



MICHIGAN'S OLDEST COURTHOUSE

# Lapeer County Board of Commissioners

255 Clay Street  
Lapeer, Michigan 48446

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## **\*SPECIAL PROPERTIES COMMITTEE\***

**April 11, 2024**

**Room 302- County Complex**

**\*08:30 A.M.\***

\*Estimated Time- Meeting will Commence immediately following  
the Committee of the Whole/Full Board Meeting\*

2024 Committee Members: Bryan Zender (Chair), Tom Kohlman, Kevin Knisely,  
Moses Sanzo, Jackie Arnold, John Bustle

## **A-G-E-N-D-A**

- 1) **CALL TO ORDER** BY CHAIRMAN/ACTING CHAIRMAN
- 2) CONSIDERATION OF THE **AGENDA** (additions and/or deletions)
- 3) CONSIDERATION OF THE DRAFT **MINUTES** OF THE **MARCH 28, 2024** PROPERTIES COMMITTEE MEETING
- 4) **NEW/GENERAL ITEMS**
  - A) **ADMINISTRATION-**
    1. Request to approve the lease between the County and City of Lapeer for the county owned pavilion.
- 5) **OLD/REFERRED/OR ADDITIONAL ITEMS** (if needed)
- 6) **ADJOURN...**

Meetings to be held as needed.

**PROPERTIES COMMITTEE**  
**March 28, 2024**  
***Room 302 COUNTY COMPLEX***  
***255 CLAY STREET, LAPEER, MI 48446***

Chairman Zender called the meeting to order at approximately 11:02 a.m. in Room 302 of the County Complex.

Members Present: Commissioners Bryan Zender, Tom Kohlman, and Kevin Knisely.  
Moses Sanzo, County Administrator/Controller; John Bustle, Building & Grounds/Parks Director; Jackie Arnold, CFO

Others: Jillian Clark, Special Events Coordinator; Emma McQuillan, CMH CFO; Jeff Satkowski, E911 Director; Lori Gebhardt, Register of Deeds; Stephanie King, Chief Animal Control Officer

**AGENDA**

The agenda was reviewed.

**Motion by Knisely, support by Kohlman, to approve the Properties Committee Agenda as presented. Motion carried.**

**MINUTES**

The minutes from March 14, 2024 were briefly reviewed.

**Motion by Knisely, support by Kohlman, to approve the minutes from the March 14, 2024 Properties Committee meeting as presented. Motion carried.**

**CMH**

Emma McQuillan was present to discuss the request to purchase new vehicles for CMH. McQuillan explained that there are currently 4 vehicles that are over 10 years old that need replacement. McQuillan shared each vehicle has more than 100k miles and the vehicles are in the shop more frequently than others. McQuillan shared CMH Boards selection and approval for 3 Hornets and 1 Edge to be purchased. Bustle explained that once the new vehicles arrive, the older vehicles will be replaced and placed in the next upcoming auction. Discussion on cost allocation between CMH and the County occurred.

1. **Motion by Knisely, supported by Kohlman, to recommend to the Full Board, pursuant to the recommendation of the Properties Committee, to approve the request of the County to purchase the 4 vehicles listed, 3 Dodge Hornet GT AWD (\$30,214.00/each) and 1 Ford Edge SE AWD (\$35.865.00), using the CMH Building/Equipment Acquisition and Replacement funds. LCCMH will develop a four-year lease agreement with the County and lease payments will be deposited into the CMH Building/ Acquisition fund, at no additional cost to the County's General Fund. Motion carried.**

Continued

**E911**

Jeff Satkowski was present to discuss several requests for building upgrades. Satkowski explained that some parts of the flooring in the building is original dating back to 1997 and other parts are approximately 15 years old. The project will include the change from carpet to vinyl flooring, which will last longer. Knisely expressed concern on accuracy of quotes to material. Satkowski explained with the help of Building and Grounds, Satkowski was able to receive quotes that accurately reflect the materials requested for use for the project.

