BAY CITY CITY COMMISSION

Synopsis of Regular Meeting
March 16, 2026

The meeting was called to order by Mayor Christopher Girard at 6:00 PM.

Commissioners Present: Laura Kubit, Craig Kokaly, Katie Doyle, Benjamin Tenney, Mark Zanotti, Alexander Dewitt, Joseph Charlebois and Cordal Morris 8; Mayor Christopher Girard.

Excused: Commissioner Christopher Runberg, 1.

Absent: None.

The following items were approved:

- City Commission Minutes (3/2/26)
- Accounts and Claims in the amount of $384,262.02 and Investments and Wire Transfers in the amount of $870,787.25 (3/9/26), and Accounts and Claims in the amount of $1,283,330.68 and Investments and Wire Transfers in the amount of $1,046,757.28 (3/16/26)
- Payroll in the amount of $1,382,797.78 (3/12/26)
- Appointment of Robert Clark to the Downtown Management Board, term to expire June 30, 2029
- Budget amendments in the amount of $0 for the Fiscal Year 2025/2026 budget
- Letter of support to the Michigan State Housing Development Authority (MSHDA) for the Bay City Housing Commission's Newmarket Commons I & II affordable housing development project located at 501 Columbus Avenue, Bay City
- Appointment of Sheila Turbett, to the Planning Commission, term expiring October 21, 2028
- Resolution recommending Contract No. 25-5634 with the Michigan Department of Transportation, for the Transportation Economic Development Category F grant for construction on Marquette Avenue, at no cost to the City Streets funds
- Resolution adopting Downtown Management Board Certified Special Assessment Roll
- Resolution vacating Jefferson Street between Columbus Avenue and 11th Street.

Jeff Reed, Chelsea Anderson, Debbie Rogers, Rachael Short, Lance Anson, Dustin Kosik, Andrew Thibodeau, Kelly Cole and Jack Wallace spoke during public input.

Public hearings were held regarding resolution adopting Downtown Management Board Certified Special Assessment Roll; resolution vacating Jefferson Street between Columbus Avenue and 11th Street; and ordinance amendment to the Code of Ordinances, Chapter 46 – Community Development, Article IV – Housing Project Exemptions, adding Division 6 – Newmarket Commons Payment-in-Lieu-of-Taxes.

No one came forward.

SPECIAL ORDER

Ordinance 2026-1

Be it ordained by the City of Bay City:

1. That the Code of Ordinances of the City of Bay City, Chapter 46 – Community Development, Article IV – Housing Project Exemptions, Division 6 – Newmarket Commons, be added and read as follows:

Sec. 46-210. Title.

This division shall be known and cited as the "Newmarket Commons tax exemption ordinance."

Sec. 46-211. Preamble and purpose.

It is acknowledged that it is a proper public purpose of the state and its political subdivisions to provide housing for its citizens of low income and to encourage the development and ownership for such housing by providing for a service charge in lieu of property taxes in accordance with the Housing Facilities Act, being Public Act 18 of 1933.

The city is authorized by said act to establish or change the service charge to be paid in lieu of taxes by any and all classes of housing exempt from taxation under the act at any amount it chooses not to exceed the taxes that would be paid but for the act. It is further acknowledged that such housing for persons and families of low income is a public necessity, and as the city will be benefited and improved by such housing, that the encouragement of the same by providing certain real estate tax exemptions therefore is a valid public purpose; further, that the continuance of the provisions of this division for tax exemption and the service charge in lieu of taxes during the periods hereinafter contemplated are essential to the determination of economic feasibility of the housing development which has been financed in reliance thereon.

The city acknowledges that Bay City Housing Commission, Newmarket Commons I 4% Limited Dividend Housing Association, LLC, Newmarket Commons I 9% Limited Dividend Housing Association, LLC, Newmarket Commons II 4% Limited Dividend Housing Association, LLC, and Newmarket Commons II 9% Limited Dividend Housing Association, LLC, , the "sponsor", has offered, subject to the receipt of an allocation under the Low Income Housing Tax Credit Program (LIHTC) from the Michigan State Housing Development Authority, and a federally aided mortgage, as that term is defined in the act, to own and operate a housing development identified as Newmarket Commons on certain property located at 501 Columbus Avenue, in the city, families of low income and that the sponsor has offered to pay to the city on account of said housing development an annual service charge for public services in lieu of all taxes.

Sec. 46-212. Definitions.

All terms shall be defined as set forth in the Housing Facilities Act, being Public Act 18 of 1933, of the state as amended, except as follows:

Act means Housing Facilities Act, being Public Act 18 of 1933, of the state, as amended.

Annual shelter rent means the portion of total collections during an agreed annual period paid by occupants of a housing development representing rent or occupancy charges, exclusive of charges for gas, electricity, heat or other utilities furnished to the occupants.

Authority means the Michigan State Housing Development Authority.

Low income persons and families means, with respect to Newmarket Commons, persons and families eligible to move into the project based on federal and authority requirements.

Mortgage loan means a federally-aided loan as that term is defined in the act or an authority-aided mortgage or an advance or grant from the authority.

Sponsor means the Bay City Housing Commission, Newmarket Commons I 4% Limited Dividend Housing Association, LLC, Newmarket Commons I 9% Limited Dividend Housing Association, LLC, Newmarket Commons II 4% Limited Dividend Housing Association, LLC, and Newmarket Commons II 9% Limited Dividend Housing Association, LLC, and person(s) or entities which have applied for and receive from the authority for an allocation of low income housing tax credits to finance a housing development.

