

1. Council Meeting Agenda

Documents:

[06-20-17 AGENDA.PDF](#)

2. Council Meeting Packet

Documents:

[JUNE 20TH COUNCIL PACKET.PDF](#)

3. SMARTZone LDFA

Documents:

[A2YPSI LDFA 15 YEAR EXTENSION.PDF](#)

4. Thompson Block OPRA

Documents:

[TB OPRA BINDER 5.5.17PDF.PDF](#)

5. Council Action Minutes

Documents:

[ACTION MINUTES 06-20-17.PDF](#)



**CITY OF YPSILANTI
COUNCIL BUDGET MEETING AGENDA
COUNCIL CHAMBERS - ONE SOUTH HURON STREET
TUESDAY, June 20, 2017
7:00 P.M.**

I. CALL TO ORDER –

II. ROLL CALL –

Council Member Bashert	P A	Council Member Robb	P A
Mayor Pro-Tem Brown	P A	Council Member Vogt	P A
Council Member Murdock	P A	Mayor Edmonds	P A
Council Member Richardson	P A		

III. INVOCATION –

IV. PLEDGE OF ALLEGIANCE –

"I pledge allegiance to the flag, of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all."

V. INTRODUCTIONS –

VI. AGENDA APPROVAL–

VII. AUDIENCE PARTICIPATION –

VIII. REMARKS FROM THE MAYOR –

IX. PUBLIC HEARING –

1. Approving a 15 year extension to the Smart Zone LDFA. The City does not lose any local tax revenue and has the opportunity to receive state captures to be spent on Economic Development activities. (Community Development)
 - A. Resolution No. 2017 - 143, determination
 - B. Public Hearing
 - C. Resolution No. 2017 – 144, close the public hearing
2. Granting an Obsolete Property Rehabilitation Exemption for a period of 12 years for 400 N. River. (Community Development)
 - A. Resolution No. 2017 - 145, determination
 - B. Public Hearing
 - C. Resolution No. 2017 – 146, close the public hearing

X. CONSENT AGENDA –

Resolution No. 2017 - 147

1. Resolution No. 2017-148, approving the minutes of May 23, 2017. (Clerk)
2. Resolution No. 2017-149, approving appointments to Boards and Commissions. (Mayor)

3. Resolution No. 2017-150, amending the agreement held with Urban County. (Community Development)

XI. MOTIONS, RESOLUTIONS, DISCUSSIONS -

1. Resolution No. 2017-151, approving purchase agreement for the Ozone House. (Community Development).
2. Resolution No. 2017-152, approving a social media policy. (City Manager)
3. Resolution No. 2017-153, approving a City procurement policy. (Attorney)
4. Resolution No. 2017-154, approving the Fiscal Year 2017-2018 Fee Schedule. (Finance)
5. Resolution No. 2017 –155, approving Ordinance 1289 an ordinance entitled, "An Ordinance to Amend Budget Appropriations by Department and Major Organizational Unit for the Fiscal Years 2016-2017 and 2017-2018". **(Second Reading)** (Finance)
6. Resolution No. 2017-156, approving Ordinance 1290 an ordinance entitled "2017-2018 Tax Levy Ordinance". **(Second Reading)** (Finance)

XII. AUDIENCE PARTICIPATION –

XIII. LIASON REPORTS –

- A. SEMCOG Update
- B. Washtenaw Area Transportation Study
- C. Urban County
- D. Ypsilanti Downtown Development Authority
- E. Eastern Washtenaw Safety Alliance
- F. Police-Community Relations/Black Lives Matter Joint Task Force
- G. Friends of Rutherford Pool
- H. Housing Equity Leadership Team
- I. Economic Development Coordinating Committee

XIV. COUNCIL PROPOSED BUSINESS –

XV. COMMUNICATIONS FROM THE MAYOR –

XVI. COMMUNICATIONS FROM THE CITY MANAGER –

XVII. COMMUNICATIONS –

XVIII. REMARKS FROM THE MAYOR –

XIV. CLOSED SESSION –

- Resolution No. 2017-157, adjourning to Closed Session to discuss Collective Bargaining Strategy for AFSCME, POAM, COAM, and IAFF unions pursuant to MCL 15.268(c).
- Closed Session to discuss Attorney Opinion. *OMA 15.268(h)*

XIX. ADJOURNMENT –

Resolution No. 2017-158, adjourning the City Council Meeting.



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COUNCIL BUDGET MEETING AGENDA
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Council Member Murdock	P A	Mayor Edmonds	P A
Council Member Richardson	P A		

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XIX. ADJOURNMENT –

Resolution No. 2017-158, adjourning the City Council Meeting.



REQUEST FOR LEGISLATION
June 20, 2017

To: Mayor and Council

From: Beth Ernat, Director of Community and Economic Development

Subject: LDFA Smart Zone – 15 Year Extension

SUMMARY & BACKGROUND: In 2001, the Michigan Economic Development Corporation (MEDC) created eleven separate SmartZones throughout the state, including Ann Arbor/Ypsilanti. The purpose of the Ann Arbor/Ypsilanti SmartZone (LDFA) is to provide capital needed for the facilitation of the commercialization of research products being developed at University of Michigan and Eastern Michigan University and the development of private high technology enterprises that, but for this organization, would be deferred, or located outside of the SmartZone area.

The SmartZone is the programmatic name given by the Michigan Economic Development Corporation (MEDC) to a district established under state law (“a certified industrial park”). The district is technically called the Local Development Finance Authority (LDFA), but these terms are interchangeable. The SmartZone is equal to the Downtown Development Authority (DDA) district in the City of Ann Arbor and a portion of a DDA district in Ypsilanti.

The SmartZone is funded from the State of Michigan, and without the SmartZone, these monies would otherwise not be received locally. The tax capture revenue is collected only within the geographic boundaries of the Ann Arbor DDA, since the portion in the Ypsilanti DDA is being used for other purposes. The tax capture is based on the increase in taxable value due to new development and appreciation above the base year of 2002. These dollars come from taxes committed to schools and are, by law, repaid to the local school district by the state so their funding remains whole. So in effect, the State funds the LDFA. Rather than hire and create a separate organization, the SmartZone Board has historically contracted with outside entities to perform services. The largest service provider has been [Ann Arbor SPARK](#). Ann Arbor SPARK is a regional economic development non-profit organization dedicated to economic prosperity of the Ann Arbor region. It receives both public and private funds to achieve its mission.

The Smart Zone was approved in 2002 as a 2 party agreement for Ann Arbor and Ypsilanti. In 2014 Adrian and Tecumseh were added as a satellite Smart Zone to improve regionalization in Prosperity Region 9.

The Extension is scheduled to be approved in October of 2017 by MEDC. If we do not have it approved by Ypsi, Ann Arbor and Washtenaw County by July, MEDC will not recommend the 2016 payout to Ypsi of approximately \$313,000.

Effective with the Amendment, starting in FY18, for the duration of the 2002 plan and the 15 year extension, up to 10 percent of annual TIF capture will be allocated to Ypsilanti-related programs. The LDFA Board programs the money.

TIF Proceeds can go to fund talent and recruitment/retention, installation of technology related infrastructure, and bonding opportunities.

Ypsilanti lost its share of the 2015 as there was not an approved agreement in place by the state mandated time period, thus delaying our approval of the extension could result in the same fate.

The projected 15 year capture for the LDFA is \$66 million with 10 percent to fund Ypsi activities. The 2018 Taxable Value is \$598,029,122. The LDFA only captures state portions of taxes of participating businesses in the district.

As of 2016, \$16 million was captured and 646 jobs were created.

The Ypsi representatives on the Board will work to present a budget and ideas for use of the Ypsi capture. No plan is set as of now. The Ypsi representatives are Phil Tepley, Caryn Charter, and me.

The City of Ann Arbor provides administrative support to the Smart Zone LDFA and all accounting and reporting services. This cost is paid out of the Smart Zone capture.

RECOMMENDED ACTION: Staff recommends approval of the 15 year extension to the Smart Zone LDFA. The City does not lose any local tax revenue and has the opportunity to receive state captures to be spent on Economic Development activities.

ATTACHMENTS: Smart Zone LDFA 15-year extension plan

CITY MANAGER APPROVAL: _____

COUNCIL AGENDA DATE: _____

CITY MANAGER COMMENTS: _____

FISCAL SERVICES DIRECTOR APPROVAL: _____



Resolution No. 2017 - 143
June 20, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, in 2001, the Michigan Economic Development Corporation (MEDC) created eleven separate SmartZones throughout the state, including Ann Arbor/Ypsilanti; and

WHEREAS, the purpose of the Ann Arbor/Ypsilanti SmartZone (LDFA) is to provide capital needed for the facilitation of the commercialization of research products being developed at University of Michigan and Eastern Michigan University and the development of private high technology enterprises that, but for this organization, would be deferred, or located outside of the SmartZone area; and

WHEREAS, The proposed 15 year extension to the Ann Arbor/Ypsilanti SmartZone LDFA requires the approval of the City of Ypsilanti, City of Ann Arbor, Washtenaw County and the Michigan Economic Development Corporation; and

WHEREAS, The City of Ypsilanti has been approved and is included for state-only tax capture in the proposed 15-year extension.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council hereby approves the Ann Arbor/Ypsilanti SmartZone Agreement Amendment Number 1 for 15 year extension of the Ann Arbor/Ypsilanti SmartZone LDFA.

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:



Resolution No. 2017 - 144
June 20, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the public hearing for the Ann Arbor/Ypsilanti SmartZone Agreement Amendment Number 1 for 15 year extension be officially closed.

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:



MEMORANDUM
June 20, 2017

To: City Council

From: Beth Ernat, Director of Community and Economic Development

Subject: 400 N. River St, Thompson Block OPRA Application

On June 6, 2017, City Council recommended approval of a Brownfield Plan for the redevelopment of the Thompson Block. The Brownfield Plan and TIF Table showed the impact of a proposed OPRA for the development of the building. The property had previously received OPRA approval for a different developer. The OPRA was revoked as work was not completed within the specified time frame. The State of Michigan has also received notice and revoked the prior authorized OPRA.

SUMMARY & BACKGROUND: The property under consideration is 400 N. River commonly referred to the Thompson Block. The property is located in the DDA OPRA District and in the Historic District. Parcel number is 11-11-04-495-024. The proposed OPRA is only for the developed property and does not include the parking lot parcel.

The Thompson Block Redevelopment, located at 400 N River Street, Ypsilanti will take a dilapidated 2-3 story 30,000 square foot historic structure on the edge of Ypsilanti's historic Depot Town commercial center and restore it to a vibrant mixed use facility.

The property is a 160 year old building, originally constructed as a Civil War Barracks and has seen a wide variety of commercial uses for 140+/- years. It experienced a fire in 2009 and has since has multiple redevelopment efforts. It is currently blighted, contaminated and a dangerous building.

2mission

Founded by Jon Carlson and Greg Lobdell, 2mission design and development employs a dedicated, creative, and industrious group of employees and consultants. 2mission works collaboratively on all its projects; its members teach and learn from one another and extend to their clients a multitude of skills and resources acquired from many walks of life. Currently, 2mission is working on mixed-use, urban infill projects in Traverse City, Dexter, Royal Oak, Detroit and Traverse City, Michigan. Their current hospitality businesses have around 1000 employees and produce \$50,000,000 in annual revenue.

The project proposes a single restaurant tenant to occupy the entire 12,000 square feet on the first floor and a partial basement for storage and administrative use. The restaurant will be similar in concept to other restaurants managed by Mission Management Services, Inc., a

Michigan corporation and highly skilled and experienced restaurant management Services Company that currently operates several other restaurants throughout the State of Michigan. More information on Mission Management Services, Inc., can be found the OPRA Application. The upper two floors will contain 20 residential apartments.

As the building is in significant disrepair, thorough structural studies will be completed to determine the best reconstruction method. A steel frame will be built within the existing historic façade to support the redevelopment. The existing façade will be restored with the intent to salvage as much as the historic brick as possible. Where walls need to be rebuilt, a historically appropriate brick will be used. Where the brick is currently painted, the brick will be repainted. The roof cornice of the three-story building will be reconstructed using cementitious bead-board and trim boards with molded polyurethane brackets. All punched opening windows will be metal clad wood. The west facing storefronts will be aluminum framed with clear glazing, similar to historic documentation of the large original storefronts. A permanent awning will be installed to match the original historic construction. The restaurant tenant anticipates to use this space for outdoor dining. The development is currently exploring options for solar panels to be installed on the site. Storm water will be addressed by Bio-swales that will feed an underground retention system that will reduce the storm water runoff from the site.

Items for rehabilitation are:

- Selective interior demolition,
- New interior construction of (20) residential living units and approximately 12,000 square feet of restaurant space on first floor
- All new fixed building equipment, including heating, ventilation, lighting, mechanical, and fixtures, new roof structure, structural wall and floor replacement, etc.
- Physical upgrades to the building exterior, and
- Site improvements including utility relocation, new and improved entrance, curb and gutter, parking and landscaping.

Equipment associated with the restaurant tenant is anticipated to include: refrigerators, coolers, ice machines, underbar equipment, freezers, sinks, mixer, slicers, refrigerated prep stations, charbroiler, cooking range, fryer, hood, dishwasher, stainless steel prep stations and shelving, ovens.

Economic Impact

The completed Thompson Block project will dramatically improve a highly visible stretch of River Street and an important undeveloped corner in Depot Town, adding density with the creation of an exciting new restaurant that is anticipated to create 70 FTE jobs with an average hourly wage of \$15.00 an hour. The Restaurant will hold a job fair to attract Ypsilanti residents and is an equal opportunity employer. The creation of a new restaurant concept will bring additional visitors to Ypsilanti and helping to support existing restaurant and retail establishments by reinforcing Depot Town as an entertainment and dining destination.

OPRA Application

The applicant is requesting an Obsolete Property Rehabilitation Act (OPRA) exemption for 12 years. The OPRA would effectively freeze the value of the improvements on the property at the current taxable value, approximately \$132,000. Investment and improvements to the properties would not be taxed during the lifetime of the abatement. Initial estimates for renovation total over \$8,247,225.

Staff is in receipt of a copy of the paid 2016 taxes and a copy of the deed verifying ownership by The One and Only Thompson Block, LLC

DDA

The DDA approved the request on May 18TH and recommended approval to City Council.

Staff Recommendation: Staff recommends approval of the OPRA request.

Staff additionally recommends that Council caveat approval with a reversion clause if a Certificate of Occupancy for the building is not obtained within 36 months of approval, and/or become tax delinquent within any time during the 12 years.

ATTACHMENTS: Application, Business Plan, Improvement Plans, Pictures, and DDA Resolution.

CITY MANAGER APPROVAL: _____ COUNCIL AGENDA DATE: _____

CITY MANAGER COMMENTS: _____

FISCAL SERVICES DIRECTOR APPROVAL: _____



RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the Obsolete Property Rehabilitation Act, Public Act 146 of 2000 (the "Act"), provides for a tax incentive to encourage the redevelopment of obsolete buildings through the establishment of an Obsolete Property Rehabilitation District; and

WHEREAS, pursuant to PA 146 of 2000, the City of Ypsilanti is a Qualified Local Governmental Unit eligible to establish one or more Obsolete Property Rehabilitation Districts; and

WHEREAS, the Council of the City of Ypsilanti legally established an Obsolete Property Rehabilitation District that includes parcel #11-11-04-495-024 (400 N. River St.) as part of a broader district including the three DDA districts on June 5, 2012 after a public hearing held on the same date as provided by section 3 of Public Act 146 of 2000; and

WHEREAS, the parcel at 400 N. River St has been certified functionally obsolete by the City Assessor per P.A. 146 in February 2017; and

WHEREAS, the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in the City of Ypsilanti eligible under Public Act 146 of 2000 to establish such a district; and

WHEREAS, the owners of the above referenced parcels, The Original and Only Thompson Block, LLC has submitted an application for an obsolete property as defined in section 2(h) of Public Act 146 of 2000 requesting an exemption for a period of 12 years as a function of the Act; and

WHEREAS, the application included all of the items described under "Instructions" (a) through (f) of the Application for Obsolete Property Rehabilitation Exemption Certificate; and

WHEREAS, The Original and Only Thompson Block, LLC are not delinquent in any taxes related to the facility; and

WHEREAS, the owners of the above referenced parcel have proposed the rehabilitation of a 2-3 story 33,470 square foot historic, functionally obsolete, dangerous building situated on a contaminated parcel into a vibrant mixed use property.

WHEREAS, the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District; and

WHEREAS, the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) does not exceed 5% of the total taxable value of the City of Ypsilanti; and

WHEREAS the rehabilitation includes improvements aggregating approximately 100% of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of Public Act 146 of 2000.

WHEREAS, the review committee met on May 18, 2017 and recommends approval of the application for a period of twelve years (2018-2029); and

WHEREAS, the application is not recommended for an extension; and

WHEREAS the completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, increase commercial activity, revitalize urban areas, and increase number of residents in the community in which the facility is situated.

WHEREAS, the application was approved at a public hearing as provided by section 4(2) of Public Act 146 of 2000 on July 8, 2014; and

NOW, THEREFORE, BE IT RESOLVED THAT the Ypsilanti City Council hereby grants an Obsolete Property Rehabilitation Exemption for a period of 12 years beginning December 31, 2014 and ending December 30, 2026 for the real property, excluding land, located in the Obsolete Property Rehabilitation District which include parcel #11-11-04-495-024 (400 N. River St) pursuant to the provisions of PA 146 of 2000, as amended, subject to completion of the renovations by within three years of final approval of exemption certificates by the State Tax Commission, and to the taxes on the property being paid on time.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:

May 18, 2017

**DOWNTOWN DEVELOPMENT AUTHORITY
RESOLUTION OF SUPPORT FOR AN OBSOLETE PROPERTY REHABILITATION
ACT (OPRA) CERTIFICATE APPLICATION FOR 400 N. River St, The Thompson Block**

The following preamble and resolution were offered by Member Andrew O'Neal and supported by Member Jessica French.

WHEREAS, 400 N. River St has been a long underutilized property located in the Depot Town District of the Ypsilanti DDA; and

WHEREAS, The One and Only Thompson Block, LLC has a purchase agreement with the intent of redeveloping the vacant Thompson Block; and

WHEREAS, The One and Only Thompson Block, LLC is requesting that the City approve an OPRA certificate to support the proposed redevelopment of the property; and

WHEREAS, 400 N. River St is located within the pre-approved OPRA District; and

WHEREAS, the applicant has made the case that the OPRA designation is required to make the project financially achievable; and

WHEREAS, granting an OPRA to 400 N. River St will result in a freeze of taxable value at its 2018 assessed rate for 12 years; and

WHEREAS, the YDDA will not request the City reimburse the DDA for lost TIF revenues if the OPRA is approved;

NOW, THEREFORE, BE IT RESOLVED THAT

1. the Ypsilanti DDA supports the granting of an Obsolete Property Rehabilitation Act (OPRA) exemption certificate for 400 N. River St to assist with the complete restoration of the property and return to active use.
2. all resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are and the same hereby are rescinded.

AYES: Jessica French, Adam Gainsley, Martha Cleary, RayVon Williams, Jelani McGadney, Andrew O'Neal, Diana Wong, Mark Teachout. Dieter Otto

NAYS: None

ABSTAINED: None

YES: 9 NO: 0 ABSENT: 2 VOTE: Carried



Resolution No. 2017 - 146
June 20, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the public hearing for an Obsolete Property Rehabilitation Exemption for 400 N. River
for a period of 12 years **be officially closed.**

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:



Resolution No. 2017- 147
June 20, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the following items be approved:

1. Resolution No. 2017-148, approving the minutes of May 23, 2017. (Clerk)
2. Resolution No. 2017-149, approving appointments to Boards and Commissions. (Mayor)
3. Resolution No. 2017-150, amending the agreement held with Urban County. (Community Development)

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:



Resolution No. 2017-148
June 20, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the minutes of May 23, 2017 be approved.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:



Draft

**CITY OF YPSILANTI
COUNCIL SPECIAL MEETING AGENDA
COUNCIL CHAMBERS - ONE SOUTH HURON STREET
TUESDAY, MAY 23, 2017
6:00 P.M.**

I. CALL TO ORDER –

The meeting was called to order at 6:04 p.m.

II. ROLL CALL –

Council Member Bashert	Present	Council Member Robb	Present
Mayor Pro-Tem Brown	Present	Council Member Vogt	Present
Council Member Murdock	Absent	Mayor Edmonds	Present
Council Member Richardson	Present		

Mayor Pro-Tem Brown moved, seconded by Council Member Bashert to excuse the absence of Council Member Murdock.

On a voice vote, the motion carried, and the absence was excused.

III. INVOCATION –

IV. PLEDGE OF ALLEGIANCE –

"I pledge allegiance to the flag, of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all."

V. AGENDA APPROVAL-

Mayor Pro-Tem Brown moved, seconded by Council Member Bashert to approve the agenda.

On a voice vote, the motion carried, and the agenda was approved.

VI. INTRODUCTIONS –

Mayor Edmonds introduced the following; City Manager Darwin McClary, City Attorney John Barr, Assistant City Attorney Dan DuChene, City Clerk Frances McMullan, Fiscal Services Director, Police Lt. Deric Gress, Police Chief Tony DeGiusti, DDA Director/Community Development Director Joe Meyers, Economic Development Director Beth Ernat, and City Planner Bonnie Wessler.

