# Southgate City Council Agenda

**Council Chambers**

**14400 Dix-Toledo Rd., Southgate, Michigan 48195**

Wednesday August 6, 2025

## 6:30pm **Work Study Session**

1. Officials Reports
2. Discussion of Agenda Items

## 7:00 pm **Regular Meeting**

*Pledge of Allegiance*

**Roll Call:** Araj, Ayres-Reiss, Gawlik, George, Graziani, Kuspa, Rauch

**Minutes:**

1. Work Study Meeting Minutes dated July 16, 2025
2. Regular City Council Meeting Minutes dated July 16, 2025

*Motion to move into closed session re: Contract Extension – MAP Patrol Union*

**Scheduled Persons in the Audience:**

**Consideration of Bids:**

**Scheduled Hearings:**

**Communications "A"**

1. Memo from Administrator; Re: Contract Extension – Patrol Union — Page 4
2. Memo from Administrator; Re: Charitable Gaming License – Jude August Foundation, Inc. — Page 5
3. Memo from Administrator; Re: First Amendment to the Intergovernmental Agreement For the Southgate Tower Park and Pedestrian Bridge Project — Page 10
4. Memo from Administrator; Re: Request for Public Hearing – TIFA Document 10 — Page 13
5. Letter from Mayor; Re: Change Order No. 001 – Southgate Tower Park Landscape Material — Page 53

**Communications "B" – (Receive and File):**

1. Memo from Administrator; Re: Rally Point Partners Name Change to Restoration 1 of Clawson — Page 61

**Ordinances:**

1. Memo from Administrator; Re: Amendment to City Code Chapter 1423.10 — Page 63

**Old Business:**

**New Business:**

**Unscheduled Persons in the Audience:**

**Claims & Accounts: Warrant #1526 $4,777,334.99**

**Adjournment:**

Janice M. Ferencz

**Janice M. Ferencz, City Clerk**

City Council

# Work Study Session

July 16, 2025

An Informal Meeting of the Council of the City of Southgate was held on July 16, 2025 at 6:30 P.M. and called to order by Council President Zoey Kuspa.

| | |
|---|---|
| Present: | Priscilla Ayres-Reiss, Edward Gawlik, Jr., Karen George, Christian Graziani, Zoey Kuspa, Phil Rauch |
| Absent: | Victoria Araj (excused) |
| Also Present: | Mayor Joseph G. Kuspa, City Attorney Edward Zelenak, Assistant City Administrator/Finance Director Doug Drysdale, City Treasurer Chris Rollet, City Engineer John Miller, Police Chief Mark Mydlarz, Fire Chief Justin Graves, DPS Director Kevin Anderson, Recreation Director Julie Goddard, Building Director Tim Leach |

*Discussed the following agenda items:*

- Approve Change Order No. 3 for 2025 Road Construction
- Approve Charitable Gaming License-Titans Cheer Booster Club

This meeting ended at 6:37 p.m.

# City of Southgate
## Regular City Council Meeting
## July 16, 2025

A Regular Meeting of the Council of the City of Southgate was held on Wednesday, July 16, 2025 in the Southgate City Hall Council Chambers and was called to order at 7:00 PM by Council President Zoey Kuspa.

**This meeting began with the Pledge of Allegiance.**

| | |
|---|---|
| Present: | Priscilla Ayres-Reiss, Edward Gawlik, Jr., Karen George, Christian Graziani, Zoey Kuspa, Phil Rauch |
| Absent: | Victoria Araj (excused) |
| Also Present: | Mayor Joseph G. Kuspa, City Attorney Edward Zelenak, Assistant City Administrator/Finance Director Doug Drysdale, City Treasurer Chris Rollet, City Engineer John Miller, Police Chief Mark Mydlarz, Fire Chief Justin Graves, DPS Director Kevin Anderson, Recreation Director Julie Goddard, Building Director Tim Leach |

**Minutes:**

Moved by George, supported Ayres-Reiss, RESOLVED, that the minutes of the City Council Work Study Session dated July 2, 2025 be approved as presented. Carried unanimously.

Moved by Rauch, supported by Gawlik, RESOLVED, that the minutes of the Regular City Council Meeting dated July 2, 2025 be approved as presented. Carried unanimously.

**Communications "A":**

1. Letter from Mayor; Re: Change Order No 3 for 2025 Road Construction moved by George, supported by Ayres-Reiss, RESOLVED THAT the Southgate City Council approve Change Order No. 003 for the 2025 Road Reconstruction Program agreement with G.V. Cement for the addition of Fordline Road (between Brest and Goddard) and Churchill Avenue (between Wesley and Brest), in the amount of $522,000.00, plus 10% contingency in the amount of $52,200.00, for a total amount of $574,200.00. Motion carried unanimously.

2. Memo from Administrator; Re: Charitable Gaming License – Titans Cheer Booster Club moved by Rauch, supported by George, RESOLVED THAT the Southgate City Council approve the resolution request of Titans Cheer Booster Club, of Southgate, MI to be recognized as a nonprofit organization operating in the community for the purpose of obtaining a charitable gaming license. Motion carried unanimously.

**Claims and Accounts:**

Moved by Rauch, supported by Ayres-Reiss, RESOLVED, that Claims and Accounts be paid as outlined on Warrant #1525 for $2,302,933.74. Motion carried unanimously.

**Adjournment:**

Moved by Ayres-Reiss, supported by George, RESOLVED THAT this Regular Meeting of the Southgate City Council be adjourned at 7:04 P.M. Carried unanimously.

Zoey Kuspa
Council President

Janice M. Ferencz
City Clerk

JOSEPH G. KUSPA
*Mayor*

JANICE M. FERENCZ
*City Clerk*

CHRISTOPHER P. ROLLET
*Treasurer*

- CITY COUNCIL -

ZOEY KUSPA
*Council President*

CHRISTIAN GRAZIANI

KAREN E. GEORGE

PHILLIP J. RAUCH

PRISCILLA AYRES-REISS

ED GAWLIK JR.

VICTORIA ARAJ

# City of Southgate

**Memorandum**

To: Honorable City Council Members

From: Dan Marsh, City Administrator DM

Date: August 1, 2025

Re: Contract Extension with Michigan Association of Police (Patrol Union)

---

As previously discussed at this evening's Executive Session, the Administration has presented the City Council with a two year extension to the Collective Bargaining Agreement with the Michigan Association of Police (the Patrol Union). The Administration believes that the adoption of this agreement is in the best interest of the City and we respectfully request authorization for the Mayor, City Clerk, and City Administrator to sign on behalf of the City.

**Proposed Motion:** *To approve the proposed two-year Collective Bargaining Agreement with the Michigan Association of Police and to authorize the Mayor, City Clerk, and City Administrator to sign on behalf of the City.*



NORMA J. WURMLINGER MUNICIPAL BUILDING
14400 DIX-TOLEDO ROAD • SOUTHGATE, MICHIGAN 48195 • 734-258-3022 • FAX: 734-246-1414

JOSEPH G. KUSPA
*Mayor*

JANICE M. FERENCZ
*City Clerk*

CHRISTOPHER P. ROLLET
*Treasurer*



# City of Southgate

## Memorandum

To: Honorable City Council Members

From: Dan Marsh, City Administrator

Date: August 1, 2025

Re: Resolution for Charitable Gaming License for a Southgate Based Non-Profit – Jude August Foundation, Inc.

---

Jude August Foundation Inc., a Southgate based non-profit entity, is organized under the Michigan Non-Profit Corporations Act 1625 of 1982. It received State approval to operate as a 501(c)(3) on August 13, 2021.

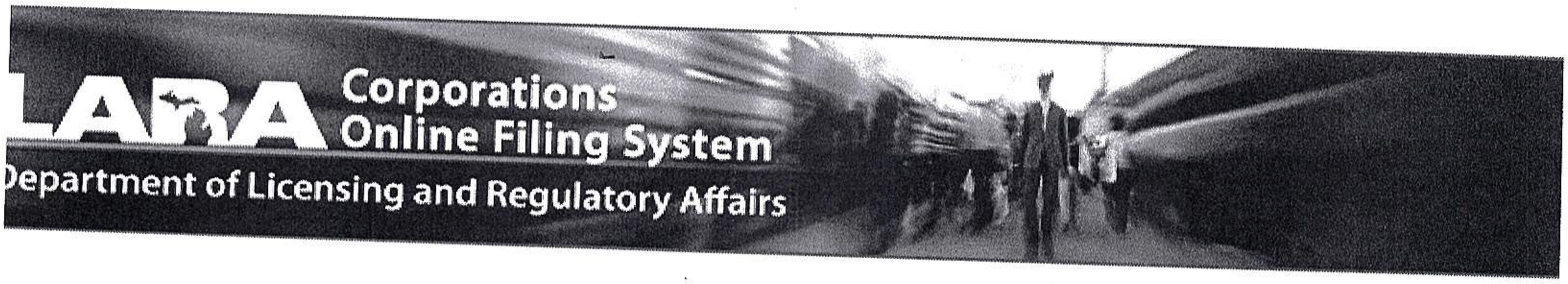
Jude August Foundation Inc. is requesting a resolution for Charitable Gaming License. These resolution requests the City Council to recognize Jude August Foundation Inc. as a non-profit organization operating in Southgate. If adopted the resolution by City Council will be forwarded to the State by the organization to seek a charitable gaming license. The organization does rely heavily on donations and fundraising events for funding.

Please contact me with any questions.

**Proposed Motion:** *To approve the resolution request of Jude August Foundation Inc., of Southgate MI, to be recognized as a nonprofit organization operating in the community for the purpose of obtaining a charitable gaming licenses.*



NORMA J. WURMLINGER MUNICIPAL BUILDING
14400 DIX-TOLEDO ROAD • SOUTHGATE, MICHIGAN 48195 • 734-258-3022 • FAX: 734-246-1414




Form Revision Date 07/20:

# ARTICLES OF INCORPORATION

**For use by DOMESTIC NONPROFIT CORPORATION**

*Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Articles:*

## ARTICLE I

The name of the corporation is:

JUDE AUGUST FOUNDATION, INC.

## ARTICLE II

The purpose or purposes for which the corporation is formed are:

To support the families & caregivers of children requiring critical care.

The organization is organized exclusively for charitable, religious, educational, and scientific purposes under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

## ARTICLE III

The Corporation is formed upon Non Stock basis.

If formed on a stock basis, the total number of shares the corporation has authority to issue is

If formed on a nonstock basis, the description and value of its real property assets are (if none, insert "none"):

none

The description and value of its personal property assets are (if none, insert "none"):

none

The corporation is to be financed under the following general plan:

Contributions

The Corporation is formed on a Directorship basis.

## ARTICLE IV

The street address of the registered office of the corporation and the name of the resident agent at the registered office (P.O. Boxes are not acceptable):

1. Agent Name: TIMOTHY LAMB
2. Street Address: 15217 NANCY STREET
   Apt/Suite/Other:
   City: SOUTHGATE
   State: MI Zip Code: 48195
3. Registered Office Mailing Address:
   P.O. Box or Street Address:
   Apt/Suite/Other:
   City:
   State: Zip Code:

## ARTICLE V

The name(s) and address(es) of the incorporator(s) is (are) as follows:

| Name | Residence or Business Address |
|---|---|
| TIMOTHY LAMB | 15217 NANCY STREET, SOUTHGATE, MI 48195 USA |
| STEPHANIE LAMB | 15217 NANCY STREET, SOUTHGATE, MI 48195 USA |

Use the space below for additional Articles or for continuation of previous Articles. Please identify any Article being continued or added.

ARTICLE VI:

NO PART OF THE NET EARNINGS OF THE CORPORATION SHALL INURE TOVTHE BENEFIT OF, OR BE DISTRIBUTABLE TO ITS MEMBERS, TRUSTEES, OFFICERS, OR OTHER PRIVATE PERSONS, EXCEPT THAT THE CORPORATION SHALL BE AUTHORIZED AND EMPOWERED TO PAY REASONABLE COMPENSATION FOR SERVICES RENDERED AND TO MAKE PAYMENTS AND DISTRIBUTIONS IN FURTHERANCE OF THE PURPOSE DESCRIBED IN SECTION 501(C)(3). NO SUBSTANTIAL PART OF THE ACTIVITIES OF THE CORPORATION SHALL BE THE CARRYING ON OF PROPAGANDA, OR OTHERWISE ATTEMPTING TO INFLUENCE LEGISLATION, AND THE CORPORATION SHALL NOT PARTICIPATE IN, OR INTERVENE IN (INCLUDING THE PUBLISHING OR DISTRIBUTION OF STATEMENTS) ANY POLITICAL CAMPAIGN ON BEHALF OF OR IN OPPOSITION TO ANY CANDIDATE FOR PUBLIC OFFICE. NOTWITHSTANDING ANY OTHER PROVISION OF THESE ARTICLES, THE CORPORATION SHALL NOT CARRY ON ANY OTHER ACTIVITIES NOT PERMITTED TO BE CARRIED ON (A) BY A CORPORATION EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, OR THE CORRESPONDING SECTION OF ANY FUTURE FEDERAL TAX CODE, OR (B) BY A CORPORATION, CONTRIBUTIONS TO WHICH ARE DEDUCTIBLE UNDER SECTION 170(C)(2) OF THE INTERNAL REVENUE CODE, OR THE CORRESPONDING SECTION OF ANY FUTURE FEDERAL TAX CODE.

