



# CITY OF MT. PLEASANT DOWNTOWN FIRE PROTECTION PROGRAM



## PROGRAM INTENT

The City of Mt. Pleasant’s historic downtown, listed on the National Register of Historic Places in December 2014, includes 19th-and-20th-century brick commercial buildings with commercial storefronts composed of cast iron, brick, wood and glass, as well as notable examples of civic architecture.



In an effort to promote fire protection within our irreplaceable, historic downtown, breathe new life into vacant spaces and provide unique housing opportunities back to these historic structures, the City, through its City of Mt. Pleasant Central Business Tax Increment Finance Authority (“TIFA”) has developed the Downtown Fire Protection Program (the “Program”) to assist with the cost to install necessary fire protection systems. These fire protection systems are essential to address the threat that fire poses to both residents and the public at-large in downtown, loss of extensive taxable value, desire for growth in the number of residential housing units, and the unique historic buildings that help define our community’s character.

To encourage the installation of these essential systems, eligible property owners would install and maintain fire protection systems including suppression systems, sprinklers and fire alarms in existing commercial and residential buildings in the downtown historic district and in return the TIFA would compensate the property owners through the purchase of restrictive covenants that ensure the continued maintenance and inspection of the fire protection systems.

Applicants must pay their contractors and suppliers and receive final approval for the installation before TIFA will purchase the restrictive covenant from the property owner.

## ELIGIBLE PROPERTIES

To be eligible to participate in the program, a property must meet all of the following requirements:

- a) An existing building\* within the Downtown Historic District boundary. The boundaries of these areas as shown on the attached map;
- b) Property taxes must be current;
- c) The building and property upon which it’s located must not contain any existing code enforcement violations or deficiencies.

\*Those owning property within a building containing one or more condominiums will receive funds based on the condominium agreement common area requirements. If no agreement exists, funds will be dispersed calculated upon square footage owned by each individual owner.

## PRIORITY LOCATIONS

Priority will be given to property owners installing new fire protection systems with one or more of the following qualifications:

- 1. Existing property within the Downtown Historic District that have common or adjoining walls;
- 2. Will create new residential units;
- 3. Existing residential units.

## DESCRIPTION OF THE PROGRAM

The Program shall involve the purchase of restrictive covenants by the TIFA from the property owners at a purchase price equal to the amount of expenses incurred by an owner for the construction of approved fire protection improvements by the TIFA and the City. The TIFA shall not pay the property owner the purchase price for the restrictive covenants before construction of the fire protection improvements are completed. All applications are subject to approval by: Electrical Inspector, Mechanical Inspector, Plumbing Inspector, Building Official, Public Works and Fire Department.

The maximum amount of the purchase price for the restrictive covenants will be set forth in the Downtown Fire Protection Program Agreement and Declaration of Restrictive Covenant between the TIFA and the property owner and shall be based upon the lesser of two written estimates from a licensed fire protection contractor. The purchase price limitations shall be as follows:

Those property owners creating new residential units or have existing residential units:

- The TIFA may purchase a restrictive covenant from an owner installing a new fire protection system or component thereof as listed under the section "Eligible Improvements" for up to 100% of the cost with a maximum of Twenty-Five Thousand Dollars (\$25,000.00).

Those property owners not creating new residential units or do not have existing residential units:

- The TIFA may purchase a restrictive covenant from an owner installing a new fire protection system or component thereof as listed under the section "Eligible Improvements" for up to 50% of the cost with a maximum of Twenty-Five Thousand Dollars (\$25,000.00).

Payment of the purchase price will be based upon paid invoices provided to the TIFA by the property owner. Payment shall be based upon actual costs up to the maximum amount set in the Agreement. If the actual cost exceeds the original estimates, the property owner shall be solely responsible for the payment for all of the amounts in excess of the estimate. The TIFA cannot pay an amount higher than the total amount specified in the Agreement.

Payments are subject to Federal and State taxes, and must be reported to the Internal Revenue Service on Form 1099. Applicants are required to provide the TIFA with your taxpayer ID number or your social security number as part of the Agreement. Property owners should speak with their tax advisor for tax liability information.

## ELIGIBLE IMPROVEMENTS

The following fire protection improvements shall be eligible for the Program:

- a) Installation of a new fire protection system for entire building, including but not limited to, approved devices, equipment and systems or combinations of systems used to detect a fire, activate an alarm, extinguish or control a fire, control or manage smoke and products of a fire or any combination thereof (i.e. fire wall, automatically closing doors, etc.).
- b) Extension of water service for construction of a new fire protection system.

The following improvements shall not be eligible for the Program:

- a) Building and Public Works permit fees, inspection fees, private utility fees and charges and related costs;
- b) Drywall, paint and other interior repairs related to concealing a fire suppression system, fire alarm, or fire protection system;

- c) Refinancing existing debt; or
- d) Working capital for business.

