~~18. Convenience store.~~
- ~~19. Pool or billiard hall.~~
- ~~20. Antique shops.~~
- ~~21. Bakery goods stores.~~
22. Private clubs by special use permit.

23. Multiple-family dwellings, including multiple-family dwellings with units on the ground floor and above the ground floor, when authorized as a special land use. In considering such authorization, the Planning Commission shall ensure conformance with the following standards and Article XV:
 - a. The parcel shall not have frontage on the Phoenix Street, Center Street or Broadway Avenue right-of-ways; and,
 - b. Two (2) parking spaces shall be provided per dwelling unit, either on-site or within 300 feet of the parcel.
24. Theaters
25. Public parks.

SECTION 602. REQUIRED CONDITIONS

The outdoor display or sale of goods or merchandise shall not extend more than three (3) feet beyond the front lot line, provided the sidewalk is ten (10) feet wide or greater. If the sidewalk is less than ten (10) feet in width, goods or merchandise shall not be displayed outdoors. During special sidewalk sale days, as determined by the City Manager, goods or merchandise may be displayed outdoors in a reasonable fashion.

SECTION 603. AREA REGULATIONS

No building or structure, nor the enlargement of any building or structure, shall be hereafter erected unless the following yards, lot area, and building coverage requirements are provided and maintained in connection with such building, structure, or enlargement.

1. **Front yard** - No minimum required.
2. **Side Yard** - No side yard is required; where a side yard is provided, it shall be at least ten (10) feet in width.
3. **Rear Yard** - No rear yard is required where the Planning Commission determines that the Site Plan adequately insures no present or future building will be adversely affected.
4. **Lot Area and Width** - No minimum required.
5. **Site Plan** - A Site Plan is required for all structures, additions and parking areas.

SECTION 604. HEIGHT REGULATIONS

No building shall exceed forty-five (45) feet and three ~~and one half (3-1/2)~~ stories in height.

**ARTICLE VII
B-1 NEIGHBORHOOD BUSINESS DISTRICT**

SECTION 700. INTENT

The Neighborhood Business District is for neighborhood convenience shopping, including retail business or service establishments which supply commodities or perform services which meet the daily needs of the neighborhood. **Businesses in this zone are scaled to be compatible with the neighborhood character.**

SECTION 701. USE REGULATIONS

Land, buildings or structures in this zoning district may be used for the following purposes only, subject to the review and approval of a site plan by the Planning Commission:

1. Those non-residential uses which are permitted in the residential zoning districts, subject, except as specifically provided otherwise in this Article, to the same conditions, restrictions and requirements as are provided in the residential zoning districts.
2. **Personal Service Businesses not exceeding 2500 square feet in floor area**
3. Automatic teller machines when inside a building and accessory to another use.
4. **Retail Businesses not exceeding 2500 square feet in floor area or as provided elsewhere in this section. This size limit does not apply to existing structures.**
5. **Professional Service Businesses not exceeding 2500 square feet in floor area. This size limit does not apply to existing structures.**
3. ~~Bakery goods store.~~
4. ~~Barber or beauty shop.~~
5. ~~Book and stationary stores.~~
6. ~~Candy store, soda fountain and/or ice cream store.~~
7. ~~Clothes cleaning and/or laundry pickup station.~~
8. ~~Convenience stores not exceeding 2500 square feet in floor area.~~
9. ~~Delicatessen store.~~
10. Dwelling located above a permitted use when authorized as a special land use per the standards in Section 601.16.
11. Home occupations are permitted in any building designed and built as a dwelling unit.
12. ~~Laundromats.~~
13. Recreation center by special use permit.
15. ~~Shoe repair shop.~~
16. ~~Tailor and/or dress maker.~~

- ~~17. Other similar retail business or service establishments which supply convenience commodities or perform services primarily for residents of the surrounding neighborhood when authorized by the Planning Commission as a special land use. In considering such authorization, the Planning Commission shall ensure conformance with the following standards and those of Article XV:~~
- ~~a. The size, nature and character of the proposed use fit the scale and character of abutting properties.~~
 - ~~b. The proximity of the proposed use to adjoining properties does not create unreasonable negative impacts on the use and enjoyment of nearby residential properties.~~
 - ~~c. The parking facilities provided for the proposed use are safe, adequately sized and conveniently located.~~
 - ~~d. Any traffic congestion or hazard which will be occasioned by the proposed use can be adequately mitigated.~~
 - ~~e. The design of the proposed use harmonizes, blends with, and enhances adjoining properties and the surrounding neighborhood.~~
 - ~~f. There is a demonstrated need for the proposed use to service the needs of the surrounding neighborhood.~~
18. **Restaurants delicatessens, ice cream store, soda fountain, and carry-out food establishments, excluding drive-ins or drive through establishments. Outdoor cafes and outdoor seating are permitted by special use permit.**
19. Accessory buildings and structures customarily incidental to the above permitted uses.

SECTION 702. REQUIRED CONDITIONS

1. The outdoor storage of goods or materials shall be prohibited.
2. Warehousing or indoor storage of goods or materials beyond that normally incidental to the above permitted uses shall be prohibited.
3. Screening - Side yards and rear yards adjoining any residential zoning district shall be screened by one of the following with the selection of the option by the Planning Commission after consulting with neighbors: 1) by a compact hedge of deciduous or evergreen trees which reach a minimum of five (5) feet in height and five (5) feet in width after one growing season, or 2) a solid wall or tight board fence or a privacy fence (which allows air to flow through) six (6) feet in height, or 3) if the provisions in Section 1709, 1713, or 1714 are more restrictive in an individual case, then the provisions of whichever section the Planning Commission believes will best protect abutting properties.
4. No individual commercial building on an individual lot shall exceed fifteen hundred (1500) square feet on a single floor unless the Planning Commission approves it as a special land use pursuant to the standards in Section 1502.
5. The minimum setback of any parking area, including drives within said parking area, from any property line or right-of-way shall be at least five (5) feet. All setback areas required by this paragraph must be landscaped.

SECTION 703. AREA REGULATIONS

No building or structure, nor the enlargement of any building or structure, shall be hereafter erected unless the following yards, lot area, and building coverage requirements are provided and maintained in connection with such building, structure, or enlargement:

1. **Front Yard** - There shall be a front yard of no less than ten (10) feet.
2. **Side Yard** - Each side yard shall be at least ten (10) feet in width.

3. **Rear Yard** - There shall be a rear yard of no less than twenty (20) feet.
4. **Lot Area and Width** - No minimum required.
5. **Site Plan** - A Site Plan is required for all structures, additions, and parking areas.

SECTION 704. HEIGHT REGULATIONS

No building shall exceed thirty-five (35) feet and ~~two and one half (2 1/2) stories~~ in height.

ARTICLE VIII
B-2 GENERAL BUSINESS DISTRICT

SECTION 800. INTENT

The General Business District is designed to cater to the needs of a larger consumer population than is served by the Neighborhood Business District, and is generally characterized by an integrated or planned cluster of establishments served by a common parking area and generating large volumes of vehicular and pedestrian traffic. **Businesses of a larger size than in the B-1 zone are permitted where stated.**

SECTION 801. USE REGULATIONS

Land, buildings or structures in this zoning district may be used for the following purposes only, subject to the review and approval of a site plan by the Planning Commission:

1. All uses permitted in the B-1 zoning district.
2. Amusement enterprises.
3. **Personal Service Businesses not exceeding 5000 square feet in floor area. This size limit does not apply to existing structures.**
4. Automatic teller machines when inside a building and accessory to another use.
5. **Retail Businesses not exceeding 5000 square feet in floor area. This size limit does not apply to existing structures.**
3. ~~Antique shop, and art studios, provided all articles for sale are displayed or stored within the shop.~~
4. ~~Appliance sales and service.~~
6. Automobile and other vehicle sales **with a special use permit according to Article XV.**
7. ~~Automobile repair shop or garage, including major repair operations.~~
8. Bank, loan and finance offices, including drive-in branches by special use permit.
9. ~~Bowling alley, including bars and restaurant.~~
10. ~~Bus station and travel agency.~~
11. Business or trade school, music and voice schools **by special use permit.**
12. Car wash **by special use permit.**
13. ~~Catering service, delicatessen and confectionery store.~~
14. Churches and temples by special use permit.
15. ~~Clinic dental and medical, including laboratory.~~
16. ~~Dance studio and photographic studio.~~

17. Day nurseries, nursery schools and other group day care by special use permit per the standards of Section 1510.17
- ~~18. Decorator, interior shops.~~
- ~~19. Dry cleaning and laundry - custom and self-service, provided it is not larger than two thousand five hundred (2,500) square feet.~~
20. Electrical supplies - wholesale and storage.
- ~~21. Exterminator service.~~
- ~~22. Floor coverings, sales and storage.~~
23. Florist and gift shop, including nursery
24. Funeral home and ambulance service **by special use permit.**
25. Garden centers **not exceeding 10,000 square feet by special use permit.**
26. ~~Gasoline service stations~~ **Automobile service and repair stations by special use permit subject to Section 1510.03.**
27. Hotels and motels when authorized as a special land use (see Section 1510.22 and Section 1738).
- ~~28. Interior decorator shops.~~
- ~~29. Juke box and vending machine service and distribution.~~
- ~~30. Laboratory - medical or dental, provided it is not larger than two thousand five hundred (2,500) square feet.~~
31. Libraries, museums, other municipal offices and municipal facilities.
- ~~32. Liquor store.~~
- ~~33. Locksmiths.~~
34. ~~Lodge hall, private clubs, veterans' clubs.~~ **Private clubs**
35. Malt beverage, liquor and wine distribution and sales.
- ~~36. Marinas.~~
- ~~37. Miniature or Par 3 golf course.~~
- ~~38. Offices~~
- ~~39. Office machines sales and service.~~
- ~~40. Office supply store.~~
- ~~41. Parcel delivery station.~~
42. Parking lots by special use permit.