2. **Motion by Kohlman, supported by Knisely, to recommend to the Full Board, pursuant to the recommendation of the Properties Committee, to authorize Central Dispatch to proceed with Skaff to replace flooring in the building, at a cost not to exceed \$20,000.00, to be paid using the 9-1-1 millage account 482-325-977.000, at no additional cost to the County's General Fund. Motion carried.**

Satkowski explained the blue paint in the building is again original (1997) and several years ago a tan color was added to some parts of the building. Satkowski explained the tan is already wearing and the metal doors are chipping. Satkowski explained difficulty in receiving bids for this project, however, was able to receive a third bid which was presented to the committee for review.

3. **Motion by Knisely, supported by Kohlman, to recommend to the Full Board, pursuant to the recommendation of the Properties Committee, to authorize Central Dispatch to proceed with Main Street Painting Company to paint the main floor in the building, at a cost not to exceed \$10,000.00, to be paid using the 9-1-1 millage account 482-325-977.000, at no additional cost to the County's General Fund. Motion carried.**

Satkowski continued explaining plans for the building project to include electrical updates. Updates include consolidating switches and replacing iridescent lighting, which would not only be an upgrade but also a cost savings. Satkowski explained O.S.C is a single source. Brief discussion on usage of a single source and updates occurred.

4. **Motion by Kohlman, supported by Knisely, to recommend to the Full Board, pursuant to the recommendation of the Properties Committee, to authorize Central Dispatch to proceed with O.S.C to replace/upgrade the lighting in the 911 classroom/EOC, at a cost not to exceed \$6,000.00, to be paid using the 9-1-1 millage account 482-325-977.000, at no additional cost to the County's General Fund. Motion carried.**

Satkowski explained currently the building has 2 traditional drinking fountains. Satkowski requested both to be updated to the water fill stations. Knisely expressed concern on bid pricing variance. Satkowski and Bustle were both able to contact and verify the bids were correct.

5. **Motion by Knisely, supported by Kohlman, to recommend to the Full Board, pursuant to the recommendation of the Properties Committee, to authorize Central Dispatch to proceed with Keith Brace Plumbing to replace the drinking fountains in the building, at a cost not to exceed \$5,000.00, to be paid using the 9-1-1 millage account 482-325-977.000, at no additional cost to the County's General Fund. Motion carried.**

### **FINANCE/ REGISTER OF DEEDS**

Lori Gebhardt and Jackie Arnold were present to discuss the replacement of hardware at Register of Deeds. Gebhardt explained that current hardware is outdated. Brief discussion on what would need to be replaced occurred.

- 6. Motion by Knisely, supported by Kohlman, to recommend to the Full Board, pursuant to the recommendation of the Properties Committee, to authorize the purchase of a new server, 11 desktop computers, 7 monitors, to include the cost of installation for a total cost not to exceed \$50,000.00, to be paid from 256-711-977.010, with a budget amendment to follow.**

### **ANIMAL CONTROL**

Stephanie King was present to discuss changes to the possible new building. King presented the proposed layout attaching to the other side of the building with an enclosed sally port/secured area. King explained how plans eliminate the quarantine concerns that Zender expressed previously. Bustle shared this would also eliminate the DTE costs of moving poles and/or wires. King shared an update, after meeting with Building & Grounds Mechanical Supervisor, on furnace filtration for the quarantine. King explained current building remodel to create an adoption room. Brief discussion on fire suppression requirement occurred. King also explained plans for additional outdoor kennel space. Zender expressed concern to keep projects separate. Discussion on bid process occurred with the updated layout. Bustle will reach back out to the 3 companies that bid on the project and report back to the committee.

### **BUILDING & GROUNDS**

John Bustle was present to discuss possibility of a GPS and maintenance system for the County Fleet. Bustle explained how the software would work and how it would be an improved system for maintenance records. Benefits also included liability protection based on record keeping for the County employees and the County itself. Kohlman expressed concerns of the GPS not working in remote areas throughout the county. Kohlman expressed concerns on the costs for the system. Zender suggested a trial period, with just a couple vehicles to ensure this is the route the County would like to proceed with.

John Bustle discussed a received request to use the Historic Courthouse lawn during bike night. Bustle explained that this request is for 12 Fridays during the summer and to have items such as dunk tank in the lawn for kids and families. Discussion on rental value and deposit fees occurred. Bustle discussed the increase in weddings at the Historic Courthouse over the years and what is currently already reserved for the summer. Discussion on how this would affect weddings occurred. Zender referred back to properties with an updated procedure.