Improvements not specifically listed as eligible or ineligible may be included in the purchase price upon approval by the Building Official.

#### **ADDITIONAL REQUIREMENTS ON ELIGIBLE IMPROVEMENTS**

Property Owners shall employ only certified, registered, licensed, and insured professionals duly qualified to practice in Michigan and to perform the Improvements required by this Agreement and will engage only contractors, sub-contractors, or sub-consultants who are so qualified, to perform the Improvements under this Agreement.

#### **APPROVAL OF PROGRAM APPLICATION**

Applications are accepted on a rolling basis. After all first-time applications are processed, the remaining applications will be considered in the order in which they were received. In the event that the total amount of the potential exceeds the total amount budgeted for the Program for the fiscal year, applications that cannot be approved due to budget limitations will be carried over for the following fiscal year.

#### **COMMENCEMENT OF WORK**

The purchase price for the restrictive covenants shall not include work done prior to approval of the Agreement.

#### **COMPLETION OF WORK**

All improvements shall be completed and requests for payment for the restrictive covenants requested from the TIFA within one (1) year after the approval of the Agreement. It shall be the applicant's sole responsibility to make sure that all of the deadlines are met. All requests for extensions must be submitted in writing to the Downtown Development Director prior to the expiration of the initial deadline to complete the work and submit request for payment for restrictive covenants. In the event that an applicant fails to comply with these deadlines or otherwise timely request an extension, the TIFA may terminate its obligation to purchase the restrictive covenant from the property owner.

#### **COMPENSATION FOR THE RESTRICTIVE COVENANT**

Upon completion of the work and final inspections, the property owner shall submit copies of all invoices, contractor statements, proof of payments to the Building Official, as evidence that the owner or tenant has paid the contractors. Payment of the purchase price to the owner will be authorized upon completion of all work items as originally approved and receipt of all required documents.

#### **ALTERATIONS TO APPROVED IMPROVEMENTS**

Changes or elimination of improvements following approval of the Agreement by shall be submitted to the Building Official for review and approval before implementation. Major and minor changes shall be subject to additional approval by the Building Official.

#### **MAINTENANCE OF FIRE PROTECTION SYSTEM / RESTRICTIVE COVENANT**

1. The property owner shall be responsible for inspection, testing, and maintenance of all fire protection systems installed in accordance with the Michigan Building and Fire Codes, as well as National Fire Protection Association Standards, as may be amended from time to time.
2. TIFA may terminate the Agreement immediately upon the Property Owner's breach of any of the terms and conditions of the Agreement, in which case the TIFA shall have no obligation to purchase the

Restrictive Covenant. If the TIFA has already paid the Owner for the Restrictive Covenant, the Owner shall refund the TIFA for the entire purchase price paid for the Restrictive Covenant.

3. The following restrictive covenant shall be required by the Property Owner Fire Protection Program Agreement and Declaration of Restrictive Covenant:

- A. Once installed, the Improvements shall be maintained and/or repaired, at the Property Owner's expense, to ensure that the Improvements remain in good working order pursuant to the National Fire Protection Association (NFPA) 25 standard, or subsequent replacement standard or as that standard may be amended, for "Inspection, Testing and Maintenance for Water-Based Fire Protection Systems" from the date the TIFA approves final payment to the Property Owner for the Improvements.
- B. The Improvements shall be tested and inspected pursuant to the National Fire Protection Association (NFPA) 25 standard, or subsequent replacement standard or as that standard may be amended, for "Inspection, Testing and Maintenance for Water-Based Fire Protection Systems" at the Property Owner's sole expense.
- C. The Property Owner shall maintain a water system that is large enough to service the Improvements.
- D. The Property Owner shall allow adjacent property owners to access and tie into the Improvements, at the sole cost of the adjacent property owner(s). The Property Owner shall provide the adjacent property owners reasonable access (at times and dates designated by the Property Owner) for the adjacent property owners to access and tie into the Improvements upon request of the adjacent property owner(s) to do so. If any adjacent property owner(s) do access and tie into the Improvements, the Property Owner may not shut off service to the adjacent properties without approval of the TIFA.

## **BUILDING PERMITS**

Applicants are responsible to obtain all necessary permits from the City's Building Department, Division of Public Works and Isabella County Electrical, Plumbing and Mechanical Inspector, and state of Michigan (if applicable) prior to beginning any work.

## **APPLICATION PROCESS**

1. Pre-Application Meeting  
Interested parties are required to schedule a pre-application meeting to discuss the project with associated City staff – Downtown, Building Official, Fire, Planning and Zoning and Public Works. This can be done by calling the Downtown Development Director at (989) 779-5348. Pre-application meetings often address circumstances that would otherwise result in an application being denied.
2. Complete Application and Provide Required Information\*  
Applications for the program will be provided after the pre-application meeting. Complete applications, including required information, should be sent or dropped-off to: City of Mt. Pleasant, Downtown Development, Attention: Michelle Sponseller, 320 W. Broadway, Mt. Pleasant, Michigan 48858 or emailed to [downtown@mt-pleasant.org](mailto:downtown@mt-pleasant.org).