VII. AUDIENCE PARTICIPATION -

1. Adam Gainsley, 409 N. Adams, stated he is representing Citizen's for Ypsilanti, which is campaigning in favor of the passage of the Water Street Debt Millage on the August ballot. He said if this proposal goes through it would alleviate much of the debt, however, the debt will still be an issue for a couple of years. Because of that no matter what happens with this proposal the City will still need a yes vote on August 8th. He added his group is still looking for volunteers for the campaign.

VIII. REMARKS FROM THE MAYOR –

None

IX. MOTIONS, RESOLUTIONS, DISCUSSIONS -

Economic Development Director Beth Ernat stated provided an overview of the Water Street Development process.

Mayor Edmonds asked the status of an agreement with DTE to install infrastructure on the property. Ms. Ernat responded around a year and a half ago the City had an agreement with DTE for \$778,000 for the installation of underground electric. However, that agreement had an expiration of thirty days and would now need to be renegotiated.

Council Member Robb asked what vetting has taken place regarding this project. Ms. Ernat responded the developer has provided her background, resume, and financial information as it relates to Global Capital Finance. Through that she worked with a consultant to assist in the vetting process.

Council Member Robb stated the resolution lists the International Advisory LLC and no company under that name exists. The name of the company is International Village LLC or International Capital Advisory LLC. He explained the resolution will need to be amended. He asked what the company's relationship to Arbor Wealth Advisors because its LLC is registered at the same address as International Village. A representative of International Village responded that it's a regent's office that houses around 60 LLCs.

Ms. Ernat introduced Amy Foster, Cal Edwards, and Wayne Hoffman from Spence Brothers.

Spence Brothers and Global Capital, LLC provided a presentation regarding the International Village Project. 11525

1. Resolution No. 2017-121, directing staff and legal council to negotiate in good faith on behalf of the City Council to draft a purchase agreement for the sale of the approximately 36 acres of the Water Street Redevelopment Area (11-11-09-170-031) with International Village Advisory, LLC.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City of Ypsilanti has received a letter of intent from International Village, LLC and Global Capital, LLC for the purchase and development of the remaining 36 acres of Water Street; and

WHEREAS, the letter of intent seeks creation and approval of a purchase agreement within 120 days of the presentation of the letter of intent; and

WHEREAS, the International Village, LLC and Global Capital, LLC, intends to redevelop the Water Street Redevelopment area with a multi-use development that will enhance the street-level pedestrian experience, enhance the adjacent natural and recreational features of the property, include multi-modal transportation options, and visually interesting architectural and landscaping elements; and

WHEREAS, the City Council of the City of Ypsilanti has the authority to enter into a purchase agreement for the sale of the Water Street Redevelopment area (11-11-09-170-031) and may impose conditions within said purchase agreement.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council directs staff and legal counsel to negotiate in good faith on behalf of the City Council to draft a purchase agreement for the sale of the approximately 36 acres of the Water Street Redevelopment Area (11-11-09-170-031) with International Village, LLC and Global Capital, LLC and subject to the approval by the City Attorney and authorizes the Mayor and City Clerk to sign the agreement.

OFFERED BY: Mayor Pro-Tem Brown
SECONDED BY: Council Member Vogt

On a roll call, the vote to approve Resolution No. 2017-121 was as follows:

Mayor Pro-Tem Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Absent	Mayor Edmonds	Yes
Council Member Richardson	Yes	Council Member Vogt	Yes
Council Member Bashert	Yes		

VOTE:

YES: 6 NO: 0 ABSENT: 1 (Murdock) VOTE: Carried

X. AUDIENCE PARTICIPATION –

XI. REMARKS FROM THE MAYOR –

XII. ADJOURNMENT -

Resolution No. 2017-122, adjourning the City Council Meeting.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the City Council Meeting be adjourned, on call, by the Mayor or two (2) members of Council.

OFFERED BY: Council Member Bashert
SECONDED BY: Mayor Pro-Tem Brown

On a voice vote the motion carried and the meeting adjourned at 8:16 p.m.



REVISED
Resolution No. 2017 - 149
June 20, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT, the following individuals be appointed to the City of Ypsilanti Boards and Commissions as indicated below:

<u>NAME</u>	<u>BOARD</u>	<u>TERM EXPIRATION</u>
Jake Albers 1533 Collegewood St Ypsilanti, MI 48197 (Reappointment)	Zoning Board of Appeals	5/1/2020
Francisco Garcia 26 N Huron St. Ypsilanti, MI 48197 (Reappointment)	Zoning Board of Appeals	5/1/2020
Jennifer Symanns 525 Fairview Cir Ypsilanti, MI 48197 (New appointment)	Zoning Board of Appeals	5/1/2019
John Bailey 514 Fairview Ypsilanti, MI 48197 (Reappointment, Alternate)	Zoning Board of Appeals	5/1/2018
Tom Roach 912 Pearl Ypsilanti, MI 48197 (Reappointment, Alternate)	Zoning Board of Appeals	5/1/2019

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:

Print**Citizen Advisory Boards and Commissions Participation Resume - Submission #258****Date Submitted: 4/11/2017**

The people of Ypsilanti are involved in their City government and are an important part of the community's achievements. Individuals interested in receiving more information in regards to serving on an advisory board or commission are invited to contact the City Clerk's Office at 734-483-1100. Alternatively, citizens who would like to participate can submit their information in the form below.

Name*

Jennifer

Email Address*

Symanns

Address

525 Fairview Circle

City

Ypsilanti

State

MI

Zip Code

48197

Phone Number*

734-395-5474

Fax Number**Number of Years in the Community**

25+ years

Ward You Live In

Ward 2

Education

Juris Doctorate (current MA student at EMU)

Occupation

HR Manager

Employer

University of Michigan

I would like to be considered and could devote sufficient time to serve on the following board or commission:

- | | | |
|--|---|--|
| ☐ Review and Tax Assessment Board | ☐ Historic District Commission | ☒ Property Maintenance Construction Board of Appeals |
| ☐ Board of Ethics | ☐ Ypsilanti Housing Commission | ☐ Parks and Recreation Commission |
| ☐ Fire Civil Service Commission | ☐ Human Relations Commission | ☐ Ann Arbor Area Transit Authority |
| ☐ YCUA | ☐ Sidewalk Review Board | ☐ Police and Fire Pension Board |
| ☐ Ypsilanti Downtown Development Authority | ☒ Planning Commission | ☐ Huron River Watershed Council |
| ☐ Economic Development Corporation/Brownfield Redevelopment Authority | ☐ Non-motorized Advisory Committee | ☐ Sustainability Commission |

Why are you interested in serving on these boards/commissions?*

My second term as a commissioner on the Human Relations Commission comes to a close this month. I have enjoyed being a part of the HRC and would like to continue serving the city, but in a new capacity. I am interested in serving on the Zoning Board of Appeals or the Planning Commission although I would consider another position if there are no vacancies left in one of these.

Work/volunteer experience related to the board or commission:

I have the background and education to be an effective, contributing member to either one of these bodies. I am well-versed in the city's organizational structure through previous commission work. I have experience reading/applying/interpreting laws and ordinances. Additionally I am a critical thinker that has experience making decisions based on information obtained and vetted from a variety of sources. Lastly, I am very familiar with the city as I have lived here for over 25 years and I have lived in every ward of the city. Other experience includes:

Two terms (6 years) on Ypsilanti's Human Relations Commission
 Volunteer mediator with The Dispute Resolution Center since 2012
 Secretary of the College Heights Neighborhood Association since 2015
 Member of the State Bar of Michigan and Washtenaw County Bar Association

I understand that appointment to a City of Ypsilanti board or commission requires regular attendance at board meetings.☒ Yes**I hereby certify that all of the information above is true.**☒ Yes



REQUEST FOR LEGISLATION
June 20, 2017

To: Mayor and Council

From: Beth Ernat, Director of Community and Economic Development

Subject: Urban County Cooperative Agreement Amendment

SUMMARY & BACKGROUND: The city joined the Urban County in 2006. HUD oversees the partnerships and cooperatives. Staff received a letter from OCED on June 7th requesting the Mayor sign a letter agreement to acknowledge three HUD mandated updates to the cooperative agreement. The letters need to be returned to OCED by July 12th.

Please see the attached letter with the proposed changes that update the cooperative agreements to fully include the Emergency Solutions Grant (ESG) information.

RECOMMENDED ACTION: Staff recommends approval to direct the Mayor to sign the Letter Agreement with OCED (our fiduciary of HUD funds).

ATTACHMENTS: OCED letter (6/7/17) and Resolution

CITY MANAGER APPROVAL: _____

COUNCIL AGENDA DATE: _____

CITY MANAGER COMMENTS: _____

FISCAL SERVICES DIRECTOR APPROVAL: _____



Resolution No. 2017 - 150
June 20, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, The City of Ypsilanti is a participant in the Washtenaw County Cooperative Agreement; and

WHEREAS, the Office and Community and Economic Development for Washtenaw County is the fiduciary for all HUD related programs; and

WHEREAS, three amendments to Urban County agreements to include Emergency Solutions Grant language are required by HUD and must be received and approved by both OCED and the City of Ypsilanti to continue funding.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council directs the Mayor, the highest elected official) to sign the letter agreement with the Office of Community and Economic Development of Washtenaw County dated June 7, 2017, to accept the HUD proposed amendments.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:



OFFICE OF COMMUNITY &
ECONOMIC DEVELOPMENT

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415 W. Michigan Avenue
Ypsilanti, MI 48197

734.544.6748 (P)
734.544.6749 (F)

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[twitter@WashtenawOCED](https://twitter.com/WashtenawOCED)

facebook.com/washtenawoced
www.opportunitywashtenaw.org

June 7, 2017

Mayor Amanda Edmonds
City of Ypsilanti – City Hall
One South Huron Street
Ypsilanti, MI 48197

Dear Mayor Edmonds,

Washtenaw Urban County wishes to amend the Cooperative Agreement with the City of Ypsilanti. Corporation Counsel has indicated that this amendment could be accomplished by a letter signed by both of us. If this amendment is agreeable to you, please sign and return all copies of this letter. You will receive an executed copy of this letter upon completion.

Accordingly, I hereby amend the Cooperation Agreement between Washtenaw Urban County and City of Ypsilanti originated on **June 21, 2011** as follows:

Amend each collective reference to the Community Development Block Grant and HOME grants to also include the Emergency Solutions Grant (ESG), as follows:

On Page 1, add the following language in **bold**:

“THAT the County shall have final responsibility for selecting Community Development Block Grant (and HOME and **Emergency Solutions Grant**, where applicable) activities and annually filing a Consolidated Plan with HUD.”

On Page 2, add the following language in **bold**:

“THAT the qualification period of this agreement as defined in the HUD regulations and guidelines shall be Federal Fiscal Years 2018, 2019 and 2020, and such additional period of time for the purpose of carrying out activities funded by **Community Development Block Grants, Emergency Solutions Grant, and Home Investment Partnership Program grants** from Federal Fiscals years 2018, 2019 and 2020 appropriations and from any program income generated from the expenditure of such funds; further that the period of time of this Agreement shall be automatically renewed in successive three-year qualification periods, unless the County or the Community provides written notice it elects not to participate in a new qualification period. A copy of this notice must be sent to the HUD State Office by the date specified in HUD’s urban county qualification notice for the next qualification period; further the County will notify the Community in writing of its right to make such election by the date specified in HUD’s urban county qualification notice; and”

On Page 3, add the following language in **bold**:

“THAT this Agreement remains in effect until the CDBG (and HOME and **Emergency Solutions Grant**, where applicable) funds and income received with respect to activities carried out during the three year qualification period (and any successive qualification periods under this automatic renewal provision) are expended and the funded activities completed, and that the County and Community may not terminate or withdraw from this agreement while this agreement remains in effect; and”



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facebook.com/washtenawoced
www.opportunitywashtenaw.org

Amend page 2 of the Agreement to add the following language:

“THAT the Community will not sell, trade, or otherwise transfer all of any portion of such funds to a metropolitan city, urban county, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives CDBG funds in exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended.”

All other terms and conditions remain the same as in the original contract.

ATTEST:

WASHTENAW COUNTY

Lawrence Kestenbaum (DATE)
County Clerk/Register

Gregory Dill (DATE)
County Administrator

APPROVED FOR CONTENT:

City of Ypsilanti

Andrea Plevak, Director
Office of Community and Community Development

Accepted by _____

Original: Clerk
Contractor
cc: Department
Purchasing



REQUEST FOR LEGISLATION
June 20, 2017

To: Mayor and City Council

From: Beth Ernat, Director of Community and Economic Development

Subject: Purchase Agreement – Huron River Drive and Superior Road

SUMMARY & BACKGROUND: The City owns a five +/- acre lot at the Northwest corner of Huron River Drive and the Superior Road. The dimensions are approximately 393' x 590' with over 400' of Huron River frontage. The property has been on the market with Dave Hamilton of Swisher Properties for seven years. The property has been marketed at the sale price of \$250,000. The City has a standing agreement with Dave Hamilton for 6 percent commission for sale of any property he markets for the City.

A Purchase Agreement for the parcel has been received from Ozone House.

Ozone House is a community-based, nonprofit agency that helps young people lead safe, healthy, and productive lives through intensive intervention and prevention services. Ozone House was founded in 1969 and provides high-quality housing and support programs including intervention, training, and assistance to run away, homeless, and high-risk youth and their family.

Ozone House is seeking to consolidate several locations (not including the Ypsilanti Downtown location) and provide (services) in a central location.

Ozone House is seeking to purchase the city-owned property at Huron River Drive and Superior Road to consolidate their operations from two locations in Ann Arbor to this location. The proposed property would house operations and administration, youth job training, short-term emergency housing, and transitional housing for youth 17-21. The consolidated operations employs approximately 30 FTE's. The site is staffed 24 hours a day.

The site is envisioned for a multi-story building toward the Huron River Drive frontage but is dependent on site conditions, engineering and architectural evaluations. The current budget estimate for the project is approximately \$3 million.

The proposed purchase price is \$230,000. The developer would be responsible for all site costs and construction. The developer has provided a Purchase Agreement (PA) which is included in the packet. A signed copy will be provided prior to the Council consideration at the meeting. The PA requires \$5,000 of earnest money for a 180 days inspection period.

The developer is seeking to use the inspection period to discover all environmental conditions, engineering conditions, and topography conditions. It is known that there is a YCUA easement on the property and equipment. The inspection period will also allow for conversation with

YCUA. The purchaser also will seek to have final site plan approval, zoning approvals, and utility agreements within the inspection period.

The PA includes language that will include the City on all environmental studies and will provide all environmental due diligence to the City should the purchaser wish to terminate the PA in return of the earnest money. Basically, the City forfeits the \$5,000 but would retain ownership of the environmental study to use for the marketing of the property to another buyer.

There is one built in extension to the inspection period of 60 days.

The Purchaser has agreed to reserve a 25' recreation easement along the Huron River frontage.

The Purchaser is adamant to have a PA in place before performing any due diligence and there are pending sales of the currently owned sites.

TAXES

The Ozone House, Inc., is a Michigan nonprofit corporation and does not currently pay property taxes as a nonprofit.

The developer is offering a purchase price of \$230,000 for a challenging parcel with the knowledge the property will not be taxed. The proposed development includes 30 or more full-time employment positions, several of which are currently filled by City residents. Additionally, the cost of the land will provide capital that would take many years to raise through taxes of a developed parcel.

The actual profit/loss is not able to be calculated accurately as the parcel is currently unassessed. It is also trivial to calculate what an assessed value for the development would be when the development is not taxed.

COMMISSION

The subject property has been marketed by Dave Hamilton of Swisher Commercial for seven years. The City agreement with Mr. Hamilton pays a 6 percent commission for the sale of property. Should the property move to closing at the proposed purchase price, the commission will be \$13,800.

Development pros and cons:

Pros: The development of the site would bring additional employees to the City and would create additional jobs in the City.

A difficult site would be developed and removed from City Ownership, control, and maintenance.

The development would be completed in an expedient manner.

The proposed price would provide needed funds to the City.

The Ozone House is a respected nonprofit currently operating in the City and serving City youth and families. The current drop-in center on North Hamilton would be maintained.

Cons:

The proposed development would not pay property taxes.

RECOMMENDED ACTION: Staff has reviewed two proposals for the site in the last two years, both multi-family and taxable. Both proposals sought to buy the property for \$1/acre and neither came to fruition as the site has a utility easement and challenging topography. If the purchaser is able to provide cash for the sale and complete a project on the site, it is five acres of less liability to the City and provides a needed service to the community in a location that is surrounded on three sides by Huron Township.

ATTACHMENTS: Purchase Agreement and map

CITY MANAGER APPROVAL: _____

COUNCIL AGENDA DATE: _____

CITY MANAGER COMMENTS: _____

FISCAL SERVICES DIRECTOR APPROVAL: _____



Resolution No. 2017 - 151
June 20, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City of Ypsilanti has received a Purchase Agreement from Ozone House, LLC for the purchase and development of the 5 +/- acre property located at the northwest corner of Huron River Drive and Superior Road, Parcel Identification Number 11-11-05-240-003; and

WHEREAS, the property has been vacant and undeveloped, marketed by the City through Swisher Commercial for the past 7 years, and has no other pending offers or known interest; and

WHEREAS, Ozone House, LLC., is seeking to purchase the property for \$230,000 and plans to develop the property for use as their administrative center, youth job training, short-term emergency placements, and transitional living centers for youth 17-21; and

WHEREAS, the City Council of the City of Ypsilanti has the authority to enter into a purchase agreement for the sale of the said property and may impose conditions within said purchase agreement and the City attorney has read and reviewed the Purchase Agreement.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council directs it Mayor and Clerk to sign a Purchase Agreement for the sale of the property located at 11-11-05-240-003 with all the conditions identified in said agreement.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:

COMMERCIAL PURCHASE AGREEMENT

THIS COMMERCIAL PURCHASE AGREEMENT ("Agreement") is made as of the Effective Date (as hereinafter defined) by and between the City of Ypsilanti ("Seller"), a Michigan home rule city whose address is 1 South Huron, Ypsilanti, MI 48197 and Ozone House, Inc., a Michigan nonprofit corporation ("Purchaser"), whose address is 1705 Washtenaw, Ann Arbor, Michigan 48104.

Recitals

- A. Seller currently owns certain Property (as hereinafter defined) located in the City of Ypsilanti, County of Washtenaw, Michigan.
- B. Seller desires to sell, transfer, convey and assign to Purchaser and Purchaser desires to purchase the Property (as hereinafter defined) in accordance with the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledge and confessed by Seller, the parties agree as follows:

1. **PROPERTY DESCRIPTION.** Purchaser agrees to purchase and Seller agrees to sell to Purchaser the real property located in the City of Ypsilanti, County of Washtenaw, Michigan, commonly known as 5.34 AC, Vacant Land, tax parcel identification number 11-11-05-240-003 and described on Exhibit A attached hereto (the "Property"), together with Seller's interest in all easements, appurtenances, land division rights, timber, air, oil, gas and mineral, subsurface, riparian, and all other rights and interests pertaining to such property, and other physical improvements owned by Seller situated on such property, and subject to that Pump Station Ingress/Egress Easement and Permanent Pump Station Easement as described on Exhibit B (collectively, the "Property"). The legal description in the deed by which the Property is conveyed to Purchaser shall conform to the Title Commitment, the final Owner's Policy of Title Insurance and any survey obtained by Purchaser.
2. **PURCHASE PRICE.** The purchase price ("Purchase Price") for the Property shall be Two Hundred Thirty Thousand (\$230,000.00) Dollars.
3. **PAYMENT OF PURCHASE PRICE.** The Purchase Price shall be paid, subject to any adjustments and/or prorations contained herein, to Seller at closing by certified check or wire transfer of immediately available funds.
4. **EARNEST MONEY DEPOSIT.** Within three (3) business days following the Effective Date of this Agreement, Purchaser shall deposit with the Title Company, Purchaser's earnest money deposit in the amount of Five Thousand and 00/100 (\$5,000.00) Dollars in certified funds or wire transfer of immediately available funds (the "Deposit"). The Deposit shall be refunded to Purchaser, retained by Seller, or applied to the Purchase Price at Closing, all as provided herein.
5. **INSPECTION PERIOD.** Subject to the terms, conditions and requirements of this Agreement, Purchaser and its agents shall have one hundred eighty (180) days after the Effective Date (the "Inspection Period") to inspect or cause to be inspected all aspects of the Property, including the physical condition thereof and all other aspects of the proposed purchase, including confirming the availability of such third party financing on such terms as Purchaser may determine acceptable. Seller grants to Purchaser and/or Purchaser's agents and/or representatives during the term hereof access to the Property for all such

inspections at all reasonable times ("Inspections"). During the Inspection Period, and subject to the terms of this Agreement, Purchaser is also authorized to pursue all necessary municipal and/or governmental approvals for final site plan approval, zoning changes, utility extensions and such other necessary governmental approvals as may be necessary, required or prudent in Purchaser's sole judgment for Purchaser's intended use and development of the Property.

Seller agrees to provide Purchaser with all information pertaining to the Property in its possession, custody and/or control, including but not limited to surveys, soil tests, and environmental reports within 10 (ten) business days of the Effective Date.