43. ~~Pet shop, not including treatment or boarding of animals.~~
44. Pool or billiard hall.
45. Newspaper printing and offices, printing and publishing, including processes related thereto, provided the facility is not larger than two thousand five-hundred (2,500) square feet.
46. Professional studio.
47. ~~Plumbing and heating, and electrical shops, provided all operations and storage are completely enclosed in a building.~~
48. ~~Radio and TV sales.~~
49. Recreation centers (**Outdoor**) and municipal recreation facilities by special use permit.
50. ~~Resale shops, including "auction houses".~~
51. Restaurant - cafe, bar, grill and cocktail lounges. **Restaurants with outdoor seating, "drive-in" or "drive through" facilities shall be permitted with a special use permit from the planning commission.**
52. ~~Shoe repair.~~
53. ~~Sign painting and servicing shops, provided all operations and storage are completely enclosed in a building.~~
54. ~~Special tools and gauges checking and service.~~
55. ~~Taxidermist.~~
56. ~~Theater.~~
57. ~~Travel agencies.~~
58. ~~Video stores.~~
59. ~~Other similar retail business or service establishments when authorized by the Planning Commission as a special land use. In considering such authorization, the Planning Commission shall ensure the following standards and those of Article XV are met:~~
 - ~~a. The size, nature and character of the proposed use fits the scale and character of abutting properties.~~
 - ~~b. The proximity of the proposed use to adjoining properties does not create unreasonable negative impacts on the use and enjoyment of nearby residential properties.~~
 - ~~c. The parking facilities provided for the proposed use are safe, adequately sized and conveniently located.~~
 - ~~d. Any traffic congestion or hazard which will be occasioned by the proposed use can be adequately mitigated.~~
 - ~~e. The design of the proposed use harmonizes, blends with, and enhances adjoining properties and the surrounding neighborhood.~~
60. Accessory structures and buildings customarily incidental to the above uses.
61. Planned Unit Developments which contain a mix of land uses permitted by right in this district.

62. **Professional Service Businesses not exceeding 5000 square feet. Professional Service Businesses over 5000 square feet may be allowed by special use permit.**

SECTION 802. REQUIRED CONDITIONS

1. More than two (2) uses on a single lot or parcel are permitted per the Planned Shopping Development special land use standards (see Section 1510.27).
2. Any site over two (2) acres shall be processed as a Planned Shopping Development per the special land use standards of Section 1510.27.
3. Side yards and rear yards adjoining any residential zoning district shall be screened by one of the following with the selection of the option by the Planning Commission: 1) by a compact hedge of deciduous or evergreen trees which reach a minimum of five (5) feet in height and five (5) feet in width after one growing season, or 2) a solid wall or tight board fence or a privacy fence (which allows air to flow through) six (6) feet in height, or 3) if the provisions in Section 1709, 1713 or 1714 are more restrictive in an individual case, then the provisions of whichever section the Planning Commission believes will best protect abutting properties.
4. The minimum setback of any parking area, including drives within said parking area, from any property line or right-of-way shall be at least five (5) feet. All setback areas required by this paragraph must be landscaped.
5. The outdoor display or sale of goods or merchandise shall not interfere with any pedestrian or vehicular traffic within the parking area or entryway onto the property. Said display or sale shall not use any required parking spaces or fire lanes and shall be setback thirty-five (35) feet from the front lot line and twenty (20) feet from any side lot line.

SECTION 803. AREA REGULATIONS

No building or structure, nor the enlargement of any building or structure, shall be hereafter erected unless the following yards, lot area, and building coverage requirements are provided and maintained in connection with such building, structure, or enlargement:

1. **Front Yard** - There shall be a front yard of no less than twenty-five (25) feet.
2. **Side Yard** - There shall be a side yard of no less than ten (10) feet in width.
3. **Rear Yard** - There shall be a rear yard of no less than twenty (20) feet.
4. **Lot Area and Width** - No minimum required.
5. **Site Plan** - A Site Plan is required for all structures, additions and parking areas.

SECTION 804. HEIGHT REGULATIONS

No building shall exceed thirty-five (35) feet and two and one half (2-1/2) stories in height.

ARTICLE IX
B-3 WATERFRONT BUSINESS DISTRICT

SECTION 900. INTENT

The Waterfront Business District is designed to provide a location for diversified businesses having an orientation toward tourism, resort and water-related activities when in accord with the goals and objectives of the Comprehensive Plan for the City of South Haven.

SECTION 901. USE REGULATIONS

Land, buildings or structures in this zoning district may be used for the following purposes only, subject to the review and approval of a site plan by the Planning Commission:

1. Automatic teller machines when inside a building and accessory to another use.
2. Beaches and recreation areas, either municipal or private by special use permit.
3. Boat launching ramp.
4. Campgrounds, subject to compliance with the standards and procedures for establishing a Planned Unit Development as regulated in Article XIII.
 - a. The minimum size of the campground shall be three (3) acres.
 - b. Thirty (30%) percent of the campground shall be dedicated to open space for the common use of the residents. For purposes of calculating the open space percentage, areas set aside for common recreational use may be included; driveways and parking areas shall be excluded.
 - c. There shall be a traffic route which does not pass through a residential area, connecting the campground entrance with a public street with a minimum right of way of eighty (80') feet in width.
 - d. The campsites shall be set back from the property line a minimum distance of thirty (30') feet.
 - e. A recreational unit may be located at the campground for no more than twenty-one (21) consecutive nights. After five (5) nights out of the campground, the recreational unit may return again for no more than twenty-one (21) consecutive nights. A recreational unit shall not be located on the premises of a campground for more than forty-two (42) nights in any calendar year. Storage of recreational units for more than twenty-one (21) days is not permitted in a campground.
 - f. The recreational units (excluding tents) located at the campground shall be validly licensed as vehicles or trailers, and shall at all times be legal for use on roads and highways without requiring any special permits. The maximum allowable trailering width of a recreational unit is ninety six (96") inches. The campground owner shall establish the maximum allowable length of a recreational unit based on the available turning radii in the campground.
 - g. There shall be a security fence surrounding the campground, with a minimum height of six (6') feet. There shall be security gates at the entrances.
 - h. Accessory uses and structures are allowed as part of the campground under the following conditions:
 - 1) Allowed uses are convenience store, snack bar, laundromat, or similar uses.
 - 2) The accessory use is intended for use of occupants of campground only.
 - 3) The accessory use must be centrally located in the campground, it shall not abut or adjoin a public street.
 - 4) No signs advertising the accessory use shall face public streets.

- 5) The accessory use shall cease business operation when the campground is closed for the season; the accessory use shall only be open for business when the campground is operating.
- 6) One structure is allowed to be used as an office.
- 7) One mobile home is allowed in a campground as a caretaker's residence.
- i. Home occupations are not permitted within the campground.
- j. Campgrounds shall be licensed by the State of Michigan, including as required in Act 368 of 1978, the Public Health Code. The City may enforce the provisions of the Public Health Code.
- k. A Planned Unit Development shall not be licensed as both a campground and a seasonal mobile home campground.
- l. The maximum number of sites per acre of total campground area is 12 sites per acre.
- m. The minimum area of each site is one-thousand-three-hundred (1300) square feet.
- n. All driveways and parking areas shall be paved with bituminous or concrete paving. Two paved parking spaces shall be provided for each campsite.
- o. Each entrance and exit to and from the campground shall be located at least twenty-five (25') feet distant from adjacent property located in any single-family residential district.
- p. There shall be no vehicle access to the campground except through designated common driveways, unless an access for use only by emergency vehicles is approved as a condition of development approval.
- q. Screening shall be provided along side yards, rear yards and any part of the parcel which abuts a public or private right of way. Screening shall be maintained in a living condition and shall consist of 1) a compact hedge of deciduous or evergreen trees which reach a minimum of five (5) feet in height and five (5) feet in width after one growing season; or 2) a solid wall or tight board fence six (6) feet in height.
- r. The campground owner or applicant must research and show proof that the campground will not overload available roadways, utilities and drainage, including a study which estimates peak loads and shows that there is excess capacity in city utilities, streets and drainage to service the campground.
- s. The City Fire Marshal may prohibit campfires as part of site plan approval.

5. ~~Convenience store.~~

6. Dwelling above permitted use according to the standards in Section 601.16.

7. Marinas and marine services, **including seasonal boat storage.**

8. ~~Miniature or par 3 golf course.~~ **Recreation centers (outdoor) by special use permit**

9. ~~Motels, hotels or resorts~~ ~~motels or hotels~~ when authorized as a special land use (see Section 1510.22 and Section 1738). (Amended 8/21/06, Ord. 946)

10. Parking lots by special use permit.

11. Planned Unit Development which contains a mix of land uses including any use permitted by right in this district and one or more of the following land uses according to the requirements of Article XVIII:

- a. Attached and semi-detached dwelling units including dwellings known as townhouses or condominiums, among other names, subject to conformance with the following standards:
 - 1. Each dwelling unit shall have one (1) floor at ground level.
 - 2. No more than four (4) dwelling units shall be attached in any construction group, or contained in any single structure, except that where the roof ridge lines and building facades of any four (4) consecutive units are staggered or offset by at least ten (10) feet, then a maximum of eight (8) units may be permitted.

3. The site plan shall be so planned as to provide ingress and egress directly onto a major or minor thoroughfare, except when the Planning Commission finds, upon review of the site plan, that ingress and egress directly onto an adjacent minor street will not be detrimental to the harmonious development of the adjacent properties.
Where feasible, the Planning Commission may require that ingress-egress to parking facilities be provided from adjacent alleys so as to minimize curb cuts directly onto the major or minor thoroughfares.
4. The site plan shall be so planned as to recognize yard and general development relationships with adjacent land uses. The Planning Commission may recommend physical features to be provided which will insure harmony in these relationships.
 - b. Multiple-family dwellings and apartments where not all the units are at ground level.
12. Private clubs, fraternal organizations, lodge halls and convention halls.
13. ~~Recreation centers and facilities by special use permit.~~
14. Restaurants, lounges or other places serving food or beverage, except those having the character of a drive-in.
15. ~~Retail uses-businesses~~
16. Accessory buildings and structures customarily incidental to the above uses.
17. One family detached dwellings by special use permit, subject to the following conditions to be demonstrated by the applicant:
 - a. The proposed use will be of substantial benefit to the City and the waterfront business community.
 - b. No other use permitted in this zoning district is possible on the lot due its size or configuration.
 - c. The inability to use the lot for another use permitted in this zoning district was not the result of an action taken after January 1, 2014, by the applicant or any predecessor in interest in the property.
 - d. Special use permits shall not be granted under this subsection for any lot created by lot split occurring after January 1, 2014.
 - e. The site plan submitted with the application must satisfy all additional requirements for special use permits in Section 1502 of this ordinance.
18. Seasonal mobile home parks

SECTION 902. REQUIRED CONDITIONS

1. All dredging, construction and/or development shall be subject to the requirements of all relevant codes and ordinances of the City of South Haven, the State of Michigan, and the federal government.
2. The flushing or discharge of boat toilets and discarding of waste or refuse from boats in marinas into the water is prohibited. Each marina shall provide suitable, safe and sanitary toilet and refuse facilities within buildings designed for this purpose. No less than one (1) toilet facility shall be provided on the site for each fifty (50) boat spaces and not more than one thousand (1,000) feet of walking distance from each boat space. Refuse and garbage containers shall be provided and kept in clean and sanitary condition for the use of boat owners within not more than one

hundred and fifty (150) feet of walking distance of each boat space. All such facilities shall be subject to the approval of the Van Buren County Health Department.