ARTICLE VII:

UPON THE DISSOLUTION OF THIS ORGANIZATION, ASSETS SHALL BE DISTRIBUTED FOR ONE OR MORE EXEMPT PURPOSES WITHIN THE MEANING OF SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, OR CORRESPONDING SECTION OF ANY FUTURE FEDERAL TAX CODE, OF SHALL BE DISTRIBUTED TO THE FEDERAL GOVERNMENT, OR TO A STATE OR LOCAL GOVERNMENT, FOR A PUBLIC PURPOSE.

Signed this 12th Day of August, 2021 by the incorporator(s).

| Signature | Title | Title if "Other" was selected |
|---|---|---|
| Timothy Lamb | Incorporator | |
| Stephanie Lamb | Incorporator | |

By selecting ACCEPT, I hereby acknowledge that this electronic document is being signed in accordance with the Act. I further certify that to the best of my knowledge the information provided is true, accurate, and in compliance with the Act.

○ Decline ◉ Accept

# *MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS*

## *FILING ENDORSEMENT*

***This is to Certify that the*** ARTICLES OF INCORPORATION

***for***

JUDE AUGUST FOUNDATION, INC.

***ID Number:*** 802720141

***received by electronic transmission on*** August 12, 2021 ***, is hereby endorsed.***

***Filed on*** August 13, 2021 ***, by the Administrator.***

***The document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.***

LICENSING AND REGULATORY AFFAIRS ★ Corporations, Securities & Commercial Licensing Bureau ★
E PLURIBUS UNUM
TUEBOR
SI QUAERIS PENINSULAM AMOENAM
CIRCUMSPICE

***In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 13th day of August, 2021.***

Linda Clegg

*Linda Clegg, Director*

*Corporations, Securities & Commercial Licensing Bureau*

MICHIGAN LOTTERY
Charitable Gaming Division
Box 30023, Lansing, MI 48909
OVERNIGHT DELIVERY:
101 E. Hillsdale, Lansing MI 48933
(517) 335-5780
www.michigan.gov/cg

# LOCAL GOVERNING BODY RESOLUTION FOR CHARITABLE GAMING LICENSES

(Required by MCL.432.103a(i)(*ii*))

At a ______________________ meeting of the ______________________
REGULAR OR SPECIAL — TOWNSHIP, CITY, OR VILLAGE COUNCIL/BOARD

called to order by ______________________ on ______________
DATE

at ____________ a.m./p.m. the following resolution was offered:
TIME

Moved by ______________________ and supported by ______________________

that the request from ______________________ of ______________,
NAME OF ORGANIZATION — CITY

county of ______________________, asking that they be recognized as a
COUNTY NAME

nonprofit organization operating in the community for the purpose of obtaining charitable

gaming licenses, be considered for ______________________.
APPROVAL/DISAPPROVAL

| APPROVAL | | DISAPPROVAL | |
|---|---|---|---|
| Yeas: | ________ | Yeas: | ________ |
| Nays: | ________ | Nays: | ________ |
| Absent: | ________ | Absent: | ________ |

I hereby certify that the foregoing is a true and complete copy of a resolution offered and adopted by the ______________________ at a ______________________
TOWNSHIP, CITY, OR VILLAGE COUNCIL/BOARD — REGULAR OR SPECIAL

meeting held on ______________________.
DATE

SIGNED: ______________________________________
TOWNSHIP, CITY, OR VILLAGE CLERK

______________________________________
PRINTED NAME AND TITLE

______________________________________
ADDRESS

COMPLETION: Required.
PENALTY: Possible denial of application.



BSL-CG-1153(R4/24)

JOSEPH G. KUSPA
*Mayor*

JANICE M. FERENCZ
*City Clerk*

CHRISTOPHER P. ROLLET
*Treasurer*



# City of Southgate

**Memorandum**

To: Honorable City Council Members

From: Dan Marsh, City Administrator DM

Date: July 31, 2025

Re: First Amendment to the Intergovernmental Agreement for the Southgate Tower Park and Pedestrian Bridge Project

---

On March 2, 2023 the Wayne County Commission approved the IGA with the City of Southgate for the development of the Southgate Tower Park and Bridge Project. The original IGA required that 100% of funds be spent by October 31, 2025. The County has provided the attached amendment that will extend the completion deadline to October 31, 2026. While the Administration believes that substantial completion of the project will still take place this fall, we recommend approval of the amendment.

If you have any questions please contact me.

**Proposed Motion:** *To approve the First Amendment to Intergovernmental Agreement Between Charter Couth of Wayne and the City of Southgate for Tower Park and Pedestrian Bridge and to approve the City Administrator to sign the amendment on behalf of the City*



NORMA J. WURMLINGER MUNICIPAL BUILDING
14400 DIX-TOLEDO ROAD • SOUTHGATE, MICHIGAN 48195 • 734-258-3022 • FAX: 734-246-1414

**FIRST AMENDMENT TO INTERGOVERNMENTAL AGREEMENT BETWEEN CHARTER COUNTY OF WAYNE AND THE CITY OF SOUTHGATE FOR TOWER PARK AND PEDESTRIAN BRIDGE**

**THIS FIRST AMENDMENT TO INTERGOVERNMENTAL AGREEMENT ("First Amendment")** is between the County of Wayne, Michigan, a body corporate and Charter County acting through its Department of Economic Development (the "County"), and the City of Southgate (the "Community").

**RECITALS**

**WHEREAS**, the County received funding under the U.S. Department of Treasury State and Local Fiscal Recovery Fund ("SLFRF") program; and

**WHEREAS**, on or about March 2, 2023, the County Commission approved an Intergovernmental Agreement with the Community to fund the development of the Tower Park and Pedestrian Bridge ("the Agreement"), which provided for an allocation by the County of Five Million and 00/100 ($5,000,000) Dollars in federal SLFRF funds to the Community to support the development; and

**WHEREAS**, the Community has requested additional time to expend the remainder of the SLFRF funds; and

**WHEREAS**, the Parties now wish to enter into this First Amendment to extend the term of the Agreement and modify the Project Timeline, and to ensure the County's essential rights under the Agreement survive through the closeout period of the federal SLFRF grant, as further outlined below.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, the Parties agree as follows:

1. Section 3.01 of the Agreement is hereby amended and replaced with the following:

3.01 Project Timeline. The term of this agreement shall commence upon approval by the Wayne County Commission and terminate on December 31, 2026. The Community shall expend no less than 70% of the Project Funds provided under this Agreement for eligible activities and beneficiaries by December 31, 2025, and the remainder of the Project Funds by October 31, 2026. The County retains the right and option to terminate this Agreement and First Amendment at any time due to failure to meet projected and planned spending timelines or requirements, and re-purpose any remaining Project Funds.

2. This First Amendment hereby adds a new section, identified as Section 5.06, which includes the following language:

5.06 Close-out Period. All of the County's rights and powers enumerated in this

Agreement and First Amendment shall survive beyond the term of this Agreement, with such powers and rights extending throughout the life of the SLFRF program and subsequent Close-out Period, as defined by the U.S. Department of Treasury.

3. All other terms and conditions in the Contract not in conflict with the terms of this First Amendment shall remain in full force and effect.

4. Each party warrants that its agent signing this First Amendment is authorized to bind its principal.

5. This First Amendment shall become part of the Contract between the parties and shall become effective upon execution by both parties.

**NOW THEREFORE**, the County and the Community hereby agree to the expressed terms above and execute this First Amendment to the Agreement on the dates identified below.

## SIGNATURES

The County and the Community, by their authorized officers and representatives have executed this Agreement.

| CITY OF SOUTHGATE | COUNTY OF WAYNE |
|---|---|
| By: ______________________ | By: ______________________<br>WARREN C. EVANS |
| Its: ______________________ | Its: County Executive |
| Date: ______________________ | Date: ______________________ |

APPROVED AS TO FORM:

By: Jim Jernigan
DEPT. OF CORPORATION COUNSEL
APPROVAL DATE: 7/16/2025

JOSEPH G. KUSPA
*Mayor*

JANICE M. FERENCZ
*City Clerk*

CHRISTOPHER P. ROLLET
*Treasurer*

City of Southgate



**Memorandum**

To: Honorable City Council Members

From: Dan Marsh, City Administrator DM

Date: July 30, 2025

Re: Request for Public Hearing for Tax Increment Finance Authority Document #10

---

Please consider calling a public hearing during the September 3, 2025 regular City Council meeting to review the recommendation from the Tax Increment Finance Authority board related to Document #10 of the Development Plan. Document #10 extends the plan by a twenty year period and expands the number of project priorities. Included in your packet is a copy of the proposed plan.

If you have any questions please contact me.

**Proposed Motion:** *Establish a public hearing to take place during the regular City Council Meeting on September 3, 2025 to review and take public comment on Document #10 of the Development Plan and Tax Increment Financing Plan for the Southgate Tax Increment Financing Authority.*



NORMA J. WURMLINGER MUNICIPAL BUILDING
14400 DIX-TOLEDO ROAD • SOUTHGATE, MICHIGAN 48195 • 734-258-3022 • FAX: 734-246-1414

# Development Plan and Tax Increment Financing Plan for the Southgate Tax Increment Finance Authority

**Draft - July 11, 2025**

Southgate

Tax Increment Finance Authority

_____________2025

Recommended by TIFA on:_______________________

Adopted by City Council on: _______________________

# ACKNOWLEDGEMENTS

## Mayor

Joseph G. Kuspa

## City Council

Zoey Kuspa (Council President)
Christian Graziani
Karen George
Phillip Rauch
Priscilla Ayres-Reiss
Ed Gawlik Jr.
Victoria Araj

## Tax Increment Finance Authority Board

Patricia Anderson
Tony Dicarlo
Tom Gasso
Patrick Guentner
Peter Heggie
Tony Lajeunesse
Ron Moran
Jeremy Reyna
Walt Oben

## City Staff

Daniel Marsh, City Administrator
Douglas Drysdale, Assistant City Administrator/Finance Director
Janice M. Ferencz, City Clerk

Assisted by: Carlisle/Wortman Associates, Inc.
Ann Arbor, MI

# TABLE OF CONTENTS

## Section 1 Introduction



## Section 2 Development Plan



## Section 3 Tax Increment Financing Plan

## Appendices



## List of Figures



## List of Tables

This page intentionally left blank.

# Section 1

# Introduction

The City of Southgate, Tax Increment Financing Authority (TIFA) District, is home the Downriver Family YMCA, Sam's Club, Frito-Lay manufacturing company along with multiple hotels, offices, commercial, and industrial buildings. The district is surrounded by suburban neighborhoods with easy access to I-75 and adjacent communities. The TIFA District is in the northwest portion of the City. The boundaries of the district are shown in Figure 1 in Section 2 of this Development Plan.

The Southgate Tax Increment Finance Authority (TIFA) plan was created to increase property values, eliminate the causes of the declining property values, and promote growth within the target area. The TIF plan was developed in 1985, when property values within the target area were declining due to lack of development on vacant land caused by insufficient infrastructure. The TIF Development District continues to be relevant to generating revenue, stabilizing property value, and improving access and safety. Since 1985, public improvements have been made, including new paved streets, water lines, sewers, and other public utility extensions. This has resulted in a number of new office buildings and other commercial facilities within the district.

## PURPOSE OF THE TIFA ACT

The Tax Increment Finance Act, codified as Part 3 under PA 57 of 2018, was created to provide for a tax increment finance authority; and in the best interests of the public to halt a decline in property values, increase property tax valuation, eliminate the causes of the decline in property values, and promote growth within the area. It provides the legal mechanism for City officials to address the needs and encourage economic development within the Southgate TIF district by providing the necessary legal, monetary, and organizational tools to the TIF district, either through public-initiated projects or with private development projects.

## ACTIONS OF THE CITY TO DATE

On December 18, 1985, the City Council adopted the Tax Increment Finance Plan and Finance Program, as recommended by the Tax Increment Finance Authority. Adoption of the plan and program by the City Council established a Tax Increment Finance District as set forth in the plan document. The intent of the plan is to capture assessed value revenue from all private and personal property within the district to be used to make specific improvements to public areas within the district. The boundaries of this TIFA District are identified as Figure 1 in Section 2 of this Development Plan, and the legal description located in Appendix 1.

It was recognized in the original plan that basic revenue and development projects would require periodic refining. The existing Tax Increment Finance plan is identified as Document No. 8 and approved by the City Council in 2005. The current Development Plan was amended and adopted as Document No. 9 in 2013.