- (a) Purchaser's obligation to purchase the Property is expressly conditioned upon the status of title to the Property being in the condition required by this Agreement as of the date of Closing, and the Title Company shall have committed to issue the owner's title policy containing only the Permitted Exceptions as exceptions to title ("Condition"). If the Condition is not satisfied, Purchaser shall be entitled to a full refund of the Deposit.
- (b) Purchaser agrees to commit no waste and shall restore the Property and make any necessary repairs thereto caused by its Inspections and shall indemnify, defend and hold the Seller harmless from and against any and all loss, cost liability or damage of any kind or nature arising out of Purchaser's Inspections. Purchaser shall obtain liability insurance against damage to persons or property in or about the Property in an amount of not less than One Million (\$1,000,000.00) Dollars, which policy shall list Seller as an insured party, and on request, provide Seller with an insurance binder showing the existence of the insurance and Seller as an insured party.
- (c) If Purchaser is not satisfied in its sole and exclusive discretion with the results of the Inspections for any reason whatsoever, Purchaser may terminate this Agreement by written notice to Seller prior to the expiration of the Inspection Period. If Purchaser timely so terminates the Agreement, Purchaser shall receive a full refund of the Deposit, and Seller and Purchaser shall thereafter be relieved of any and all liability hereunder, except to the extent expressly stated to survive the termination of this Agreement. Purchaser shall have no obligation to provide Seller with any reason for such termination.
- (d) Purchaser agrees that if Purchaser terminates this Agreement as provided in this Section 5, Purchaser shall provide any and all material third-party documentation and reports of the physical and environmental condition of the Property during the Inspection Period that are in the possession of Purchaser within 10 (ten) business days of such termination. In the event Seller is provided with such third-party reports, Seller may, at its sole cost, seek a reliance letter for such third-party reports. Failure of Purchaser to perform under this Section 5(d) shall be considered a default of Purchaser pursuant to Section 24(b).
- (e) Notwithstanding the foregoing, Purchaser may extend the Inspection Period for an additional sixty (60) days by providing written notice to Seller of such extension prior to the expiration of the Inspection Period. If Purchaser so extends the Agreement, the Deposit shall be increased by Five Thousand (\$5,000.00) Dollars and be deemed to be non-refundable, except as otherwise expressly provided in this Agreement.
- (f) At any time during the Inspection Period, Purchaser may waive its right to terminate the Agreement, as provided above, and proceed to Closing. If Purchaser does not terminate this Agreement by notice to Seller prior to the expiration date of the Inspection Period (as the same may be extended), Purchaser shall be deemed to have waived its right to terminate this Agreement and the parties shall proceed to Closing within thirty (30) days after the date such waiver is deemed to have occurred.

6. **TITLE INSURANCE.**

- (a) **Title Insurance:** Prior to Closing, Purchaser may obtain, at Seller's cost, a commitment for an ALTA Owner's Policy of Title Insurance without Standard Exceptions (the "Title Commitment"), from the Title Company, which commitment shall also affirmatively insure any access and/or storm water easements benefiting the Property. In the event of termination, Purchaser shall be responsible for any title insurance costs. Purchaser may, at its option, obtain a new survey for the Property or may cause, at Purchaser's sole cost, any survey provided by Seller to be updated. Purchaser in its sole and absolute discretion shall determine whether all matters of title and survey are satisfactory. The Title Commitment shall be accompanied with legible copies of all recorded exceptions to title referred to therein. At Closing, the Title Company shall deliver to Purchaser a satisfactorily "marked up" Title Policy. The Title Insurance Policy to be issued pursuant to the marked-up Title Commitment shall contain such endorsements as Purchaser may reasonably require, provided, however Purchaser shall be responsible for the cost of such endorsements.
- (b) **Objections to Title and Survey.** If Purchaser objects to any matters of title or survey, Purchaser shall so notify Seller in writing of such objection(s) ("Objection Notice") before expiration of the Inspection Period. Seller shall have thirty (30) days from the date Seller receives the Objection Notice to either: (i) remedy the title and survey defects described in Purchaser's Objection Notice and obtain and deliver to Purchaser a revised Title Commitment and/or survey which reflects that all such defects have been remedied to Purchaser's satisfaction; or (ii) notify Purchaser and Escrow Agent that Seller is unable or unwilling to remedy the defects, in which event Purchaser shall, at its option, within ten (10) business days after receipt of such notice from Seller, either terminate this Agreement and receive a full refund of the Deposit (subject to those obligations which by their terms survive termination) or waive Purchaser's title and survey objections, and proceed to Closing, subject to satisfaction or waiver of Purchaser's other pre-Closing contingencies. All exceptions set forth in the Title Commitment and Survey to which Purchaser does not object, or to which Purchaser otherwise accepts after objecting to same, shall be deemed "Permitted Exceptions."

7. **ENVIRONMENTAL.**

- (a) **Environmental.** Seller represents and warrants to Purchaser that, to the best of Seller's knowledge, (i) there are no areas of the Property where hazardous substances or hazardous wastes, as such terms are defined by applicable Federal, State and local statutes and regulations, are present in quantities in violation of applicable law, and (ii) no claim has been made against Seller nor has Seller received any notice from any third party alleging that any hazardous substances or wastes are present on the Property.
- (b) **Due Diligence.** Purchaser shall have the right, at Purchaser's expense, to conduct a Phase I environmental site assessment on the Property during the Inspection Period and if recommended, a Phase II subsurface investigation of same. Purchaser agrees to commit no waste and to repair and restore any damage to the Property caused by Purchaser's investigations or testing, at Purchaser's sole expense. Purchaser shall defend, indemnify and hold Seller harmless from all costs, expenses and liabilities arising out of Purchaser's inspection of the Property, including that of Purchaser's employees, agents, consultants, or contractors performing said inspection, specifically excluding any liability for the discovery of any recognized environmental condition on the Property. Purchaser shall obtain liability insurance against damage to persons or property in or about the Property in an amount of not less than One Million (\$1,000,000.00) Dollars, which

policy shall list Seller as an insured party, and on request, provide Seller with an insurance binder showing the existence of the insurance and Seller as an insured party

8. **CLOSING AND CLOSING ADJUSTMENTS.** Closing shall take place at the offices of the Title Company or another mutually acceptable location at the earlier of: (i) on or before thirty (30) days following the expiration of the Inspection Period, as the same may be extended; or (ii) upon Purchaser's written notification to Seller that all of the Purchaser's conditions precedent and contingencies have been satisfied or waived (such date for Closing and performance being hereinafter sometimes referred to as the "Closing" or "Closing Date").

At Closing, Seller shall deliver to Purchaser a Warranty Deed conveying good and marketable fee simple title to the Property, subject only to the Permitted Exceptions, and the lien of real estate taxes not yet due and payable, along with Seller's right to make all remaining land divisions of the Property permitted to Seller, under the Michigan Land Division Act, MCL 560.101 *et seq.* Should any financial liens or encumbrances of a definite or ascertainable amount (such as a mortgage) be recorded against the Property, Seller shall pay and/or satisfy any such encumbrance prior to or simultaneously with the Closing. In addition, at Closing, Seller shall pay the base owner's title insurance policy premium, all state or county real estate transfer taxes, all outstanding water and sewer bills, and any other outstanding obligations which, if unpaid, may become a lien against the Property. The parties shall share equally all Title Company closing fees. Current real estate taxes (i.e. the most recent summer and winter tax bills issued) shall be prorated as of the date of the Closing on a "due date" basis as if paid in advance, with Seller receiving a credit for any prepaid taxes. All assessments, including, but not limited to any special assessments which have become a lien upon the land shall be paid in full by Seller. Each party shall pay their own attorney fees.

9. **SELLER'S WARRANTIES, REPRESENTATIONS AND COVENANTS.** Seller warrants, represents and covenants to Purchaser, as follows, which representations, warranties and covenants shall be remade at Closing and shall survive Closing:

- (a) **Authority.** Seller: (i) if an entity, is a lawfully constituted entity, duly organized, validly existing, and in good standing under the laws of the State of Michigan or another state; (ii) has the authority and power to enter into this Agreement and to consummate the transactions contemplated herein; and (iii) upon execution hereof will be legally obligated to Purchaser in accordance with the terms and provisions of this Agreement. Seller has sought, obtained and undertaken prior to the date hereof, all necessary and appropriate action authorizing and approving the execution, delivery and performance by Seller of this Agreement and all closing documents, and the performance by Seller of all other acts necessary or appropriate for the consummation of the purchase and sale of the Property as contemplated herein and shall provide the Title Company and Purchaser with written evidence on or before Closing.
- (b) **Title.** Seller owns the Property in fee simple and has marketable and good title to the Property. There are no leases or any other encumbrances not reflected in the Title Commitment affecting the Property and no third party has the right to occupy or possess all or any part thereof. Purchaser acknowledges that the Property is subject to a public utility easement recorded at Liber 468, Page 94 Washtenaw County Records. Seller acknowledges that Purchaser may object to such easement in its Objection Notice. Seller shall not, during the term hereof, further encumber title to the Property or grant to any third party any lease or interest in the Property before Closing without Purchaser's prior written consent, which consent shall not be unreasonably withheld.
- (c) **Possession.** At Closing, Seller can and shall provide exclusive possession and occupancy of the Property to Purchaser.

- (d) **Conflicts.** The execution and entry into this Agreement by Seller, the execution and delivery of the documents and instruments to be executed and delivered by Seller on the Closing Date, and the performance by Seller of Seller's duties and obligations under this Agreement and of all other acts necessary and appropriate for the full consummation of the purchase and sale of the Property as contemplated herein, will not violate any contract, agreement or other instrument to which Seller is a party, or any judicial order or judgment of any nature by which Seller or the Property is bound.
- (e) **Litigation.** There is no action, suit or proceeding pending or, to the best of Seller's knowledge, threatened by or against or affecting Seller or the Property which does or will involve or affect the Property or title thereto. Seller will, promptly upon receiving any such notice or learning of any such contemplated or threatened action, give Purchaser written notice thereof.
- (f) **No Violations.** To the best of Seller's knowledge, Seller has not received notice of any existing violations of state or federal laws, municipal, or county ordinances, or other legal requirements with respect to the Property. In the event Seller receives notice of any such violation affecting the Property prior to the Closing, Seller shall promptly notify Purchaser thereof.
- (g) **Foreign Ownership.** Seller is not a "foreign person" as that term is defined in the U. S. Internal Revenue Code of 1986, as amended, and the regulations promulgated pursuant thereto, and Purchaser has no obligation under Section 1445 of the U. S. Internal Revenue Code of 1986, as amended, to withhold and pay over to the U. S. Internal Revenue Service any part of the "amount realized" by Seller in the transaction contemplated hereby (as such term is defined in the regulations issued under said Section 1445). Seller shall furnish Purchaser with a non-foreign person affidavit at Closing.
- (h) **Construction Liens.** On the Closing Date, Seller will not be indebted to any contractor, laborer, materialmen, architect, or engineer for work, labor or services performed or rendered, or for materials supplied or furnished, in connection with the Property for which any person could claim a lien against the Property and shall execute a standard title company affidavit to this effect at Closing.
- (i) **OFAC.** Seller (i) is currently in compliance, and shall at all times during the term of this Agreement remain in compliance, in all material respects with the regulations of the Office of Foreign Assets Control ("OFAC") of the U.S. Department of Treasury and any statute, executive order or regulations relating thereto and (ii) is not listed on, and shall not during the term of this Agreement become listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or any other similar list maintained by OFAC or any other governmental authority pursuant to any authorizing statute, executive order or regulation.
- (j) **Condemnation.** To Seller's knowledge, there are no pending or threatened condemnation proceeding affecting the Property or any contemplated changes in streets which provide access to the Property.
- (k) **Contracts.** Seller has not contracted for any services or employment and has made no commitments or obligations therefor which will bind Purchaser as a successor-in-interest with respect to the Property and all such existing contracts are terminable and will be terminated by Seller prior to Closing.
- (l) **Environmental Matters.** Seller warrants and represents that, to the best of its actual knowledge, and except as set forth in the environmental reports delivered to Purchaser and in the BEA (as defined below), (i) the Property is not now and has not ever been used for the purpose of disposal of, refining, generating,

manufacturing, producing, storing, handling, treating, transferring, releasing, processing or transporting any petroleum, petroleum derived products and/or hazardous waste or hazardous substance and/or toxic waste or toxic substance, as such terms are defined in the Resource Conservation and Recovery Act of 1976, 42 USC 6901 et seq., as amended, the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 USC 9601 et seq., or the Superfund Amendments and Reauthorization Act, Public Law 99 499, as amended, or any other applicable federal, state or local environmental law, regulation, code or ordinance, (ii) there are no pollutants, contaminants or hazardous or toxic wastes, substances or materials present (except those which occur solely due to their natural presence in the Property) in, on or under the Property, (iii) the Property does not contain any underground storage tanks in, on or under the surface of any portion thereof and the Property has never contained any such tanks, and (iv) the Property is free from all asbestos, petroleum, petroleum derived products and other hazardous materials in excess of lawful limits.

- (m) **Options.** Seller has not committed nor obligated itself in any manner whatsoever to sell or lease the Property to any person other than Purchaser pursuant to the terms hereof.

10. **Intentionally Omitted.**

11. **DAMAGE TO PROPERTY.** If between the Effective Date of this Agreement and the Closing Date, all or any part of the Property is damaged by fire or natural elements or other causes beyond the Seller's control, which Seller does not repair or agree to repair prior to the Closing Date, or any part of the Property (including any appurtenant easement) is taken pursuant to any power of eminent domain, Seller shall immediately notify Purchaser of such occurrence, and Purchaser may terminate this Agreement with written notice to Seller within fifteen (15) days after Seller provides written notice of such damage or taking, and receive a refund of the Deposit without further liability, except for those obligations of Purchaser which are intended to survive termination. If Purchaser does not elect to terminate this Agreement, there shall be no reduction of the purchase price and Seller shall assign to Purchaser whatever rights Seller may have with respect to any insurance proceeds or eminent domain award at Closing.

12. **AS IS.** Neither Seller nor any broker, nor any of their officers, directors, managers, members, employees or agents have made any representation, warranty or disclosure with respect to the Property, upon which Purchaser may rely, except as may be set forth in writing in this Agreement. Except as may be set forth in writing, Purchaser agrees to accept the Property in "As Is" condition to the fullest extent permitted by law.

13. **SELLER'S CLOSING OBLIGATIONS.** At Closing, Seller shall execute and deliver the Warranty Deed, closing statement, standard title company owner's affidavit and all other usual and customary Title Company and other closing documents necessary or appropriate to consummate the sale. Seller shall also deliver possession and occupancy of the Property to Purchaser, subject only to the Permitted Exceptions.

14. **PURCHASER'S CLOSING OBLIGATIONS.** At Closing, Purchaser shall pay to Seller the Purchase Price in the manner specified in Section 3 above, subject to agreed pro rations and adjustments, and execute and deliver a closing statement and all other usual and customary Title Company and other closing documents necessary or appropriate to consummate the sale. At Closing, Purchaser shall grant an easement to the City of Ypsilanti along the boundary of the Property adjacent to the Huron River frontage not to exceed 25 feet and consistent with other properties in the area that have entered into such easements.

15. **SECTION 1031 TAX-DEFERRED EXCHANGES.** Upon either party's request, the other party shall cooperate and reasonably assist the requesting party in structuring the purchase and sale contemplated by this Agreement as part of a tax deferred, like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended; provided, however, that in connection therewith, the non-requesting party shall not be required to: (a) incur any additional costs or expenses; (b) take legal title to additional real property (i.e., the requesting parties' "replacement property" or "relinquished property"); or (c) agree to delay the Closing. However, should both parties wish to complete a tax-deferred exchange, the parties will each incur their own additional expenses related to their exchange and shall split any common costs which will benefit both parties by such a division.

16. **NOTICES.** Notices shall be deemed given hereunder upon personal delivery, upon depositing any such notice with postage prepaid in a United States mailbox if sent via certified mail, return receipt requested, upon depositing any such notice in the custody of a nationally recognized overnight delivery service or upon telecopy or electronic mail deemed effective upon delivery. Notices may be given by and/or to counsel for the parties. Notices shall be deemed properly addressed if sent to the following addresses:

If to Purchaser:

Ozone House
Attn: Kathleen Doyle
1705 Washtenaw
Ann Arbor, MI 48104
email: KDoyle@ozonehouse.org

With copy to (sent simultaneously via the same method of delivery):

Douglas E. Kelin, Esq.
Honigman Miller Schwartz and Cohn LLP
660 Woodward Avenue
2290 First National Building
Detroit, Michigan 48226
Fax: (313) 465-7434
email: dkelin@honigman.com

If to Seller:

City of Ypsilanti
Attn: Beth Ernat
1 South Huron
Ypsilanti, MI 48197
email: bernat@cityofypsilanti.com

With copy to:

Daniel J. DuChene
Barr, Anhut & Associates, P.C.
105 Pearl Street
Ypsilanti, MI 48197
Fax: (734) 483-3871
email: dduchene@barrlawfirm.com

17. **ADDITIONAL ACTS.** Seller agrees promptly upon a request therefor and without cost to execute and deliver to Purchaser such additional documents and perform such additional acts as may become necessary or appropriate to effectuate the transfers contemplated by this Agreement, including any applications and/or consents as may be requested or required by any governmental authority having jurisdiction over Purchaser's proposed development and use of the Property.

18. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement of the parties with respect to the sale of the Property. All contemporaneous or prior oral and written negotiations and agreements have been merged into this Agreement.

19. **MICHIGAN LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to its conflict of laws principles.
20. **AMENDMENTS.** This Agreement may be modified or amended only by written instrument signed by Purchaser and Seller.
21. **EFFECTIVE DATE.** For purposes of this Agreement, the phrase "Effective Date" shall be the last date upon which this Agreement becomes fully executed.
22. **BROKER.** Purchaser and Seller each acknowledge that: (i) Purchaser's real estate agent is Reinhart Commercial ("Purchaser's Broker") and (ii) Seller's real estate agent is Swisher Commercial ("Seller's Broker") (collectively, the "Brokers"). Each party represents and warrants to the other that they have not dealt with a real estate broker or finder in connection with the purchase and sale of the Property, other than the Brokers. In the event of Closing, Seller shall pay Seller's Broker a commission pursuant to a separate written agreement between Seller and Broker. Seller shall indemnify Purchaser against any liability Commissions arising from the purchase of the Property that may be claimed by any party alleging to have been retained or utilized by Seller, including Commissions payable to Seller's Broker. Purchaser shall indemnify Seller against any liability for Commissions arising in connection with the sale of the Property which may be claimed by Purchaser's Broker, with the exception of any Commissions owing to Seller's Broker.
23. **Intentionally Omitted.**
24. **DEFAULT.**
- (a) **Seller's Default.** If the sale and purchase of the Property contemplated by this Agreement is not consummated on account of Seller's default or failure to perform hereunder, Purchaser shall, as its sole remedy, elect to either: (i) specifically enforce the terms hereof; or (ii) demand and be entitled to an immediate refund of the Deposit, as well as reimbursement of all Purchaser's third party costs and expenses incurred by Purchaser in the negotiation of this Agreement, Purchaser's investigations of the Property, the design of Purchaser's contemplated development and any application for governmental approvals, not to exceed Twenty-Five Thousand and 00/100 Dollars (\$25,000.00), in which case this Agreement shall terminate in full, except for any provisions which by their terms are intended to survive termination.
- (b) **Purchaser's Default.** If the sale and purchase of the Property contemplated by this Agreement is not consummated on account of Purchaser's default hereunder, Seller shall as its sole and exclusive remedy retain the Deposit amount as full and complete liquidated damages and the sole remedy for such default of Purchaser. The parties hereby acknowledge that it is impossible to estimate more precisely the damages which might be suffered by Seller upon Purchaser's default of this Agreement or any duty arising in connection or relating herewith. Seller's entitlement to and receipt of the Deposit is intended not as a penalty, but as full and complete liquidated damages. The right to retain such sums as full liquidated damages as Seller's sole and exclusive remedy in the event of default or failure to perform hereunder by Purchaser, is in addition to any liability of Purchaser with respect to its repair and indemnity obligations set forth above, which are intended to survive termination of this Agreement
25. **WAIVER.** The failure to enforce any particular provision of this Agreement on any particular occasion shall not be deemed a waiver by either party of any of its rights hereunder, nor shall it be deemed to be a waiver of subsequent or continuing breaches of that provision, unless such waiver be expressed in a writing signed by the party to be bound.

26. **DATE FOR PERFORMANCE.** If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, expires on a Saturday, Sunday or legal or bank holiday, then such time period will be automatically extended through the close of business on the next following business day.

27. **FURTHER ASSURANCES.** The parties agree that they will each take such steps and execute such documents as may be reasonably required by the other party or parties to carry out the intent and purposes of this Agreement.

28. **SEVERABILITY.** In the event any provision or portion of this Agreement is held by any court of competent jurisdiction to be invalid or unenforceable, such holding will not affect the remainder hereof, and the remaining provisions shall continue in full force and effect to the same extent as would have been the case had such invalid or unenforceable provision or portion never been a part hereof.

29. **SUCCESSORS AND ASSIGNS.** The designation Seller and Purchaser as used herein shall include said parties, their heirs, successors, and assigns.