### **ADMINISTRATION**

Moses Sanzo was present to discuss the pavilion lease between the County and City of Lapeer. Zender gave an update regarding the meeting with City Manager. Zender explained specific maintenance items that the City planned to fix. Zender confirmed with Bustle that Building and Grounds would have time to complete the items. Zender expressed wanting to begin in the lease with the pavilion in good condition. One of the items was the removal of the exterior curtains used to enclose the pavilion for heating purposes. Discussion occurred regarding costs and condition of the curtains. Bustle would have the curtains condition inspected and if in good

condition, Building and Grounds would clean them. Further discussion on improvements, utilities, and tables occurred. Sanzo would have the lease revised for changes requested and present back.

Moses Sanzo was present to discuss the request for a Courthouse Café in Café Ray in the basement of the County Complex. Sanzo explained the request and further details would need to be presented from William Hamilton. Sanzo called Hamilton and placed him on speakerphone for phone conference. Hamilton explained staff complaints of vending machine options and the idea to have local restaurants schedule on site lunch options throughout the various County buildings. Hamilton explained advertising a proposal and have local restaurants bid out the opportunity. Zender expressed concern delivery services are readily available to delivery to the courthouse. Knisely expressed concern about existing staffing issues within the restaurant industry. Knisely explained processes and licenses required for off site food prep and the potential of food waste involved. Hamilton expressed wanting to have better food options for the employees than current vending machines that just have snack foods. Hamilton explained writing a Request for Proposal for vending machines.

### **ADJOURN**

Motion by Kohlman, supported by Knisely, to adjourn the meeting. Motion carried. 12:45 p.m.

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Bryan Zender, Chairman  
Lapeer County Properties Committee



## **REQUEST FOR ACTION**

**DATE:** April 8, 2024

\_\_\_\_ REQUEST FOR ACTION

\_\_\_\_ FOR YOUR INFORMATION

\_\_\_\_ REQUEST FOR INFORMATION

**TO:** COMMITTEE OF THE WHOLE

**FROM:** Moses Sanzo, County Administrator/Controller

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**SUMMARY OF REQUEST / INFORMATION:** Request to approve the lease agreement between the County of Lapeer and the City of Lapeer for the county owned Pavilion at the corner of W. Nepessing and Cedar Streets. The proposed lease will be for a period of 5-years, with a one-year renewal option, for \$1/per year. The City will undertake several refurbishment and restoration efforts of the pavilion (with capped reimbursement), and will pay all utilities. The County's legal counsel, The Kelly Firm, already reviewed the agreement and subsequent changes were made after meeting with the City. We would like the Properties Committee to review the lease agreement prior to consideration at the Committee of the Whole meeting.

**ADDITIONAL INFORMATION:** Motion #121-2024 from the March 28<sup>th</sup> Full Board gave the Committee of the Whole the authority to act on the lease agreement.

**CONTACT PERSON(S):** Moses Sanzo, County Administrator/Controller

**BACKGROUND INFORMATION:**

**SUPPORTING DOCUMENTS:** Proposed 5-Year Lease Agreement

**DRAFT MOTION:** Motion by \_\_\_\_\_, supported by \_\_\_\_\_ pursuant to Motion #121-2024 from the March 28, 2024 Regular Board Meeting giving the Committee of the Whole the authority to act on this matter, and based upon the review of legal counsel, to approve the attached lease agreement between the County of Lapeer and the City of Lapeer for the county owned Pavilion at the corner of W. Nepessing and Cedar Streets, for a period of 5-years with a one-year renewal extension option, at the rate of \$1/per year, with the understanding that the City will undertake several refurbishment and restoration efforts (with capped reimbursement), and pay for any utilities; and further, to authorize the Chair or Vice-Chair to sign said lease agreement.

ATTACHMENTS YES xx NO \_\_\_\_\_

## LEASE AGREEMENT

THIS LEASE made this \_\_\_\_\_, 2024 by and between the COUNTY OF LAPEER, a Municipal Corporation, whose principal address is 255 Clay St., Lapeer, Michigan 48446 (hereinafter "Lessor" or "County"), and the CITY OF LAPEER, a Municipal Corporation, whose principal address is 576 Liberty St, Lapeer, Michigan 48446, (hereinafter "Lessee" or "City").