In the twenty (20) years since Document No. 8 was adopted, a significant number of legislative and physical changes have taken place. Importantly, PA 450 of 1980 that Document No. 8 was adopted under has been changed to Public Act 57 of 2018, Part 3. Comparison of the two Public Acts shows that legislative requirements remain generally similar.

This amendment, identified as Document No. 10, serves as the development and tax increment finance plan meeting the requirements of Public Act 57. Subsequent documents will be assigned sequential numbers and should be saved to serve as a record of the progress of development and revenue capture and expenditure throughout the life of the Tax Increment Finance District.

The following provides a summary sheet of the Forty (40) year history of the Tax Increment Finance Authority and its attendant Documents #l through #9.

| | | |
|---|---|---|
| Document #1 | 12/18/85 | • Original Development and Tax Increment Finance Plans adopted. |
| Document #2 | 9/14/88 | • Revised project priorities, deleting three street projects – Frontage Road along Northline, new N-S Road between Northline and West Frontage, Reek Road at Northline intersection realignment.<br>• Provided for bonding of projects.<br>• Reduced the program by seven years, ECD 1997. |
| Document #3 | 4/24/91 | • Added Northline Road sidewalks.<br>• Added landscaping Heritage Drive at East Frontage. |
| Document #4 | 6/17/92 | • Eliminated to capture for FY 1992 (request of City).<br>• No substantial changes in revised income in Table 1 functioned as report. |
| Document #5 | 6/15/93 | • Added Reeck Road storm sewer.<br>• Added underground utilities West of Reeck Road. |
| Document #6 | 1/12/94 | • Eliminated capture for FY 1993 (request of School District Board of Education).<br>• Extended program by one year, ECD 1998.<br>• Eliminated capture of school operating millage revenues in future years. |
| Document #7 | 7/30/96 | • Extended the plan to 2005.<br>• Added landscaping of I75.<br>• Added landscaping of Presidential Drive.<br>• Added the following road improvements. |

- Walnut Avenue.
- Industrial Road from Allen to Reeck Road.

| | | |
|---|---|---|
| Document #8 | 1/30/2001 | • Continued Document 7 I-75 landscaping and road improvements<br>• Added new industrial street north and south from Noecker Way.<br>• Construct Northline Road boulevard from I-75 to Allen Road.<br>• Improving Grams Drain.<br>• Constructing sportsplex.<br>• Reconstruct Reeck Road.<br>• Construct an access road adjacent to 15800 Northline Road.<br>• Install sidewalks<br>• Northline Road waterline extension. |
| Document #9 | 11/22/2010 | • Continued Document #8 projects new industrial roads north and south from Noecker Way, constructing Northline Road boulevard from I-75 to Allen Road, improving Grams Drain, reconstructing Reeck Road, constructing an access road adjacent to 15800 Northline Road, improving landscaping, installing sidewalks, and extending the Northline Road waterline.<br>• Localized repair of Prechter Boulevard.<br>• Reconstruct portions of West Road frontage between Northline and Allen Roads.<br>• Reconstruct portions of Reeck Road, and clean roadside ditches between Northline and Goddard Roads. |

## CONTENT OF THE PLAN

The TIF Plan consists of two components required by Part 3 of Act 57, as amended: the Development Plan and the Tax Increment Financing Plan. The Development Plan includes specific programs, projects, and strategies that the TIFA intends to pursue to encourage new investment in the district, improve visual appearance, and improve public safety. The Tax Increment Financing (TIF) Plan provides the legal foundation for funding these improvements within the district.

This plan continues the goal of increasing property tax valuation, eliminating causes of declining property values, and promoting growth within the target area. The TIFA continues to invest in additions and improvements to the infrastructure and promote new growth. The plan aligns with the current Master Plan goal "Maintain the existing commercial base and encourage commercial development that satisfies local market needs and provides a positive contribution to the local tax base."

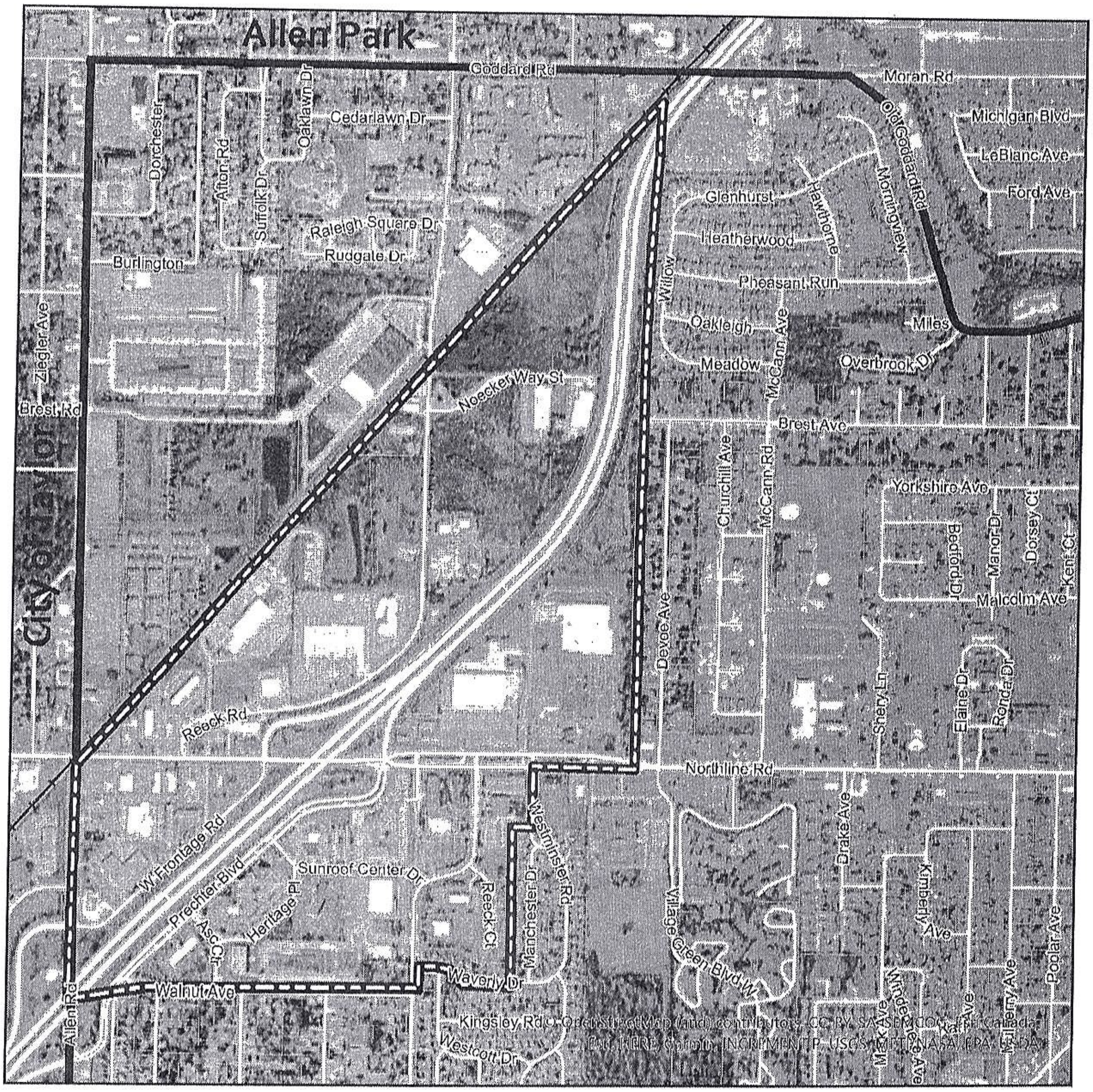
# Section 2
# Development Plan

## DESCRIPTION OF THE DEVELOPMENT AREA

### Designation of Boundaries of the Development Area in Relation to Highway, Streets, Streams, or Otherwise

The Southgate TIFA has been given authority by the City Council to operate within the TIF District as identified in Figure 1. In general, the TIF District boundaries include the Pennsylvania Railroad to the north/northwest, the area behind the homes west of Devoe Street, Northline Road south to Waverly Street, west of the homes on Manchester Road and north of the homes on Waverly Street, south to Walnut Street over to the east of Allen Road back up to Northline Road. The district is generally split in half by Interstate 75 and includes Waverly Park to the south. A large amount of undeveloped land is around Reeck Road and Noecker Way. There are no significant natural features within the boundaries of the district. The Development and TIF boundaries are coterminous as shown on page 5.

FIGURE 1. TIF Development Area and Authority Boundary




Railroads

TIF Boundary

Parcels

TIF District

City of Southgate

Wayne County, Michigan

0 0.25 0.5 Miles

Data: City of Southgate, Wayne County, State of Michigan

Prepared by: Carlisle/Wortman Associates, Inc.

Date: May 2025

## Existing Streets and Public Facilities

The two (2) dominant roadways within the TIFA District include Northline and Allen Roads. Secondary roads include Walnut Street and Reeck Road. The frontages of both Northline and Allen Roads are largely commercial and experience a significant amount of traffic. The average daily traffic volumes on Northline and Allen Roads range from 26,647 and 33,514 cars per day. The northern part of the district is office and industrial with lower traffic volumes along Reeck Road and Noecker Way. The southern part of the district has commercial buildings, and homes bordering the district. The district also includes Waverly Park along Reeck Road and Walnut Street.

### TABLE 1: Major Road Data

| Road | Segment | Traffic Volumes (ADT) |
|---|---|---|
| Northline | West of Dix Toledo Highway (Parts of segment out of district) | 31,891 |
| | East of Allen Road | 33,514 |
| Allen Road | Northline Road | 30,790 |
| | Eureka Road (Parts of segment out of district) | 26,647 |

*Source: SEMCOG Road Segment Report 2013 - 2019*

The only public land in the district is Waverly Park, and it is located at the southern edge of the district. There are vacant parcels located in the northern portion of the district with the intent of having these developed as tax-generating properties.

## Existing Land Uses

Land uses include large retail stores, office buildings, drive through restaurants, hotels, industrial buildings, auto body services, and several small retail strip malls. Most of the district is developed as office, retail, hotels, and commercial as shown in Figure 2. The predominant retailers are the hotels on Northline and Prechter Boulevard east of I-75, the Downriver Family YMCA, and Sams Club. There is a hotel overlay district that was established in 2008 and covers most of the TIFA district within proximity of I-75.

There are multiple vacant parcels which present development opportunities, especially along Reeck Road. Other opportunities include the expansion of parking areas serving the Development Area, and redevelopment of other underperforming buildings.

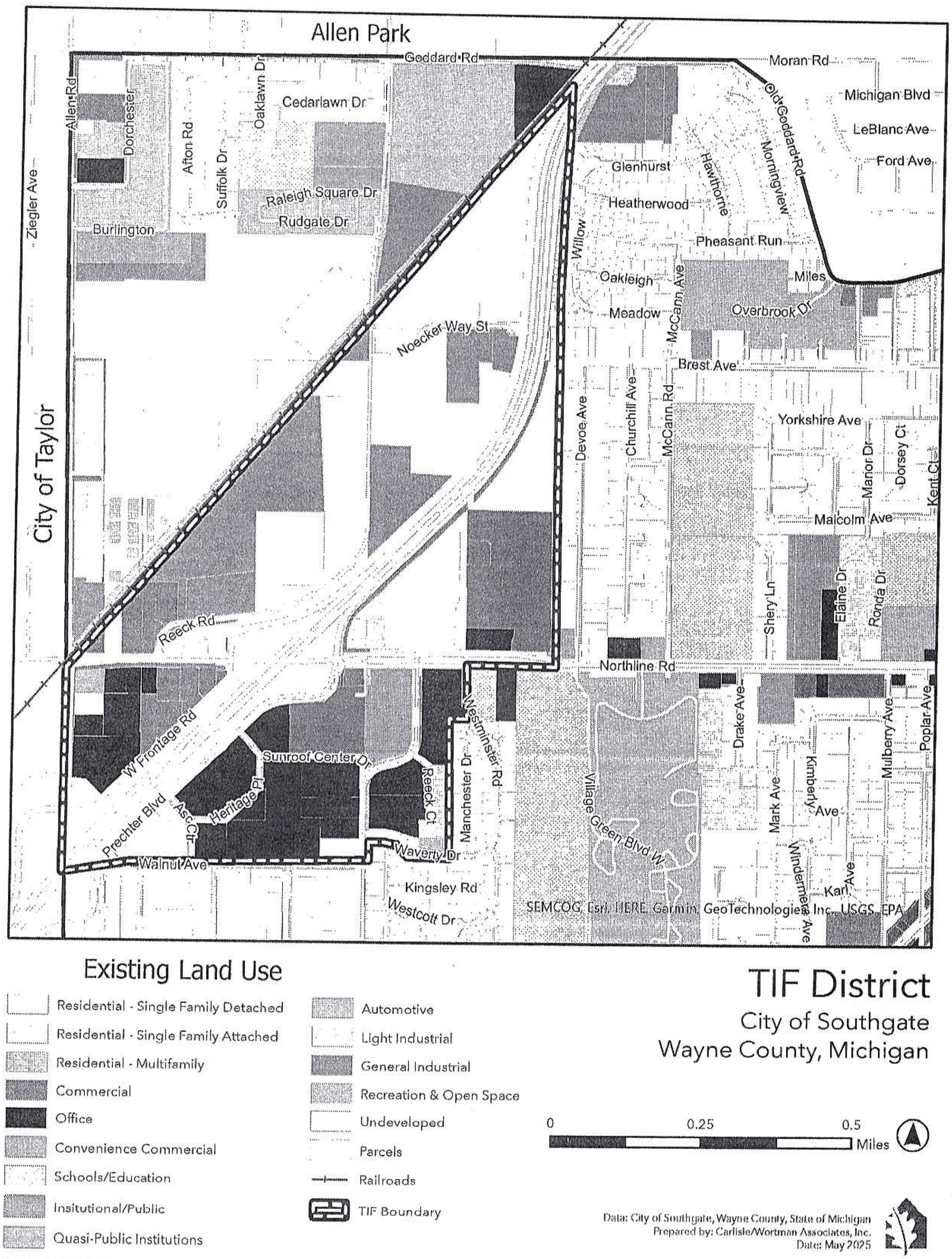
The district is surrounded by several neighborhoods, consisting of single-family homes, and other commercial districts in the neighboring City of Tayor. The land use structure hasn't been altered much since the establishment of the TIFA district. However, there has been new development with the addition of gas stations, carwashes, drive through restaurants, and hotels along with new landscaping and road improvements.