30. **CONTACT WITH THIRD PARTIES.** Upon execution of this Agreement until the day of Closing, Seller reserves the right to continue to market the Property for sale and to receive but not execute back-up offers to purchase the Property, all of which shall be subject and subordinate to Purchaser's rights under this Agreement so long as this Agreement has not been terminated. Unless and until this Agreement has been terminated, Purchaser shall have the sole and exclusive right to acquire the Property.

31. **RELATIONSHIP OF THE PARTIES.** Nothing contained herein shall be construed or interpreted as creating a partnership or joint venture between the parties. It is understood that the relationship is of arm's length and shall at all times be and remain that of Purchaser and Seller.

32. **COUNTERPARTS; ELECTRONIC TRANSMISSIONS.** This Agreement may be executed in counterpart originals, each of which when duly executed and delivered shall be deemed an original and all of which when taken together shall constitute one instrument. This Agreement may be executed and delivered by facsimile or electronic PDF signatures.

33. **ADVICE OF COUNSEL.** All parties are encouraged to seek the advice of independent legal counsel before executing this Agreement. Such independent counsel may help to determine the marketability of title; understand possible tax consequences; ascertain that the terms of the sale are adhered to before the transaction is closed; and provide advice with respect to all notices and other important matters related to this Agreement. Purchaser and Seller acknowledge the importance of obtaining advice from independent counsel and acknowledge that no broker and/or real estate agent is acting as an attorney or providing legal advice and no broker and/or real estate agent shall be responsible for any loss or damage resulting from the preparation of this Agreement or any addenda thereto.

34. **NOT IN DEFAULT TO SELLER.** Purchaser hereby certifies that it is not in default to the Seller, and that there are no unpaid taxes, real or personal, owed to the Seller by Purchasers, and Purchaser has no other unfulfilled obligations to the Seller and is in compliance with all Seller's codes and ordinances. The parties understand that a breach of this provision is a material breach of this Agreement by the Purchaser.

35. **VENUE.** All venue over the Parties and this Agreement shall be exclusively in Washtenaw County, Michigan.

36. Except in amounts less than \$20 million, Purchaser certifies that it, its successor, its parent company, or any of its subsidiaries or subunits does not engage in the practice of committing or contributing funds or property, extending credit, or contract for goods or services to develop petroleum resources, natural gas resources, or nuclear power in Iran.

(SIGNATURE PAGES FOLLOW)

[Signature page to Commercial Purchase Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

Purchaser:

OZONE HOUSE, INC.,
a Michigan nonprofit corporation

By: _____

Name: _____

Its: _____

Date: _____, 2017

Exhibit List:

A - Legal Description of Real Estate

[Signature page to Commercial Purchase Agreement]

Seller:

CITY OF YPSILANTI
a Michigan home rule city

Amanda Edmonds
Mayor

Date: _____, 2017

Frances McMullan
Clerk

Date: _____, 2017

Exhibit "A"

Legal Description

Parent Parcel

A parcel of land that is part of the Northwest ¼ of Section 5, T.3S., R.7.E., City of Ypsilanti, Washtenaw County, Michigan being more particularly described as:

Commencing at the West ¼ post of Section 5, Township 3 South, Range 7 East, thence North 0°29'30" East 2045.52 feet, thence South 75°36' East 465.49 feet to the Point of Beginning, thence North 2°34' East 353.07 feet, thence North 3°28' West 90.30 feet, thence North 12°32' West 133.89 feet, thence North 80°30' East 151.96 feet, thence South 70°27' East 296.78 feet, thence South 2°34' West 597.62 feet, thence North 75°36' West 394.11 feet to the Point of Beginning, containing 5.49 acres more or less; also land commencing at the West ¼ post of Section 5, Township 3 South, Range 7 East, thence North 0°29'30" East 2045.52 feet, thence South 75°36' East 859.60 feet, thence North 2°34' East 597.62 feet to the Point of Beginning, thence North 70°27' West 296.78 feet, thence South 80°31' West 151.96 feet, thence North 13°32' West to the Huron River, thence easterly along the south bank of the river to a point North 2°34' East of the Point of Beginning, thence South 2°34' West to the Point of Beginning.

Exhibit "B"

Easement Legal Description

Pump Station Ingress/Egress Easement

A permanent easement for ingress/egress that is part of the Northwest ¼ of Section 5, T.3S., R.7.E., City of Ypsilanti, Washtenaw County, Michigan being more particularly described as:

Commencing at the West ¼ post of Section 5, Township 3 South, Range 7 East, thence North 0°29'30" East 2045.52 feet, thence South 75°36' East 465.49 feet, thence North 2°34' East 353.07 feet, thence North 3°28' West 90.30 feet, thence North 12°32' West 133.89 feet, thence North 80°30' East 151.96 feet, thence South 70°27' East 296.78 feet, thence South 2°34' West 199.99 feet, thence North 87°26'0" West 33.0 feet to the Point of Beginning, thence South 2°34'0" West 145 feet; thence North 87°26'0" West 50 feet; thence North 2°34'0" East 145 feet; thence South 87°26'0" East 50 feet to the Point of Beginning, containing (POB) 0.166 acres more or less.

Permanent Pump Station Easement

A permanent easement for public utilities that is part of the Northwest ¼ of Section 5, T.3S., R.7.E., City of Ypsilanti, Washtenaw County, Michigan being more particularly described as:

Commencing at the West ¼ post of Section 5, Township 3 South, Range 7 East, thence North 0°29'30" East 2045.52 feet, thence South 75°36' East 465.49 feet, thence North 2°34' East 353.07 feet, thence North 3°28' West 90.30 feet, thence North 12°32' West 133.89 feet, thence North 80°30' East 151.96 feet, thence South 70°27' East 296.78 feet, thence South 2°34' West 344.99 feet, thence North 87°26'0" West 33 feet to the Point of Beginning, thence South 2°34'0" West 100 feet, thence North 87°26'0" West 72 feet; thence North 2°34'0" East 100 feet; thence South 87°26'0" East 72 feet to the Point of Beginning (POB), containing 0.165 acres more or less.

0 Huron River Drive

\$250,000

Ypsilanti, MI 48197 · 5.34 AC · Land For Sale

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Dave Hamilton
734-663-0501

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Vacant Land for Sale on Huron River

Price \$250,000

Lot Size 5.34 AC

Property Type Land

Property Sub-type

Residential (land)

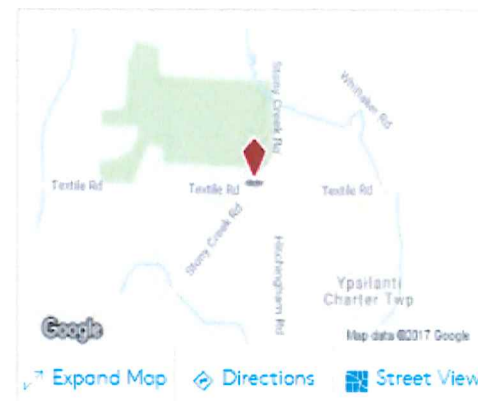
Property Use Type

Vacant/Owner-User

Features

Electricity/Power

[Find out more...](#)





Superior Rd

First St

First St

Indian Hl

Huron River

Cornell Rd
N Huron

N Huron River Dr
Huron River Shy Rd

Gregory St
4 Ave

Superior Rd

Superior Rd

Huron River

N Huron River Dr
Gregory St

N Huron River Dr

Westview St

Westview St





REQUEST FOR LEGISLATION
June 20, 2017

To: Mayor and City Council

From: Greta Dreyer, City Manager Intern
Courtney Marshall, City Manager Intern
Beth Ernat, Director of Community and Economic Development

Subject: Social Media Policy for the City of Ypsilanti

SUMMARY & BACKGROUND: The City of Ypsilanti does not have an adopted Social Media Policy. Currently the City has both a Facebook and a Twitter account to communicate with residents, however there are no rules on whom should be posing on social media, what they should be posting and what happens when someone leaves their position. In adopting a policy, the City will have a working document that can be adapted with changes in laws, users, sites, and trends. A set policy will also help the City Manager help plan for future transitions in staff.

Social media is currently being used as an important communication tool allowing the city to connect with residents quickly to disseminate information. The residents of the City use social media as a dependable means of communication especially with the lack of a print media outlet to cover City business. This policy will allow the City Manager to assign employees as to who should be posting to the City's social media pages and place rules on the information they are sharing as well as authorize administrators to monitor activities, answer resident inquiries, clarify inaccuracies and remove inappropriate posts. The City has researched and reviewed policies and rules from other cities to gain the knowledge in writing the new policy. The policy has been reviewed and edited by Assistant City Attorney Dan DuChene.

Staff have considered the recommended changes from council members at council's May 4 meeting and have made revisions to the draft policy for consideration by council. It is the position of administration that a policy should be adopted before changes are made to current social media practices.

PREVIOUS COUNCIL ACTION: 05/04/17 – Council reviewed the draft social media policy and recommended changes for further consideration; postponed action to June 20, 2017.

06/06/17 – Council removed the social media policy from the agenda.

ATTACHMENTS: Proposed Resolution and Revised Draft Social Media Policy

RECOMMENDED ACTION: Adopt the resolution and Social Media Policy for the City of Ypsilanti

CITY MANAGER APPROVAL: DDPM

COUNCIL AGENDA DATE: 06/20/17

CITY MANAGER COMMENTS: _____

FISCAL SERVICES DIRECTOR APPROVAL: _____



RESOLUTION NO. 2017 – 152
June 20, 2017

RESOLUTION APPROVING A CITY WIDE SOCIAL MEDIA POLICY

WHEREAS, The City of Ypsilanti is interested in adopting a Social Media Policy; and

WHEREAS, the City of Ypsilanti currently has social media accounts but does not have a formal policy for the use, distribution, or editing of social media; and

WHEREAS, social media has become a dependable means of communication and is an important tool for the City;

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI adopt the Social Media Policy as presented.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:

Summary of Changes Made to the City of Ypsilanti Social Media Policy (06/13/2017)

User and Visitor Comments-

- The City Manager now has the power to decide whether or not commenting will be turned on or off.
- Section 4 Page 5 Section H Roman Numeral I, “While the City of Ypsilanti allows social media users and visitors to comment on its postings in order to create open interaction and engagement between the City and its social media followers the decision as to whether commenting will be turned on or off will be made at the discretion of the City Manager.”
- When commenting is turned on the Social Media Administrator will follow the guidelines previously set in place for commenting and the Social Media Administrator now has the power to block any users that violate the commenting guidelines in this policy.
- Section 4 Page 6 Letter G Roman Numeral III Lowercase B, “Commenting will be turned off, where available, if guidelines/rules are repeatedly violated. Commenters who violate this policy’s rules and guidelines for commenting will be banned or prohibited from commenting on the City’s page where possible. “

Press Releases-

- The policy now states guidelines as to where press release will be posted.
- Section 4 Page 8 Letter J Roman Numeral I, “All press releases will be posted on social media as well as the City’s website and can include a relevant photo.”

Time Spent Responding to Comments-

- Instead of responding in two days we changed the amount of time that the Social Media Administrator can respond to private messages to every business week, so that each week the administrator is checking the messages and responding.
- Section 4 Page 5 Letter I Roman Numeral I, “The Social Media Administrator(s) will respond back to private messages from community members on City social media sites and tools every business week.”

Hootsuite-

- We eliminated the social media tool Hootsuite from the policy and replaced it with the tool called Nextdoor.
- Nextdoor is a social media site developed specifically for neighborhood pages. Through the use of nextdoor the City can post information and that information will go to local neighborhood pages in the area that have accounts with Nextdoor.
- Section 1 Page 1 Letter A Roman Numeral III

Neighborhood and Department Pages-

- We added the Historic District Commission and Shape Ypsilanti Facebook Pages to the policy since we have access and control of these accounts.

City of Ypsilanti Social Media Policy
(Revision Date: 06 / 13 / 2017)

1. Introduction:

Social media is an effective and efficient way to drive ongoing support for the City of Ypsilanti and to continue to keep City residents updated on City news and events. The use of social media allows the City to address the way residents communicate and obtain information online.

Through the use of social media, the City of Ypsilanti is able to reach a broader audience, further the mission and goals of the City and its departments, and help people inside and outside of the community view Ypsilanti in a more positive manner.

The City of Ypsilanti places a high importance on proper and appropriate representation of the City to members of the community. This policy establishes best practices and guidelines for the use of social media on the City's behalf.

2. Social Media Sites Used:

- A. The following are social media sites and tools that have been approved for use by the City of Ypsilanti:

- I. Facebook: @Ypsi.Michigan,
- II. Twitter: @YpsiCity
- III. Nextdoor

- B. The City controls the Historic District Commission and Shape Ypsilanti Facebook pages; it is one of several admins of the Ypsilanti Open House page. Currently, the Ypsilanti Open House and Shape Ypsilanti pages are unpublished (inactive), but may be reactivated in the future. The social media sites should be maintained and updated on a regular basis as necessary.

- C. The City Manager will approve the number and types of social media sites used by the City.

3. Purpose of the City of Ypsilanti Social Media Sites:

- A. To continue to promote the City of Ypsilanti through news that highlights the city in a positive manner and shows how the city is continuing to flourish.
- B. To promote the City of Ypsilanti website and to direct people from the social media site back to the website.
- C. To provide the public with time-sensitive information. To keep members of the community informed about upcoming events in Ypsilanti and City notices.

4. General Standards and Rules:

- A. No person shall act as the City of Ypsilanti with regard to social media sites and tools in a manner inconsistent with this policy.
- B. All City of Ypsilanti social media sites must be approved by the City Manager before their creation. Social media will be administered by the City Manager's designee(s) (hereinafter referred to as the "Social Media Administrator(s)"), and the City Manager will make the final determination on all matters related to social media, including content.
- C. The City of Ypsilanti's website (www.cityofypsilanti.com) will serve as the City's primary internet presence.
 - I. Information shared on social media will direct users back to the City's website, and content will be consistent on the website and social media sites.
- D. The City of Ypsilanti's use of social media tools fall generally into two categories:

- I. As marketing/promotional channels which increase the City's ability to broadcast its messages to the widest possible audience.
 - II. As channels for disseminating time-sensitive information as quickly as possible (example: emergency information).
- E. Wherever possible, content posted to the City of Ypsilanti's social media sites should be available on the City's main web site and content posted should contain links directing users back to the City's official websites.
- F. Social Media Administrators:
 - I. The City of Ypsilanti's social media accounts will be run by the Social Media Administrator(s) who will be appointed by the City Manager.
 - II. All social media sites and tools should be monitored and maintained daily.
 - III. Social Media Administrator(s) will keep track of all information related to social media sites and tools, including usernames and passwords. All social media site usernames and passwords will be updated continuously. The Social Media Administrator(s) will relinquish control of social media sites and tools and provide all information to the City Manager immediately when their employment with the City concludes. The employee's administrator status will be revoked immediately upon conclusion of employment.
- G. Content Posted by the City:
 - I. The Social Media Administrator(s) will ensure content is posted on a regular basis on the City's social media sites.
 - II. When possible, there should be a link to relevant page of the City's website included in every social media post.

- III. Social media posts by the City should be focused on the communities' interests and updates.
- IV. Keep images up to date for all social media sites, using the City's logo as the profile picture for all social media accounts, in order to maintain consistency.
- V. Content posted by Social Media Administrator(s) under this policy should be professional, respectful, and appropriate. Examples of inappropriate content includes the following: content that contains foul language, is obscene or sexual, content that threatens or defames any person or organization, content that violates the legal ownership interest of another party, content that supports or opposes political candidates or ballot propositions, content that promotes illegal activity, content that in and of itself violates any applicable law or ordinance, and content that promotes commercial services or products that are not topically related to the particular posting or topically related to the City. Furthermore, in posting content under this policy, Social Media Administrator(s) must take care not to offend, harass, threaten, ridicule, or degrade another.
- VI. When posting content on behalf of the City, care should be taken to ensure the content is free of any grammatical errors or improper spelling. It is important to proofread content to correct any mistakes and, if possible, have a second person proofread content before it is published or made live. If possible, steps should be taken to correct any mistakes immediately after publication.
- VII. Social Media Administrator(s) should schedule posts in advance whenever possible. If something unexpected comes up, the Social Media Administrator(s) should post to the pages in a timely fashion.

- VIII. Copyright infringements must be avoided. Therefore, any use of third-party content must be done so with permission or via the use of a link directed back to the author.
- IX. Plagiarism is a serious issue. Use of text from an author must be in quotation marks and cited.
- X. No person shall use any City social media site or tool to express their own personal opinion on any issue as if being made on behalf of the City.
- XI. No person shall use any City social media site or tool to express a position on behalf of the City relative to any issue without prior approval from the City Manager
- XII. Whenever posting content to any City social media site or tool on behalf of the City, the post must be able to identify the individual(s) responsible for posting such content.
- XIII. Social media content will be periodically downloaded onto the City's website. Where possible, the City's social media accounts will have an archive copy made at least quarterly.

H. Content Posted by Users and Visitors

- I. While the City of Ypsilanti allows social media users and visitors to comment on its postings in order to create open interaction and engagement between the City and its social media followers the decision as to whether commenting will be turned on or off will be made at the discretion of the City Manager.
- II. When commenting is turned on, by the decision of the City Manager, the following set of guidelines apply.

- III. Deleting and responding to content posted by users and visitors.
- a. The Social Media Administrator(s) may delete content posted by users and visitors, including comments, based on the guidelines in this policy.
 - b. Commenting will be turned off, where available, if guidelines/rules are repeatedly violated. Commenters who violate this policy's rules and guidelines for commenting will be banned or prohibited from commenting on the City's page where possible.
 - c. The Social Media Administrator(s) may respond to content posted by users and visitors, including comments, to correct information pursuant to this policy and in a manner that is appropriate, professional, and respectful.
 - d. All actions of the Social Media Administrator(s) under this section of the policy are subject to the approval of the City Manager.
 - e. The rules and provisions of this section of the policy must be displayed to users and visitors or made available by hyperlink.
- IV. City social media sites or tools may not be used by outside parties for the following purposes:
- a. The solicitation of commerce without the approval of the City Manager.
 - b. Advocating or encouraging of illegal activity.

- c. Dissemination or promotion of obscene or profane content, including sexual content and gratuitous violence or links to sexual content or gratuitous violence.
- d. Content that threatens, intimidates, or harasses another.
- e. Deleting comments will be made on a case by case basis at the discretion of the social media administrator.
- f. All actions of the Social Media Administrator(s) under this section of the policy are subject to the approval of the City Manager.
- g. The rules and provisions of this section of the policy must be displayed to users and visitors or made available by hyperlink.

I. Responding to Private Messages:

- I. The Social Media Administrator(s) will respond back to private messages from community members on City social media sites and tools every business week.
- II. The Social Media Administrator(s) should always provide their first name and job title when replying to private messages, since private messages should be treated with the same care as email correspondence.
- III. Additionally, the Social Media Administrator(s) may also choose to give their office phone number and email address in case the user is in need of more information.
- IV. In interacting with community members and all social media users and visitors in their capacity with the City of Ypsilanti, the Social Media Administrator(s) should always make sure they are acting in accordance with this policy and do so in a manner that is appropriate, professional, and respectful.

J. Press Releases

- I. All press releases will be posted on social media as well as the City's website and can include a relevant photo.

5. Amendments to this Policy:

- I. This social media policy may be amended by the City Manager, with notice to the City Council.
- II. A new or additional social media site or tool may use, including media sites or tools specific to a City department, board, or commission, subject to the approval of the City Manager. All such sites or tools must be used in accordance with this policy. If a policy, rule, or guideline is needed for that is specific to that site or tool, it is subject to the approval of the City Manager, with notice to the City Council.



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REQUEST FOR LEGISLATION

DATE: June 8, 2017

FROM: John M. Barr, Ypsilanti City Attorney

SUBJECT: City Procurement Policy

SUMMARY/BACKGROUND

As part of a guidance issued by the Office of Management and Budget in December, 2013, federal law (2 CFR Part 200) requires that agencies use documented procurement procedures concerning, in part, conflicts of interest, competitive selection of contracts, and efficient spending when they receive federal awards. Agencies are required to adopt policies and procedures with this new guidance within four fiscal years of it coming into effect. To comply with this requirement, the City Auditor has provided a draft policy based on this guidance to review and adopt prior to June 30, 2017. This office has reviewed this draft and existing provisions of the Code of Ordinances for the City of Ypsilanti to provide the attached suggested policy.

Please note that the City has already adopted ordinances relative to many of the provisions of the proposed policy. This office has reviewed and revised the language so that there is no direct conflict between it, the Code of Ordinances, or state law. On some matters, the Code of Ordinances may be more restrictive and on others the policy may be. Thus, the suggested policy provides that whichever language is more restrictive should be applied.

Briefly, the suggested policy prohibits both real and apparent conflicts of interest of City employees, officers, and agents in the selection and administration of contracts. The policy also prohibits the solicitation and acceptance of gifts from contractors and subcontractors of the City. The policy requires competition in the selection and award of City contracts by either open and competitive bidding or by requesting price quotations, depending on the value of the contract, and provides for rules and procedures for the request and selection process. The policy further requires that documentation of procurement processes be kept and a system of contract administration be maintained. Finally, the policy also requires that certain provisions be included in City contracts.



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June 16, 2017
Page 2

Adoption of the attached resolution will adopt the suggested policy, which will be employed in conjunction with the procedures already in place for contract selections, awards, negotiation, and administration.

RECOMMENDED ACTION: Review and adoption.

DATE RECEIVED: _____ AGENDA ITEM NO.