3. Public launchings permitted in any marina having a public launching ramp shall be limited as follows: The number of public launchings permitted shall be limited to the number of parking spaces available to the general public for the parking of vehicles and boat carriers in any such marina.

Before any use shall be made of the public launching ramp, a site plan for such ramp and attendant facilities shall be submitted to the Planning Commission to determine if all provisions of this section have been complied with.

4. All lighting for external illumination of the parking area, buildings, grounds or waters shall be directed away from, and shall be shielded from, adjacent residential districts and shielded from the sky.
5. Side yards and rear yards adjoining any residential zoning district shall be screened by one of the following with the selection of the option by the Planning Commission: 1) by a compact hedge of deciduous or evergreen trees which reach a minimum of five (5) feet in height and five (5) feet in width after one growing season, or 2) a solid wall or tight board fence or a privacy fence (which allows air to flow through) six (6) feet in height, or 3) if the provisions in Section 1709, 1713 or 1714 are more restrictive in an individual case, then the provisions of whichever section the Planning Commission believes will best protect abutting properties.
6. The minimum setback of any parking area, including drives within said parking area, from any property line or right-of-way shall be at least five (5) feet. All setback areas required by this paragraph must be landscaped.

SECTION 903. AREA REGULATIONS

No building or structure, nor the enlargement of any building or structure, shall be hereafter erected unless the following yards, lot area, and building coverage requirements are provided and maintained in connection with such building, structure, or enlargement:

1. **Front Yard** - There shall be a front yard of no less than twenty-five (25) feet.
2. **Side Yard** - Side yards shall be at least ten (10) feet in width.
3. **Rear Yard** - There shall be a rear yard of no less than twenty (20) feet.
4. **Lot Area and Width** - No minimum required.
5. **Site Plan** - A Site Plan is required for all structures, additions and parking areas.

SECTION 904. HEIGHT REGULATIONS

No building shall exceed thirty-five (35) feet and two and one half (2-1/2) stories in height.

ARTICLE X
B-4 MAJOR THOROUGHFARE BUSINESS DISTRICT

SECTION 1000. INTENT

The Major Thoroughfare Business District is designed to permit those uses that provide services and activities typically found along heavily traveled roads and interstate highways. These uses enjoy a close proximity to I-196, Blue Star Memorial Highway or Phoenix Road/County Road 388. The district regulations are designed to promote convenient retail and related uses to serve the residents of South Haven as well as providing commercial/retail services for persons traveling along major thoroughfares. This district also allows for developments such as planned shopping developments, malls, department stores, restaurants, and other retail uses.

SECTION 1001. USE REGULATIONS

In the B-4 District, no building or land shall be used and no building shall be erected except for one or more of the following specified uses, unless otherwise provided in this ordinance:

1. All uses permitted in the B-2 zoning district.
2. Planned Shopping Developments, when authorized by the Planning Commission as a special land use. In considering such authorization, the Planning Commission shall ensure conformance with the standards of Article XV:
3. Outdoor theaters, when authorized as a special land use by the Planning Commission. In considering such authorization, the Planning Commission shall ensure the standards of Article XV are met.
5. Parking lots as a separate use by special use permit.
6. **Personal Service Businesses without size limitations**
7. **Retail Businesses without size limitations**
8. **Professional Service Businesses without size limitations.**
9. **Car wash facilities by special use permit.**
10. **Garden Centers by special use permit**
11. **Restaurants and restaurants with drive in or drive through service or outdoor seating.**
12. **Banks and other financial institutions**
13. Recreation centers (**Indoor and Outdoor**) and facilities by special use permit.
- ~~6. Adult Entertainment Businesses provided the requirements of Article IV (Site Plan Review) and Section 1510.01 (Adult Entertainment Businesses) are met.~~
7. Accessory buildings and structures customarily incidental to the above uses.
8. Communication Towers by special use permit on property that does not have frontage on a major thoroughfare provided the requirements of Section 1709 (Plant Materials & Landscaping Requirements) are met. (Amended 9/2/03, Ord. 923)

SECTION 1002. REQUIRED CONDITIONS

1. The outdoor display or sale of goods or merchandise shall not interfere with any pedestrian or vehicular traffic within the parking area or entryway onto the property. Said display or sale shall not use any required parking spaces or fire lanes and shall be setback thirty-five (35) feet from the front lot line and twenty (20) feet from any side lot line.
2. Side yards and rear yards adjoining any residential zoning district shall be screened by one of the following with the selection of the option by the Planning Commission: 1) by a compact hedge of deciduous or evergreen trees which reach a minimum of five (5) feet in height and five (5) feet in width after one growing season, or 2) a solid wall or tight board fence or a privacy fence (which allows air to flow through) six (6) feet in height, or 3) if the provisions in Section 1709, 1713, or 1714 are more restrictive in an individual case, then the provisions of whichever section the Planning Commission believes will best protect abutting properties.
3. All lighting shall be installed in a manner so that no illumination source is visible beyond all property lines and must be directed down and shielded from the sky.
4. No signs shall be placed within a twenty (20) foot setback from any property line and/or right-of-way.
5. The minimum setback of any parking area, including drives within said parking area, from the front or rear property line or right-of-way shall be at least ten (10) feet. The minimum setback of any parking area, including drives within said parking area, from the side property line shall be at least five (5) feet. If the lot is a corner lot, then the minimum setback from a right-of-way shall be ten (10) feet. All setback areas required by this paragraph must be landscaped.

SECTION 1003. AREA REGULATIONS

No building or structure, nor the enlargement of any building or structure, shall be hereafter erected unless the following yards, lot area, and building coverage requirements are provided and maintained in connection with such building, structure, or enlargement (unless specified elsewhere in this Article):

1. **Front Yard** - There shall be a front yard of no less than thirty-five (35) feet.
2. **Side Yard** - There shall be a side yard of no less than twenty (20) feet.
3. **Rear Yard** - There shall be a rear yard of no less than twenty (20) feet.
4. **Lot Area and Width** - No minimum required.
5. **Site Plan** - A site plan is required for all structures, additions and parking areas.
6. **Spacing** - Whenever two (2) or more buildings are built on the same lot, said buildings shall not be allowed to be erected closer than twenty (20) feet to one another.

SECTION 1004. HEIGHT REGULATIONS

No building shall exceed forty-five (45) feet and three and one half (3-1/2) stories in height.

ARTICLE XI
I - 1 LIGHT INDUSTRIAL DISTRICT
I-1B INDUSTRIAL DISTRICT
I-2 GENERAL INDUSTRIAL DISTRICT

SECTION 1100. INTENT OF THE I-1 DISTRICT

The I-1 Light Industrial District is designed so as to primarily accommodate wholesale activities, warehouses and industrial operations whose external, physical effects are restricted to the area of the district and in no manner affect, in a detrimental way, any of the surrounding districts. The I-1 District is so structured as to permit, along with any specified uses, the manufacturing, compounding, processing, packaging, assembly and/or treatment of finished or semifinished products from previously prepared material. It is further intended that the processing of raw material for shipment in bulk form, to be used in an industrial operation at another location, not be permitted.

The general goals of this use district include, among others, the following specific purposes:

1. To provide sufficient space, in appropriate locations, to meet the needs of the municipality's expected future economy for many types of manufacturing and related uses.
2. To protect abutting residential districts by separating them from manufacturing activities and by prohibiting the use of such industrial areas for new residential development.
3. To promote manufacturing development which is free from danger of fire, explosions, toxic and noxious matter, radiation and other hazards, and from offensive noise, vibration, smoke, odor and other nuisances.
4. To protect the most desirable use of land in accordance with a well considered plan.
5. To protect the character and established pattern of adjacent development and, in each area, to conserve the value of land and buildings and other structures.
6. To protect the municipality's tax revenue.

SECTION 1101. USE REGULATIONS

Land, buildings or structures in this zoning district may be used for the following purposes only, subject to the review and approval of a site plan by the Planning Commission:

1. Any use charged with the principal function of basic research, design and pilot or experimental product development when conducted within a completely enclosed building.
2. Any of the following uses when the manufacturing, compounding, or processing is conducted wholly within a completely enclosed building. That portion of the land used for open storage facilities for materials or equipment used in the manufacturing, compounding, or processing shall be totally obscured by a wall on those sides abutting any residential or commercial zoning district, and on any front yard abutting a public thoroughfare, except as otherwise provided in Section 1712. In the I-1 District, the extent of such a wall may be determined by the Planning Commission on the basis of usage. Such a wall shall not be less than five feet in height and may, depending upon land usage, be required to be eight (8) feet in height, and shall be subject to the requirements of Article XVII. General Provisions, Section 1713. A chain link fence, with intense evergreen shrub planting, shall be considered an obscuring wall. The height shall be determined in the same manner as determined above (see subsection 20.e. for additional screening requirements):
 - a. Warehousing and wholesale establishments and trucking facilities.

- b. The manufacture, compounding, processing, packaging or treatment of such products as, but not limited to, bakery goods, candy, cosmetics, pharmaceuticals, toiletries, food products, hardware and cutlery, tool, die, gauge and machine shops.
 - c. The manufacture, compounding, assembling or treatment of articles or merchandise from previously prepared materials: bone, canvas, cellophane, cloth, cork, elastomers, feathers, felt, fiber, fur, glass, hair, horn, leather, paper, plastics, rubber, precious or semiprecious metals or stones, sheet metal, shell, textiles, tobacco, wax, wire, wood and yarns.
 - d. The manufacture of pottery and figurines or other similar ceramic products using only previously pulverized clay, and kilns fired only by electricity or gas.
 - e. The manufacture of musical instruments, toys, novelties, and metal or rubber stamps, or other molded rubber products.
 - f. The manufacture or assembly of electrical appliances, electronic instruments and devices, radios and phonographs.
 - g. Laboratories - experimental, film or testing.
 - h. The manufacturing and repair of electric or neon signs, light sheet metal products, including heating and ventilating equipment, cornices, eaves and the like.
 - i. Central dry cleaning plants or laundries, provided that such plants shall not deal directly with consumer at retail.
 - j. All public utilities, including buildings, necessary structures, storage yards, and other related uses.
3. Warehouse, storage and transfer, and electric and gas service buildings and yards, public utility buildings, telephone exchange buildings, electrical transformer stations and substations, gas regulator stations, water supply and sewage disposal plants, water and gas tank holders, railroad transfer and storage tracks, railroad rights-of-way, and freight terminals.
 4. Storage facilities for building materials, sand, gravel, stone, lumber, and contractor's equipment and supplies, provided such is enclosed within a building or within an obscuring wall or fence on those sides abutting all residential or business districts, and on any yard abutting a public thoroughfare. In any I-1 District, the extent of such fence or wall may be determined by the Planning Commission on the basis of usage. Such fence or wall shall not be less than five (5) feet in height, and may, depending on land usage, be required to be eight (8) feet in height. A chain link type fence, with dense evergreen shrubbery inside of said fence, shall be considered to be an obscuring fence. See also Sections 1709, 1713 and 1714.
 5. Auto engine, paint and body repair, and undercoating shops when completely enclosed.
 6. Automatic teller machines when inside another building and accessory to another use.
 7. Commercial kennels.
 8. ~~Electrical supplies, plumbing and heating shops~~ **suppliers**
 9. Factory and mill supplies.
 10. Farms.
 11. Greenhouses.
 12. Incubator: Mix of uses including any in the B-2 District and this District by special land use permit, provided there are at least six (6) individual tenants. No new review and approval is required for a change of land use within an approved incubator, if within the same building and/or on the same site.
 13. Municipal facility and municipal vehicle maintenance garage.