There is one public park located at the southern end of the district, Waverly Park. The Asmey Drain is located within the district at the southern end of the district along Walnut Street between Prechter Boulevard and Reeck Court. The Grams Drain is located within the district in the undeveloped land south of Noecker Way west of I-75 and north of Sam's Club east of I-75

Buildings in the district are single-use structures surrounded by parking lots. The building character ranges by use. The office buildings in the area are generally two (2) to four (4) stories tall and tend to be older. Hotels are two (2) to five (5) stories tall and tend to be newer structures. The industrial buildings are one (1) story and occupy a large area of land. The rest of the buildings are one (1) to two (2) stories tall, and contain drive throughs, fuel pumps and garages for auto body shops.

The 2025 Master Plan update notes that most of the undeveloped land is in the northwest portion of the city along Northline Road. This area is known as an Action Site that provides opportunities for the City in terms of increased tax base and new amenities for City residents. The Future Land Use Map (see Figure 3) divides the TIFA Development District into five (5) land use categories including, mixed office and commercial, office, public/semipublic, general commercial, and technology and research park.

FIGURE 2. Existing Land Uses



## Future Land Use

The City's Master Plan envisions a mix of new development within the northwest corner of the City. Most of these undeveloped parcels are within the TIFA Development District along Northline and Reeck Roads as well as Noecker Way. There are five categories that make up the TIFA Development District in the Future Land Use Map that includes mixed office and commercial, office, public/semipublic, general commercial, and technology and research park as illustrated in Figure 3 and described below.

- **Mixed Office and Commercial:** This land use category is characterized by a combination of land use types that complement each other. This category is only for office and commercial along Northline Road and the I-75 interchange.

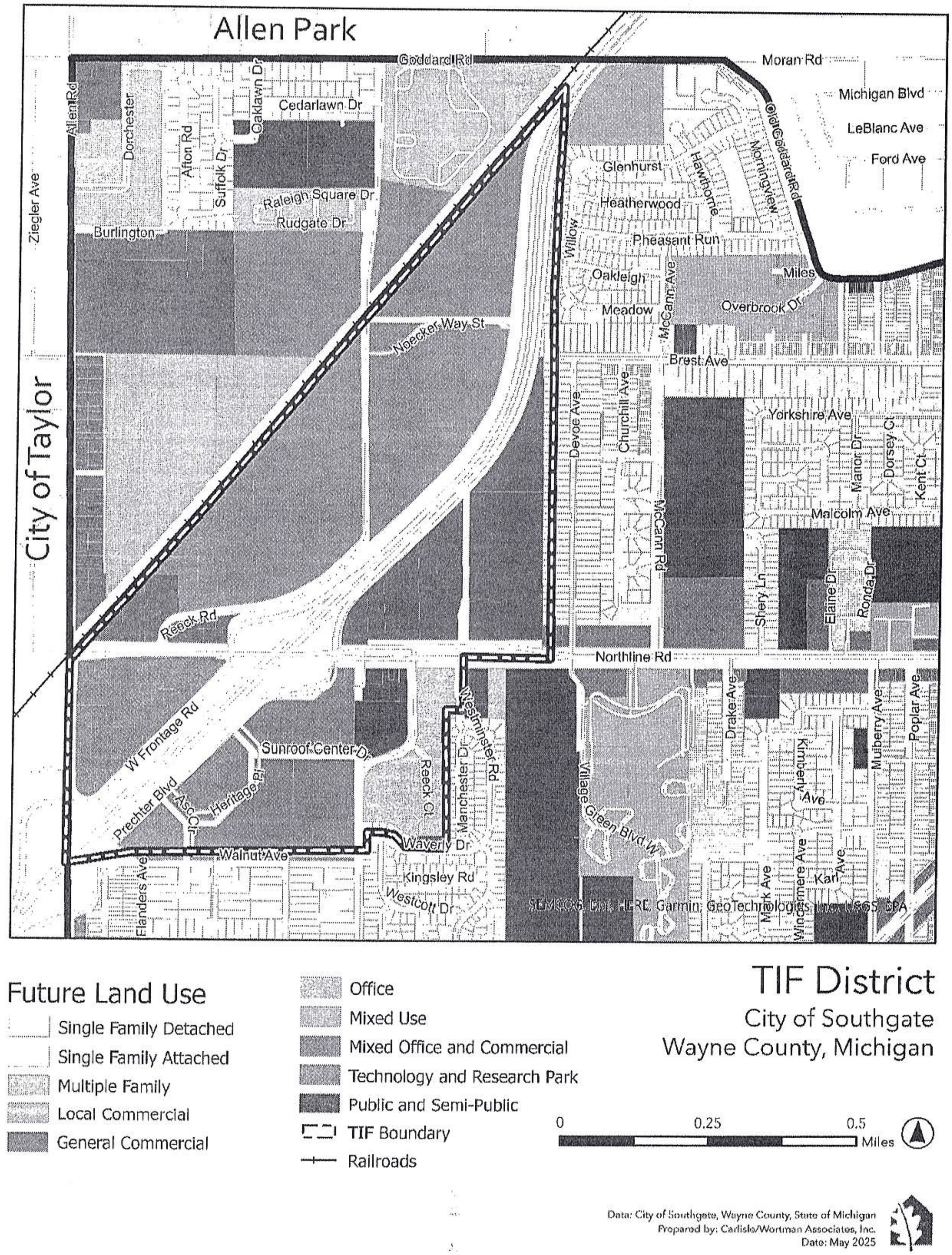
- **Office:** Includes financial institutions, medical, and professional service establishments. This category may include buildings occupied by a single professional business or a larger multi-tenant office building.

- **Public/semi-public:** This land use category was established to embrace all developed or undeveloped lands owned by various governmental, public, and semi-public agencies and institutions including schools, municipal services, religious uses, and park and recreation properties.

- **General Commercial:** Includes retail and service facilities that accommodate general shopping needs, as opposed to day-to-day convenience needs. Multi-Tennant shopping centers and strip malls are included in this category. General Commercial establishments are prominent along Northline Road within the TIFA district that includes grocery stores, restaurants, specialty stores in strip malls, and large, big box retailers.

- **Technology and Research Park:** This use type is characterized by a campus-style environment that enables the development of high tech uses and functions, including light manufacturing, telecommunications, medical diagnostics and treatment facilities, and office roles. Most of the areas dedicated to technology and research parks are located within the TIFA district.

FIGURE 3. Future Land Use

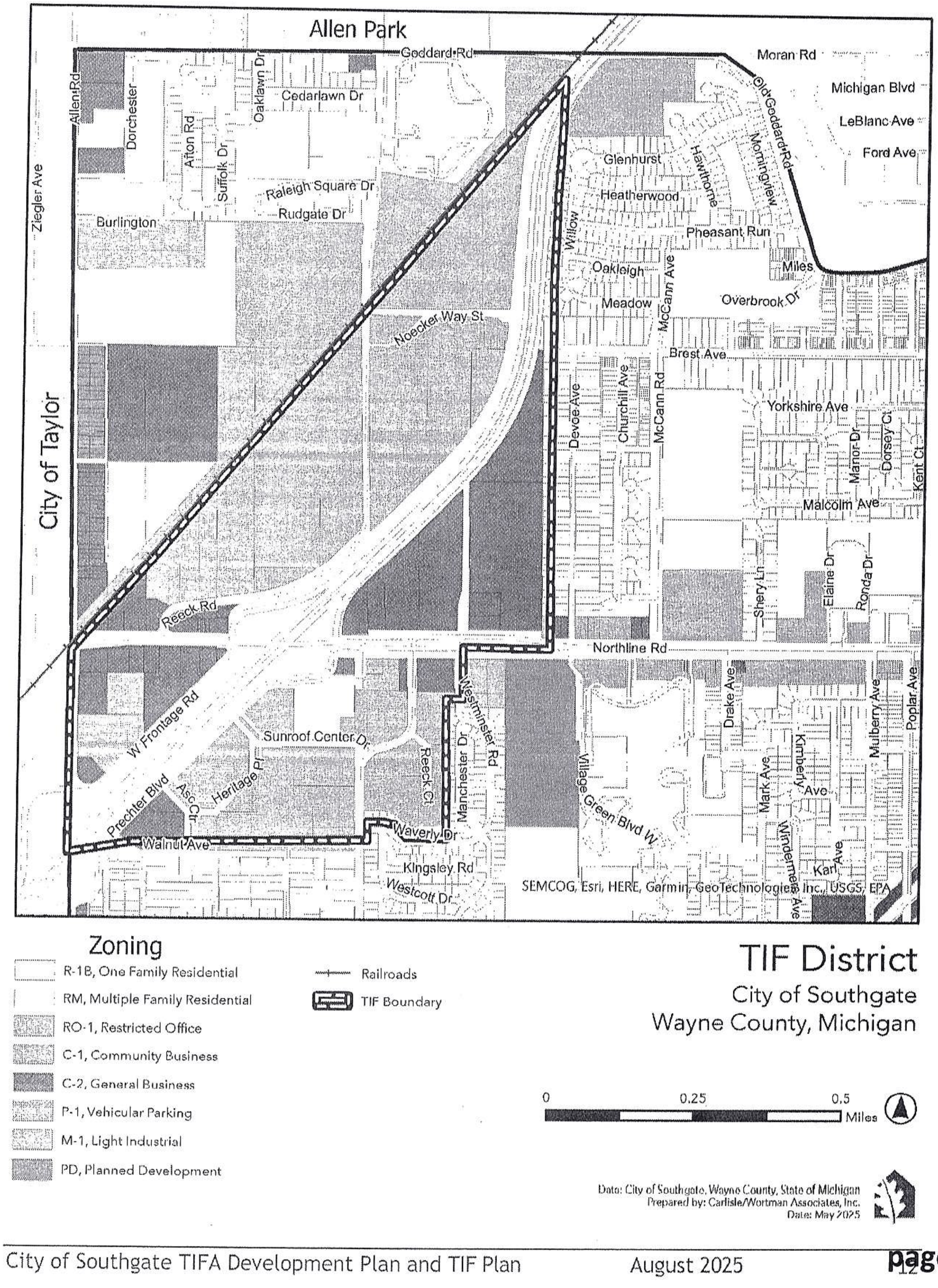


## Zoning

Six (6) zoning districts comprise the Development Area, as illustrated in Figure 4. The majority of the TIF District, excluding south of Northline Road and east of Centre, has a hotel overlay district. The Zoning districts are comprised of:

- **M-1 Light Industrial/Research:** allows offices, research and product testing laboratories, warehousing, light manufacturing and assembling of products, regional service centers for warehousing, technical skills training centers, radio and television studios, essential service facilities, commercial uses, and general motor vehicle repair.
- **C-2 General Business:** allows for any retail business or service establishment including auto washes, bus passenger stations, motor vehicle salesroom, any service establishment (electrical, plumbing, painter, etc.).
- **RO-1 Restricted Office:** allows office buildings, medical offices, facilities for human care, banks, personal service establishments, and off-street parking lots.
- **C-1 Community Business:** allows generally recognized retail businesses, service establishments, business establishments, professional services, business schools, private clubs, off-street parking lots, and planned commercial centers.
- **RM Multiple Family Residential:** allows all uses permitted in the R-2 Two-Family Residential District, multi-family dwellings, and accessory buildings.
- **P-1 Vehicular Parking:** allows off-street parking areas only.