CITY MANAGER COMMENTS:

FOR AGENDA OF: _____ FINANCE DIR. APPROVAL

COUNCIL ACTION TAKEN:



RESOLUTION NO. 2017-153
June 20, 2017

RESOLUTION APPROVING CITY PROCUREMENT POLICY AND PROCEDURES

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that the attached Procurement Policies and Procedures be adopted by the City of Ypsilanti and that staff are directed to implement its provisions in conjunction with the relevant provisions of the Code of Ordinances of the City of Ypsilanti and the laws and regulations of the State of Michigan.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:

CITY OF YPSILANTI

Procurement Policies and Procedures

1. Purpose of procurement standards. The purpose of these standards is to establish procedures for the City for the procurement of supplies and other expendable property, equipment, real property and other services.

2. Code of ordinances. The policies and procedures contained herein are to be read and applied together and in conjunction with relevant provisions of the Code of Ordinances for the City of Ypsilanti, including but not limited to Chapter 2, Article VI, entitled "Contracts and Purchasing" and Chapter 46, Article III, entitled "Ethical Standards of Conduct." It is intended that the most restrictive applicable language of either these policies and procedures, the Code of Ordinances for the City of Ypsilanti, and laws and regulations of the State of Michigan and the United States of America should apply.

3. Code of conduct. No employee, officer, or agent shall participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the City shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements except for where the financial interest is not substantial or the gift is an unsolicited item of nominal value. Members of the Ypsilanti City Council shall comply with all relevant fiduciary duties, including those governing conflicts of interest, when they vote upon matters related to procurement contracts in which they have a direct or indirect financial or personal interest. Officers, employees, directors, and agents of the City shall be subject to disciplinary actions for violations of these standards according relevant employment agreements, the Code of Ordinances for the City of Ypsilanti, and the laws and regulations of the United States of America and State of Michigan.

4. Competition. All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The City shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids and/or requests for proposals shall be excluded from competing for such procurements. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the City, price, quality and other factors considered. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the City. Any and all bids or offers may be rejected when it is in the City's interest to do so. In all procurement the City shall avoid practices that are restrictive of competition. These include but are not limited to:

- (a) Placing unreasonable requirements on firms in order for them to qualify to do business,
- (b) Requiring unnecessary experience and excessive bonding,
- (c) Noncompetitive pricing practices between firms or between affiliated companies,
- (d) Noncompetitive awards to consultants that are on retainer contracts,
- (e) Organizational conflicts of interest,
- (f) Specifying only a brand name product instead of allowing an equal product to be offered and describing the performance of other relevant requirements of the procurement, and
- (g) Any arbitrary action in the procurement process.

5. Methods of Procurement to be followed.

(a) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the "Simplified Acquisition Threshold" fixed at 41 U.S.C. 403(11) (currently set at \$100,000) and where procurement by sealed bid is not required. If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources to insure that the selection process is competitive in accordance with these policies.

(b) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price.

(i) The sealed bid method is the preferred method for procuring construction if the following conditions are present:

- (A) A complete, adequate, and realistic specification or purchase description is available;
- (B) Two or more responsible bidders are willing and able to compete effectively and for the business; and
- (C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

- (ii) If sealed bids are used, the following requirements apply:
 - (A) The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;
 - (B) The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;
 - (C) All bids will be publicly opened at the time and place prescribed in the invitation for bids;
 - (D) A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
 - (E) Any or all bids may be rejected for any lawful reason that is not in conflict with the policies and procedures contained herein.

(c) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids or small purchase procedures. If this method is used, the following requirements apply:

- (i) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;
- (ii) Proposals will be solicited from an adequate number of qualified sources;
- (iii) The City shall evaluate responses to its solicitations and select awardees in accordance the procedures outlined in section 5 below ("Procurement Procedures")
- (iv) Awards will be made to the responsible firm whose proposal is most advantageous to the City with price and other factors considered; and
- (v) The City may use the competitive proposal procedures for qualifications-

based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. A procurement process where price is not to be used as a stated selection factor can only be used in procurement of A/E professional services.

(d) Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate.

(i) Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

- (A) The item is available only from a single source;
- (B) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (C) The funding source specifically authorizes the use of noncompetitive proposals; or
- (D) After solicitation of a number of sources, competition is determined inadequate.

(ii) Cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required.

(iii) When using a non-competitive process the City normally would be expected to submit the proposed procurement to the relevant funding source for pre-award.

6. Procurement procedures.

(a) All procurement by the City shall comply, at a minimum, with the requirements of subsections (i), (ii), and (iii) below:

- (i) The City avoid purchasing unnecessary items.
- (ii) Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement.

- (iii) Solicitations for goods and services provide for all of the following.
 - (A) A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.
 - (B) Requirements which must be fulfilled and all other factors to be used in evaluating proposal submitted in response to solicitations.
 - (C) A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
 - (D) When relevant, the specific features of "brand name or equal" descriptions that are to be included in responses submitted to solicitation.
 - (E) The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.
 - (F) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

(b) Positive efforts shall be made by the City to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible and as permissible by law. The City shall take all of the following steps to further this goal.

- (i) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
- (ii) Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.
- (iii) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
- (iv) Encourage, when practical, contracting with consortiums of small

businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.

- (v) Use the services and assistance, as appropriate and practical, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

(c) The type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by the City but shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved. The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting shall not be used.

(d) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.

(e) Debarment and Suspension - No contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension." Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding its exclusion status and that of its principal employees.

7. Cost and price analysis. Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action above \$500 in value. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

8. Procurement records - Procurement records and files for purchases in excess of the small purchase threshold as fixed at 41 U.S.C. 403(11) (currently \$25,000) shall include the following at a minimum: (a) basis for contractor selection, (b) justification for lack of competition when competitive bids or offers are not obtained, and (c) basis for award cost or price.

9. Contract administration. A system for contract administration shall be maintained to ensure contractor conformance with the terms, conditions and specifications of the contract and to ensure adequate and timely follow up of all purchases. The City shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

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10. Contract provisions. The City shall include, in addition to provisions to define a sound and complete agreement, the following provisions in all contracts. The following provisions shall also be applied to subcontracts.

(a) Contracts in excess of the Simplified Acquisition Threshold shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.

(b) All contracts in excess of the Simplified Acquisition Threshold shall contain suitable provisions for termination by the City, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(c) For contracts dealing with construction or facility improvements the City shall comply with all requirements imposed by its funding sources (and the government regulations applicable to those funding sources) with regard to construction bid guarantees, performance bonds, and payment bonds.

(d) All negotiated contracts (except those for less than the Simplified Acquisition Threshold) awarded by the City shall include a provision to the effect that the City shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(e) All contracts, including small purchases, awarded by the City and their contractors where the source of the funds, directly or indirectly, is the federal government, shall contain the following procurement provisions as applicable.

(i). Equal Employment Opportunity - All contracts, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

(ii). Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c) - All contracts in excess of \$2000 for construction or repair, when funded in whole or part by monies derived from the Federal government (either directly or indirectly) shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3,

"Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or sub-recipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to the Federal awarding agency.

(iii). Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7) - When required by Federal program legislation, all construction contracts awarded by the recipients and sub-recipients of more than \$2000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to the Federal awarding agency.

(iv). Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333) - All contracts in excess of \$2000 for construction contracts and in excess of \$2500 for other contracts that involve the employment of mechanics or laborers, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall include a provision for compliance with Sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5).

(v). Rights to Inventions Made Under a Contract or Agreement - Contracts or agreements for the performance of experimental, developmental, or research work, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

(vi). Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended - Contracts and sub-grants of amounts in excess of \$100,000, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall contain a provision that requires the recipient to agree to comply with all applicable

standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(vii). Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) - Contacts for an amount above \$100,000, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall include a certification by the contracting parties that they have not and will not use Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 and to further require disclosure of any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.



Resolution No. 2017 - 154
June 20, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the FY 17-18 fee schedule is adopted pursuant to the Ypsilanti City Code, and all other fees relating to various sections of the City Code⁴ and activities of the City are hereby established and shall remain the same as the previous fiscal year, and the various City Departments are authorized to charge and collect such fees effective immediately.

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:

	A RESOLUTION SETTING FEES								
	RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that the attached fee schedule is adopted pursuant to the Ypsilanti City Code, and the following fees relating to various sections of the City Code and activities of the City are hereby established, and the various City Departments are authorized to charge and collect such fees effective immediately.								
City of Ypsilanti Proposed Fee Schedule (FY 2017/2018)									
Dept./Div.	Ordinance Sec. No.	Shortcut Code for Treasury	G/L ACCT #	Type of Fee	2016/17 Fee (\$)	Proposed 2017/18 Fee (\$)		Notes	
		150	101-4-2150-607-05	Notary Public Service - Signature and seal (per notarized document)	10	10			
		142	101-4-0000-694-01	Freedom of Information Act (FOIA) Requests	Actual cost; See FOIA Policy	Actual cost; See FOIA Policy			
Building	22-35			Business License Application Fee	90	90			
			101-4-0000-607-05	Real Estate agent access to sketch program	0	0			
		144	101-4-0000-607-05	Copy of building sketch	0.5	0.5			
				Tax Abatement Application Fees	See Planning Department Fees	See Planning Department Fees			
Building		104	101-4-3710-461-00	Plan Review	20% of permit cost as deposit + balance of review costs due when permit issued	20% of permit cost as deposit + balance of review costs due when permit issued			
		104	101-4-3710-461-00	Zoning review-accessory structures and fences	70	70			
				Permits					
	18-3			Building Permit					
		104	101-4-3710-461-00	First \$1,000 of construction value or less	55	55			
		104	101-4-3710-461-00	Each additional \$1,000 or fraction thereof	11	11			
		104	101-4-3710-461-00	Demolition Permit	55	55			
		104	101-4-3710-461-00	First \$1,000 of work contract or less	11	11			
		164	101-4-3710-461-03	Plumbing Permit (per inspection/service/unit/appliance)	55	60			
		118	101-4-3710-461-01	Electrical Permit (per inspection/service/panel/unit)	55	60			
		206	101-4-3710-461-02	Mechanical Permit (per inspection/service/system/unit/appliance)	55	60			
	94-193		101-4-3710-461-00	Outdoor Café, Restaurant, and Beer Garden Annual Fee	75	75			
				All other permit (minimum fee)	55	55			
	14-13		101-4-3710-461-00	Chicken or Bee permit application	25	25			
Building				Contractor's registration					
		104	101-4-3710-461-00	Residential builders, alteration and maintenance	32	32			
		190	101-4-3710-461-05	Sign contractor license/registration	32	32			
				Electrical contractor	32	32			
				Plumbing contractor	15	15			
				Mechanical contractor	15	15			
	18-31(b)		101-4-3710-461-00	Appeals to Building Board of Appeals per structure	County fees +52	County fees +52			

Dept./Div.	Ordinance Sec. No.	Shortcut Code for Treasury	G/L ACCT #	Type of Fee	2016/17 Fee (\$)	Proposed 2017/18 Fee (\$)	Notes
Building				Certificate of Occupancy (each unit or tenant)			
		152	101-4-3710-461-04	Residential	50	50	
	18-153			Certificate of Compliance Inspection Fees (rental inspection/per apt./unit/or as noted)			
				Multiple Family-3 or more dwelling units			
		100	101-4-3710-461-08	Initial certification inspection	50	50	
		100	101-4-3710-461-08	Re-certification inspection	42	42	
		100	101-4-3710-461-08	Re-inspection	40	40	
				Single Family and Duplex			
		100	101-4-3710-461-08	Initial certification inspection	75	75	
		100	101-4-3710-461-08	Re-certification inspection	65	65	
		100	101-4-3710-461-08	Re-inspection	55	55	
		100	101-4-3710-461-08	City scheduled inspection	42	42	
		100	101-4-3710-461-08	Search warrants obtained for inspection	65	65	
		100	101-4-3710-461-08	Rooming House - 1-3 sleeping rooms	55	55	
		100	101-4-3710-461-08	Rooming House - 4-7 sleeping rooms	100	100	
		100	101-4-3710-461-08	Rooming House - 8-11 sleeping rooms	160	160	
		100	101-4-3710-461-08	Rooming House - 12-15 sleeping rooms	210	210	
		100	101-4-3710-461-08	Rooming House - 16+ sleeping rooms	260	260	
				Late cancellation or no-show inspection	55	55	
				Commercial/residential certificate of occupancy	55	55	
		100	101-4-3710-461-08	After Hours Inspection (pre-approval required by inspector)	\$30 per .5 hours	\$30 per .5 hours	
Building	18-153			Commercial/Residential Certificate of Occupancy			
		100	101-4-3710-461-04	Business Occupancy Permit- Without Change of Use	75	75	
		100	101-4-3710-461-04	Business Occupancy Permit- With Change of Use	150	150	
Building				Vacant Buildings			
	18-190	226	101-4-3710-461-09	Vacant Building Inspection Fee	75	75	
				Escrow Account (Monthly)	300	300	
		220	101-255-01	Vacant building - not "regularly occupied"	50	50	
		220	101-255-01	New building/structure	50	50	
		220	101-255-01	All other vacant buildings - including dangerous buildings	300	300	
	42-69	204	101-4-3720-607-06	Maintenance of exterior premises - City cleanup	50+*	50+*	
				*Plus actual cost of hired contractor			

Dept./Div.	Ordinance Sec. No.	Shortcut Code for Treasury	G/L ACCT #	Type of Fee	2016/17 Fee (\$)	Proposed 2017/18 Fee (\$)	Notes
Planning and Development				General & Administrative			
			101-4-7210-676-05	Zoning Map or Text copies; Copies of adopted plans	Actual cost; See FOIA Policy	Actual cost; See FOIA Policy	
			101-4-7210-676-05	Code Compliance Letter	100	100	
Planning and Development				Zoning			
	122-303	178	101-4-7210-607-01	Zoning Map amendment	1000	1000	
		178	101-4-7210-607-01	Zoning Text amendment	1000	1000	
			101-4-7210-607-01	Appeal of staff interpretation	250	250	
			101-4-7210-607-01	Specific interpretation	250	250	
		178	101-4-7210-607-01	Area Variance - SF Residential	200	200	
		178	101-4-7210-607-01	Area Variance - other use	450	450	
		178	101-4-7210-607-01	All variance types: each variance requested beyond first on same site/application.	450	450	
		162	101-4-7210-676-05	Pre-development meeting (related to site plan)	75	75	
		162	101-4-7210-676-05	Administrative fee for site work started without issuance of applicable permit	50	50	
		120	101-283-00	Site Plan Review	500+*	500+*	
					*plus engineering review fees as applicable	*plus engineering review fees as applicable	
		120	101-283-00	Site Plan review (additional revision review)	75	75	
				Sketch Plan Review	100	100	
		162	101-4-7210-676-05	Site inspections by P&D Dept. staff after first compliance inspection	25	25	
		162	101-4-7210-676-05	Site inspections by P&D Dept. staff after first compliance inspection	25	25	duplicate
			101-4-7210-607-01	Special Exception permit for fee in-lieu of providing off street parking (per space)	600	600	
			101-4-7210-607-01	Special Use permit	300	300	
			101-4-7210-676-05	Designation of Special Nonconforming Status	400	400	
			101-4-7210-676-05	Temporary Use-Concession Sale Review	50	50	
			101-4-3720-607-06	Garden on vacant residential lot	25	25	
			101-4-3710-461-05	Sidewalk Signs	25	25	
	122-704	162	101-4-7210-607-01	PUD Application *	1000 *	1000+*	
		162			*plus \$5/1,000 sf of new or redeveloped non-residential or \$5/unit of new or redeveloped residential construction and engineering review fees (see note 1)	*plus \$5/1,000 sf of new or redeveloped non-residential or \$5/unit of new or redeveloped residential construction and engineering review fees (see note 1)	
		162	101-4-7210-607-01	PUD Application (Adaptive Re-Use)	550	550	
	94-271		101-4-7210-607-01	Alley/Street Closure (Application fee plus construction escrow)	750 fee + 1000 escrow	750 fee + 1000 escrow	
	94-291		101-4-7210-607-01	Alley/Street Vacation	1500	1500	
	122-625		101-4-7210-607-01	Lot split application	50	50	

Dept./Div.	Ordinance Sec. No.	Shortcut Code for Treasury	G/L ACCT #	Type of Fee	2016/17 Fee (\$)	Proposed 2017/18 Fee (\$)	Notes
Planning and Development		162		Tax Abatement			
		162	101-4-3720-676-05	Creation of a District (public notice, preparation for City Council)	200	200	
		162	101-4-3720-676-05	Application Review and Recommendation	500	500	
	122-864	190	101-4-3710-461-05	Sign-inspection-fee, per sign	100	100	never used
			101-4-7210-607-01	Modification of Standard Request	75	75	removed with ZO effective 4/20
				Historic Preservation			
	54-81	222	101-4-8030-477-00	Historic District work permit application fee	30+*	30+*	
					*plus \$5 per \$3000 of labor and material	*plus \$5 per \$3000 of labor and material	
			101-4-8030-676-02	Administrative Fee for HDC work started without issuance of applicable permit	50	50	
				Historic District Map or Ordinance Copies	2.5	2.5	covered under FOIA fees
			101-4-8030-676-02	Historic District work permit application fee, flat fee for paint-only application	35	35	
Planning and Development: Engineering				Engineering: Site Review Phase			
				Site Plan Review	500	500	
				Site Plan Review-Beyond Initial Two	250	250	
				Site Plan Review-Planned Unit Development-Adaptive Reuse PUD	500	500	
				Site Plan Review-Planned Unit Development-Less Than 5 Acres	1000	1000	
				Site Plan Review-Planned Unit Development-More Than 5 Acres	1800	1800	
				Planned Unit Development Review-Beyond Initial Two	500	500	
				Preapplication Meeting	200	200	
				Engineering: Plan Review Phase			
				Construction Estimate Less Than \$50,000	4.5% - Minimum 500	4.5% - Minimum 500	
				Construction Estimate Between \$50,000 - \$100,000	4% + Minimum 2,200	4% + Minimum 2,200	
				Construction Estimate Between \$100,000 - \$500,000	2% - Minimum 4,000	2% - Minimum 4,000	
				Construction Estimate More Than \$500,000	1.5% - Minimum 9,800	1.5% - Minimum 9,800	
				Engineering: Construction Phase			
				Construction Estimate Less Than \$50,000	8.0% - Minimum 1,000 Construction Escrow	8.0% - Minimum 1,000 Construction Escrow	
				Construction Estimate Between \$50,000 - \$100,000	4,000 + 7.0% of amount over 50,000 Construction Escrow	4,000 + 7.0% of amount over 50,000 Construction Escrow	
				Construction Estimate Between \$100,000 - \$500,000	8,000 + 5.0% of amount over 100,000 Construction Escrow	8,000 + 5.0% of amount over 100,000 Construction Escrow	
				Construction Estimate More Than \$500,000	28,000 + 4.0% of amount over 500,000 Construction Escrow	28,000 + 4.0% of amount over 500,000 Construction Escrow	
				Notes: Engineering Site Plan and Engineering Plan Review fees are nonrefundable. Initial Engineering Site Plan Review Fee covers two reviews. Initial Engineering Plan Review Fee covers three reviews. Construction Escrow collected in excess of incurred costs will be refunded upon final acceptance of project. These fees are for the City Engineer only. Additional fees from other City Departments may apply.			