14. Office buildings
15. Parking lots
16. Printing plants.
17. Radio and television towers, public utility microwaves and public utility TV transmitting towers, and their attendant facilities by special use permit, provided said use shall be located centrally on a continuous parcel of not less than one and one-half (1-1/2) times the height of the tower measured from the base of said tower to all points on each property line.
18. Stadium, sports arena.
19. Trade or industrial schools.
20. Other similar light industrial uses when authorized by the Planning Commission as a special land use. In considering any site plan to establish a use in this district, the Planning Commission shall ensure conformance with the following standards and for special land uses, those of Article XV:
 - a. Ingress and egress to the lot and the proposed buildings and structures thereon, with particular reference to automotive, truck, and pedestrian access shall be safe and convenient. Traffic flow and control, and access in case of fire or catastrophe shall also be safe and convenient.
 - b. Off-street parking and loading areas where required, shall be located with particular attention to the items in subparagraph (a) above, and the economic, noise, glare, odor or other nuisance effects of the use on adjoining properties and the surrounding neighborhood. The minimum setback of any parking area, including drives within said parking area, from the front or rear property line or right-of-way shall be at least twenty (20) feet. The minimum setback of any parking area, including drives within said parking area, from the side property line or right-of-way shall be at least five (5) feet. If the lot is a corner lot, then the minimum setback from a right-of-way shall be twenty (20) feet. All setback areas required by this paragraph must be landscaped.
 - c. Refuse and service areas shall be located with particular reference to the items in subparagraphs (a) and (b) above.
 - d. Utilities shall be located in safe and convenient locations and buried below ground wherever feasible.
 - e. Screening and buffering, with reference to type, dimensions, and character shall conform to the requirements of Sections 1709, 1713 and 1714 of this Ordinance. Side yards and rear yards adjoining any residential zoning district shall be screened by one of the following with the selection of the option by the Planning Commission: 1) by a compact hedge of deciduous or evergreen trees which reach a minimum of five (5) feet in height and five (5) feet in width after one growing season, or 2) a solid wall or tight board fence or a privacy fence (which allows air to flow through) six (6) feet in height, or 3) if the provisions in Section 1709, 1713 or 1714 are more restrictive in an individual case, then the provisions of whichever section the Planning Commission believes will best protect abutting properties.
 - f. Signs, if any, and proposed exterior lighting shall be located to reduce glare, ensure traffic safety, preserve economic viability, and achieve compatibility and harmony with adjoining and surrounding neighborhood properties.
 - g. Required yards and other open spaces shall conform to the requirements of Section 1102.
 - h. There shall be general compatibility with adjacent properties and the surrounding neighborhood.
21. Accessory buildings and structures customarily incidental to the above uses.

SECTION 1102. AREA REGULATIONS

No building or structure, nor any enlargement thereof, shall be hereafter erected except in conformance with the following yard, lot area, and building coverage requirements:

1. **Front Yard** - There shall be a front yard of no less than forty (40) feet. Off-street parking for visitors, over and above the number of spaces required under Article XVIII, may be permitted within the required front yard, provided that such off-street parking is not located within twenty (20) feet of the front lot line.
2. **Side Yard** - There shall be total side yards of forty (40) feet, provided that no yard shall be less than twenty (20) feet. In no event shall a building be located closer than seventy-five (75) feet to a residential district. Off-street parking shall be permitted in the required side yard setback if adequately screened from an adjacent residential district as determined by the Planning Commission.
3. **Rear Yard** - There shall be a rear yard of no less than fifty (50) feet.
4. **Lot Area and Width** - No minimum required.
5. **Site Plan** - A Site Plan is required for all structures, additions and parking areas.
6. **Landscaping** - Within the industrially zoned areas, landscaping requirements must adhere to Article XVII, Section 1709. (Amended 12/14/89; Ord. No. 728)

SECTION 1103. HEIGHT REGULATION

No building or structure shall exceed forty (40) feet in height.

SECTION 1104. PERFORMANCE STANDARDS

Before the issuance of any building permit in this Zone, the applicant shall sign an agreement with the City Manager that the use of the property will meet the following Performance Standards, that no nuisance will be created, and that any violation of these standards in subsequent operations will be corrected in an expeditious manner:

1. **Fire and Explosion Hazards** - All buildings, storage and handling of flammable materials, and other activities shall conform to County and City building and fire ordinances and to any applicable State and Federal regulations or requirements. No use of building shall in any way represent a fire or explosion hazard to a use on adjacent property or to the public on a public street.
2. **Smoke, Fumes, Gases, Dust, and Odors** - There shall be no emission of any smoke, radiation, fumes, gases, dust, odors, or any other atmospheric pollutant which will disseminate beyond the boundaries of the lot occupied by such use in such a manner as to cause property damage or hazards to public health or to be detrimental to the property rights of other property or to be obnoxious to the general public.
3. **Liquid or Solid Waste** - No industrial operations shall directly discharge industrial waste of any kind into any river, stream, reservoir, pond or lake. All methods of sewage disposal and industrial waste treatment and disposal shall be approved by the City and by the County and Michigan State Health Departments.
4. **Vibration** - There shall be no vibration which is discernible to the human sense of feeling beyond the boundaries of the lot on which such use is conducted.

5. **Noise** - There shall be no noise emanating from the operation which will adversely affect an adjoining permitted use.
6. **Glare** - There shall be no direct or sky-reflected glare harmful to the human eye at the property line of the lot occupied by such use.
7. **Industrial Park Covenants** - That any industrial park covenants applicable to the property will be conformed with.

SECTION 1105. Reserved for Future Use.

SECTION 1106. INTENT OF THE I-2 DISTRICT

General Industrial Districts are designed primarily for manufacturing, assembling and fabrication activities, including large scale or specialized industrial operations whose external physical effects will be felt to some degree by surrounding districts. The I-2 District is so structured as to permit the manufacturing, processing, and compounding of semifinished or finished products from raw materials as well as from previously prepared material.

SECTION 1107. USE REGULATIONS

Land, buildings, or structures in this zoning district may be used for the following purposes only, subject to review and approval of a site plan by the Planning Commission:

1. Any principal use permitted in an I-1 District subject to the same conditions.
2. Heating and power generating plants.
3. Any of the following production or manufacturing uses (not including storage of finished products), provided that they are located not less than two hundred (200) feet distant from any residential district and not less than two hundred (200) feet distant from any other district and further subject to the regulations contained below in Section 1108, Special Conditions :
 - a. Junk yards, auto salvage and parts reconditioning provided such are entirely enclosed within a building.
 - b. Incineration of garbage or refuse when conducted within an approved and enclosed incinerator plant.
 - c. Blast furnace, steel furnace, blooming or rolling mill.
 - d. Manufacture of corrosive acid or alkali, cement, lime, gypsum or plaster of Paris.
 - e. Petroleum or other inflammable liquids, production, refining or storage.
 - f. Smelting of aluminum, copper, iron or zinc.
 - g. Ferrous and nonferrous foundries.
 - h. Stamping plants.
4. Any other use which shall be determined by the City of South Haven, after recommendation from the Planning Commission, to be of the same general character as the above permitted uses in Section 1107. The City of South Haven may impose reasonable setback and/or Performance Standards so as to insure public health, safety and general welfare.
5. Radio and television towers, public utility microwaves and public utility T.V. transmitting towers, and their attendant facilities, provided said use shall be located centrally on a continuous parcel of not less than one and one-half (1-1/2) times the height of the tower measured from the base of said tower to all points on each property line.
6. Accessory buildings and structures customarily incidental to the above uses.
7. **Adult Entertainment Facilities when authorized by the Planning Commission as a special use in accordance with Section 1510.01.**

SECTION 1108. SPECIAL CONDITIONS

1. Any production or manufacturing use permitted in Section 1107 (3) that was in operation or under construction prior to the adoption of this Ordinance is exempt from the locational requirements as stated in the same section and paragraph.
2. Should the existing uses or structure be removed or destroyed by any means, buildings may be rebuilt along the same building line. Uses may be changed within the same building lines subject to uses permitted in Section 1107.
3. Side yards and rear yards adjoining any residential zoning district shall be screened by one of the following with the selection of the option by the Planning Commission: 1) by a compact hedge of deciduous or evergreen trees which reach a minimum of five (5) feet in height and five (5) feet in width after one growing season, or 2) a solid wall or tight board fence or a privacy fence (which allows air to flow through) six (6) feet in height, or 3) if the provisions in Section 1709, 1713 or 1714 are more restrictive in an individual case, then the provisions of whichever section the Planning Commission believes will best protect abutting properties.
4. The minimum setback of any parking area, including drives within said parking area, from the front or rear property line or right-of-way shall be at least twenty (20) feet. The minimum setback of any parking area, including drives within said parking area, from the side property line or right-of-way shall be at least five (5) feet. If the lot is a corner lot, then the minimum setback from a right-of-way shall be twenty (20) feet. All setback areas required by this paragraph must be landscaped.

SECTION 1109. AREA REGULATIONS

No building or structure, nor any enlargement thereof, shall be hereafter erected except in conformance with the following yard, lot area, and building coverage requirements:

1. **Front Yard** - There shall be a front yard of no less than sixty (60) feet. Off-street parking for visitors, over and above the number of spaces required under Article XVIII may be permitted within the required front yard, provided that off-street parking is not located within twenty (20) feet of the front lot line.
2. **Side Yard** - There shall be total side yards of sixty (60) feet, provided that no yard shall be less than thirty (30) feet. In no event shall a building be located closer than seventy-five (75) feet to a residential district. Off-street parking shall be permitted in the required side yard setback if adequately screened from an adjacent residential district as determined by the Planning Commission.
3. **Rear Yard** - There shall be a rear yard of no less than fifty (50) feet.
4. **Lot Area and Width** - No minimum required.
5. **Site Plan** - A Site Plan is required for all structures, additions and parking areas.
6. **Landscaping** - Within the industrially zoned areas, landscaping requirements must adhere to Article XVII, Section 1709. (Amended 12/14/89; Ord. No. 728)

SECTION 1110. HEIGHT REGULATIONS

No building or structure shall exceed sixty (60) feet in height.