FIGURE 4. Zoning



## Vision

The Vision for the long-term viability of the district is embodied in the following principles for development, design, branding and infrastructure.

1. Realize the full economic potential of the area through consistent development that protects, supports, and enhances the vision and goals of the district.
2. Promote job creation through the support of existing businesses and attraction of new businesses.
3. Provide for improved emergency circulation, traffic circulation and for an efficient and hazard-free relationship between vehicular and pedestrian circulation systems.
4. Promote coordination of public and private efforts in the planning, finance, and development of needed infrastructure improvements in concert with evolving uses.
5. Utilize procedures and powers permitted by the Recodified Tax Increment Financing Act (Public Act 57 of 2018) to meet these ends.
6. Prevent long-term vacancy, decay, blight, and abandonment.
7. Incorporate green infrastructure to the extent possible in the design of improvements within the District.

## Goals and Priorities

***The overall goal of the Southgate Tax Increment Finance Authority is to improve and encourage the long-term economic viability of the TIF District.*** The projects and improvements outlined in the Development Plan are designed to a nurture the necessary physical and economic environment that will enable Southgate to protect existing investment, attract new development, and stimulate the revitalization of properties within the district.

### Physical Environment

- Support infrastructure improvements necessary to ensure that new businesses continue to develop and remain in the district.
- Promote streetscape improvements to enhance visual appeal, promote wayfinding, and secure safety.
- Ensure regular maintenance of infrastructure, and public buildings, and properties.

### Economic Environment

- Undertake projects and programs which will assist and focus on the economic enhancement and marketing programs undertaken by the City and its departments.
- Support financing of projects by leveraging TIF dollars with Federal and state grants, State tax incentives, private investment, millages, or other tools, if necessary.
- Retain economically viable businesses which presently exist and encourage their expansion.
- Provide economic development support to businesses and potential developers.

## DESCRIPTION OF IMPROVEMENTS

The projects and programs listed below will support the vision, goals, and priorities of the plan extension. The Plan has been divided into two (2) major improvement components, projects and programs. The following projects directly impact on the physical environment as a means to increase investment within the TIFA District to stabilize property values and expand and improve the infrastructure. The programs are intended to create a stable economic and social environment for sustained investment in the district.

### Projects and programs

- Centre Drive Reconstruction
- Walnut Road Reconstruction
- Northline Road Signage Improvements
- Northline Road Median Maintenance
- Prechter Median Maintenance
- Reeck Road Island Maintenance
- District Road Street Sectioning Road Repairs
- Property Acquisition and Development
- Business Improvement Grants
- Administration and Consultation Costs

Projects will be undertaken based on the ability to finance them. The Tax Increment Financing Authority recognizes that the projects listed may be beyond the scope of the authority to complete with its own limited resources. Public-private partnerships as well as State and Federal grant assistance may be necessary to implement all the above-mentioned items.

## LOCATION, EXTENT, CHARACTER, ESTIMATED COST, AND TIMELINE OF THE IMPROVEMENTS

The TIFA is positioned to fund projects related to improving the condition of the roads, expanding utilities to undeveloped sites, and landscaping improvements. The following projects represent the scope of potential projects that will accomplish the objectives of the Tax Increment Financing Authority. A description of each project is provided below as well as the estimated cost and year of completion.

| Centre Drive Reconstruction | 2026 | $330,000 |
|---|---|---|
| Reconstruction of Centre Drive. | | |

| Walnut Road Reconstruction with Sidewalk Improvements | 2026 | $1,100,000 |
|---|---|---|
| Full reconstruction of Walnut from north of Flanders to Reeck Road, and the installation of sidewalks in missing sections on the south right-of-way. | | |

| Northline Road Signage Improvements | 2027 | $100,000 |
|---|---|---|
| Remove the old Southgate sign to add a new rebranded Southgate welcome signage on the Northline Median. | | |

| Northline Road Median Maintenance | Ongoing | $30,000 Annually |
|---|---|---|
| Maintain the medians on Northline Road. | | |

| Prechter Boulevard Median Maintenance | Ongoing | $30,000 Annually |
|---|---|---|
| Maintain the medians on Prechter Boulevard. | | |

| Reeck Road Island Maintenance | Ongoing | $10,000 Annually |
|---|---|---|
| Maintain the islands on Reeck Road. | | |

| District Road Sectioning Road Repairs | Ongoing | $100,000 Annually |
|---|---|---|
| Road repairs to the District Road. | | |

| Property Acquisition and Development | Ongoing | Based on Available Budget |
|---|---|---|
| Establish a reserve to acquire and/or develop land within the district. | | |

| Business Improvement Grants | 2026 Ongoing | Based on available budget |
|---|---|---|
| The TIFA will allocate a set amount of funding for business improvement grants each year. Funding will be based on available budget. The TIFA will create, maintain and use an application process in determining eligibility and award. Eligible projects shall be physical in character including façade, site, sign, and public infrastructure improvements. | | |

| Administration and Consultation Costs | 2026 Ongoing | Based on available budget |
|---|---|---|
| Administration, engineering, planning, economic development, maintenance, accounting, and legal fees as they relate to projects identified in the Plan will be allocated in the budget. This allocation extends to professional consultation to develop plans and strategies to achieve the goals and priorities of the Plan. | | |

## STATEMENT OF THE CONSTRUCTION

Construction of the projects proposed above will be accomplished during construction seasons.

### TABLE 2: Timeline for Development Activities

| Proposed Project | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Centre Drive Reconstruction | | | | | | | | | | | | | | | | | | | | | |
| Walnut Road Reconstruction with Sidewalk Improvements | | | | | | | | | | | | | | | | | | | | | |
| Northline Road Signage Improvements | | | | | | | | | | | | | | | | | | | | | |
| Northline Road Median Maintenance | | | | | | | | | | | | | | | | | | | | | |
| Prechter Median Maintenance | | | | | | | | | | | | | | | | | | | | | |
| Reeck Road Island Maintenance | | | | | | | | | | | | | | | | | | | | | |
| District Road Sectioning Road Repairs | | | | | | | | | | | | | | | | | | | | | |
| Property Acquisition and Development (TBD) | | | | | | | | | | | | | | | | | | | | | |
| Business Improvement Grants | | | | | | | | | | | | | | | | | | | | | |
| Administration and Consultation Costs | | | | | | | | | | | | | | | | | | | | | |

## STREETSCAPE AND OPEN SPACE IMPROVEMENTS

Northline Road will continue to be maintained with annual plantings of flowers, tree trimming, turf maintenance, and mulch bed maintenance. The islands in the medians of Reeck Road near Northline and along Prechter will also receive annual plantings and maintenance to the turf or rock beds. While the district has vacant parcels/open space, it is intended for those parcels to be redeveloped. Waverly Park has no plans for improvement at this time.

## DEVELOPMENT AREA OWNERSHIP AND TENURE

The TIFA district does not have any specific plan to sell, donate, exchange, or lease any land or structure to or from the City of Southgate at this time. If the TIFA district acquires land for roads or improvements, the necessary rights-of-way will be dedicated to the city.

## ZONING CHANGES AND CHANGES IN STREETS, STREET LEVELS, INTERSECTIONS, AND UTILITIES

Most of the land within the TIFA Development District is zoned as M-1, light industrial followed by C-2 General Business, RO-1 Restricted Office, C-1 Community Business, RM multiple family residential, and p-1 vehicular parking. Majority of the district, excluding south of Northline Road and east of Centre, has a hotel overlay district. The City's Master Plan does not intend on changing the zoning of the area much, except for the removal of the RM – multiple family residential. It is intended that the area will stay a mixed office and commercial, office, public/semipublic, general commercial, and technology and research park.

It is anticipated that road and infrastructure improvements will be needed to attract future development within the TIFA district. There are plans to repave/reconstruct Centre Drive. Infrastructure improvements include landscaping, extension of water and sewer lines to the undeveloped parcels, and various road improvements. The district hopes to attract new businesses and develop the vacant parcels by Reeck Road and Noecker Way in the northern portion of the district.

## ESTIMATED COST OF DEVELOPMENT, PROPOSED METHOD OF FINANCING THE DEVELOPMENT, ABILITY OF THE AUTHORITY TO ARRANGE THE FINANCING

Improvements will occur when plans are finalized, and financing is secured. The estimated cost of the specific projects anticipated in this Development Plan is approximately $1,700,000 as summarized in Table 3.

Pursuant to Part 3 of Act 57, as amended, the authority shall expend the tax increment revenues received for the development program only in accordance with the tax increment financing plan. Surplus funds may be retained by the authority for the payment of the principal of an interest on outstanding tax increment bonds or for other purposes that, by resolution of the board, are determined to further the development program. These revenues shall not be used to circumvent existing property tax laws or a local charter that provides a maximum authorized rate for levy of property taxes. The governing body may abolish the tax increment financing plan when it finds that the purposes for which the plan was established are accomplished. However, the tax increment finance plan shall not be abolished, allowed to expire, or otherwise terminate until the principal of, and interest on, bonds issued pursuant to section 315 have been paid or funds sufficient to make the payment have been segregated.

Tables 4 and 5 in the Tax Increment Financing Plan indicates the sources of income available to the TIFA Development District to pay the costs of the improvements and the estimated amounts of each source for the twenty (20) year extension, based on captured assessed value of property within the district.

It is unlikely that all projects can be financed from revenues received by the TIFA funds. Therefore, the TIF and millage funds should be used to leverage funding from other sources. The various available methods of financing the TIFA districts may seek to use are described in the following text.

## TABLE 3: Summary of Proposed Development Activities

| Proposed Project | Project Cost | Funding Source | Year |
|---|---|---|---|
| Centre Drive Reconstruction | $330,000 | TIF Revenue | 2026 |
| Walnut Road Reconstruction with Sidewalk Improvements | $1,100,000 | TIF Revenue | 2026 |
| Northline Road Signage Improvements | $100,000 | TIF Revenue | 2027 |
| Northline Road Median Maintenance | $30,000 Annually | TIF Revenue | Ongoing |
| Prechter Median Maintenance | $30,000 Annually | TIF Revenue | Ongoing |
| Reeck Road Island Maintenance | $10,000 Annually | TIF Revenue | Ongoing |
| District Road Sectioning Road Repairs | $100,000 Annually | TIF Revenue | Ongoing |
| Property Acquisition and Development | Based on Available Budget | TIF Revenue | Ongoing |
| Business Improvement Grants | Based on Available Budget | TIF Revenue | Ongoing |
| Administration and Consultation Costs | Based on Available Budget | TIF Revenue | Ongoing |
| Project Totals | $1,700,000 | | |

## City of Southgate Bonds Issued Pursuant to Public Act 57 of 2018 Part 3, as amended

Two types of revenue generating bonds may be sold under Public Act 57. These include:

- General Obligation Bonds, issued by the City and secured by the full faith and credit of the City and by tax increment revenues.
- Tax Increment Bonds, issued directly by the Authority with no full faith and credit pledge by either the City or the Authority and which are secured solely by tax increment revenues.

The City may issue special assessment bonds along or in combination with general obligation bonds to finance projects as listed in the development plan. The size of such bond issues would depend on the project included and the portion of each such project to be financed from special assessments and the portion, if any, to be financed from general funds. Payment of such special assessment bonds would be from the proceeds of the special assessment rolls consisting of the lands specially benefitted by the project. Payment of the general obligation bonds would be from general funds of the city derived from the proceeds of taxes levied upon all property within the city.

While the Act permits the city to issue revenue bonds, Southgate TIFA has no outstanding bonds.

## State and Federal Grant Programs

The City of Southgate will also assist the TIFA in pursuing relevant state and federal transportation, environmental, economic development, and community enhancement grants that either are or may become available. Supplemental sources of funding will be necessary to fully achieve all the projects outlined in this plan.

## Private Contributions

The TIFA may accept grants and donations of property, labor, or other things of value from a public or private source.

# DESIGNATION OF PERSON OR PERSONS, NATURAL, OR CORPORATE, TO WHOM ALL OR A PORTION OF THE DEVELOPMENT IS TO BE LEASED, SOLD, OR CONVEYED

All public improvement projects undertaken as part of this Plan will remain in public ownership for the public benefit. It is anticipated that certain lands may be acquired and later sold to commercial developers who are willing to build a project acceptable to the Authority. There are no known direct beneficiaries at this time. To the extent that certain projects will benefit a set of businesses, efforts will be made to capture such benefit through special assessments and development agreements.

## RESIDENTIAL POPULATION AND THE DISPLACEMENT OF PERSONS

There are currently no residential uses of property in the District. Thus, there is no anticipated displacement or relocation required for this Plan.