Sec. 46-213. Class of housing development.

It is hereby determined that the class of housing developments to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing developments for low income persons or families which are financed or assisted pursuant to the State Housing Development Authority Act of 1966. It is further determined that Newmarket Commons is of this class.

Sec. 46-214. Establishment of annual service charge.

Pursuant, to the act the housing development identified as Newmarket Commons and the property on which it is situated shall be exempt from all property taxes levied from and after the commencement of operations of the development. The city, acknowledging that the sponsor and the authority have established the economic feasibility of the housing development in reliance upon the enactment and continuing effect of this division and the qualification of the housing development for exemption from all property taxes and a payment in lieu of taxes as established herein, and in consideration of the sponsor's offer, subject to the receipt of a mortgage loan as defined in section 46-212, in conjunction with an allocation of low income housing tax credits from the authority, to acquire, construct, own and operate said housing development, hereby agrees to accept payment of an annual service charge for public services in lieu of all property taxes. The annual service charge shall be equal to four percent of the annual shelter rents actually collected.

Sec. 46-215. Limitation on the payment of annual service charges.

Notwithstanding section 46-214, the service charge to be paid each year in lieu of taxes for any part of the housing development which is tax exempt and which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing development if the housing development were not tax exempt.

Sec. 46-216. Contractual effect of article.

Notwithstanding the provisions of section 15(a)(5) of the act to the contrary, a contract between the city and the sponsor with the authority as third party beneficiary under the contract to provide tax exemption and accept payments in lieu thereof as previously described is effectuated by the enactment of this division, subject to the provisions of section 46-219, termination.

Sec. 46-217. Payment of service charge.

The service charge in lieu of taxes as determined hereunder shall be paid in the same manner as general property taxes are payable to the city, except as set forth herein, and subject to the same interest and/or administrative fees for late payment. The taxing authority shall be under no obligation to submit a tax billing or statement to the sponsor. The service charge in lieu of taxes shall be paid in advance, with the estimated payment due and payable by February 14 for the current calendar year. The adjusted final payment shall be paid or the request for refund shall be submitted on or before March 15 of the year following the year upon which the service charge is calculated. The sponsor shall submit with the February 14 payment the calculations used to compute the estimated payment in the format designated by the finance director. The sponsor shall submit with the March 15 payment (request) a statement from an independent auditor verifying that the amounts used to compute the adjusted final payment are correct as reported. All payments and documents shall be received by the office of the finance director on or before the due date.

Sec. 46-218. Duration.

This division shall remain in effect and shall not terminate so long as the housing development remains subject to the act, to income and rent restrictions pursuant to section 42 of the Internal Revenue Code of 1986, as amended, and a mortgage loan as defined in section 46-212 remains outstanding. The term of this division and the service charge in lieu of taxes granted hereunder shall not exceed 40 years. This division shall expire by its own terms if construction of the housing development does not commence within 24 months of the date of adoption of this division or if the proposed construction is not substantially completed as projected.

Sec. 46-219. Termination.

Notwithstanding anything contained herein to the contrary, should the sponsor fail to pay the estimated or final adjusted service charge in lieu of taxes granted hereunder on or before February 14 or March 15, respectively, the city treasurer shall file a certificate of nonpayment of the service charge in lieu of taxes, together with an affidavit of proof of service of the certificate of nonpayment upon the sponsor of the housing development and the authority by certified mail, with the register of deeds of county. Following the expiration of 60 days after service upon the sponsor and the authority of a certificate of nonpayment of the service charge in lieu of taxes and the filing of the certificate of nonpayment, if payment has not been made within the intervening 60 days, the service charge in lieu of taxes granted by this division shall automatically be terminated, retroactive to January 1 of that year.

Sec. 46-220. Severability.

The various sections and provisions of this division shall be deemed to be severable, and should any section or provision of this division be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of the division as a whole or any section or provision hereof other than the section or provision so declared to be unconstitutional or invalid.

Sec 46-221 Inconsistent Ordinances.

All ordinances or parts of ordinances inconsistent or in conflict with the provisions of this Ordinance are repealed to the extent of such inconsistency or conflict.

Sec. 46-221. Subdivision.

The property, known as 501 Columbus Ave, may be sold to related Limited Dividend Housing Associations (LDHAs), which include Newmarket Commons I 4% Limited Dividend Housing Association, LLC, Newmarket Commons I 9% Limited Dividend Housing Association, LLC, Newmarket Commons II 4% Limited Dividend Housing Association, LLC, and Newmarket Commons II 9% Limited Dividend Housing Association, LLC, for the purposes of securing financing and tax credits specific to each subdivision. Each subdivision shall remain a part of Division 6.

Sec. 46-222 – 46-235 Reserved.

A motion was made by Commissioner Dewitt, seconded by Commissioner Kokaly to adopt Ordinance No. 2026-1.

Motion approved by the following vote:

Yes, Commissioners Kokaly, Doyle, Tenney, Zanotti, Dewitt, Charlebois, Morris, 7.

No, None.

Abstain, Commissioner Kubit, 1.

The meeting adjourned at 7:13 PM.

Christopher R. Girard, Mayor
Tema J. Lucero, City Clerk