SECTION 1111. PERFORMANCE STANDARDS

Before the issuance of any building permit in this Zone, the applicant shall sign an agreement with the City Manager that the use of the property will meet the following Performance Standards and that any violation of these standards in subsequent operations will be corrected expeditiously:

1. **Fire and Explosion Hazards** - All buildings, storage and handling of the flammable materials, and other activities shall conform to County and City building and fire ordinances and to any applicable State and Federal regulations and requirements. No use of building shall in any way represent a fire or explosion hazard to a use on adjacent property or to the public on a public street.
2. **Smoke, Fumes, Gases, Dust, and Odors** - There shall be no emission of any smoke, radiation, fumes, gases, dust, odors, or any other atmospheric pollutant which will disseminate beyond the boundaries of the lot occupied by such use in such a manner as to cause property damage or hazards to public health or to be detrimental to the property rights of other property or to be obnoxious to the general public.
3. **Liquid or Solid Waste** - No industrial operations shall directly discharge industrial waste of any kind into any river, stream, reservoir, pond or lake. All methods of sewage disposal and industrial waste treatment and disposal shall be approved by the City and by the County and Michigan State Departments.
4. **Vibration** - There shall be no vibration which is discernible to the human sense of feeling beyond the boundaries of the lot on which such use is conducted.
5. **Noise** - There shall be no noise emanating from the operation which will adversely affect an adjoining permitted use.
6. **Glare** - There shall be no direct or sky-reflected glare harmful to the human eye at the property line of the lot occupied by such use.
7. **Industrial Park Covenants** - That any industrial park covenants applicable to the property will be conformed with.

SECTION 1112. Reserved for Future Use.

SECTION 1113. INTENT OF THE I-1B INDUSTRIAL DISTRICT

The I-1B Industrial District is designed so as to primarily accommodate wholesale activities, warehouses and industrial operations whose external, physical effects are restricted to the area of the district and in no manner affect, in a detrimental way, any of the surrounding districts. The I-1B District is so structured as to permit, along with any specified uses, the manufacturing, compounding, processing, packaging, assembly and/or treatment of finished or semifinished products from previously prepared material.

The general goals of this use district include, among others, the following specific purposes:

1. To provide sufficient space, in appropriate locations, to meet the needs of the municipality's expected future economy for many types of manufacturing and related uses.
2. To protect abutting residential districts by separating them from manufacturing activities and by prohibiting the use of such industrial areas for new residential development.
3. To promote manufacturing development which is free from danger of fire, explosions, toxic and noxious matter, radiation and other hazards, and from offensive noise, vibration, smoke, odor and other nuisances.

4. To protect the most desirable use of land in accordance with a well considered plan.
5. To protect the character and established pattern of adjacent development and, in each area, to conserve the value of land and buildings and other structures.
6. To protect the municipality's tax revenue.

SECTION 1114. USE REGULATIONS

Land, buildings or structures in this zoning district may be used for the following purposes only, subject to the review and approval of a site plan by the Planning Commission:

1. Any use permitted in the I-1 Light Industrial District.
2. Nonferrous smelting and casting.

SECTION 1115. AREA REGULATIONS

No building or structure, nor any enlargement thereof, shall be hereafter erected except in conformance with the following yard, lot area, and building coverage requirements:

1. **Front Yard** - There shall be a front yard of no less than forty (40) feet. Off-street parking for visitors, over and above the number of spaces required under Article XVIII, may be permitted within the required front yard, provided that such off-street parking is not located within twenty (20) feet of the front lot line.
2. **Side Yard** - There shall be total side yards of forty (40) feet, provided that no yard shall be less than twenty (20) feet. In no event shall a building be located closer than seventy-five (75) feet to a residential district. Off-street parking shall be permitted in the required side yard setback if adequately screened from an adjacent residential district as determined by the Planning Commission.
3. **Rear Yard** - There shall be a rear yard of no less than fifty (50) feet.
4. **Lot Area and Width** - No minimum required.
5. **Site Plan** - A Site Plan is required for all structures, additions and parking areas.
6. **Landscaping** - Within the industrially zoned areas, landscaping requirements must adhere to Article XVII, Section 1709. (Amended 12/14/89; Ord. No. 728)

SECTION 1116. HEIGHT REGULATION

No building or structure shall exceed forty (40) feet in height.

SECTION 1117. PERFORMANCE STANDARDS

Before the issuance of any building permit in this Zone, the applicant shall sign an agreement with the City Manager that the use of the property will meet the following Performance Standards, that no nuisance will be created, and that any violation of these standards in subsequent operations will be corrected in an expeditious manner:

1. **Fire and Explosion Hazards** - All buildings, storage and handling of flammable materials, and other activities shall conform to County and City building and fire ordinances and to any applicable State and Federal regulations or requirements. No use of building shall in any way represent a fire or explosion hazard to a use on adjacent property or to the public on a public street.

2. **Smoke, Fumes, Gases, Dust, and Odors** - There shall be no emission of any smoke, radiation, fumes, gases, dust, odors, or any other atmospheric pollutant which will disseminate beyond the boundaries of the lot occupied by such use in such a manner as to cause property damage or hazards to public health or to be detrimental to the property rights of other property or to be obnoxious to the general public.
3. **Liquid or Solid Waste** - No industrial operations shall directly discharge industrial waste of any kind into any river, stream, reservoir, pond or lake. All methods of sewage disposal and industrial waste treatment and disposal shall be approved by the City and by the County and Michigan State Health Departments.
4. **Vibration** - There shall be no vibration which is discernible to the human sense of feeling beyond the boundaries of the lot on which such use is conducted.
5. **Noise** - There shall be no noise emanating from the operation which will adversely affect an adjoining permitted use.
6. **Glare** - There shall be no direct or sky-reflected glare harmful to the human eye at the property line of the lot occupied by such use.
7. **Industrial Park Covenants** - That any industrial park covenants applicable to the property will be conformed with.

**ARTICLE XII
PB-1 PROFESSIONAL BUSINESS DISTRICT**

SECTION 1200. INTENT

The purpose of this district is to accommodate office uses, office sales uses, and business services. The district is intended as a transition area between residential areas and more intensive business development and is intended principally for daytime business activities that are compatible with adjacent residential districts in the City.

SECTION 1201. USE REGULATIONS

Land, buildings or structures in this zoning district may be used for the following purposes only, subject to the review and approval of a site plan by the Planning Commission.

1. Professional offices for the practice of medicine, dentistry, law, engineering and architectural design, accounting, advertising, brokerage and other related professional services.
2. Publicly owned office and meeting buildings, and public utility offices, but not including storage yards, substations or regulator stations.
3. Financial, real estate and management offices, including banks, credit unions, savings and loan institutions, real estate offices, abstract and title offices, business consulting and management offices and similar office functions, but not including drive-in facilities for such uses.
4. Single family dwellings meeting the requirements of the R-1 Single-Family Residential District.
5. **Pharmacies and medical supply stores offering retail sales.**

SECTION 1202. REQUIRED CONDITIONS

1. Side yards and rear yards adjoining any residential zoning district shall be screened by one of the following with the selection of the option by the Planning Commission after consulting with the neighbors: 1) by a compact hedge of deciduous or evergreen trees which reach a minimum of five (5) feet in height and five (5) feet in width after one growing season, or 2) a solid wall or tight board fence or a privacy fence (which allows air to flow through) six (6) feet in height, or 3) if the provisions in Section 1709, 1713 or 1714 are more restrictive in an individual case, then the provisions of whichever section the Planning Commission believes will best protect abutting properties.
2. The minimum setback of any parking area, including drives within said parking area, from any property line or right-of-way shall be at least five (5) feet. All setback areas required by this paragraph shall be landscaped.
3. There shall be no outdoor display or sale of goods.

SECTION 1203. AREA REGULATIONS

No building or structure, nor the enlargement of any building or structure, shall be hereafter erected unless the following yards, lot area, and building coverage requirements are provided and maintained in connection with such building, structure or enlargement.

1. **Front Yard** - There shall be a front yard of no less than twenty-five (25) feet.
2. **Side Yard** - There shall be a side yard of no less than ten (10) feet in width.

3. **Rear Yard** - There shall be a rear yard of no less than twenty (20) feet.
4. **Lot Area and Width** - No minimum required.
5. **Site Plan** - A Site Plan is required for all structures, additions and parking areas.

Section 1204. HEIGHT REGULATIONS:

No building shall exceed thirty-five (35) feet and two and one half (2-1/2) stories in height.

**ARTICLE XVIII
PARKING AND LOADING SPACES**

SECTION 1800. OFF-STREET PARKING REQUIREMENTS

Except in the Central Business District, the required number of paved automobile off-street parking spaces with adequate access thereto shall be provided in all districts at the time of erection or enlargement of any main building or structure. The number of off-street parking spaces in conjunction with all land or building uses shall be provided prior to the issuance of a Certificate of Occupancy, as herein after prescribed. (Amended 10/15/87; Ord. No. 701)

1. **Residential** off-street parking spaces may be located within a rear yard or within a side yard which is in excess of the minimum side yard setback unless otherwise provided in this Ordinance. Off-street parking shall not be permitted within a front yard nor within a minimum side yard setback unless otherwise provided in this Ordinance. **Residential off-street parking for more than four (4) vehicles may be located on a pervious surface other than gravel.**
2. Off-street parking for other than residential use shall be either on the same lot or within three hundred (300') feet of the building it is intended to serve, measured from the nearest point of the building to the nearest point of the off-street parking lot. Ownership by the applicant shall be shown of all lots or parcels intended for use as parking by the applicant.
3. Required residential off-street parking spaces shall consist of a parking strip, parking bay, driveway, garage or combination thereof, and shall be located on the premises they are intended to serve and are subject to the provisions of Section 1708 - Accessory Buildings of this Ordinance.
4. Any area once designated as required off-street parking shall never be changed to any other use unless and until equal facilities are approved and provided elsewhere.
5. Off-street parking existing at the effective date of this Ordinance, in connection with the operation of an existing building or use, shall not be reduced to an amount less than hereinafter required for a similar new building or new use.
6. Two or more buildings or uses may collectively provide the required off-street parking, in which case the required number of parking spaces shall not be less than the sum of the requirements for the several individual uses computed separately.
7. In the instance of dual function of off-street parking spaces where operating hours of buildings do not overlap, the Planning Commission may waive the dual parking requirement of 6. above by grant of a special use permit which specifies the terms and conditions for parking of each use.
8. The storage of merchandise, motor vehicles for sale, trucks, semi-trucks, trailers, or the repair of vehicles is prohibited within off-street parking areas. From Labor Day to Memorial Day marinas may use parking lots for boat storage.
9. For those uses not specifically mentioned, the requirements of off-street parking facilities shall be in accord with a use which the Zoning Administrator considers is similar in type.
10. When units or measurements determining the number of required parking spaces results in the requirement of a fractional space, any fraction up to and including one-half (1/2) shall be disregarded, and fractions over one-half (1/2) shall require one (1) parking space.
11. For the purpose of computing the above number of parking spaces required, the definition of usable floor area in Article II, Definitions, Section 201 shall govern.