However, if there is the need for relocation of any individuals, the Southgate TIFA, when required, will provide for the cost of relocation and reimbursement of expenses in accordance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

The relocation of any families, individuals, or businesses shall also be carried out in accordance with the statutory requirements and provisions of State of Michigan Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

## DEVELOPMENT AREA CITIZENS' ADVISORY COUNCIL

If a Development Area has 100 or more residents residing within it, a Development Area Citizens' Advisory Council must be appointed at least 90 days before the public hearing on the Plan. There are no residents in the District, so there is no legal need for a Citizens' Advisory Council.

# Section 3
# Tax Increment Financing Plan

## INTRODUCTION

This Tax Increment Financing Plan is established to make financing of the public improvements necessary or desirable for the City of Southgate TIF District in accordance with the Development Plan for that area. The Finance Program, as defined in Public Act 57, is the program for implementing the improvement projects set forth in the Development Plan and graphically portrayed on previous Development Plan Maps. It further indicates how projects were, and are to be, financed. Estimated revenues are projected for all tax generating land within the development district. The Tax Increment Finance Program also provides for dispersal of revenues on an annual basis throughout the term of the development program.

Various public improvement projects and other known financial obligations have been prioritized; their estimated costs were assessed against the known and projected captured assessed value (CAV) revenues set forth in Tables 4 and 5, as contained in the appendix sections of this report. In the preceding section, a list of improvement projects, their completion status and anticipated start up time and estimated costs are provided.

Since the inception of the Tax Increment Finance Program in 1985, substantial change to the CAV revenue projections occurred in calendar year 1994. On March 15, 1994, the electors of the State approved an amendment to the Michigan Constitution permitting the Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing this constitutional amendment added a new measure of property value known as "Taxable Value". Beginning in 1995, taxable property had two valuations - State equalized valuation ("SEV") and Taxable Value. Property taxes will be levied on Taxable Value. In Addition, subsequent legislation prohibited the capture of revenues from school operating millage. The elimination reduced annual revenue capture by approximately fifty percent (50%), as evidenced in Table 2.

## DURATION OF TAX INCREMENT FINANCING PROGRAM

The TIF program set forth in Document No. 10 establishes a twenty (20) year program extension which would be concluded in the year 2045.

## IMPACT OF FINANCE PROGRAM ON TAXING JURISDICTIONS

The financing program set forth herein, as before, proposed that the taxes levied by all taxing units on the CAV of real property and personal property within the TIF District, be used by the Authority for the purposes of implementing the plan.

# DETAILED EXPLANATION OF THE TAX PROCEDURES

The Tax Increment Finance Authority enabling legislation, Part 3 of PA 57 of the Public Acts of 2018 enables a Tax Increment Finance Authority (TIFA) to undertake a broad range of improvement activities which will contribute to the economic growth and the halting of deterioration of property values in a designated district. These improvement activities include, but are not limited to, as summarized:

- Prepare an analysis of economic changes.
- Study and analyze the impact of growth.
- Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple family dwelling unit.
- Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier-free design requirements.
- Develop long-range plans.
- Implement any plan of development in a development area.
- Make and enter into contracts.
- Acquire by purchase or otherwise, own, convey, demolish, relocate, rehabilitate, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal to achieve the purposes of this part.
- Improve land and prepare sites for buildings.
- Fix, charge, and collect fees, rents, and charges.
- Lease any building or property or part of a building or property under its control.
- Accept grants and donations of property, labor, or other things of value from a public or private source.
- Acquire and construct public facilities.
- Incur costs in connection with the performance of its authorized functions, including, but not limited to, administrative costs, and architects, engineers, legal, and accounting fees.

In order to provide the Authority with the means of financing the planning and implementation of development proposals, the statute affords the opportunity to undertake tax increment financing or development programs. These programs must be identified in a Tax Increment Financing Plan which has been approved by the governing body of a municipality.

Simply stated, tax increment financing permits the Authority to capture tax revenues attributable to increase in value of real and personal property located within an approved development area. The increases in property value may be attributable to new construction, rehabilitation, remodeling, alterations, additions, or to such other factors as the assessor may deem appropriate.

In 1985, when the Ordinance establishing the Tax Increment Financing Plan was approved, the sum of the most recently assessed values, i.e., the values as finally equalized by the State Board of Equalization, of those taxable properties located within the development area, is established as the "Initial Assessed Value." provided the base valuation for which tax increments are calculated. Property exempt from taxation at the time of determination of the Initial Assessed Value were shown as zero on the date of adoption of this Plan. The local taxing jurisdictions consist of City of Southgate (Operating, Rubbish, Police/Fire Pension, Library, Streets), Wayne County Operating, Wayne County Jails, Huron Clinton Metropark Authority, Wayne County Community College, Wayne County Transit Authority, and Wayne County Parks. As a result of Proposal A passed in March 1994, local school districts, intermediate school districts, and the State of Michigan are no longer included as part of the capture. The TIFA will also not capture revenues from the City of Southgate (Parks & Recreation, Act 359 Advertising), City of Southgate School District, State Education, Detroit Zoo Authority, Wayne County RESA, and DIA Authority.

In each subsequent year, the total assessed value of real and personal property within the district is termed the "Current Assessed Value." The difference between anyone (1) year period between the Current Assessed Value and the Initial Assessed Value is the "Captured Assessed Value." During that period which the Development Area is in place, local taxing jurisdictions continue to receive ad valorem taxes based on the Initial Assessed Value. Taxes paid on the Captured Assessed Value in years subsequent to the establishment of the Development Area, however, are payable to the TIFA for the purposes established in the Tax Increment Financing Plan.

For the Southgate TIFA Tax Increment Financing Plan, the initial assessed value was established as the assessed value of all real and personal property in the Development Area as of December 31, 1985, and equalized by the State in May of 1986. The initial taxable value of the Development District is $8,807,506.

The tax levy of all taxing jurisdictions in 2025 is 38.0672 mills. Under the Tax Increment Financing Plan, the tax levy on the entire capture assessed valuation is to be utilized by the TIFA in the manner as hereinafter set forth.

# PROJECTION OF CAPTURED ASSESSED VALUES AND REVENUES

The Tax Increment Financing Plan is based on the desired projects within the TIF District as provided and described in the Development Plan.

As noted in the Development Plan, the majority of projects will focus on improving public infrastructure via road and sidewalk improvements, streetscape and landscape improvements and signage. In addition, the TIFA will remain flexible in providing planning and economic development activities as allowed in PA 57 to meet its vision and goals.

The Southgate TIFA has no outstanding bond expenses incurred. One final payment owed to the City of Southgate Building Authority in the amount of $666,900 will be transferred in April 2026.

## TABLE 4: Millages

| Millage Name | Ad Val Rate |
|---|---|
| City – Operating | 9.8864 |
| City – Rubbish | 2.3723 |
| City – Police/Fire Pension | 10.8940 |
| City – Library | 0.8800 |
| City – Streets | 1.8856 |
| County – Operating* | 6.5708 |
| County – Jails* | 0.9327 |
| County – Parks* | 0.2433 |
| Huron Clinton Metro Park Authority* | 0.2062 |
| Wayne County Community College* | 3.2043 |
| Wayne County Transit Authority* | 0.9916 |
| **Total** | **38.0672** |

* Based on 2024 approved millages

Based on the projected growth outlined in the Development Plan and the existing tax rate of 38.0672 mills to be captured, the anticipated revenues are summarized in Table 4. Detailed estimates of the impact on tax capture for each taxing jurisdiction are provided in Appendix 2.

This projection is based on several assumptions:

1. The tax rate will remain unchanged. If other taxing districts that have a tax base in the TIF District raise their millage, more revenues will be raised for the TIF and Development Plan.

2. Annual inflation growth rates have been projected for each year and are also reflected in Table 5.

Proposal A, adopted in March 1994, limits the annual assessment increase for each property parcel in the State of Michigan to 5% or inflation rate, whichever is less. When property is sold or transferred, the tax assessment is adjusted to current values.

TABLE 5: Estimated TIF Capture 2026 - 2035

| Year | Capture |
|---|---|
| 2026 | $1,720,284 |
| 2027 | $1,754,690 |
| 2028 | $1,789,784 |
| 2029 | $1,825,580 |
| 2030 | $1,862,091 |
| 2031 | $1,899,333 |
| 2032 | $1,937,320 |
| 2033 | $1,976,066 |
| 2034 | $2,015,587 |
| 2035 | $2,055,899 |
| 2036 | $2,097,017 |
| 2037 | $2,138,958 |
| 2038 | $2,181,737 |
| 2039 | $2,225,371 |
| 2040 | $2,269,879 |
| 2041 | $2,315,276 |
| 2042 | $2,361,582 |
| 2043 | $2,408,814 |
| 2044 | $2,456,990 |
| 2045 | $2,506,130 |
| **Total Est.** | **$41,798,389** |

# USE OF TAX INCREMENT REVENUES

The tax increment revenues generated within the TIF District, pursuant to the Development Plan as it now exists or is hereafter amended, shall be used according to the budget of the Authority as approved by the City Council in accordance with the following:

- First, to pay the administrative, auditing, and operating expenses of the TIFA and the City for the District, including planning and maintenance, to the extent provided in the annual budget of the Authority, as approved by the City Council.

- Second, to pay for projects and ongoing programs identified in the Development Plan including state reporting requirements, infrastructure and streetscape improvements, consultation, streetscape and project maintenance, signage improvements, and website development and updating.

- Third, any tax increment receipts in excess of those needed under the preceding paragraphs would be used for future development activities within the TIF District, as defined in the Development Plan, or as expanded to include all or parts of the TIF District pursuant to amendment or modification of the Development

- Plan and this Tax Increment Financing Plan pursuant to applicable provisions of Act 57 and other laws.

# STATEMENT OF THE ESTIMATED IMPACT OF TAX INCREMENT FINANCING ON TAXING JURISDICTIONS IN WHICH THE DEVELOPMENT AREA IS LOCATED

The primary overall impact of the Plan is anticipated increased economic activity within the TIF District. This increase in activity will, in turn, generate additional tax revenue to local taxing jurisdictions through increases in assessed valuation of real and personal property, improved infrastructure and safety, and from increased in personal income from new employment within the District.

To the extent the current assessed value equals the initial assessed value, the taxing jurisdictions would always receive the tax revenues they would have received prior to the adoption of this Plan. The local taxing jurisdictions shall, therefore, suffer no loss of current tax revenues.

The debt retirement millages for any local taxing jurisdiction within the District will also remain with those taxing jurisdictions.

It is anticipated that the development activities of the Tax Increment Finance Authority, financed in whole or in part by tax increment revenues, will produce a positive, material effect on the assessed values of property within, and in, the proximity of the development and will ultimately result in the eventual collection of greater real and personal property tax revenues than would otherwise have been available.

The TIFA proposed that all of the eligible taxes, minus those presently collected for debt service retirement, subject to any agreements with the various taxing units, levied on the captured assessment value within the district, be used by the Authority to the extent needed from year-to-year to accomplish the purpose of this Plan.

# JUSTIFICATION OF THE TAX INCREMENT FINANCING PLAN

The basic premise of this Plan is that private development would not take place without public investment. Therefore, the short-term investment made by the taxing units in foregoing initial growth in tax revenues is repaid by the long-term benefit of substantially greater taxes, improved public infrastructure, and increased employment realized from a significantly stronger commercial tax base.

This Tax Increment Financing Plan, as based upon the premise, is that the anticipated increase in development would not occur without the public improvements projected in the Development Plan.

# Appendix

## Appendix 1: Legal Description of the TIFA Development District

Commencing at a point in the N. E. ¼ of Section 26 T. 3 S. – R. 10 E., in the City of Southgate, Wayne County, Michigan, being the intersecting point of the south right-of-way line of Walnut Street and the east right-of-way line of Reeck Road; thence north along the east right-of-way line of Reeck Road to the north lot line of lot 188 of Waverly Subdivision No. 2; thence east along the north lot line of lots 188 through 194 of Waverly subdivision NO. 2 to the northeast corner of lot 194; thence south along the east line of lot 194 to the north right-of-way line of Waverly Drive; thence east along the north right-of-way line of Waverly Drive to the west lot line of lot 28 of Waverly subdivision No.1; thence north along west lot lines of lots 28 through 45of Waverly Subdivision No. 1, to the north lot line of said lot 45; thence east along the north line of said lot 45 to the west right-of-way line of Westminster Road; thence north along the west right-of-way line of Westminster Road to the south right-of-way line of Northline Road; thence east along the south right-of-way line of Northline Road to a point 221 feet to the west of the west right-of-way line of Devoe Street in the S. E. fractional section 23 T. 3 S. – R. 10 E.; thence north along the west line of lot 46b and lots 46a through 87 and lot 94 of Schlangers Little Farms Subdivision to a point in a part of P. C.'s 169, 121, 179, and 112 and Fractional Section 23 – T. 3 S. – R. 20 E.; where said north, south line intersects the south right-of-way line of the Penn Central Railroad; thence southwest along the south right-of-way line of said railroad to a point in the N.W. ¼ of Section 26 T. 3 S. – R. 10 E. where said railroad right-of-way line intersects the centerline of Allen Road; thence south along the centerline of Allen Road to a point where the centerline of Allen Road would intersect the south right-of-way line of an extended Walnut Street; thence east along the south right-of-way line of Walnut Street to the point beginning.