Dept./Div.	Ordinance Sec. No.	Shortcut Code for Treasury	G/L ACCT #	Type of Fee	2016/17 Fee (\$)	Proposed 2017/18 Fee (\$)	Notes
Clerk			101-110-04	City Charter	Actual cost; See FOIA Policy	Actual cost; See FOIA Policy	
Clerk	6-31			Liquor License Fees			
		138	101-4-0000-574-04	"A" Hotel	500	500	
		138	101-4-0000-574-04	"B" Hotel	500	500	
		138	101-4-0000-574-04	"C" Hotel	500	500	
		138	101-4-0000-574-04	"Tavern" beer and by the glass	500	500	
		138	101-4-0000-574-04	"SDD" package liquor	500	500	
		138	101-4-0000-574-04	"SDM" package beer and wine	500	500	
				If more than one class of license held			
		138	101-4-0000-574-04	(Fee per class held)	25	25	
		138	101-4-0000-574-04	Transfer of ownership, including partner	500	500	
		138	101-4-0000-574-04	Transfer of location	300	300	
		138	101-4-0000-574-04	Addition of space	300	300	
		138	101-4-0000-574-04	Deletion of partner	300	300	
		138	101-4-0000-574-04	Addition of special permit, i.e entertainment, dancing or Sunday sales	315	315	
		138	101-4-0000-574-04	Wine Maker License	500	500	
		138	101-4-0000-574-04	Micro Brewer License	500	500	
	6-43	158	101-4-2150-456-00	Application for license to sell	500	500	
	10-45			Additional fee for DDA location	110	110	
Clerk				Entertainment & Misc. Fees			
	22-76		101-4-2150-456-04	Bed and breakfast application fee	80	80	
	22-80		101-4-2150-456-04	Annual bed and breakfast, inn license fee	175	175	
	22-117		101-4-2150-456-04	Health club license application fee	80	80	
	22-121		101-4-2150-456-04	Annual health club fee	175	175	
	22-178		101-4-2150-456-00	Peddlers license application fee, investigation fee	100	100	
	82-47		101-4-2150-456-00	Secondhand dealer license application fee	100	100	
	82-49		101-4-2150-456-00	Issuance of annual 2nd hand dealer license	100	100	
	22-182		101-4-2150-456-00	House to house soliciting by established business, various fee (monthly rate)	80	80	
			101-4-0000-694-01	Mayor Officiating Wedding Ceremony	25	25	
Clerk				Taxicab Fees-TO BE COLLECTED BY STATE			
	114-68	196	101-4-2150-456-02	Taxicab license fee	115	115	
	114-71	196	101-4-2150-456-02	Taxicab license transfer fee	55	55	
	114-91	196	101-4-2150-456-02	Taxicab bond plate fee	115	115	
	114-92	196	101-4-2150-456-02	Taxicab duplicate license fee	30	30	
	114-93	196	101-4-2150-456-02	Taxicab transfer bond plate fee	80	80	
	114-113	196	101-4-2150-456-02	Taxicab driver's license fee: new license	30	30	
		196	101-4-2150-456-02	Renewal fee	25	25	
		196	101-4-2150-456-02	Duplicate	15	15	
	114-136 (1)			Rates of Fare			
				Mileage/Flag Drop			
			Taxicab Fees approved by Council	Flag Drop	2	2	
			Taxicab Fees approved by Council	Mileage after flag drop	0.25 per 1/8 mile or 2.00 per mile	0.25 per 1/8 mile or 2.00 per mile	
			Taxicab Fees approved by Council	Waiting Time	0.25 per 45 seconds	0.25 per 45 seconds	
	114-136 (2)		Taxicab Fees approved by Council	Hourly Rate (all time after first hour in .25-hour increments)	21 per hour	21 per hour	
Clerk				Voting Records			
			101-4-0000-607-05	Qualified Voter File (disks), Printed Voter Listing, Polling location maps	Actual cost; See FOIA Policy	Actual cost; See FOIA Policy	*collapsed listings into one fee

Dept./Div.	Ordinance Sec. No.	Shortcut Code for Treasury	G/L ACCT #	Type of Fee	2016/17 Fee (\$)	Proposed 2017/18 Fee (\$)	Notes
Treasurer				Traffic and Vehicle Fees			
	102-104 (a) (3)	176	101-4-2530-462-00	Contractor service pass (ea)	22	33	
	102-104 (a) (4)	176	101-4-2530-462-00	Employee service pass (ea)	200	300	
		176	101-4-2530-462-00	annual renewal	200	300	
	102-106 (a)	200	101-4-2530-462-00	Fine for parking without permit	50	50	
	102-104 (a) (3)	176	101-4-2530-462-00	Contractor service pass (ea)	22	33	
	102-104 (a) (4)	176	101-4-2530-462-00	Employee service pass (ea)	200	300	
		176	101-4-2530-462-00	annual renewal	200	300	
	102-105 (d)	176	101-4-2530-462-00	Residential parking permit fee, first permit	22	33	
		176	101-4-2530-462-00	each additional permit	22	33	
		176	101-4-2530-462-00	renewal	11	17	
		176	101-4-2530-462-00	second resident visitor pass	11	17	
		176	101-4-2530-462-00	non-resident service vehicle pass	22	33	
		176	101-4-2530-462-00	non-resident service vehicle pass renewal	11	17	
				Non-resident visitor pass issued with first service vehicle pass	0	0	
		176	101-4-2530-462-00	replace lost visitor pass	22	33	
		176	101-4-2530-462-00	replace lost service vehicle pass	22	33	
		176	101-4-2530-462-00	replace lost residential pass	22	33	
	102-106 (b&c)	200	101-4-3110-656-00	Use of non-owned permit	100	100	
		200	101-4-3110-656-00	Use of permit for commuter parking	100	100	
	102-135 (d)			Parking permit fee for residents in B-3 district			
		176	101-4-2530-462-00	for 4 months	75	115	
		176	101-4-2530-462-00	for 1 year	200	300	
	102-192		101-4-3110-656-00	Civil Infraction - Pedestrian or other traffic on the median.	50	50	
Treasurer				Misc. Fees			
				Return check for NSF			
		142	101-4-0000-694-01	first check	45	50	
		142	101-4-0000-694-01	second and subsequent NSF check from same person or entity within one year (per check)	57	60	
				Downtown employee parking			
		176	101-4-2530-462-00	for four months	75	95	
		176	101-4-2530-462-00	annual	200	250	
				Online payment fees			
		N/A	N/A	Amount of payment due is between: \$2.00-\$66.00	2.00/payment	2.00/payment	
		N/A	N/A	Payment amount that exceed \$67.00	3% of payment	3% of payment	

Dept./Div.	Ordinance Sec. No.	Shortcut Code for Treasury	G/L ACCT #	Type of Fee	2016/17 Fee (\$)	Proposed 2017/18 Fee (\$)			Notes
Administrative Hearings Bureau			Building Regulations			1st violation	2nd violation	3rd violation	
	18-52	230	101-4-3730-607-11	State construction code	1st Violation: \$50, \$75 after 10 business days 2nd Violation: \$100, \$125 after 10 business days 3rd Violation: \$200, \$225 after 10 business days	\$50, \$75 after 10 business days	\$100, \$125 after 10 business days	\$200, \$225 after 10 business days	
	18-92	230	101-4-3730-607-11	Property maintenance code	1st Violation: \$50, \$75 after 10 business days 2nd Violation: \$100, \$125 after 10 business days 3rd Violation: \$200, \$225 after 10 business days	\$50, \$75 after 10 business days	\$100, \$125 after 10 business days	\$200, \$225 after 10 business days	
	18-115	230	101-4-3730-607-11	Violations generally	1st Violation: \$50, \$75 after 10 business days 2nd Violation: \$100, \$125 after 10 business days 3rd Violation: \$200, \$225 after 10 business days	\$50, \$75 after 10 business days	\$100, \$125 after 10 business days	\$200, \$225 after 10 business days	
	18-134 A&B	230	101-4-3730-607-11	Allow occupancy without certificate of compliance	1st Violation: \$100 2nd Violation: \$300 3rd Violation: \$500	\$100	\$300	\$500	
Administrative Hearings Bureau			Environment & Nuisance			1st violation	2nd violation	3rd violation	
	42-55	230	101-4-3730-607-11	Property maintenance nuisance	1st Violation: \$50, \$75 after 10 business days 2nd Violation: \$100, \$125 after 10 business days 3rd Violation: \$200, \$225 after 10 business days	\$50, \$75 after 10 business days	\$100, \$125 after 10 business days	\$200, \$225 after 10 business days	
	42-68	230	101-4-3730-607-11	Litter (see 70-38)	1st Violation: \$50, \$75 after 10 business days 2nd Violation: \$150, \$175 after 10 business days 3rd Violation: \$300, \$325 after 10 business days	\$50, \$75 after 10 business days	\$150, \$175 after 10 business days	\$300, \$325 after 10 business days	
	71-72		101-4-3730-607-11	Specific Violations (raw building materials, junk waste, abandoned refrigerators)	1st Violation: \$50, \$75 after 10 business days 2nd Violation: \$150, \$175 after 10 business days 3rd Violation: \$200, \$225 after 10 business days	\$50, \$75 after 10 business days	\$150, \$175 after 10 business days	\$200, \$225 after 10 business days	
	50-34		101-4-3730-607-11	Fire Prevention Code (when designated as blight violation)	\$100-\$500, plus \$25 after 10 business days	\$100, plus \$25 after 10 business days	\$300, plus \$25 after 10 business days	\$500, plus \$25 after 10 business days	

Dept./Div.	Ordinance Sec. No.	Shortcut Code for Treasury	G/L ACCT #	Type of Fee	2016/17 Fee (\$)	Proposed 2017/18 Fee (\$)			Notes
Administrative Hearings Bureau				Solid Waste		1st violation	2nd violation	3rd violation	
	86-32	230	101-4-3730-607-11	Disposal arrangements	1st Violation: \$50, \$75 after 10 business days 2nd Violation: \$100, \$125 after 10 business days 3rd Violation: \$200, \$225 after 10 business days	\$50, \$75 after 10 business days	\$100, \$125 after 10 business days	\$200, \$225 after 10 business days	
	86-33	230	101-4-3730-607-11	Commercial properties	1st Violation: \$50, \$75 after 10 business days 2nd Violation: \$100, \$125 after 10 business days 3rd Violation: \$200, \$225 after 10 business days	1st Violation: \$50, \$75 after 10 business days	\$100, \$125 after 10 business days	\$200, \$225 after 10 business days	
	86-34	230	101-4-3730-607-11	Residential properties	1st Violation: \$50, \$75 after 10 business days 2nd Violation: \$100, \$125 after 10 business days 3rd Violation: \$200, \$225 after 10 business days	\$50, \$75 after 10 business days	\$100, \$125 after 10 business days	\$200, \$225 after 10 business days	
	86-35	230	101-4-3730-607-11	Multiple Dwellings	1st Violation: \$50, \$75 after 10 business days 2nd Violation: \$100, \$125 after 10 business days 3rd Violation: \$200, \$225 after 10 business days	\$50, \$75 after 10 business days	\$100, \$125 after 10 business days	\$200, \$225 after 10 business days	
	86-54	230	101-4-3730-607-11	Peak Times	1st Violation: \$50, \$75 after 10 business days 2nd Violation: \$100, \$125 after 10 business days 3rd Violation: \$200, \$225 after 10 business days	\$50, \$75 after 10 business days	\$100, \$125 after 10 business days	\$200, \$225 after 10 business days	

Dept./Div.	Ordinance Sec. No.	Shortcut Code for Treasury	G/L ACCT #	Type of Fee	2016/17 Fee (\$)	Proposed 2017/18 Fee (\$)			Notes
Administrative Hearings Bureau				Snow Removal		1st violation	2nd violation	3rd violation	
	94-136	230	101-4-3730-607-11	Snow removal from sidewalk adjacent to residential and commercial premises	1st Violation: \$15, \$40 after 10 business days 2nd Violation: \$50, \$75 after 10 business days 3rd Violation: \$200, \$225 after 10 business days	\$15, \$40 after 10 business days	\$50, \$75 after 10 business days	\$200, \$225 after 10 business days	
	94-136	230	101-4-3730-607-11	Snow removal from parking lot serving less than 10 dwelling units	1st Violation: \$15, \$40 after 10 business days 2nd Violation: \$50, \$75 after 10 business days 3rd Violation: \$200, \$225 after 10 business days	\$15, \$40 after 10 business days	\$50, \$75 after 10 business days	\$200, \$225 after 10 business days	
	94-136	230	101-4-3730-607-11	Snow removal from parking lot serving 10 or more dwelling units	1st Violation: \$15, \$40 after 10 business days 2nd Violation: \$50, \$75 after 10 business days 3rd Violation: \$200, \$225 after 10 business days	\$15, \$40 after 10 business days	\$50, \$75 after 10 business days	\$200, \$225 after 10 business days	
Administrative Hearings Bureau				Vegetation		1st violation	2nd violation	3rd violation	
	110-34	230	101-4-3730-607-11	Trees and shrubs	1st Violation: \$50, \$75 after 10 business days 2nd Violation: \$100, \$125 after 10 business days 3rd Violation: \$200, \$225 after 10 business days	\$50, \$75 after 10 business days	\$100, \$125 after 10 business days	\$200, \$225 after 10 business days	
	110-81	230	101-4-3730-607-11	Grass and weed control	1st Violation: \$50, \$75 after 10 business days 2nd Violation: \$100, \$125 after 10 business days 3rd Violation: \$200, \$225 after 10 business days	\$50, \$75 after 10 business days	\$100, \$125 after 10 business days	\$200, \$225 after 10 business days	
	110-85	204	101-4-3720-607-06	Lien collection charge for cost of cutting weeds	50			50	
Administrative Hearings Bureau				Zoning Violations		1st violation	2nd violation	3rd violation	
	122-375	230	101-4-3730-607-11	Zoning	1st Violation: \$50, \$75 after 10 business days 2nd Violation: \$100, \$125 after 10 business days 3rd Violation: \$200, \$225 after 10 business days	\$50, \$75 after 10 business days	\$100, \$125 after 10 business days	\$200, \$225 after 10 business days	

Dept./Div.	Ordinance Sec. No.	Shortcut Code for Treasury	G/L ACCT #	Type of Fee	2016/17 Fee (\$)	Proposed 2017/18 Fee (\$)	Notes
Administrative Hearings Bureau				AHB Ordinance Costs			
		230	101-4-3730-607-11	Abatement costs	Actual cost plus fee	Actual cost plus fee	
		230	101-4-3730-607-11	Prosecution Costs	75	75	
		230	101-4-3730-607-11	Building Costs	75	75	
		230	101-4-3730-607-11	Administrative Hearings Bureau (AHB) Costs	250	250	
		230	101-4-3730-607-11	Administrative Hearings Bureau Costs - Waiver	Waive \$50 in AHB Costs if paid within 30 days	Waive \$50 in AHB Costs if paid within 30 days	
		230	101-4-3730-607-11	State JSA (set by state statute)	10	10	
		230	101-4-3730-607-11	Continuance/Adjournment	50	50	
		230	101-4-3730-607-11	Default	50	50	
		230	101-4-3730-607-11	Show Cause	50	50	
		230	101-4-3730-607-11	Motion to Set Aside Default	50	50	
Department of Public Services			202(3)-4-0000-476-01	Street cut or curb cut - per opening	60	60	
			202(3)-4-0000-476-01	Right of Way permit (sidewalk)	60	60	
			202(3)-4-0000-476-01	Right of Way permit (utility)		70	
			202(3)-4-0000-476-01	Penalty fee for failing to apply for Right of Way, excavation, curb cut permit or sidewalk replacement permit before work begins. Fee is in addition to permit fee.		60	
				Bond amount: Contractor shall furnish either a cash bond or a performance bond acceptable to the City of Ypsilanti and in compliance will all requirements of law that is to remain in effect for a period of not less than one (1) year from date of application.			
			101-265-01	property line to back of curb	3000	3000	
			101-265-01	property line to 1/2 pavement width	5000	5000	
			101-265-01	property line to full pavement width	10,000	10,000	
	94-112			Moving building, license application fee responsible for materials used (*Owner also	320+*	320+*	
			226-4-0000-626-03	Recycle bins - each	9	10	
Department of Public Services			226-4-0000-694-01	Trash Stickers	2	2.50	
	110-77		101-4-4410-676-03	Manufactured Fertilizer Commercial Applicator	25	25	
				Administrative Fees			
			101-4-4410-676-03	Administration fee (monthly billings & special service invoices)	10% for annual amounts less than \$25,000	10% for annual amounts less than \$25,000	
			101-4-4410-676-03	Administration fee (monthly billings & special service invoices)	5% for annual amounts over \$25,000	5% for annual amounts over \$25,000	
			101-4-4410-676-03	Late fee for invoices			
			101-4-4410-676-03	Over 30 days	2%	2%	
			101-4-4410-676-03	Over 60 days	Additional 2%	Additional 2%	
			101-4-4410-676-03	Removal of abandoned materials in City Right-of-Way (Barricades, Construction Signs, etc.)	50	50	
			101-4-4410-676-03	Daily Storage Fee per item for abandoned materials removed from City Right-of-Way (Barricades, Construction Signs, etc.)	5	5	

Dept./Div.	Ordinance Sec. No.	Shortcut Code for Treasury	G/L ACCT #	Type of Fee	2016/17 Fee (\$)	Proposed 2017/18 Fee (\$)			Notes
Facilities				Facilities and Public Property					
	78-124	184	101-273-11	Fees for rental of Senior Citizens center, Parkridge Community Center and Rutherford Pool are hereby established, but set by operations management at each facility. Contact each facility directly for reservations, terms and conditions					
			101-273-11	Senior Center (2 hr min.)	55/hr			55/hr	
			101-273-11	Parkridge Community Center (2 hr. min.)	30/hr			30/hr	
				Rutherford Pool					
				SINGLE ENTRY					
				Youth (ages 3-17)	3	3			
				Adults (ages 18-54)	4	4			
				Youth during Family Swim	2.25	2.25			
				Seniors (ages 55 and above)	2.75	2.75			
				SEASON PASSES					
				Individuals (12yrs and above)	110	110			
				Seniors (ages 55 and above)	75	75			
				Family (includes tot splash)	265	265			
				PUNCH CARD PASSES (5 ENTRIES)					
				Youth (ages 3-7)	12	12			
				Adult (ages 18-54)	16	16			
				Seniors (ages 55 and above)	11	11			
				TOT SPLASH	1.75/child	1.75/child			
				(Free with family season pass)					
				Freighthouse Plaza	100/first 2 hours, 25 each additional hour	*			
			101-273-11	Damage deposit (refundable, due 14 days in advance)	200	200			
Parks	78-125			Park Reservation Fees					
			101-4-4420-676-05	Gazebo Rental (Riverside Park)	100/ first 2 hours, 25 each additional hour	100/first 2 hours, 25 each additional hour			
				Amphitheater Rental (Frog Island Park)	100/first 2 hours, 25 each additional hour	100/first 2 hours, 25 each additional hour			
			101-4-4420-676-05	Pavilion Rental (resident)	55/first 2 hours, 25 each additional hour	55/first 2 hours, 25 each additional hour			
			101-4-4420-676-05	Pavilion Rental (nonresident)	65/first 2 hours, 25 each additional hour	65/first 2 hours, 25 each additional hour			
			101-4-4420-676-05	Riverside Park Key (refundable deposit)	25			25	
			101-4-4420-676-05	Water Utility Fee (refundable deposit)	25			25	
				Security deposit for the Gazebo and Pavilions are merged into Class 1 and 2 application fees					
				Rental fees for Riverside and Frog Island park are merged into Class 3 and 4 permit application fees, and are subject to additional Capital Park Improvement and/or Administrative Fees for coordinating public park use, per day.					
				Special Event Applicant shall reimburse the City for actual costs of cleanup (including but not limited to Public Works employees) required if applicant fails to comply with cleanup agreement. [employee and equipment costs shall be reimbursed at hourly rate +10% (non-profit events) or +15% (for-profit events)]					

Dept./Div.	Ordinance Sec. No.	Shortcut Code for Treasury	G/L ACCT #	Type of Fee	2016/17 Fee (\$)	Proposed 2017/18 Fee (\$)			Notes
Fiscal Services		112	101-4-0000-607-05	Reprint of W-2/1099-R (non-public)	Actual cost; See FOIA Policy	Actual cost; See FOIA Policy			
		112	101-4-0000-607-05	Copy of Payroll check stub (non-public)	Actual cost; See FOIA Policy	Actual cost; See FOIA Policy			
Film Permits	10-312		101-4-4420-676-03	Permit for Film on Public Property	250	250			
			101-4-4420-676-03	Permit for Film on Private Property	100	100			
			101-4-4420-676-03	Deposit (if City Services are required)	3000	3000			
			101-4-4420-676-05	Daily Public Property Use-per day	107	107			
Special Events: Parking	10-312 /10-268	192	101-4-4420-676-05	Parking Space Rental/per day	25	25			
		192	101-4-3070-676-02	Parking Officer	29	29			
			101-4-2530-462-00	Special Events Parking Permit	10/day	10/day			
				Parking Lot Rental (Class 1 and 2 Events)	\$250/day & up	\$250/day & up			
				Parking Lot Rental (Class 3 and 4 Events)	\$350/day & up	\$350/day & up			
				Notes: The City reserves the right to approve public parking lot rentals on a case by case basis as well as charge for parking during special events.					
				Labor Fees					
Special Events: Labor		192	101-4-3070-676-02	Police Officer	53/hr	53/hr			
		192	101-4-3070-676-02	Police Sergeant	67/hr	67/hr			
		192	101-4-3070-676-02	Police Lieutenant	69/hr	69/hr			
		192	101-4-3070-676-02	Dispatcher	69/hr	69/hr			
		192	101-4-3070-676-02	Dispatch Supervisor	87/hr	87/hr			
		192	101-4-3070-676-02	Dispatch	35/hr	35/hr			
		192	101-4-3390-676-01	Firefighter	36/hr	36/hr			
		192	101-4-3390-676-01	Firefighter Officer	43/hr	43/hr			
			101-4-4420-676-04	DPS Operator ST	34/hr	34/hr			
			101-4-4420-676-04	DPS Operator OT	51/hr	51/hr			
			101-4-4420-676-04	DPS Operator DT	68/hr	68/hr			
			101-4-4420-676-04	DPS Supervisor ST	40/hr	40/hr			
			101-4-4420-676-04	DPS Supervisor OT	60/hr	60/hr			
			101-4-4420-676-04	DPS Supervisor DT	80/hr	80/hr			
Special Events: Administrative Services				Administrative Services					
			101-4-4420-676-04	Parade Route	81	81			
			101-4-4420-676-04	Traffic Control Plan	81	81			
			101-4-4420-676-04	Walk/Run Route	81	81			
			101-284-08	Special Event Applicant shall reimburse the City for all actual costs incurred by the Ypsilanti Department of Public Works and Police Department related to the event as determined no later than 14 days prior to the event during pre-event meeting. (employee and equipment costs shall be reimbursed at hourly rate +10% (non-profit events) or +15% (for-profit events)]					