12. In cases where an applicant can demonstrate that the required number of spaces is excessive, the planning commission may allow some parking area be set aside as greenspace. Should the additional parking be found to be necessary, the zoning administrator shall require the remaining spaces to be installed.
13. The minimum number of off-street parking spaces by type of use shall be determined in accordance with the following schedule; provided that if more than one use occupies a site, then the combined parking requirements for each of the permitted uses must be met unless the request is processed according to the requirements of Section 1800.7 (above):

	Use	Number of Minimum Parking Spaces Per Unit of Measure
a.	Residential	
	1) Residential, single-family and two-family	Two (2) for each dwelling unit with three (3) or less bedrooms. For single family residences with four (4) or more bedrooms, one (1) additional space is required for each additional bedroom.
	2) Residential, multiple-family	Two (2) for each dwelling unit.
	3) Housing for the elderly Assisted Living Facility for less than seven (7) patients	One (1) for each two (2) units, and one (1) for each employee. Should units revert to general occupancy, then two (2) spaces per unit shall be provided.
	4) Mobile home park	Two (2) for each mobile home site and one (1) for each employee of the mobile home park.
b.	Institutional	
	1) Churches or temples	One (1) for each three (3) four (4) seats or six (6) feet of pews in the main unit area of worship.
	2) Hospitals	One (1) for each one (1) bed. One for each two (2) beds and every three (3) employees
	3) Homes for the aged and convalescent homes Assisted Living Facilities for greater than six (6) patients	One (1) for each four (4) beds.
	4.) Elementary and junior high schools	One (1) for each one (1) teacher, employee or administrator, in addition to the requirements of the auditorium.
	5) Senior high schools	One (1) for each one (1) teacher, employee, or administrator and one (1) for each ten (10) students, in

		addition to the requirements of the auditorium or gymnasium, whichever is greater.
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	6.) Private clubs, fraternal organizations, or lodge halls	One (1) for each three (3) persons allowed within the maximum occupancy load as established by local, county or state fire, building or health codes.
	7) Private golf clubs, swimming pool clubs, tennis clubs or other similar uses	One (1) for each two (2) member families or individuals plus spaces required for each accessory use, such as a restaurant or bar.
	8) Golf courses open to the general public, except miniature or "par-3" courses	Six (6) for each one (1) golf hole and one (1) for each (1) employee, plus spaces required for each accessory use, such as a course restaurant or bar.
	9) Fraternity or sorority	One (1) for each five (5) permitted active members, or one (1) for each two (2) beds, whichever is greater.
	10) Stadium, sports arena, or similar place of outdoor assembly	One (1) for each three (3) seats or six (6) feet of benches.
	11) Theaters and auditoriums	One (1) for each three (3) seats, plus one (1) for each two (2) employees.
	12) Nursery school, day nurseries or child-care centers Group Care with more than six (6) persons under care	One (1) for each three hundred and fifty (350) square feet of usable floor area
	13) Orphanage	One (1) per employee and one (1) per four (4) beds
	14) Beaches, parks and other outdoor municipal recreation areas	As established by City Parks Director based on the size, accessibility and facilities available
	15) Bus, taxicab and other transit terminals	Five (5) spaces plus one (1) space for each one hundred (100) square feet of waiting area
	16) Government buildings	One (1) space for each two hundred fifty (200) (250) square feet of gross floor area used by the public and one (1) space for each six

		hundred (600) square feet of gross floor area not used by the public, unless the City Manager determines more is needed
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	17) Community centers	One (1) space per two hundred fifty (200) (250) square feet of gross floor area
	18) Utility (gas, electric, telephone, communication towers, etc.), including generating plants	One (1) space per employee, plus one (1) space per vehicle stored outside
c.	Business and Commercial	
	1) Planned commercial or shopping center	One (1) for each one hundred (100) two hundred and fifty (250) square feet of usable floor area.
	2) Auto wash (automatic)	One (1) for each one (1) employee. In addition, reserved parking spaces equal in number to five (5) times the maximum capacity of the auto wash. Maximum capacity of the auto wash shall mean the greatest number of automobiles possible undergoing some phase of washing at the same time, which shall be determined by dividing the length in feet of each wash line by twenty (20).
	3) Auto wash (self-service or coin operated)	Five (5) Three (3) for each washing stall in addition to the stall itself.
	4) Automatic Teller Machine (ATM) (free standing, not applicable when associated with another use)	Two (2) spaces per machine
	5) Beauty parlor Hair salon, day spa or barber shop	Three (3) spaces for each of the first two (2) beauty or barber chairs, and one-half (1/2) space for each additional chair. Two (2) for each chair or work station.
	6) Boat launching ramps	Twenty-five (25) spaces per ramp.
	7) Marinas	One and one-half (1-1/2) spaces per boat mooring slip.
	8) Bowling alleys	Five (5) for each one (1) bowling lane, plus accessory uses.

	9) Dance halls, pool or billiard parlors, roller or ice skating rinks, exhibition halls, and assembly halls without fixed seats	One (1) for each two (2) persons allowed within the maximum occupancy load as established by local, county or state fire, building or health codes.
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	10) Restaurant or establishment for sale and consumption of beverages, food or refreshments on the premises including drive-in	One (1) for each seventy-five (75) square feet of usable floor area or one (1) for each two (2) persons allowed within the maximum occupancy load as established by the local, fire marshal; plus at least four (4) spaces between the take-out window and the road for any drive-through restaurant.
	11) Furniture, antique, appliance, household equipment, repair shops, showroom of a plumber, decorator, electrician or similar trade, shoe repair and other similar uses (including resale shops but not flea markets)	One (1) for each eight hundred (800) square feet of usable floor area. (For that floor area used in processing, one (1) additional space shall be provided for each two (2) persons employed therein.)
	12) Gasoline and other fuel service station (see convenience store, if it is a multiple use)	Two (2) for each lubrication stall, rack or pit; and one (1) for each fuel pump.
	13) Laundromats and coin operated dry cleaners	One (1) for each two (2) washing and/or dry-cleaning machines.
	14) Miniature or "par-3" golf courses	Two (2) for each one (1) hole plus one (1) for each one (1) employee
	15) Mortuary establishments	One (1) for each fifty (50) square feet of usable floor area.
	16) Motel, hotel or other commercial lodging establishments	One (1) for each one (1) occupancy unit plus one (1) for each one (1) employee.
	17) Bed & breakfast.	One (1) for each sleeping room plus two (2) for permanent residents

	18) Motor vehicle sales and service establishments	One (1) for each two hundred (200) square feet of usable floor area of sales room and one (1) for each one (1) auto service stall in the service room.
	19) Retail stores with less than 60,000 square feet	One (1) for each one hundred two hundred and fifty (150) (250) square feet of usable floor area.

	20) Retail stores with greater than 60,000 square feet	One (1) space for each 250 square feet of floor area up to 50,000 square feet; One (1) additional space for every 275 square feet for floor area over 50,000 but less than 450,000 square feet; One (1) space per every 300 square feet of floor space over 450,000 square feet.
	21) Carry-out food or walk-up establishment including bakeries, ice cream shops and delicatessens	One (1) for each employee, plus five if carry-out only, or if all seating is exterior only.
d.		
	1) Banks	One (1) for each one hundred two hundred and fifty (150) (250) square feet of usable floor area.
	2) Business offices or professional offices, except as indicated in the following item (3)	One (1) for each two hundred and fifty (200) (250) square feet of usable floor area.
	3) Professional offices of doctors, dentists, or similar professions (including clinics)	One (1) for each fifty (50) one hundred (100) square feet of usable floor area in waiting rooms, and one (1) for each examining room, dental chair, or similar use area.
	4) Other Commercial Recreation	
	a) Boat, canoe, jet ski and bicycle rental	Five (5) spaces per employee where it is the principal use; where it is an accessory use, parking may be waived partially or wholly at the discretion of the Zoning Administrator.
	b) Bingo parlor	One (1) space for each three (3) seats or one (1) per one hundred (100) square feet of usable floor area, whichever is greater.
	c) Campground	Two (2) dust free 10'x30' sites for every campsite.

	d) Club or lodge	One (1) space for every three (3) persons allowed within the maximum occupancy load as established by local, county, or state fire, building or health codes.
	e) Dance schools	One (1) space for each one hundred (100) square feet of dance floor area, plus one space for each six hundred (600) square feet of gross floor area.
	f) Golf driving range	One (1) space for each tee, plus one (1) space for each employee on the largest work shift.
	g) Health or fitness club, or martial arts schools	One (1) space for each two hundred (200) square feet of usable floor area, plus one (1) space for each employee.
	h) Indoor racquet courts	Three (3) spaces per court, plus one (1) space per employee on the largest shift, plus spaces for any other principal or accessory uses.
	i) Indoor soccer facility	Fifty (50) spaces for every playing field, plus one (1) space for every three(3) seats of spectator seating (one seat equals two feet of bench length), plus two (2) spaces for every three (3) employees on the maximum shift, but in no case less than one-hundred (100) spaces.
	j) Racetrack	One (1) space for every four (4) seats; one seat is equal to two (2) feet of bench length.
	k) Rifle and archery range	A minimum of five (5) spaces plus one (1) space per target area
	l) Racquet sports	Three (3)spaces, plus three (3) spaces per court or one (1) per three (3) spectator seats, whichever is greater.
	m) Theme park, scenic, area, amusement ride, water slide, go cart track and similar uses	Two (2) spaces per three (3) seats on amusement rides or twenty (20) spaces per ride or attraction with no specific or defined seating.
	n) Video or pinball arcade	One (1) space per game, provided that where such games are an accessory use, one (1) space is required for each game above four (4) games.
	5) Commercial kennel	One (1) space per four hundred (400) square feet of gross floor area, but no fewer than four (4) spaces.
	6) Business, vocational or trade schools	One (1) space per one hundred (100) square feet of gross building area.
	7) Music and voice schools	One (1) space per three (3) students at any one (1) time.
	8) Catering service	One (1) space per two hundred (200) square feet of gross floor area plus one (1) per employee in the largest shift.