## Appendix 2: Estimates of TIF Capture

| Year | Estimated Total SEV | Estimated Capture Taxable Valuation | Estimated Annual Receipts from Captured Taxable Valuation | Estimated Annual Receipts Less Voted Debt Service | Estimated Cumulative Collection |
|---|---|---|---|---|---|
| 1985 | 8,807,506 | Base Year | | | |
| 1986 | 9,850,477 | 1,042,971 | 71,892 | 70,484 | 70,484 |
| 1987 | 10,425,100 | 1,617,594 | 111,501 | 109,317 | 179,801 |
| 1988 | 13,734,541 | 4,927,035 | 339,620 | 332,969 | 512,770 |
| 1989 | 20,130,501 | 11,322,995 | 780,494 | 765,208 | 1,277,978 |
| 1990 | 23,880,575 | 15,073,069 | 1,038,987 | 1,018,638 | 2,296,616 |
| 1991 | 24,358,186 | 15,550,680 | 1,071,908 | 1,046,192 | 3,342,808 |
| 1992 | 24,845,350 | 16,037,844 | 1,105,489 | - | 3,342,808 |
| 1993 | 31,218,070 | 22,410,564 | 1,372,423 | - | 3,342,808 |
| 1994 | 33,311,720 | 24,504,214 | 651,795 | 651,795 | 3,994,603 |
| 1995 | 33,286,720 | 24,479,214 | 707,758 | 707,758 | 4,702,361 |
| 1996 | 34,618,873 | 25,811,367 | 777,363 | 777,363 | 5,479,724 |
| 1997 | 36,426,656 | 27,619,150 | 875,781 | 875,781 | 6,355,505 |
| 1998 | 37,723,274 | 28,865,768 | 844,968 | 844,968 | 7,200,473 |
| 1999 | 38,498,247 | 29,640,741 | 852,811 | 852,811 | 8,053,284 |
| 2000 | 38,113,276 | 29,202,110 | 779,732 | 779,732 | 8,833,016 |
| 2001 | 39,203,612 | 30,334,956 | 833,804 | 833,804 | 9,666,820 |
| 2002 | 39,860,975 | 30,992,319 | 850,742 | 850,742 | 10,517,562 |
| 2003 | 47,564,219 | 38,745,563 | 1,064,196 | 1,064,196 | 11,581,758 |
| 2004 | 46,769,409 | 38,877,253 | 1,095,801 | 1,095,801 | 12,677,559 |
| 2005 | 46,199,095 | 37,380,439 | 1,108,960 | 1,108,960 | 13,786,519 |
| 2006 | 43,261,636 | 34,392,980 | 1,026,071 | 1,026,071 | 14,812,590 |
| 2007 | 45,115,079 | 36,246,423 | 1,071,237 | 1,071,237 | 15,883,827 |
| 2008 | 45,486,644 | 36,617,988 | 1,048,351 | 1,048,351 | 16,932,178 |
| 2009 | 45,117,271 | 36,248,615 | 1,056,389 | 1,056,389 | 17,988,567 |
| 2010 | 40,196,523 | 31,327,867 | 937,209 | 937,209 | 18,925,776 |
| 2011 | 36,561,422 | 27,692,766 | 844,783 | 844,783 | 19,770,559 |
| 2012 | 34,594,646 | 25,725,990 | 841,292 | 841,292 | 20,611,851 |
| 2013 | 31,835,284 | 22,966,628 | 781,699 | 781,699 | 21,393,550 |
| 2014 | 32,938,079 | 24,069,423 | 839,267 | 839,267 | 22,232,817 |
| 2015 | 31,467,636 | 22,598,980 | 786,986 | 786,986 | 23,019,803 |
| 2016 | 32,163,005 | 23,294,349 | 828,629 | 828,629 | 23,848,432 |
| 2017 | 35,046,167 | 26,213,661 | 1,001,785 | 1,001,785 | 24,850,217 |
| 2018 | 36,808,215 | 27,975,709 | 1,049,241 | 1,049,241 | 25,899,458 |
| 2019 | 35,780,080 | 26,947,574 | 1,002,044 | 1,002,044 | 26,901,502 |

| Year | Estimated Total SEV | Estimated Capture Taxable Valuation | Estimated Annual Receipts from Captured Taxable Valuation | Estimated Annual Receipts Less Voted Debt Service | Estimated Cumulative Collection |
|---|---|---|---|---|---|
| 2020 | 36,448,827 | 27,616,321 | 1,026,118 | 1,026,118 | 27,927,620 |
| 2021 | 36,029,570 | 27,197,064 | 1,056,402 | 1,056,402 | 28,984,022 |
| 2022 | 38,676,003 | 29,843,497 | 1,124,751 | 1,124,751 | 30,108,773 |
| 2023 | 41,066,566 | 32,234,060 | 1,221,345 | 1,221,345 | 31,330,118 |
| 2024 | 42,555,279 | 33,722,773 | 1,270,138 | 1,270,138 | 32,600,256 |
| 2025 | 43,831,937 | 34,734,456 | 1,308,242 | 1,308,242 | 33,908,498 |
| 2026 | 45,146,895 | 35,776,490 | 1,347,489 | 1,347,489 | 35,255,987 |
| 2027 | 46,501,302 | 36,849,785 | 1,387,914 | 1,387,914 | 36,643,901 |
| 2028 | 47,896,341 | 37,955,279 | 1,429,551 | 1,429,551 | 38,073,452 |
| 2029 | 49,333,231 | 39,093,937 | 1,472,438 | 1,472,438 | 39,545,890 |
| 2030 | 50,813,228 | 40,266,755 | 1,516,611 | 1,516,611 | 41,062,501 |
| 2031 | 52,337,625 | 41,474,758 | 1,562,109 | 1,562,109 | 42,624,610 |
| 2032 | 53,907,754 | 42,719,001 | 1,608,972 | 1,608,972 | 44,233,582 |
| 2033 | 55,524,987 | 44,000,571 | 1,657,241 | 1,657,241 | 45,890,823 |
| 2034 | 57,190,737 | 45,320,588 | 1,706,958 | 1,706,958 | 47,597,781 |
| 2035 | 58,906,459 | 46,680,206 | 1,758,167 | 1,758,167 | 49,355,948 |
| 2036 | 60,673,653 | 48,080,612 | 1,810,912 | 1,810,912 | 51,166,860 |
| 2037 | 62,493,863 | 49,523,030 | 1,865,239 | 1,865,239 | 53,032,099 |
| 2038 | 64,368,679 | 51,008,721 | 1,921,196 | 1,921,196 | 54,953,295 |
| 2039 | 66,299,739 | 52,538,983 | 1,978,832 | 1,978,832 | 56,932,117 |
| 2040 | 68,288,731 | 54,115,152 | 2,038,197 | 2,038,197 | 58,970,324 |
| 2041 | 70,337,393 | 55,738,607 | 2,099,343 | 2,099,343 | 61,069,667 |
| 2042 | 72,447,515 | 57,410,765 | 2,162,323 | 2,162,323 | 63,231,990 |
| 2043 | 74,620,940 | 59,133,088 | 2,227,193 | 2,227,193 | 65,459,183 |
| 2044 | 76,859,568 | 60,907,081 | 2,294,009 | 2,294,009 | 67,753,192 |
| 2045 | 79,165,355 | 62,734,293 | 2,362,829 | 2,362,829 | 70,116,021 |

## Appendix 3: Public Hearing Notice

[To be inserted.]

## Appendix 4: Resolution

[To be inserted.]

# CITY OF SOUTHGATE

## TAX INCREMENT FINANCING AUTHORITY RESOLUTION

At a meeting of the Tax Increment Financing Authority called to order by Chairman Ron Moran on July 29, 2025 at 5:31 P.M. the following resolution was offered:

Motion by Oben, supported by Lageunesse that the Tax Increment Finance Authority recommend to the City Council the approval of Document #10 of the Development Plan and Tax Increment Financing Plan for the Southgate Tax Increment Financing Authority. Carried unanimously

I, Ron Moran, Chairman of the Tax Increment Finance Authority, do hereby certify that the foregoing is a true, correct and complete copy of the resolution adopted by the Tax Increment Financing Authority on July 29, 2025.

Ron Moran

Chairman

JOSEPH G. KUSPA
*Mayor*

JANICE M. FERENCZ
*City Clerk*

CHRISTOPHER P. ROLLET
*Treasurer*

# City of Southgate

- CITY COUNCIL -

ZOEY KUSPA
*Council President*
CHRISTIAN GRAZIANI
KAREN E. GEORGE
PHILLIP J. RAUCH
PRISCILLA AYRES-REISS
ED GAWLIK JR.
VICTORIA ARAJ

August 1, 2025

To the Honorable
City Council
Southgate, Michigan 48195

Re: Approval of Change Order No. 001 for Southgate Tower Park Landscape Material Contract

Ladies and Gentlemen:

I have reviewed the above and concur with the City Engineer's recommendation to approve Change Order No. 001 for Southgate Tower Park Landscape Material Contract in the amount of $673,541.49 plus 10% contingency for the landscape installation portion of the project in the amount of $59,354.15 for a total of $732,895.64 with Superior Landscape Companies. This change order addresses an addition to the scope of work to now include installation of landscape materials, putting green, fine grading, hydro-seeding and irrigation.

Funds for this change order are available in the Wayne County ARPA Grant awarded to Southgate for the project.

Your favorable consideration of this matter is requested.

Sincerely,

Joseph G. Kuspa
Mayor



NORMA J. WURMLINGER MUNICIPAL BUILDING
14400 DIX-TOLEDO ROAD • SOUTHGATE, MICHIGAN 48195 • 734-258-3022 • FAX: 734-246-1414

JOSEPH G. KUSPA
*Mayor*

JANICE M. FERENCZ
*City Clerk*

CHRISTOPHER P. ROLLET
*Treasurer*

- CITY COUNCIL -

ZOEY KUSPA
*Council President*
CHRISTIAN GRAZIANI
KAREN E. GEORGE
PHILLIP J. RAUCH
PRISCILLA AYRES-REISS
ED GAWLIK JR.
VICTORIA ARAJ

# City of Southgate

**Memorandum**

To: Honorable City Council Members

From: Dan Marsh, City Administrator DM

Date: August 1, 2025

Re: Southgate Tower Park Landscape Material Contract, Change Order No. 001

---

I have reviewed the above change order with the City Engineer and concur with his recommendation to approve Change Order No. 001 with Superior Landscape Companies in the amount of $673,541.49 ($593,541.19 for landscape installation plus $80,000 for irrigation), plus 10% contingency for landscape installation in the amount of $59,354.15, for a total of $732,895.64. This change order addresses an addition to the scope of work to now include installation of landscape materials, putting green, fine grading, hydro-seeding, and irrigation. Superior Landscaping Companies was awarded the competitive bid for the purchase of landscape materials at the August 21, 2024 Council Meeting.

Adequate funding for this change order is available through the Wayne County ARPA grant awarded to Southgate for the project.

**Proposed Motion:** *Approve Change Order No. 001 for the Southgate Tower Park Landscape Material Purchase Contract (BP-1C) for additional scope of work activities, in the amount of $673,541.49, plus 10% contingency for the landscaping installation portion of the project in the amount of $59,354.15, for a total of $732,895.64 using Wayne County ARPA grant funds.*



NORMA J. WURMLINGER MUNICIPAL BUILDING
14400 DIX-TOLEDO ROAD • SOUTHGATE, MICHIGAN 48195 • 734-258-3022 • FAX: 734-246-1414

HENNESSEY
ENGINEERS, INC

July 31, 2025

Mr. Dan Marsh, City Administrator
City of Southgate
14400 Dix-Toledo Highway
Southgate, Michigan 48195

**Re: Southgate Tower Park Landscape Material Purchase Contract (BP-1C)**
**Change Order No. 001**
**City of Southgate**
**Hennessey Project No. 11096.C**

Dear Mr. Marsh:

Please find attached Change Order 001 for the above referenced project. The above referenced project was awarded to Superior Landscape Companies (Contractor) through a competitive bidding process and approved by the City Council at their regularly scheduled meeting of August 21, 2024.

The City of Southgate desires and Hennessey Engineers is recommending that the enclosed change order be approved for the Southgate Tower Park Landscape Installation Project. In addition, the Contractor has provided a separate estimate of $80,000.00 for Park Landscape Irrigation as an alternate to the contract. It is recommended that City Council also approves this alternate.