**Intended Purpose:** The intended purpose of this lease is to authorize and allow the City of Lapeer to undertake refurbishment and restoration efforts on the downtown Pavilion, as defined herein, which is owned by the County of Lapeer. During the term of this lease, the City may rent out the use of the pavilion to third party persons and groups for their use in parties, get-togethers, events and other public or private uses, in the same form and manner as the City rents out its other City-owned pavilions. All rents collected by the City may be used to offset its costs in refurbishment, restoration, maintenance, utilities, staffing and other related costs.

**A. Leased Premises.** The Lessor, in consideration of the City payment of rent and the covenants and agreements to be kept and performed by the Lessee, does hereby lease to the Lessee that certain property known as the "County Pavilion", which is located at the Southeast corner of the intersection of West Nepessing St. and Cedar St. in the Northwest corner of parcel L20-01-500-040-00 in the City of Lapeer, County of Lapeer and State of Michigan, is commonly understood between the parties, and is further described in attached exhibit A:

**B. Lease Term; Option to Renew.** The initial term of this Lease shall commence \_\_\_\_\_, 2024 and expire on \_\_\_\_\_, 2029 unless said term shall sooner be terminated pursuant to the provisions of this Lease or by operation of law. This lease shall automatically renew for additional one (1) year terms following the initial term unless either party gives notice in writing to the other party of their intent to not renew this lease prior to the expiration of the current lease term.

**C. Termination.** Either party may terminate this Lease by giving thirty (30) days appropriate written notice to the other party of the intent to terminate, such notice being mailed to the other party at their principal address listed above, though each party shall strive for actual notice. In light of the expected investment made by the City in the refurbishment and restoration of the Pavilion, if this lease is terminated by the County by or for any reason or cause during the first five-year term, the County shall pay damages to the City in the amount of the lesser of the City's actual refurbishment and restoration costs for materials only but not labor, which can be proven by evidence shown or a maximum of two-thousand five-hundred dollars (\$2,500.00), which is equal to half of the City-budgeted expected refurbishment and restoration costs. Any alleged default by either party shall be managed under this provision.

**D. Rent.** Lessee covenants and agrees to pay the sum of One (\$1.00) dollar to Lessor per year as rental for control and use of said Premises. The Lessee shall not be in default of rent unless and until thirty (30) days after the County delivers written notice to the Lessee that rent is due. The County acknowledges receipt of the rent for the initial five (5) years of this agreement upon signing of this agreement.

**E. Alterations, Improvements, Removal.** The County gives explicit permission and approval to the City to alter, improve and remove such parts of the pavilion as may be necessary, in the City's judgement, for the refurbishment and restoration of the Pavilion structure, attached fixtures, utilities and the area underneath and immediately surrounding the pavilion. As one of the principal purposes and the common goal of this lease agreement is for the refurbishment and restoration of the Pavilion, any frustration of this purpose shall be a terminable event.

The proposed and undertaken refurbishment and restoration of the pavilion shall be completed with respect to the historical nature of the pavilion and surrounding area. Both parties acknowledge that such refurbishment and restorative efforts are inherently subjective, and the City and County agree to work together to complete the refurbishment and restoration in a safe, attractive and aesthetically pleasing manner.

As the refurbishment and restoration efforts are being led by and completed at the primary cost of the City and its constituent units, the City shall be primarily responsible for such refurbishment and restoration efforts, considering any and all review and advisement made by the County.

Both parties agree that all such improvements made to the pavilion structure, attached fixtures, utilities and the area underneath and immediately surrounding the pavilion shall become part of the county-owned pavilion and shall not be removed, deconstructed or dismantled from the pavilion at the end of this lease agreement unless explicitly reserved in a separate agreement between the parties.

Following the end of this lease agreement, the Pavilion and all its improvements in existence at the time of the end of the lease shall continue to be owned by the County except as otherwise reserved and agreed as stated above in a separate agreement.

The County shall be responsible for the prompt removal of the existing county furniture at the Pavilion or on the Premises, if so requested by the City.

**F. Encumbrance.** The Lessee shall not encumber or cause to be encumbered the Premises or allow any type of mortgage or lien in any way to be upon the Premises except with written approval of the County.