	9) Garden center, greenhouse	One (1) space for each two three (300) hundred (with retail sales) (200) square feet of interior floor area plus one (1) space for each two thousand (2000) square feet of exterior sales area.
	10) Open air business	One (1) space per three thousand (3000) square feet of exterior sales area, except for open air flea markets
	11) Office supply, factory and mill supplies, and related activities	One (1) space for each four hundred (400) square feet of gross floor area which require one (1) space for each three hundred (300) square feet of exterior sales area.
	62) Medical and dental establishments	One (1) per two hundred (200) square feet of gross floor area plus one (1) per employee.
	73) Mini-warehouse (self-storage facilities)	One (1) space per one hundred (100) square feet of gross floor area plus one (1) space per employee (1) space for each four hundred (400) square feet of service area.
	14) Parcel delivery station	One (1) space per employee on largest shift and one (1) space per four hundred (400) square feet of gross floor area.
	15) Convenience store	Five (5) spaces One (1) space for every 250 feet of usable floor area for each one thousand (1000) square feet of gross floor area.
e.	Industrial and Manufacturing Establishments	
	1) Industrial or research establishments, and related accessory offices	Five (5), plus one (1) for every one and one-half (1-1/2) employees in the largest working shift. Space on site shall also be provided for all construction workers during periods of plant construction.
	2) Warehouses and wholesale establishments and related accessory offices	Five (5), plus one (1) for every one (1) employee in the largest working shift, or one for every seventeen hundred (1,700) square feet of usable floor area, whichever is greater.
	3) Adult entertainment	One (1) space per patron based on occupancy load as established by local, county, and state fire, building, or health codes, whichever is greater, plus one space per employee on the largest working shift.
	4) Auto body/paint shop	One (1) space per each service bay and one (1) per employee.
	5) Incinerators	One (1) per employee plus one (1) per each simultaneous truck
	8) Contract construction uses	One (1) space per employee plus one (1) space per company vehicle

f.	Planned Developments	Unit	Parking standards shall be established by the Planning Commission after receiving the recommendation of the Zoning Administrator based on the mix of proposed uses compared to the standards for those, or the most similar uses in this schedule.
g.	Accessory and Incidental Uses	and	One (1) space per employee using or located in an accessory building or other incidental area shall be provided for all accessory or incidental uses in addition to parking required for all principal uses on a property.
h.	Riverfront Parking		
			1) No parking area shall be required to be provided on-site for a water based business downstream of the Dyckman Avenue Bridge over the Black River.
			2) Upstream of the Dyckman Avenue Bridge, including waterfront property around the Celery Pond, no ship, boat, barge or vessel shall load or unload passengers at a marine terminal unless there shall be at least one (1) parking space for each three (3) seats, and one (1) parking space for each employee.
			3) Parking for other non-water based businesses on the Riverfront shall conform to the standards for that use as specified in this Article or elsewhere in this Ordinance.

Section 1801. OFF-STREET PARKING SPACE LAYOUT, STANDARDS, CONSTRUCTION AND MAINTENANCE

Whenever the off-street parking requirements in Section 1800 above require the building of an off-street parking facility, such off-street parking lots shall be laid out, constructed and maintained in accordance with the following standards and regulations:

1. No parking lot shall be constructed unless and until a permit therefore is issued by the Zoning Administrator. Applications for a permit shall be submitted to the Zoning Administrator on a form provided for that purpose and shall be accompanied with two (2) sets of site plans for the development and construction of the parking lot showing that the provisions of this section will be fully complied with.
2. Plans for the layout of off-street parking facilities shall be in accord with the following minimum requirements (see Figure 18-1):

Parking (degrees)	Aisle Width	Parking Space Width	Parking Space Length Tier Width	Total Width of One Tier of Spaces Plus	Total Width of Two Tiers of Spaces Plus
0 parallel	12' (one way)	8'	23' 22'	20'	28'
30 to 45	12' (one way)	8'-6" 9'	20' 18'	32' 30'	52' 48'
45 46 to 59	15' 14' (one way)	8'-6" 9'	20'	36' 34'	58' 54'
60 to 74	16' (one way)	8'-6" 9'	20' 22'	36' 38'	60'

75 to 90	24' (two ways)	9'	20'	44'	64'
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Boat Launching Areas:					
30 to 53	20' (one way)	10'	45' 32'	60' 52'	100' 84'
54 to 74 45	25' (one way)	10'	45' 39'	70' 64'	115' 103'
75 to 90 60	45' 30 (one way)	10'	45' 44'	90' 74'	135' 118'

3. All spaces shall be provided adequate access by means of maneuvering lanes (listed as Aisle Width on Figure 18-1). Backing directly onto a street or alley shall be prohibited.

4. Adequate ingress and egress to a parking lot by means of clearly limited and defined drives shall be provided for all vehicles. (See Section 1716 for access standards.)

Ingress and egress to a parking lot lying in an area zoned for other than single-family residential use shall not be across land zoned for single-family residential use.

5. All aisle widths shall permit one-way traffic movement, except that the 90 degree pattern may permit requires two-way movement. Two-way movement widths for other patterns are illustrated on Figure 18-1.

6. Each entrance and exit to and from any off-street parking lot located in an area zoned for other than single-family residential use shall be at least twenty-five (25') feet distant from adjacent property located in any single-family residential district.

7. ~~The off-street parking area shall be provided with a continuous and obscuring wall not less than five feet zero inches (5' 0") in height measured from the surface of the parking area. This wall shall be provided on all sides where the next zoning district is designated as a Residential District. See Section 1713 and 1714 on Walls and Fences respectively.~~

When a front yard setback is required, all land between said wall and the front property line or street right-of-way line shall be kept free from refuse and debris and shall be landscaped with deciduous shrubs, evergreen material, and ornamental trees per the requirements of Section 1709. The ground shall be planted and kept in lawn. All such landscaping and planting shall be maintained in a healthy, growing condition, and neat and orderly in appearance.

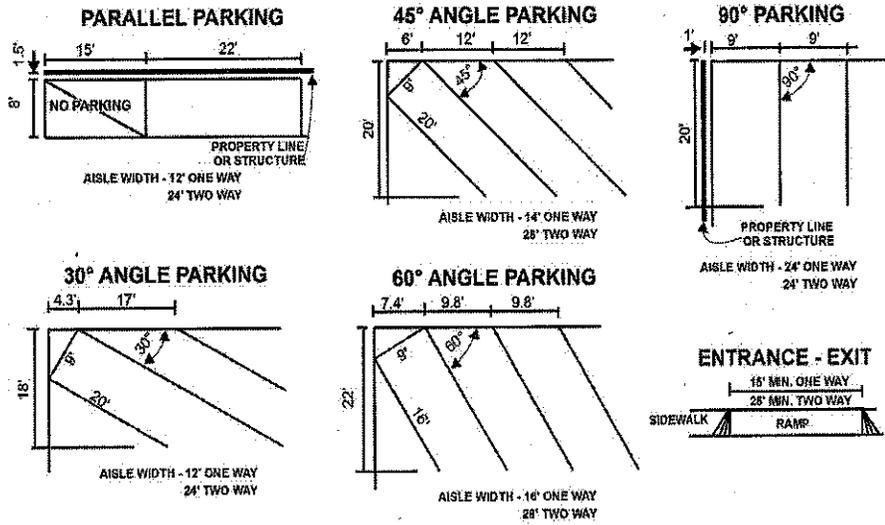
8. The entire parking area, including parking spaces and aisle widths required under this Section, shall be provided with asphalt, concrete or grass paver (or the equivalent) surfacing or as otherwise permitted in this Section in accordance with specifications approved by the City Engineer. The use of recycled products will be encouraged.

a. Boat storage yards may either be asphaltic, concrete, grassphalt, or crushed stone/gravel whichever, in the discretion of the City Engineer, is likely to reasonably result in a surface that poses few if any nuisances for adjacent homes and businesses.

b. All parking stalls and pavement shall be striped, marked or otherwise delineated, using the same pattern as shown on the approved site plan. The outside edge of the parking area shall be delineated in a way to deter drivers from driving on non-paved areas.

c. Off-street parking areas shall be drained so as to dispose of all surface water accumulated in the parking area in such a way as to preclude drainage of water onto adjacent property or toward buildings. Drainage Plans are to be approved by the City Engineer.

- d. Pervious paving of required parking areas is encouraged. Examples of pervious paving include pervious asphalt, brick or concrete pavers set in an aggregate base, grass paver or the equivalent.
9. All lighting used to illuminate any off-street parking area shall be so installed as to be confined within and directed onto the parking area only. See standards in Section 1710.
 10. In all cases where a wall extends to an alley which is a means of ingress and egress to an off-street parking area, it shall be permissible to end the wall not more than ten (10') feet from such alley line in order to permit a wider means of access to the parking area.
 11. The Planning Commission, upon application by the property owner of the off-street parking area, may waive the yard or wall requirements where, in unusual circumstances, no good purpose would be served by compliance with the requirements of this Section.
 12. Any extra spaces provided for small cars and/or motorcycles, shall be marked for use only by those vehicles.
 13. Barriers shall be erected on all parking lots and designed and located to prevent parked vehicles from extending beyond parking lines of parking areas.
 14. Design Standards for Parking Structures
 - a. In all districts, above grade parking structures shall conform to height restrictions for zoning districts in which they are located.
 - b. The distance from parking structure entry and exit points to a corner of a street intersection shall conform to standards in Section 1712 and 1716.
 - c. Ramps shall not be constructed with slopes exceeding ten percent (10%) and single lane entrances shall not be less than twelve (12) feet wide at the street.
 - d. A minimum of one car length shall be provided between an exit control gate and the inside edge of a sidewalk. ~~to minimize conflicts between exiting cars and pedestrians.~~
 - e. Parking structure facades shall be left fifty percent (50%) open and interior light levels shall be maintained at ten (10) foot candles minimum, to enhance security and safety. All parking structure lighting shall be designed so as not to reflect or shine on adjacent properties.
 - f. Full enclosure of any level of a parking structure may be permitted only if such structure is fully sprinkled and mechanically ventilated.
 15. Barrier free parking spaces shall be provided in the required number and size as specified in the current version of the "Americans With Disabilities Act and the Architectural Barriers Act Accessibility Guidelines" published by the United States Access Board.