This landscape installation project consists of installing previously purchased landscape plantings by the Contractor, including but not limited to; all specified landscape material mix, steel edging, mulch, fertilizer, putting green and associated specified material, labor and warranty. The Contractor's itemization is enclosed for your review.

The Contractor is currently maintaining and guaranteeing the purchased landscape plantings as required, and is ready to perform the installation work in late August to early September.

This change order is for an addition to the scope of work as outlined in the approved contract.

We request that the attached change order be approved at the regular City Council meeting scheduled for August 6, 2025.

HENNESSEY
ENGINEERS, INC

If you have any questions, or if additional information is necessary, please do not hesitate to contact me.

Very Truly Yours,

HENNESSEY ENGINEERS, INC

John M. Miller

John M. Miller
Project / Construction Manager

Enclosed

cc: Doug Drysdale, Assistant City Administrator / Finance Director, City of Southgate
Julie Goddard, Director of Parks & Recreation, City of Southgate
Kevin Anderson, Director of Public Services, City of Southgate
John J. Hennessey, P.E., Vice President, Hennessey Engineers, Inc.
Brian Voelz, Project Estimator, Superior Landscape Companies

File B.3

HENNESSEY
ENGINEERS, INC

# CHANGE ORDER

Recommendation No. 001 Date: July 31, 2025

**Project**: Southgate Tower Park Landscape Material Purchase Contract (BP-1C)
**Project Number:** 111096.C
**Owner:** City of Southgate
**Contractor:** Superior Landscape Companies

**1. Addition to the Scope of Work:**
The installation of landscape plantings, landscape materials, a putting green complete with the specified turf and materials, fine grading, hydro-seeding, labor and warranty for the Southgate Tower Park.

This change order accounts for the additional requested work for the Southgate Tower Park Landscape Installation.

**Increase Cost for Change in Project Scope: $593,541.49**
**Increase Cost for Change in Project Scope, Alternate - Park Irrigation: $80,000.00**

**2. 10% Contingency:**
A 10 percent contingency is added to account for any unforeseen conditions that may arise during the installation of landscape materials.

**10% Contingency: $59,354.15**

| | |
|---|---|
| Original 2024 Contract Price: | $ 176,205.75 |
| 20% Contingency: | $ 35,241.15 |
| Change Order No. 1 Price Increase: | $ 593,541.49 |
| Change Order No. 1 10% Contingency | $ 59,354.15 |
| **Revised Contract Price:** | **$ 864,342.54** |
| Change Order No. 1 Price Increase, Alternate: | $ 80,000.00 |
| **Revised Contract Price:** | **$ 944,342.54** |

HENNESSEY
ENGINEERS, INC

Changes Originated By Hennessey Engineers, Inc.:

Signature: John M. Miller

Title: Project / Construction Mgr.

Print Name: John M. Miller

Date: July 31, 2025

Accepted by: Superior Landscape Companies

Signature: Brian Voelz

Title: Project Estimator ~~President~~

Print Name: Brian Voelz

Date: 07/31/2025

Accepted by the City of Southgate:

Signature: ______________________

Title: ______________________

Print Name: ______________________

Date: ______________________

Date: July 31st, 2025

To: John Miller
Hennessey Engineers
13500 Reeck Rd.
Southgate, MI 48195

Project: Bank Tower Park

The following **Park** landscape breakout includes:

- 15 – Autumn Blaze Red Maple 3" cal. B&B Install Only
- 17 – Black Hills White Spruce 7'-8' ht. B&B Install Only
- 179 – Degroot Spire Arborvitae 4'-5' ht. B&B Install Only
- 158 – Wintergreen Arborvitae 7'-8' ht. B&B Install Only
- 66 – Green Giant Arborvitae 8'-9' ht. B&B Install Only
- 7 – Redpointe Maple 3" cal. B&B Install Only
- 62 – Norway Spruce 8'-9' ht. B&B Install Only
- 19 – Skyline Honeylocust 3" cal. B&B Install Only
- 9 – Sparkling Sprite Crabapple 2" cal. B&B Install Only
- 6 – Sugar Thyme Crabapple 2" cal. B&B Install Only
- 229 – Little Henry Sweetspire 24"-30" ht. Install Only
- 313 – Hameln Fountain Grass #1 Install Only
- 310 yards – Specified Plant Mix (15,222 square feet @ 6" depth)
- 156 yards – Dyed Brown Hardwood Shredded Mulch (15,222 square feet @ 3" depth)
- 13 yards – ½" – ¾" Washed Natural Crushed Stone (927 square feet @ 4" depth)
- 0.5 rolls – Non-Woven Geotextile Fabric (3,931 square feet)
- 125 sticks – 3/16" x 4" Black Steel Edging
- 1481 yards – Screened Topsoil (229,324 square feet @ 3" depth)
- 1840 pounds – Rhino Tuff Stuff Seed
- 21 bags – Starter Fertilizer 15-30-15 (220 lbs/acre)
- 16 bags – Second Fertilizer 25-0-15 (150 lbs/acre)
- 224 bales – Rhino Green Plus-Paper Mulch with Tack (1700 lbs/acre)
- 16.5 pounds – Evertak Tackifier (3 lbs/acre)
- 3 rolls – Tree Wrap
- 1077 – Hardwood Tree Stakes (3 per tree)
- 2 rolls – 12 Gauge Guy Wire
- 1077 – ½" Black Rubber Hose
- 54 – Tree Gator Bags
- 75 – Donut Gator Bags
- 193 yards – ½"-3/4" Limestone (9,480 square feet @ 6" depth)

- Fine Grading (229,324 square feet)
- Load & Travel
- Labor
- Shipping
- Warranty
- Taxes
- Maintenance

**Total Park Softscape Proposal: $413,937.06**

The following synthetic turf breakout includes:
Putting Green

- Putting Green Turf
- SYNSport – White Bunker Inlay
- NYNNatural 60 GTR – Landscape Turf
- SYNNatural 35 – Fringe Turf
- Perimeter Board – Recycled Plastic Nailer Board
- 6a/9a Limestone – Clean Limestone Base
- 8mm Multi Use Pad – Shock Pad
- Weatherproof seam Fabric – Seam Tape
- Turftak 1 Gal – Turf adhesive
- Optifill 30/50 (50 lb Bag) - Antimicrobial Infill
- Optifill 16/30 (50 lb bag) – Antimicrobial Infill
- Dual-sleeve cup w/flag – Cup/Flag Kit
- Bunker – Custom Build 550 sf/includes drainage pipe from bunker to outside of green
- Bunker – Custom Build 350 sf/includes drainage pipe from bunker to outside of green
- Labor

**Total: $175,223.83**

Superior 2.5% markup for coordinating and oversight **Total: $4,380.60**

**Total Park Landscape Total: $593,541.49**

**Alternative** Park Irrigation Proposal:

- Install up to 41 Zones per attached prints IR 1-IR-5 **Total: $78,000.00**
  - Superior 2.5% markup for coordinating and oversight **Total: $2,000.00**

**Total Park Irrigation Total: $80,000.00**

Please note:

- Need hydrant access for hydroseeding (meter/backflow provided by city)

Thank you for the opportunity to bid on this project and please let me know if you have any questions.

Sincerely,
Brian

JOSEPH G. KUSPA
*Mayor*

JANICE M. FERENCZ
*City Clerk*

CHRISTOPHER P. ROLLET
*Treasurer*

City of Southgate
The Heart of Downriver
Est. 1958
Wayne County, Michigan

# City of Southgate



**Memorandum**

To: Honorable City Council Members

From: Dan Marsh, City Administrator DM

Date: August 1, 2025

Re: Rally Point Partners Name Change to Restoration 1 of Clawson

---

Attached is a letter from the owners of the City's approved general carpentry contractor, Rally Point Partners, stating the company will now be Legacy Restoration Group LLC, DBA Restoration 1 of Clawson. All rates approved by council will continue to be honored. This is informational only and no action is needed.

If you have any questions please contact me.

NORMA J. WURMLINGER MUNICIPAL BUILDING
14400 DIX-TOLEDO ROAD • SOUTHGATE, MICHIGAN 48195 • 734-258-3022 • FAX: 734-246-1414

Restoration 1
OF CLAWSON

1195 E Rochester Rd.
STE: E
Troy MI, 48083

To: Dan Marsh, City Administrator

City of Southgate

14400 Dix-Toledo

Southgate, MI 48195

Rally Point Partners has officially changed its name to Legacy Restoration Group LLC, DBA Restoration 1 of Clawson as of 1 August 2025. Rally Point Partners will now be conducting business as Restoration 1 of Clawson.

The Contract pricing and employees stay exactly the same per the Rally Point Partners agreement. No changes to employees or staff has been effected.

I will provide the Certificate of Insurance, and W-9.

Please let us know if any questions.

Thank You,

Juan "Gabe" Arreola,
Partner

Chris Kushmaul,
Managing Partner

JOSEPH G. KUSPA
*Mayor*

JANICE M. FERENCZ
*City Clerk*

CHRISTOPHER P. ROLLET
*Treasurer*

# City of Southgate



**Memorandum**

To: Honorable City Council Members

From: Dan Marsh, City Administrator DM

Date: July 31, 2025

Re: First Reading of Amendment to City Code Chapter 1423.10 Multifamily Housing Certification, Initial Inspections

---

The Administration recommends amending City Code Chapter 1423.10 Multifamily Housing Certification, Initial Inspections to include the attached language. The addition of the proposed section 1423.10(f) will allow the City to accept certain HUD inspections performed on multifamily residential dwelling units in lieu of the City certification housing inspections. The proposed change will only affect the specific units that pass HUD inspections and will not include those units that HUD does not inspect.

Please contact me with any questions.



NORMA J. WURMLINGER MUNICIPAL BUILDING
14400 DIX-TOLEDO ROAD • SOUTHGATE, MICHIGAN 48195 • 734-258-3022 • FAX: 734-246-1414

**Proposed Language Underlined**

## 1423.10 INITIAL INSPECTIONS.

(a) The Department shall schedule initial inspections, at its discretion, of multifamily or mobile/manufactured residential rental structures, units, and accessory facilities which are subject to provisions of this Chapter to determine if the structures and units qualify for a certificate of compliance. The owner or responsible local agent of the property shall receive prior notice of the Department's intent to inspect; the owner may voluntarily waive the notice period and consent to an inspection at an earlier date. The owner shall provide to the tenant(s) a minimum of seventy-two (72) hours written notice of the Department's intent to inspect the unit he or she occupies.

(b) Inspection fees established by the City shall be paid in full prior to the date of inspection.

(c) After the initial phase-in period, all residential rental structures, units, and accessory facilities which are subject to provisions of this article shall be required to be inspected at not less than twenty-four (24)-month intervals nor more than thirty-six (36)-month intervals unless adjusted by the Department.

(d) The Department shall inspect multifamily or mobile/manufactured residential rental structures, units, or accessory facilities pursuant to any of the following circumstances:

(1) Upon receipt of a new rental registration application for a structure that was not previously registered.

(2) Upon receipt of any certificate of compliance renewal request for any structure, unit, or accessory facility that has been previously certified.

(3) Upon receipt of a complaint from an owner or tenant that a structure, unit, or accessory facility is in violation of the property maintenance ordinance or any other ordinance or code of the City of Southgate, or is in violation of Michigan's housing law, Section 125.401 et seq. of the Michigan Compiled Laws.

(4) Upon receipt of a report or a referral from the Southgate Police Department, Department of Public Works, Fire Department, other law enforcement agency, public agency or department, or any individual indicating that the premises may be in violation of this Chapter. The request shall be based on the personal knowledge of the person making the report.

(5) If an exterior survey of the premises gives the building official probable cause to believe that the premises is in violation of this Chapter.

(6) Upon receipt of information that the multifamily or mobile/manufactured residential rental structure is not registered with the City as required by this Chapter.

(e) If entry to a multifamily or mobile/manufactured residential rental structure, unit, or accessory facility requiring inspection is refused, the Building Official and/or their designee shall have recourse to the remedies provided by law to secure entry, including but not limited to obtaining a warrant for an administrative search. Inspections shall be limited to only the areas necessary to ascertain compliance with applicable ordinances, codes, and state law. Every reasonable effort shall be made to obtain consent to voluntarily enter the premises for the purpose of conducting a property maintenance inspection.

<u>(f) The Department may accept United States Department of Housing and Urban Development (HUD) REAC or NSPIRE inspection reports in lieu of City inspection for only the specific rental dwelling units that were inspected by HUD, provided that:</u>

<u>(1) Written verification is submitted confirming that all cited deficiencies from the HUD inspection have been corrected to the satisfaction of HUD.</u>

<u>(2) the HUD inspection was conducted within the past 12 months</u>

<u>Acceptance of HUD inspections shall not apply to building exterior or common areas, accessory facilities, or uninspected dwelling units.</u>