Dept./Div.	Ordinance Sec. No.	Shortcut Code for Treasury	G/L ACCT #	Type of Fee	2016/17 Fee (\$)	Proposed 2017/18 Fee (\$)			Notes
Special Events: Equipment				Equipment: Police & Fire					
		192	101-4-3070-676-02	Mobile Command	11.44	11.44			
		192	101-4-3070-676-02	Police Cruiser	8.09	8.09			
		192	101-4-3390-676-01	Class 1 Engine	450	450			
		192	101-4-3390-676-01	Aerial Truck	650	650			
		192	101-4-3390-676-01	Support Vehicle	150	150			
				Equipment: Department of Public Services					
			101-4-4410-676-03	Custom Temp No Parking Signs Includes Date & Time (per bundle of 10)		25.00 per 10			
			101-4-4410-676-03	Barricades - small		4.00/Day			
			101-4-4410-676-03	Barricades - large (for street closures)		15.00/Day			
			101-4-4410-676-03	Traffic Cones 18" or 25"		2.00/Day			
			101-4-4410-676-03	Traffic Cones 42"		3.00/Day			
			101-4-4410-676-03	Road Signs		8.00/Day			
			101-4-4410-676-03	Car - Crown Vic		9.28/Hr			
			101-4-4410-676-03	Arrowboard (V #2)		5.04/Hr			
			101-4-4410-676-03	Snow Blower (V #3)		3.34/Hr			
			101-4-4410-676-03	Stake Truck (V #131)		8.58/Hr			
			101-4-4410-676-03	Pickup Truck (V #101)		8.48/Hr			
	192		101-4-4410-676-03	Small Dump truck (V #104)		8.58/Hr			
	192		101-4-4410-676-03	Large Dump truck-no plow (V #109 no plow)		42.84/Hr			
			101-4-4410-676-03	Pickup Truck with Aerial Lift (V #122)		13.36/Hr			
	192		101-4-4410-676-03	Trailer (V-117)		6.12/Hr			
	192		101-4-4410-676-03	Weed Whip (V #423)		3.42/Hr			
	192		101-4-4410-676-03	Mower (V 448)		23.33/Hr			
	192		101-4-4410-676-03	Sweeper (V #142)		95.05/Hr			
	192		101-4-4410-676-03	Loader (V #129)		62.86/Hr			
	192		101-4-4410-676-03	Rear Packet Truck (V#603)		25.54/Hr			
	192		101-4-4410-676-03	Bobcat (V#128)		46.06/Hr			
			101-4-4410-676-03	Bobcat with Palled Fork (V# 128A)		51.05/Hr			
			101-4-4410-676-03	Bobcat with Jackhammer (V# 128B)		55.90/Hr			
			101-4-4410-676-03	Bobcat with Backhoe (V# 128C)		49.02/Hr			
			101-4-4410-676-03	Bobcat with Stump Grinder (V#128D)		90.03/Hr			
			101-4-4410-676-03	Bobcat with Snow Pusher Blade & One way Blade (V# 128E)		175.94/Hr			
			101-4-4410-676-03	Bobcat with Auger bit 24" (V# 128F)		52.10/Hr			
			101-4-4410-676-03	Bobcat with Tree Auger (V# 128G)		52.10/Hr			
			101-4-4410-676-03	Bobcat with Grader (V# 128H)		57.85/Hr			
			101-4-4410-676-03	Bobcat with Soil Conditioner (V# 128I)		59.56/Hr			
			101-4-4410-676-03	Bobcat with Brush Hog (V# 128J)		58.50/Hr			
Special Events: Application and Permit Fees				Application and Permit Fees					
	10-268			Festival - Special Events use fees and Park Registration Fees (merged in 2009)					
	192		101-4-4420-676-03	Special Events Application Fee (nonrefundable)	25	25			
				Special Events Permit Fees (nonrefundable, due 14 days in advance)					
		192	101-4-4420-676-03	Class 4a events (alcohol, more than 10,000 participants)	500/day	500/day			
		192	101-4-4420-676-03	Class 4 events (more than 10,000 participants)	400/day	400/day			
		192	101-4-4420-676-03	Class 3a events (alcohol)	300/day	300/day			
		192	101-4-4420-676-03	Class 3 events	200/day	200/day			
		192	101-4-4420-676-03	Class 2 events	65	65			
		192	101-4-4420-676-03	Class 1 events	55	55			
	194		101-4-3070-476-01	Local Street Closure Permit (per street) (per day)	100	200			
	194		101-4-3070-476-01	Major Street Closure Permit (per street) (per day)	160	1000			
	192		101-4-4420-676-03	Recurring Event Permit	See Special Events Policy	See Special Events Policy			
	192		101-4-4420-676-03	Wedding Permit	See Special Events Policy	See Special Events Policy			
			101-4-3070-476-00	Noise Permit	20	20			
			101-4-3710-461-05	Sign/Banner Permit	28	28			
			101-4-4410-676-03	Banner fees (non-refundable, due 30 days in advance, must receive approval from business district association)	Actual Cost (2 hours min.)	Actual Cost (2 hours min.)			

Dept./Div.	Ordinance Sec. No.	Shortcut Code for Treasury	G/L ACCT #	Type of Fee	2016/17 Fee (\$)	Proposed 2017/18 Fee (\$)			Notes
Special Events: Security Deposit				Event Security deposit (refundable, due 14 days in advance)					
		192	101-284-03	Class 4a events (alcohol, more than 10,000 participants)	6000	6000			
		192	101-284-03	Class 4 events	5000	5000			
		192	101-284-03	Class 3a events (alcohol, less than 10,000 participants)	2000	2000			
		192	101-284-03	Class 3 events	1000	1000			
		192	101-284-03	Class 2 events	500	500			
		192	101-284-03	Class 1 events	100	100			
		192	101-284-03	Surety bond in lieu of damage deposit (subject to City Attorney approval)	10,000	10,000			
Special Events: Capital Park Improvement				Capital Park Improvement Fee					
				Class 1 events	0	0			
				Class 2 events	0	0			
			101-273-19 or 101-4-7170-607-03	Class 3 Events	250/day	250/day			
			101-273-19 or 101-4-7170-607-03	Class 3a events	1000/day	1000/day			
			101-273-19 or 101-4-7170-607-03	Class 4 events	1000/day	1000/day			
			101-273-19 or 101-4-7170-607-03	Class 4a events	1000/day	1000/day			
Special Events: Utilities				Utility Fee-Electric					
		192	101-4-4420-676-03	Class 4 events	\$100/Day	\$100/Day			
		192	101-4-4420-676-03	Class 3 events	\$100/Day	\$100/Day			
		192	101-4-4420-676-03	Class 2 events	25/Day	25/Day			
		192	101-4-4420-676-03	Class 1 events	25/Day	25/Day			
				Utility Fee-Water					
		192	101-4-4420-676-03	Class 4 events	50/Day	50/Day			
		192	101-4-4420-676-03	Class 3 events	50/Day	50/Day			
		192	101-4-4420-676-03	Class 2 events	15/Day	15/Day			
		192	101-4-4420-676-03	Class 1 events	15/Day	15/Day			
	10-271			Vendors requiring hard wiring electricity (Licensed electrician required to complete permit application. Work must be inspected by City Bldg. Dept.)	No Hard Wiring	No Hard Wiring			
Special Events: Trash & Site Restoration				Trash and Clean Up					
				Applicant(s) shall reimburse the City for actual costs of cleanup (including but not limited to Public Works employees) required if applicant fails to comply with cleanup agreement.(employee costs shall be reimbursed at hourly rate +10% overhead)					
			101-4-4420-676-04	Trash per cubic yard	30.00/cy	30.00/cy			
				Site Restoration					
			101-4-4420-676-04	Failure to restore site by 1:00 p.m. day following event	50/day	50/day			
			101-4-4420-676-04	City site restoration	\$150, plus labor and fringes	\$150, plus labor and fringes			
Medical Marijuana				Medical Marijuana					
	22-205	234	101-4-2150-456-03	Medical Marijuana Application	2500	5000			
	22-205	234	101-4-2150-456-03	License Revocation Appeal	1100				
	22-205	234	101-4-2150-456-03	Application Renewal	1100	5000			

Dept./Div.	Ordinance Sec. No.	Shortcut Code for Treasury	G/L ACCT #	Type of Fee	2016/17 Fee (\$)	Proposed 2017/18 Fee (\$)		Notes
Police/Fire: Cost Recovery for Emergency Services	38-135		Fire Emergency Response					
		144	101-4-3390-676-01	CLASS 1 ENGINE	450 with crew	450 with crew		
		144	101-4-3390-676-01	AERIAL TRUCK	650 with crew	650 with crew		
		144	101-4-3390-676-01	SUPPORT VEHICLE	150 with crew	150 with crew		
		144	101-4-3390-676-01	FIRE FIGHTER	36	36		
		144	101-4-3390-676-01	FIRE OFFICER	43	43		
		144	101-4-3390-676-01	FIRE INSPECTOR	43	43		
		144	101-4-3390-676-01	FMS Standby (2 FMTs)	\$80 / Hour	\$80 / Hour		
		144	101-4-3390-676-01	Fire Standby Pyrotechnic (includes inspection)	250	250		
		144	101-4-3390-676-01	Fire Display (includes inspection)	250	250		
		144	101-4-3390-676-01	Fire inspection	50	50		
		144	101-4-3390-676-01	Fire Investigation (Additional Fee if over 10 hours)	500	500		
		144	101-4-3390-676-01	Fire permits	50	50		
Police/Fire: Cost Recovery for Emergency Services	38-40		False Alarms and Illegal Burns					
		144	101-4-3070-676-02	Police				
				First occurrence in calendar year	Warning	Warning		
				Second occurrence in calendar year	100	100		
				Third occurrence in calendar year	200	200		
				Fourth occurrence in calendar year	300	300		
				Each additional occurrence in calendar year	Add \$100 to previous fine	Add \$100 to previous fine		
		144	101-4-3390-676-01	Fire				
				First occurrence in a calendar year	Warning	Warning		
				Second occurrence in a calendar year	200	200		
				Third occurrence in a calendar year	400	400		
				Fourth occurrence in a calendar year	600	600		
				Each additional occurrence in a calendar year	Add \$200 to previous fine	Add \$200 to previous fine		
	38-78		Incidents Involving Persons Driving Under The Influence					
			101-4-3070-601-01	OWI	155	155		
		101-4-3070-601-01	OWI with accident	205	205			
		101-4-3070-601-01	OWI with blood draw	230	230			
Police/Fire: Records and Reports			101-4-0000-607-05	Accident or incident report / Arson investigation report	Actual cost; See FOIA Policy	Actual cost; See FOIA Policy		
			101-4-0000-607-05	Police Report	Actual cost; See FOIA Policy	Actual cost; See FOIA Policy		
			101-4-0000-607-05	per additional page	Actual cost; See FOIA Policy	Actual cost; See FOIA Policy		
			101-4-0000-607-05	Local Records Check	Actual cost; See FOIA Policy	Actual cost; See FOIA Policy		
Police			Bicycle Registration Fees					
	102-34 (6.30(5))	212	101-4-3720-461-07	Bicycle registration fee	5.00	5.00		
	102-34 (6.30(6))	212	101-4-3720-461-07	Bicycle registration fee - change of ownership	5.00	5.00		
	102-34 (6.30(7))	212	101-4-3720-461-07	Bicycle registration fee - loss of license plate	5.00	5.00		
				Bike license	n/a	n/a		
				Transfer of bike license	n/a	n/a		

Dept./Div.	Ordinance Sec. No.	Shortcut Code for Treasury	G/L ACCT #	Type of Fee	2016/17 Fee (\$)	Proposed 2017/18 Fee (\$)			Notes
Police				Parking Fees		Within one day	Within 14 days	After 14 days	
	102-61 (a)	140	101-4-3110-607-10	Parking rates: per hour	0.75	0.75			
	102-61 (b)	140	101-4-3110-607-10	10 hour parking per hour	0.50	0.50			
	102-62			Impound Vehicles:					
		134	101-4-3110-607-09	Impound - private property	30.00	30.00			
		134	101-4-3110-607-09	Impound - police -tow-admin. fee	40.00	40.00			
	102-81 (a)	200	101-4-3110-656-00	Parking violations - failure to admit responsibility	15.00	15.00			
		200	101-4-3110-656-00	additional notice violation fee	25.00	25.00			
	102-82			Schedule of violation fees:					
		200	101-4-3110-656-00	Blockading: alley, sidewalk, crosswalk, driveway, emergency exit, fire escape, traffic	35.00	45.00	65.00	85.00	
		200	101-4-3110-656-00	Blockading: traffic	35.00	45.00	65.00	85.00	
		200	101-4-3110-656-00	Display advertising	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Displaying cars "for sale" on City property	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Improper parking	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking alongside/opposite street excavation	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking for over 48 hours	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking in Fire lane	30.00	40.00	60.00	80.00	
		200	101-4-3110-656-00	Parking in emergency snow route	125.00	135.00	155.00	175.00	
		200	101-4-3110-656-00	Parking in handicapped zone	100.00	110.00	130.00	150.00	
				Parking in prohibited zone, including bus stop, taxi stand and loading zone	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking left side to curb (except on one-way streets)	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking motor running, car unattended	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking not fully within metered space	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking of inoperative vehicle	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking on a bridge	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking on front or side lawn	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking on margin	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking on private property	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking on street during maintenance hours (2 am to 6 am)	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking opposite a fire station curb	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking over 12" from curb	25.00	35.00	55.00	75.00	
				Parking over legal limit:		30.00	50.00	70.00	
		200	101-4-3110-656-00	if paid at the City Treasurer's office before the end of the next business day following issuance	20.00. If not paid within 10 days, additional 30.00 added by court	20.00. If not paid within 10 days, additional 30.00 added by court			
		200	101-4-3110-656-00	Parking to wash/polish/grease/repair vehicle	25.00	35.00	50.00	70.00	
		200	101-4-3110-656-00	Parking w/o permit / residential permit required	50.00	60.00	80.00	100.00	
				Parking w/ expired meter:	10.00	20.00	30.00	50.00	
				By next business day	10.00	10.00			
				If paid within 14 days	15.00	15.00			
				After 14 days	25.00	25.00			
		200	101-4-3110-656-00	if paid at the City Treasurer's office before the end of the next business day following issuance					
		200	101-4-3110-656-00	Parking within 15 ft. of a fire hydrant	50.00	60.00	80.00	100.00	
		200	101-4-3110-656-00	Parking within 20 ft of a cross walk	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking within 200 ft of a crash scene	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking within 30 ft of stop sign	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking within 50 ft of R/R crossing	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking within 500 ft of a fire scene	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking: blocking fire hydrant	50.00	60.00	80.00	100.00	
		200	101-4-3110-656-00	Parking: double parking	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Parking: night parking in prohibited zone	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Safety zone and curb	25.00	35.00	55.00	75.00	
		200	101-4-3110-656-00	Selling merchandise from vehicle	50.00	60.00	80.00	100.00	
		200	101-4-3110-656-00	Unauthorized parking on city property	25.00	35.00	55.00	75.00	
				*** For all fees in this section: If defendant fails to admit responsibility within 10 days of the parking violation citation, a late fee of \$5 shall be assessed in addition to the fee specified. If it is necessary to issue a notice to the Defendant, costs of an additional \$5 violation fee shall be assessed.					

Dept./Div.	Ordinance Sec. No.	Shortcut Code for Treasury	G/L ACCT #	Type of Fee	2016/17 Fee (\$)	Proposed 2017/18 Fee (\$)			Notes
Police				Audio/Visual					
			101-4-3070-676-02	Photograph- Digital Print	Actual cost; See FOIA Policy	Actual cost; See FOIA Policy			
			101-4-3070-676-02	Photograph- Disk	Actual cost; See FOIA Policy	Actual cost; See FOIA Policy			
			101-4-3070-676-02	Photo processing (per photo)	Actual cost; See FOIA Policy	Actual cost; See FOIA Policy			
			101-4-3070-676-02	Audio disks (i.e., 911 calls)	Actual cost; See FOIA Policy	Actual cost; See FOIA Policy			
			101-4-3070-676-02	In-car camera video	Actual cost; See FOIA Policy	Actual cost; See FOIA Policy			
			101-4-3070-676-02	Station Video	Actual cost; See FOIA Policy	Actual cost; See FOIA Policy			
Police			101-4-3070-676-02	Processing cassette tapes/cds/dvds (per 15 minutes)	Actual cost; See FOIA Policy	Actual cost; See FOIA Policy			
				Misc. Police Fees					
		170	101-4-3070-456-01	Public vehicle license	30	30			
		170	101-4-3070-456-01	Replacement of valid public vehicle license	30	30			
			101-4-0000-694-01	Gold and silver registration (approval)	55	55			
			101-4-0000-694-01	Gold and silver registration (if denied)	35	35			
			101-4-0000-694-01	Preliminary Blood Testing (court ordered)	20	20			
				Fingerprinting (court ordered and liquor control only)	No Charge	No Charge			
			101-4-3070-676-02	Fingerprinting (Live scan)	65	65			
			101-4-3070-676-02	Fingerprinting (Ink prints)	20/card	20/card			
			101-4-2150-607-07	Gun purchase (first card)	0 (State law) \$10 for notarizing	0 (State law) \$10 for notarizing			
		218	101-4-3070-698-02	Processing bond money for other departments	10 (State law)	10 (State law)			
				24 hour Liquor License	n/a	n/a			



REQUEST FOR LEGISLATION **June 20, 2017**

TO: Mayor Edmonds and City Council

FROM: Darwin McClary, City Manager, Marilou Uy, Fiscal Services Director

Subject: Amended budget FY 2016-2017 and FY 2017-2018, and proposed millage rates for FY 2017-2018

DATE: June 20, 2017

Summary & Background: Pursuant to the City Charter, the amended budgets for FY 2016-2017 and FY 2017-2018 were presented to City Council on May 1, 2017. City Council held three budget work sessions in May, 2017, and one in June, 2017, to examine the budget in detail with Department Directors and Staff. Council will approve the budget on Tuesday, June 20, 2017 with agreed amendments discussed on June 13, 2017 and will approve further amendments per council request to review the fees and make revenue adjustments for FY 2017-18.

Attached are the amendments to the following funds approved by City Council:

General Fund (101)
Major Street Fund (202)
Local Street Fund (203)
Garbage & Rubbish Fund (226)
Downtown Development Authority (413)
Sidewalk Improvements (495)
Motorpool Fund (641)
Workers Compensation Fund (677)

Also attached are the amended fund balances of all funds and Budget Appropriation.

These updated amendments supersede, and take precedent over any and all amendments submitted and agreed to by City Council and Administration.

According to the City Charter, City Council must adopt the general fund and special revenue fund budgets by resolution and ordinance. Hence, two ordinances and resolutions are proposed for your approval to amend the FY 2016-17 and FY 2017-18 budgets. City Council must also adopt a tax levy ordinance and resolution, which sets the millage rate for Fiscal Year 2017-2018 at 33.5261 mills.

Recommended Action: It is recommended that City Council approve the amended budget for FY 2016-2017 and FY 2017-2018 budgets, and the proposed millage rates for FY 2017-2018 with the budget amendments as attached.

Attachments: Proposed tax levy ordinance and resolution, budget ordinance and resolution with amended budget FY 2016-2017 and FY 2017-2018 fund totals, budget amendments, amended fund balances for all funds, and fund appropriations worksheets

CITY MANAGER APPROVAL:_____

COUNCIL AGENDA DATE:_____

CITY MANAGER COMMENTS:

FINANCE DIRECTOR APPROVAL:_____



Resolution No. 2017 - 155
June 20, 2017

AMEND 2016-2017 & 2017-2018
FISCAL YEARS OPERATING BUDGET

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That an ordinance entitled, "An Ordinance to Amend Budget Appropriations by Department and Major Organizational Unit for the Fiscal Years 2016-2017 and 2017-2018", be approved on Second and Final Reading.