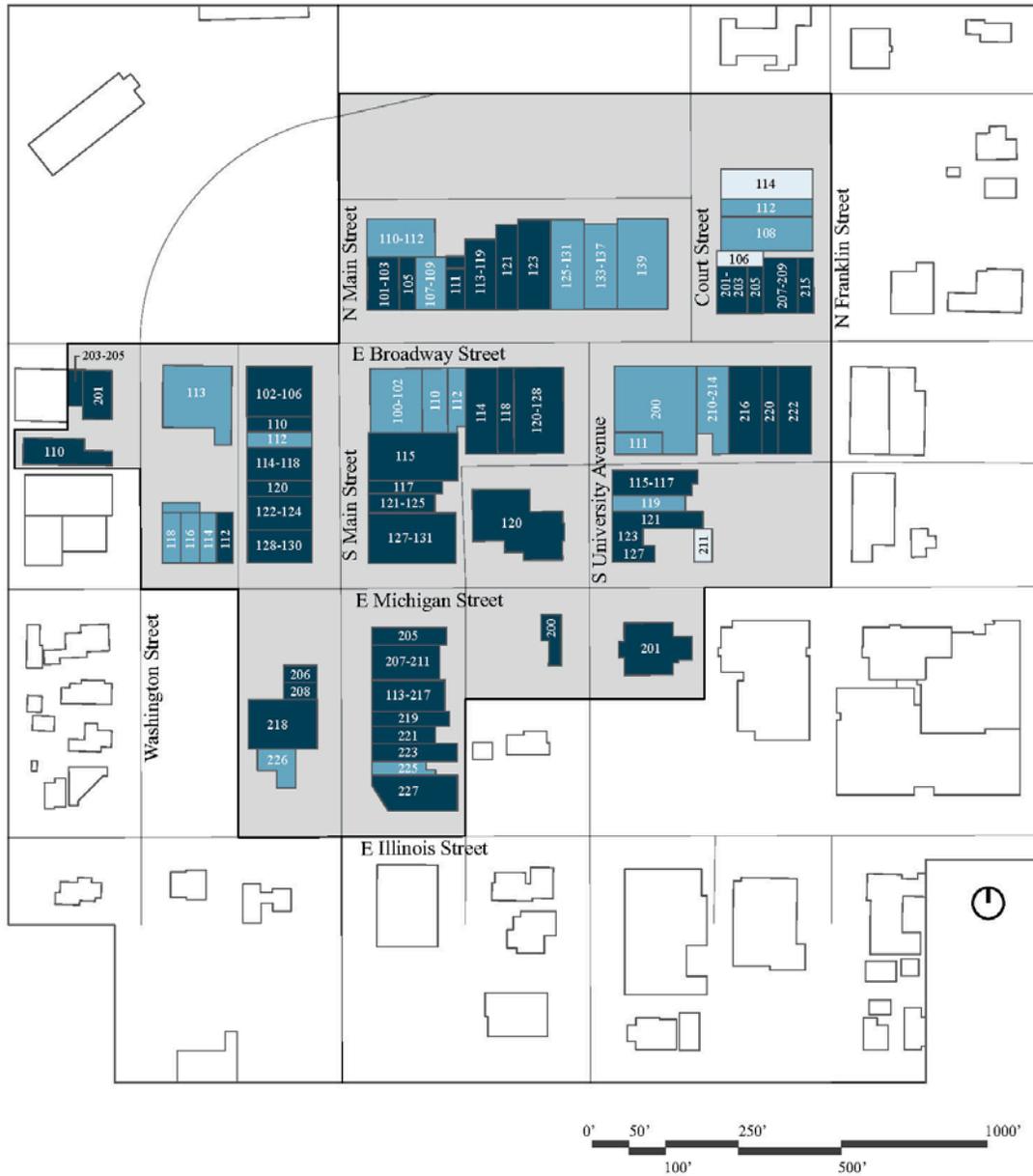
\* Required information includes two quotes for all equipment, materials and installation.

**Incomplete applications or applications missing required information will be returned.**

Please note that all city permits and zoning approvals must be completed within 90 days of application. Failure to begin work in 90 days forfeits placement in program and will require a new pre-application meeting and application.

Once the application has been submitted and all necessary documentation, including two quotes for all equipment, materials and installation, has been received, the Downtown Development Director and Building Official will meet to discuss the request and provide written approval or denial. If denied, written explanation will be provided.

**DOWNTOWN HISTORIC DISTRICT MAP**



GRAPIDS 57654-1 497330v1