**G. Usage in Compliance with all Laws.** Lessee hereby covenants and agrees that it will not use or knowingly suffer or permit any person to use said Premises, Pavilion or any building or buildings or other structures, situated upon the Premises or any part thereof, for any use or purpose in violation of the laws of the State of Michigan, the ordinances or regulations of the City of Lapeer, and that generally, that all laws of the State of Michigan and ordinances and regulations of the City of Lapeer shall be adhered to.

**H. Maintenance of Property** Lessor shall not be required to furnish any services or facilities or to make any repairs or alterations in or to the Leased Premises. The Lessee hereby assumes the full and sole responsibility for the condition, operation, repair, replacement and maintenance of the Leased Premises during the term of the lease. The Lessee shall maintain the Leased Premises in at least substantially the same condition of repair and appearance existing at the Effective Date, ordinary wear and tear and casualty excepted with the understanding that the purpose of this Lease is to allow Lessee to make substantial renovations and refurbishment to the Leased Premises and, therefore, the Lessee intends to ensure that all improvements made do not negatively affect the current condition of the Leased Premises.

**I. Utilities.** Lessee shall undertake the payment of utility services to the Premises, specifically electrical service, either by assuming such service in its name or by arranging to pay or reimburse such bills to Lessor. Lessee shall pay when due all bills for sewer, water, gas, electricity, and other utilities and services for the Premises during the term of this Lease.

**J. Right of Entry.** Lessor shall have the right to enter the Leased Premises at any time.

**K. Property Insurance.** During the term of this Agreement, Lessor, at its sole expense, shall keep the Leased Premises insured against loss or damage by fire and the hazards covered by extended coverage insurance and any other such insurance in such amounts as are determined by Lessor. Lessee shall not commit or knowingly permit any acts or failures to act in, on or about the Leased Premises that may in any way impair or invalidate such policy or policies of insurance for the Leased Premises. Lessee shall cooperate with Lessor in connection with the collection of any insurance monies that may be due in the event of loss and shall execute and deliver to Lessor such proofs of loss and other instruments as may be required for the purpose of facilitating the recovery of any such insurance monies.

**L. Liability Insurance.** Lessee shall, at its own cost and expense, maintain the insurance policy coverages and provisions described in Exhibit B in full force and effect at all times for the duration of this Agreement. Lessee shall provide Lessor with proof of said insurance upon execution of this Agreement and at any time Lessor requests such proof thereafter.

**M. Defense, indemnity and Hold Harmless.** To the extent permitted by law, parties mutually agree to defend, indemnify and hold harmless each other against any claims asserted by third parties and all damages or expenses related to the Premises or Lessee's

use of the Premises or arising from occurrences on the Premises, however caused; and both parties mutually waive any claims against each other related to the use or condition of the Premises or resulting from any occurrence on the Premises.

**N. Non-assignability.** It is agreed that this Lease shall not be assigned in whole or in part by Lessee to any other person, firm or corporation without the written consent of Lessor. However, Lessor acknowledges and approves of the Lessee's constituent bodies such as the Downtown Development Authority, TIFA's and others to also work on the Pavilion's refurbishment, restoration and use through their employees and volunteers in conjunction with Lessee. The County further recognizes the City's right to rent the Pavilion to third parties for events as contemplated herein.

**O. Lessor's Right to Review and Advise.** Lessor shall have the right to review and advise on any plans for restoration, refurbishment or maintenance upon request made to Lessee.

**P. Benefit.** This Lease shall inure to the benefit of and be binding upon the County of Lapeer and the City of Lapeer and their lawful successors and assigns.

**Q. Amendment.** This Lease shall not be amended or modified except by a written instrument signed by a duly authorized representative of the City and Lapeer County.

**R. Entire Agreement.** This Lease agreement constitutes the entire agreement between the parties and shall be deemed to supersede and cancel any other agreement between the parties relating to the transaction contemplated in this agreement. None of the prior and contemporaneous negotiations, preliminary drafts, or prior versions of the agreement leading up to its signing and not set forth in this agreement shall be used by any of the parties to construe or affect the validity of this agreement. Each party acknowledges that no representations, inducement, or condition not set forth in this agreement has been made or relied on by either party.