SECTION 1802. OFF-STREET LOADING AND UNLOADING

On the same premises with every building, structure, or part thereof involving the receipt or distribution of vehicles or materials or merchandise, there shall be provided and maintained, on the lot, adequate space for standing, loading and unloading in order to avoid undue interference with public use of dedicated right-of-way. Such space shall be provided as follows:

1. All spaces shall be provided as regulated in the Zoning District, except as hereinafter provided for industrial districts and fuel trucks at gasoline stations.
2. Within an industrial district, all spaces shall be laid out in the dimension of at least ten by fifty (10' x 50') feet, or five hundred (500) square feet in area, with a clearance of at least fourteen (14') feet in height. Loading dock approaches shall be provided with a pavement having an asphaltic or Portland cement binder so as to provide a permanent, durable and dustless surface. All spaces in I-1 and I-2 Districts shall be provided in the following ratio of spaces to floor area:

Gross Floor Area (in square feet)	Loading and Unloading Space Required
0 to 1,400	None
1,401 to 20,000	One (1) space
20,001 to 100,000	One (1) space, plus one (1) space for each twenty thousand (20,000) square feet in excess of twenty thousand and one (20,001) square feet
100,001 and over	Five (5) spaces

3. All loading and unloading in an industrial district shall be provided off-street in the rear yard or interior side yard and shall, in no instance, be permitted in a front yard. In those instances where exterior side yards have a common relationship with an industrial district across a public thoroughfare, loading and unloading may take place in said exterior side yard when the setback is equal to at least fifty (50') feet. **Loading and unloading spaces shall be designed to accommodate forward movement only.**
4. All gasoline stations shall provide sufficient space for loading and unloading of gasoline and other fuels that fuel trucks do not block ingress and egress from the property, or block space reserved for auto parking.

SECTION 1803. RESERVED

(Amended 6/18/07, Ord. # 955)

7. a. Other Business – Site Plan Review for 800 St. Joseph Street.

Anderson responded to Chair Paull's question regarding the document that has been prepared outlining all restrictions of the moratorium, including an affidavit signed by the owner, notarized by the register of deeds and filed with the city.

Motion by Gruber, second by Stimson to open the public hearing.

All in favor. Motion carried.

Paull asked if there was anyone to address this issue.

Matthew O'Sullivan, Builder: Spoke about the reasons for this home to be approved for construction.

Elaine Herbert, 140 North Shore Drive: Welcomed this family and their big house. Spoke about liking big houses, building her big house and focusing on site plan review by working within the zoning ordinance.

Motion by Miles, second by Gruber to close the public hearing.

All in favor. Motion carried.

Gruber: Spoke of his hope that Matt O'Sullivan gets the opportunity to build more houses in the future, even a large enough house to provide more parking spaces. These are providing a lot more than 2.

Paull said procedurally since this house is exempted from normal procedure becs of the moratorium. We are making a decision, not a recommendation.

Motion by Stimson, second by Frost to accept and approve the site plan rev for new house at 800 St. Joseph.

All carried.

1. New Business – Public Hearing on Proposed Zoning Ordinance Amendments

Paull introduced the background regarding these amendments and asked Anderson to review the summary.

Anderson stated these amendments were started four (4) years ago and this summary represents about half of the ordinance. When you deliberate tonight you do not have to do this as one complete document, nor do you have to go through each item individually one at a time, you can group them, there are a number of options.

ARTICLE II – Definitions Anderson noted that several definitions were added along with some Zoning Board of Appeal (ZBA) interpretations and that the city attorney, during the course of litigation, wrote up some definitions for us. Anderson reviewed some of the definitions, including Access, Building height and Open Air business.

Anderson explained that the new height definition pertains mostly to mansard and flat roofs. The accompanying illustration was changed, too. This was changed to change the way mansard and flat roofs are measured.

ARTICLE IV - Single Family Residential section lot width and depth were added for flag lots, which are narrow at the front and widen in the back. Previously, flag lots were defined in the Zoning Ordinance but there were no regulations for them.

ARTICLE VI - Central Business District use list was streamlined. This allows a little more flexibility as new uses arise. Anderson noted this change takes bulk out of the ordinance but provides the same care with what is allowed in each district.

ARTICLE VII - Neighborhood Business (B-1) New commercial building size limits reflect the zoning ordinances call for businesses in this zone to be on a neighborhood scale. As with the CBD, the B-1 use list was shortened and like was lumped with like. Some of the businesses remain in a separate category include home businesses, ATMS, recreation centers, convenience stores not larger than 3000 square feet and dwellings above permitted commercial uses.

ARTICLE VIII - General Business (B-2) Slightly larger businesses are permitted than in the neighborhood business zone, such as personal service businesses and retail businesses up to 5,000 square feet.

ARTICLE IX - Waterfront Business (B-3) Due to recent review and changes to this category, no other changes were made to this section.

ARTICLE X - Major Thoroughfare Businesses (B-4) Deleted adult entertainment businesses from this zone. We have to leave room for adult entertainment businesses, but by allowing them in B-4 we are opening the door to a business near Walmart, Meijers and other family businesses, and don't feel that is a good place for adult entertainment businesses.

ARTICLE XI - Light Industrial (I-1) and Industrial (I-2) Adult entertainment facilities have been added to the permitted use lists in these zones.

ARTICLE XII - Professional business (PB-1) Since this zone is home to some medical and dental offices, pharmacies and medical supply stores have been added to the zone use list.

ARTICLE XIV - Site Plan Review Submittal requirements have been reduced when electronic copies are available. The planning commission or zoning administrator will now be permitted to require traffic studies for new projects. Costs of such studies are the responsibility of the applicant, not the city.

ARTICLE XVIII - Parking and Loading Spaces The Planning Commission may allow some parking area set aside as green space when the applicant can show that the required number of spaces is excessive. The Meijer site plan review brought this up; they could provide us evidence that they did not need that much parking. Meijer did get a variance; it might have been better to put the extra space into green space, if needed later, it would be available, but in the meantime would provide more green space.

Retail and commercial parking requirement has been reduced from one space for every 150 square feet of usable floor space to one space for every 250 feet of usable floor area. The amount of parking recommended now is on line with other communities.

Parking space dimensions amended per the city engineer. He designed new graphics to replace the old.

Also under parking we had one change and there will be more in the future. The ordinance requirement for a residential single family and two family homes has added text requiring two parking spaces for each unit with four (4) or less bedrooms for single family residences with five (5) or more bedrooms, one (1) additional space is required for each additional bedroom.

Also included is a requirement for area of residential off-street parking for more than (4) vehicles to be located on a pervious surface other than gravel.

Anderson noted that the half story reference has been deleted from all residential zones. This has been a problem for a long time; the definition was such that it easily turned into a third story. Going without the third story and requiring a height limit of thirty-five feet (35') is much cleaner and easier and brings down the mass of such structures.

Anderson pointed out that this is about half of the ordinance; we are focusing now so much on the rental ordinance, we wanted to move this forward.

Stimson noted that some comments come in after this was posted to the website; one was that it might be better if adult entertainment be limited to the I-2 zone, which is more heavy duty opposed to light and because of the location of that zone in the city. Stimson would like to propose that be added.

Anderson responded that there is sense to that suggestion and pointed out that the light industrial (I-1) is at all of the interchanges and the three (3) major entrances to the city while the I-2 zone is down in the industrial parks.

Heinig questioned definition for flag lot to which Anderson responded that there was an illustration but no definition; flag lots should be defined.

Motion by Gruber, second by Miles to open the public hearing.

All in favor. Motion carried.

Dorothy Appleyard, 806 Wilson Street. The building heights in residential zones are thirty-five feet (35') to the peak and thirty feet (30') for mansard or flat roof. Spoke about the Issue she has is seeing of builders being creative and coming forward with an almost flat little peak. Asked if something can be added to define pitch so that possibility could be eliminated.

Paull asked for clarification of the possibility being referred to and Appleyard explained.

Appleyard: Requested considering expanding setbacks for accessory uses from three feet (3') to six (6') whenever possible particularly in confined building lots where neighbors may also have three foot (3') setbacks for accessory structures already in

place. Spoke about concerns that the additional parking spaces required for additional bedrooms in residential zones could result in a parking lot. Spoke about the need for language providing buffering for noise and lights. Requested that pools be considered in total lot coverage. Questioned recreation in residential zones but as time was up will address that later.

Mary Lynn Bugge, Gabriel Drive: Spoke of being on the Planning Commission when some of these amendments were first discussed; that she sent Linda Anderson a list of suggestions. Bugge enumerated a number of those suggestions.

Connie Schaffer , North Shore Drive. Spoke about parking problems with renters, not calling the police, having questions about where renters are parking, beach parking overflowing into neighborhoods and parking for nine hours, parking on both sides of North Shore Drive obstructing two-way traffic and the ability to get out of her driveway.

Paull said part of that problem has to do with a clear understanding of how we communicate this to police and dispatch..

Elaine Herbert. Spoke about having one of the last remaining corners in South Haven that is designated B-1 wanting to know clearly what can and cannot be done that is business in the neighborhood districts, about parking requirements for B-1, and noted that the Zoning Ordinance states that anything that comes in front of the city of South Haven that needs to be built from single family home to R-1 district, no matter what it is, has to go to Planning Commission for site plan review.

Motion by Gruber, second by Heinig to close the public hearing.

All in favor. Motion carried.

Paull noted it is time for the commission to discuss the amendments and enumerated that they can decided to do nothing, to recommend a few amendments to city council for approval or recommend all of the amendments that have been articulated could be to the city council approval. If all were recommended, Paull suggested that the suggestion regarding the adult entertainment in the I-2 would be most appropriate.

Anderson said Mary Lynn gave me some edits and additions, most are housekeeping, things that were bold that should not have been, so could be cleaned up before it goes to City Council. The issue of removing adult entertainment from I-1 should be part of any motion.

Stimson questioned building height and limiting single family houses to two (2) stories. Anderson responded that a third story has been removed from the ordinance. Frost explained that removing it from the ordinance does not mean we can leave it alone; we need to recommend that. Stimson asked if saying two stories does not cover that. Gruber asked could if the amendments could be recommended to city council and discuss that later.

Frost said we heard concern about not adding parking spaces and creating a parking lot. Gruber said we are looking at the current home. Anderson said counting toilets was a better way to determine how many parking spaces are needed. Frost said he thinks

square footage would be a better measure because a house could be designed with eight (8) dens and four (4) bedrooms.

Paull said they are valid thoughts and could and should be dealt with individually.

Stimson said can we send some on and refine some of the questions later. Paull said that would be his feeling but not sure how we want to pull those out.

Gruber said there is a lot of work that has been done in this four (4) years, thinks especially with the height and some other things send it on to City Council, give some direction. The parking one is tough, but is something that would be okay to go forward with.

Motion by Stimson to send the amendments on to City Council for approval in its existing status except for adult entertainment facilities being limited to the I-2 zone, making any other changes we need to make. Second by Miles.

Paull said we have some concerns on Frost's part which need to be corrected as soon as possible.

A roll call vote was taken:

Ayes: Gruber, Heinig, Miles, Stimson, Webb, Paull

Nays: Frost