**S. Governing Law and Severability.** Governing law. This agreement shall be governed by and interpreted in accordance with the laws of the state of Michigan. If any provision of this agreement is in conflict with any statute or rule of any law in the state of Michigan or is otherwise unenforceable for any reason whatsoever, that provision shall be deemed severable from or enforceable to the maximum extent permitted by law, as the case may be, and that provision shall not invalidate any other provision of this agreement. Venue for any action brought under this agreement shall lie in Lapeer County, Michigan.

**T. Miscellaneous.**

1. The County of Lapeer and all of its sub-units shall have the right to use the Pavilion and the area that surrounds it during any time that the Pavilion and area are not otherwise being used for any previously scheduled events. The County can schedule to use the Pavilion and the area that surrounds it for any time that is not

otherwise already scheduled for use by another party. Any use or scheduling of use by the County or any of its sub-units shall be free of any fee or charge by the City, but such use shall not act as an undue burden or be vexatious towards the rights of the City under this lease.

2. The existing heaters and curtains on the pavilion shall not be removed or replaced without explicit approval of the County.
3. Lessee shall keep the Premises free and clear of all mechanics' liens on account of work done by Lessee or persons claiming under it.
4. If any term of this Lease is found to be void or invalid, such invalidity shall not affect the remaining terms of this Lease, which shall continue in full force and effect.
5. Any consent required under this Lease shall not be unreasonably withheld, conditioned, or delayed.
6. This Lease may be executed in any number of counterparts, each of which shall be considered an original, but all of which together shall constitute only one instrument.
7. Any waiver by Lessor of any default or breach of this Agreement shall not be construed to be a continuing waiver of said default or breach, or as a waiver or permission, express or implied, of any other or subsequent default or breach.
8. It is declared that the actions of both parties under this Agreement are a governmental function. It is the intention of the parties hereto that this Agreement shall not, in any manner, be construed to waive the defense of governmental immunity, which both parties possessed prior to the execution of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Lease to be executed by authority of their respective boards, and the parties execute this lease by its officers thereunto duly authorized, the day and year first above written.

**LESSEE - CITY OF LAPEER**

By: \_\_\_\_\_

\_\_\_\_\_  
Its: Mayor

By: \_\_\_\_\_

\_\_\_\_\_  
Its: City Manager

**LESSOR - LAPEER COUNTY**

By: \_\_\_\_\_

\_\_\_\_\_  
Its: Chairperson

By: \_\_\_\_\_

\_\_\_\_\_  
Its: Administrator

## EXHIBIT A

### LEGAL DESCRIPTION

The pavilion located in the north-western corner of parcel L20-01-500-040-00, commonly known as 287 W NEPESSING ST LAPEER, MI 48446CITY OF LAPEER LAPEER VILLAGE  
PLAT LOTS 9, 10, 11 & 12 (L=1 P=73 SEC 5, T7N-R10E)

DRAFT



## EXHIBIT B

### INSURANCE REQUIREMENTS

- A. Workers Compensation & Employers' Liability Insurance, Michigan Statutory Limits of Liability.
- B. Commercial General Liability Insurance on an occurrence basis with limits of liability not less than one million dollars (\$1,000,000.00) per occurrence and aggregate combined single limit for Personal Injury, Bodily Injury, Property Damage. Coverage shall include extensions for Contractual Liability and Independent Contractors Coverage.
- C. Motor Vehicle Liability Insurance, including Michigan No-Fault Coverage, with limits of liability not less than one million dollars (\$1,000,000.00) per occurrence combined single limit for Bodily Injury and Property Damage. Coverage shall include all owner vehicles, all non-owned vehicle s, and all hired vehicles.
- D. Umbrella Liability Insurance with limits of liability not less than two million dollars (\$2,000,000.00) per occurrence.
- F. On all certificates of insurance other than Workers' Compensation & Employers' Liability Insurance, the additional insured must include and read as follows:  
"Charter Township of Orion, and including all elected and appointed officials, all employees and volunteers, all boards, commissions and/or authorities of the Charter Township of Orion, and their board members, employees, and volunteers."
- G. The cancellation notice must read as follows: "Should any of the above-described policies be cancelled before the expiration date thereof, the issuing company will mail thirty (30) days written notice to the Certificate Holder."