FUND NAME	FUND #	AMENDED BUDGET 2016-17		AMENDED BUDGET 2017-18	
		Revenues	Expenditures	Revenue	Expenditures
General Fund	101	14,464,655	14,464,655	13,663,447	13,663,447
Major Street	202	2,361,458	2,361,458	1,523,408	1,322,432
Local Street	203	614,931	610,164	622,190	622,190
Garbage and Rubbish Collection	226	927,887	927,887	956,711	956,711
Police Special Revenue	265	12,195	12,195	12,749	12,749
Depot Town Development Authority	275	115,072	115,072	123,042	97,901
2010 Gout Ref Bond \$3.83M	303	687,276	680,125	0	0
CDBG/Water St Activities	304	852,675	852,675	858,372	858,372
2002 GO Capital Improvement Debt	316	38,148	38,148	36,555	36,555
2012 UTGO Refunding Bond	342	680,394	672,693	834,735	833,130
2002B W&S Debt \$485 DWRF	364	34,125	34,125	33,375	33,375
Land Revolving	412	0	0	0	0
Down Town Development Authority	413	323,641	295,309	317,547	291,889
Capital Improvement	414	523,395	523,395	101,000	101,000
Economic Development Authority	415	33,488	33,488	33,940	33,940
2003D W&S \$3.5M	469	337,500	337,500	335,438	335,438
2003C WS&SW \$785K DWRF	471	48,500	48,500	47,500	47,500
2004 A Ser. DDA Cons \$995K	473	85,488	85,488	83,058	83,058
2004B WS& Sew \$6.3M	474	389,228	389,228	387,269	387,269
2006 GO LTD Tax Cap Ref	477	502,020	502,019	24,253	24,253
2006 WS & Sew Ref \$9.85	478	440,612	440,612	0	0
2007 W&W Rev DWRF \$375K	479	18,957	18,957	18,638	18,638

2008 W&S Disp. Rev \$435K	480	27,231	27,231	26,731	26,731
2009 W&S Bonds 7249-01	481	7,663	7,663	7,538	7,538
2012 W&S Factory Pump Station	482	190,685	190,685	182,250	182,250
2013 Revenue Refunding Bonds	483	1,437,737	1,437,737	1,227,600	1,227,600
Water Main DWRF 7320-01	485	29,116	29,116	28,616	28,616
2016 W&S Rev Refunding Bonds	486	9,765,380	9,765,380	315,100	315,100
Sidewalk Improvement	495	177,558	177,558	146,758	146,758
Public Transit	588	283,735	283,735	288,032	288,032
Motorpool	641	1,098,126	1,098,126	827,598	775,243
Worker's Compensation Fund	677	189,851	189,851	258,637	258,637
Fire and Police Pension	732	4,558,167	4,558,167	3,639,905	3,231,450
Retiree Benefits	736	1,394,108	1,364,768	1,602,710	1,602,710
Total		42,651,002	42,573,710	28,564,702	27,850,512

Further, that in accordance with Section 19(2) of Public Act 621 of 1978, also known as the Uniform Budgeting and Accounting Act, parameters are hereby given to allow transfers between appropriation accounts and within fund totals and within those activities within the control of each department.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:



Ordinance No. 1289

AN ORDINANCE TO AMEND BUDGET APPROPRIATIONS BY DEPARTMENT
AND MAJOR ORGANIZATIONAL UNIT FOR THE FISCAL YEARS
2016 – 2017 and 2017 - 2018

THE CITY OF YPSILANTI ORDAINS:

- Pursuant to the City Charter Section 5.06 (a), budget appropriations by department and major organizational unit are hereby approved as recommended by the Administration, as approved by City Council, and as shown below by fund and summary of amendments for the General Fund and other funds. Further, that in accordance with Section 19(2) of Public Act 621 of 1978, also known as the Uniform Budgeting and Accounting Act, parameters are hereby given to allow transfers between appropriation accounts and within fund totals and within those activities within the control of each department.

FUND NAME	FUND #	AMENDED BUDGET 2016-17		AMENDED BUDGET 2017-18	
		Revenues	Expenditures	Revenue	Expenditures
General Fund	101	14,464,655	14,464,655	13,663,447	13,663,447
Major Street	202	2,361,458	2,361,458	1,523,408	1,322,432
Local Street	203	614,931	610,164	622,190	622,190
Garbage and Rubbish Collection	226	927,887	927,887	956,711	956,711
Police Special Revenue	265	12,195	12,195	12,749	12,749
Depot Town Development Authority	275	115,072	115,072	123,042	97,901
2010 Gout Ref Bond \$3.83M	303	687,276	680,125	0	0
CDBG/Water St Activities	304	852,675	852,675	858,372	858,372
2002 GO Capital Improvement Debt	316	38,148	38,148	36,555	36,555
2012 UTGO Refunding Bond	342	680,394	672,693	834,735	833,130
2002B W&S Debt \$485 DWRF	364	34,125	34,125	33,375	33,375
Land Revolving	412	0	0	0	0
Down Town Development Authority	413	323,641	295,309	317,547	291,889
Capital Improvement	414	523,395	523,395	101,000	101,000
Economic Development Authority	415	33,488	33,488	33,940	33,940
2003D W&S \$3.5M	469	337,500	337,500	335,438	335,438
2003C WS&SW \$785K DWRF	471	48,500	48,500	47,500	47,500
2004 A Ser. DDA Cons \$995K	473	85,488	85,488	83,058	83,058

2004B WS& Sew \$6.3M	474	389,228	389,228	387,269	387,269
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2006 WS & Sew Ref \$9.85	478	440,612	440,612	0	0
2007 W&W Rev DWRF \$375K	479	18,957	18,957	18,638	18,638
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Water Main DWRF 7320-01	485	29,116	29,116	28,616	28,616
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Sidewalk Improvement	495	177,558	177,558	146,758	146,758
Public Transit	588	283,735	283,735	288,032	288,032
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Worker's Compensation Fund	677	189,851	189,851	258,637	258,637
Fire and Police Pension	732	4,558,167	4,558,167	3,639,905	3,231,450
Retiree Benefits	736	1,394,108	1,364,768	1,602,710	1,602,710
Total		42,651,002	42,573,710	28,564,702	27,850,512

2. Copies to be available. Copies of the ordinance are available at the office of the City Clerk for inspection by, and distribution to the public during normal business hours.
3. Publication and effective date: The City Clerk shall cause this Ordinance, or a summary of this Ordinance, to be published by printing the same in the Washtenaw Legal News. This Ordinance shall become effective after publication at the expiration of 30 days after adoption.

Made, passed and adopted by the Ypsilanti City Council this 20th day of June, 2017.

Amanda Edmonds, Mayor

Frances McMullan, City Clerk

ATTEST

I do hereby confirm that the above Ordinance No. 1289 was published in the Washtenaw Legal News on the 18th day of May, 2017.

Frances McMullan, City Clerk

CERTIFICATE OF ADOPTING

I hereby certify that the foregoing is a true copy of the ordinance passed at the regular meeting of the City Council held on the 20th day of June, 2017.

Frances McMullan, City Clerk



Resolution No. 2017 –156
June 20, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the proposed ordinance entitled "2017-2018 Tax Levy Ordinance", be approved on Second and Final Reading.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:



Ordinance No. 1290

2017-2018 TAX LEVY ORDINANCE

THE CITY OF YPSILANTI ORDAINS THAT:

A general operating millage rate of 18.7386 mills (.0187386 cents per \$1) of the Taxable Value, according to the assessment roll of the last preceding year is approved and authorized; and

The City Clerk is authorized to certify to the City Treasurer and City Assessor the total amount to be levied and restriction for the City of Ypsilanti is:

GENERAL OPERATING	18.7386
POLICE & FIRE PENSION	8.3643
SANITATION	2.7400
STREET IMPROVEMENT (Voted debt 2003 bonds and refunded in 2012)	2.7189
PUBLIC TRANSIT	0.9643
TOTAL	33.5261

Made, passed and adopted by the Ypsilanti City Council this 20th day of June, 2017.

Amanda Edmonds, Mayor

Frances McMullan, City Clerk



Ordinance No. 1290

2017-2018 TAX LEVY ORDINANCE

ATTEST

I do hereby confirm that the above Ordinance No.1290 was published in the Washtenaw Legal News on the 18th day of May, 2017.

Frances McMullan, City Clerk

CERTIFICATE OF ADOPTING

I hereby certify that the foregoing is a true copy of the ordinance passed at the regular meeting of the City Council held on the 20th day of June, 2017.

Frances McMullan, City Clerk

Public Hearing Notice

Published in Washtenaw Legal News in the May 18, 2017 edition

City of Ypsilanti
Summary of Changes in Fund Balances

Fund # Labels	Fund Name	ACTUAL 15-16	AMENDED BUDGET 16-17	AMENDED BUDGET 17-18
101	General Fund			
	Fund Balance, Beginning	8,184,181	5,812,522	5,243,380
	Budget Surplus(Deficit)	(2,371,664)	(569,142)	(77,481)
	General Fund Total	5,812,517	5,243,380	5,165,899
202	Major Street			
	Fund Balance, Beginning	1,913,082	1,137,737	626,844
	Budget Surplus(Deficit)	(775,344)	(510,893)	200,976
	Major Street Total	1,137,738	626,844	827,820
203	Local Street			
	Fund Balance, Beginning	896,440	941,086	945,853
	Budget Surplus(Deficit)	44,646	4,767	(1,951)
	Local Street Total	941,086	945,853	943,902
226	Garbage and Rubbish Collection			
	Fund Balance, Beginning		0	0
	Budget Surplus(Deficit)	0	0	0
	Garbage and Rubbish Collection Total	0	0	0
265	Police Special Revenue			
	Fund Balance, Beginning	81,533	89,242	85,100
	Budget Surplus(Deficit)	7,709	(4,142)	(7,246)
	Police Special Revenue Total	89,242	85,100	77,854
275	Depot Town Development Authority			
	Fund Balance, Beginning	233,024	238,386	232,700
	Budget Surplus(Deficit)	5,362	(5,686)	25,141
	Depot Town Development Authority Total	238,386	232,700	257,841
303	2010 Gout Ref Bond \$3.83M			
	Fund Balance, Beginning	59,299	72,539	79,690
	Budget Surplus(Deficit)	13,240	7,151	0
	2010 Gout Ref Bond \$3.83M Total	72,539	79,690	79,690
342	2012 UTGO Refunding Bond			
	Fund Balance, Beginning	91,344	106,236	113,937
	Budget Surplus(Deficit)	14,892	7,701	1,605
	2012 UTGO Refunding Bond Total	106,236	113,937	115,542
412	Land Revolving			
	Fund Balance, Beginning	73,367	0	0
	Budget Surplus(Deficit)	(73,367)	0	0
	Land Revolving Total	(0)	0	0
413	Down Town Development Authority			
	Fund Balance, Beginning	162,931	76,727	71,588
	Budget Surplus(Deficit)	(86,206)	(5,139)	25,658
	Down Town Development Authority Total	76,725	71,588	97,246
414	Capital Improvement			
	Fund Balance, Beginning	483,506	49,998	49,998
	Budget Surplus(Deficit)	(433,508)	0	0
	Capital Improvement Total	49,998	49,998	49,998

Fund # Labels	Fund Name	ACTUAL 15-16	AMENDED BUDGET 16-17	AMENDED BUDGET 17-18
415	Economic Development Authority			
	Fund Balance, Beginning	135,119	34,409	33,857
	Budget Surplus(Deficit)	(100,710)	(552)	(592)
	Economic Development Authority Total	34,409	33,857	33,265
477	2006 GO LTD Tax Cap Ref			
	Fund Balance, Beginning	2,077,722	2,377,486	1,899,550
	Budget Surplus(Deficit)	299,764	(477,936)	0
	2006 GO LTD Tax Cap Ref Total	2,377,486	1,899,550	1,899,550
482	2012 W&S Factory Pump Station			
	Fund Balance, Beginning	829,573	829,270	824,706
	Budget Surplus(Deficit)	(303)	(4,564)	0
	2012 W&S Factory Pump Station Total	829,270	824,706	824,706
483	2013 Revenue Refunding Bonds			
	Fund Balance, Beginning	1,828,725	1,827,003	1,625,140
	Budget Surplus(Deficit)	(1,722)	(201,863)	0
	2013 Revenue Refunding Bonds Total	1,827,003	1,625,140	1,625,140
495	Sidewalk Improvement			
	Fund Balance, Beginning	269,755	321,230	244,755
	Budget Surplus(Deficit)	51,474	(76,475)	(45,784)
	Sidewalk Improvement Total	321,229	244,755	198,971
588	Public Transit			
	Fund Balance, Beginning	28,317	0	0
	Budget Surplus(Deficit)	(28,317)	0	0
	Public Transit Total	(0)	0	0
641	Motorpool			
	Fund Balance, Beginning	2,277,954	1,961,555	1,755,521
	Budget Surplus(Deficit)	(316,399)	(206,034)	52,355
	Motorpool Total	1,961,555	1,755,521	1,807,876
677	Worker's Compensation Fund			
	Fund Balance, Beginning	406,956	406,956	309,721
	Budget Surplus(Deficit)	89,768	(97,235)	(167,359)
	Worker's Compensation Fund Total	496,724	309,721	142,362
732	Fire and Police Pension			
	Fund Balance, Beginning	30,404,231	27,133,340	26,420,147
	Budget Surplus(Deficit)	(3,270,892)	(713,193)	408,455
	Fire and Police Pension Total	27,133,339	26,420,147	26,828,602
736	Retiree Benefits			
	Fund Balance, Beginning	1,312,329	1,430,138	1,459,478
	Budget Surplus(Deficit)	117,809	29,340	0
	Retiree Benefits Total	1,430,138	1,459,478	1,459,478
Grand Total		44,935,620	42,021,965	42,435,742

641-Motorpool Fund Balance is being adjusted to reflect Unrestricted Fund Balance net of Investment in Capital Assets. Depreciation expense was not budgeted but instead capital expenditures were recorded for budget purposes.

Fund #				
Labels	Fund Name	ACTUAL 15-16	AMENDED BUDGET 16-17	AMENDED BUDGET 17-18

City of Ypsilanti
Summary of Budget Shortfall

Fund #	Fund Name	ACTUAL 16	15- BUDGET 17	AMENDED 16- BUDGET 17	ORIGINAL 16- BUDGET 18	AMENDED 17- BUDGET 18
101	General Fund					
	Revenue	13,849,001	13,199,834	13,895,514	13,139,271	13,730,208
	Expenditure/Expenses	(16,220,665)	(14,722,840)	(14,464,656)	(13,784,745)	(13,807,689)
	General Fund Total	(2,371,664)	(1,523,006)	(569,142)	(645,474)	(77,481)
202	Major Street					
	Revenue	1,541,137	1,804,926	1,850,565	2,785,588	1,523,408
	Expenditure/Expenses	(2,316,481)	(2,085,347)	(2,361,458)	(2,868,491)	(1,322,432)
	Major Street Total	(775,344)	(280,421)	(510,893)	(82,903)	200,976
265	Police Special Revenue					
	Revenue	18,871	279	8,053	251	5,503
	Expenditure/Expenses	(11,162)	0	(12,195)	0	(12,749)
	Police Special Revenue Total	7,709	279	(4,142)	251	(7,246)
415	Economic Development Authority					
	Revenue	4,036	32,568	32,936	32,908	33,348
	Expenditure/Expenses	(104,746)	(33,318)	(33,488)	(33,717)	(33,940)
	Economic Development Authority Total	(100,710)	(750)	(552)	(809)	(592)
477	2006 GO LTD Tax Cap Ref					
	Revenue	3,931,617	13,563	24,083	13,239	24,253
	Expenditure/Expenses	(3,631,853)	(13,563)	(502,019)	(13,239)	(24,253)
	2006 GO LTD Tax Cap Ref Total	299,764	0	(477,936)	0	0
482	2012 W&S Factory Pump Station					
	Revenue	188,771	190,250	186,121	187,250	182,250
	Expenditure/Expenses	(189,074)	(190,250)	(190,685)	(187,250)	(182,250)
	2012 W&S Factory Pump Station Total	(303)	0	(4,564)	0	0
483	2013 Revenue Refunding Bonds					
	Revenue	1,255,395	1,245,900	1,235,874	1,239,600	1,227,600
	Expenditure/Expenses	(1,257,117)	(1,245,900)	(1,437,737)	(1,239,600)	(1,227,600)
	2013 Revenue Refunding Bonds Total	(1,722)	0	(201,863)	0	0
495	Sidewalk Improvement					
	Revenue	105,940	107,276	101,083	129,698	100,974
	Expenditure/Expenses	(54,466)	(182,897)	(177,558)	(175,385)	(146,758)
	Sidewalk Improvement Total	51,474	(75,621)	(76,475)	(45,687)	(45,784)
641	Motorpool					
	Revenue	681,943	727,755	892,092	705,574	827,598
	Expenditure/Expenses	(998,342)	(1,180,817)	(1,098,126)	(1,218,603)	(775,243)
	Motorpool Total	(316,399)	(453,062)	(206,034)	(513,029)	52,355
677	Worker's Compensation Fund					
	Revenue	176,016	108,497	92,616	102,810	91,278
	Expenditure/Expenses	(86,248)	(292,776)	(189,851)	(202,793)	(258,637)
	Worker's Compensation Fund Total	89,768	(184,279)	(97,235)	(99,983)	(167,359)
732	Fire and Police Pension					
	Revenue	1,328,296	4,353,897	3,844,974	4,407,570	3,639,905
	Expenditure/Expenses	(4,599,188)	(4,199,952)	(4,558,167)	(4,129,420)	(3,231,450)
	Fire and Police Pension Total	(3,270,892)	153,945	(713,193)	278,150	408,455

The Following Funds will be subject to Fund Appropriations. Funds with a budget shortfall will be using its Fund Reserve or Fund Balance for the year. These Funds are projected to have more Expenditures and Other Financing Uses than expected Revenues and Other Financing Sources.

GENERAL FUND (101)								
BUDGET ADJUSTMENTS APPROVED ON FIRST READING 6/6/17 AND ADDITIONAL AMENDMENTS								
6/20/2017								
			FY 2016-17			FY 2017-18		
ACCOUNT #	ACCOUNT NAME	DESCRIPTION	FROM (M3)	TO (C3)	EFFECTS	FROM (M4)	TO (C4)	EFFECTS
101-4-0000-699-91	General Fund Unadjusted Appropriation				(685,428)			(66,616)
101-4-0000-574-04	SSS Liquor Licenses	Increased in revenues	18,181	19,000	819			
101-4-1910-664-00	Interest Earnings	Increased in revenues	68,000	73,832	5,832			
101-4-2530-462-00	Residential Parking Permits	Increased in revenues	33,000	35,000	2,000			
101-4-3070-476-01	Street Closing Permits	Increased in revenues	2,600	4,200	1,600			
101-4-3070-676-02	Cost Reimbursement	Reduction in SRO revenue from Apr to June 2017	111,000	90,586	(20,414)			
101-4-3110-656-00	Parking Ticket Revenues	Increased in revenues	165,000	190,000	25,000			
101-4-3390-676-01	Cost Reimbursements-YFD	Increased in revenues	17,000	20,000	3,000			
101-4-3710-461-00	Building Permits	Increased in revenues	150,000	162,000	12,000			
101-4-3710-461-01	Electrical Permits	Increased in revenues	24,000	30,000	6,000			
101-4-3710-461-02	Heating Permits	Increased in revenues	45,000	50,000	5,000			
101-4-3710-461-03	Plumbing Permits	Increased in revenues	41,000	50,000	9,000			
101-4-3720-607-06	Property Maint Abatement Fees	Increased in revenues	33,000	38,000	5,000			
101-4-3730-607-11	Admin Hearing Bureau	Increased in revenues	44,000	45,000	1,000			
101-4-4420-676-03	Special Events App & Utilities	Increased in revenues	11,000	13,500	2,500			
101-4-4420-676-05	Pub Parking lot /Space Rental	Increased in revenues	1,750	2,800	1,050			
101-4-7170-607-03	Park Capital Improv. Heritage	Increased in revenues	9,250	11,000	1,750			
101-4-7210-477-00	HDC Application	Moved HDC application Rev to Planning				-	5,000	5,000
101-4-7311-580-00	LSRRF Grant Reimbursement	Adjust revenue to match expenses				100,000	50,000	(50,000)
101-4-8030-477-00	HDC Application	Moved HDC application Rev to Planning				5,000	-	(5,000)
101-7-1720-714-08	Health Care costs - Blue Cross	Correct health care cost budget	11,539	23,457	(11,918)	12,000	3,096	8,904
101-7-1720-799-00	Computer/Equipment Non Capital	Reduced City Manager computer cost	2,181	1,231	950			
101-7-1910-714-08	Health Care costs - Blue Cross	Correct health care cost budget	33,048	30,899	2,149	34,701	48,424	(13,723)
101-7-1910-799-00	Computer/Equipment Non Capital	Delay equipment purchase	2,500	-	2,500	2,500	-	2,500
101-7-2150-714-08	Health Care costs - Blue Cross	Correct health care cost budget	20,535	11,885	8,650	22,000	21,630	370
101-7-2621-714-08	Health Care costs - Blue Cross	Correct health care cost budget	7,000	5,853	1,147	8,000	6,180	1,820
101-7-2650-714-08	Health Care costs - Blue Cross	Correct health care cost budget	5,100	6,166	(1,066)			
101-7-2650-714-08	Health Care costs - Blue Cross	Adjust health care cost budget				5,800	6,120	(320)
101-7-2650-818-00	General Contract	Reduced contractual services	71,306	69,700	1,606	71,306	69,700	1,606
101-7-2650-818-02	Contractual - City Hall	Delay equipment purchase	9,500	-	9,500	25,000	-	25,000
101-7-2650-818-04	Contractual - Fire Department	Fire gas tank, crack seal, garage door repair	1,176	3,281	(2,105)	-	169,540	(169,540)
101-7-2650-818-06	Contractual - Parkridge Community Center	Alarm system	825	1,403	(578)	-	1,403	(1,403)
101-7-2650-818-07	Contractual - Senior Center	Alarm System	113	306	(193)	-	306	(306)
101-7-2700-714-08	Health Care costs - Blue Cross	Correct health care cost budget	5,480	7,186	(1,706)	15,450	15,454	(4)
101-7-3050-714-08	Health Care costs - Blue Cross	Correct health care cost budget	16,765	17,519	(754)	30,117	32,960	(2,843)
101-7-3070-706-00	Permanent Wages-Salaries	3 police officers cost adjustment				1,486,651	1,536,216	(49,565)
101-7-3070-714-02	Workers Compensation	3 police officers cost adjustment				29,443	28,198	1,245
101-7-3070-714-05	Social Security & Medicare	3 police officers cost adjustment				30,441	28,662	1,779
101-7-3070-714-07	20% Heath care premium	3 police officers cost adjustment				(71,098)	(60,404)	(10,694)
101-7-3070-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	213,000	194,260	18,740	245,000	184,369	60,631
101-7-3070-714-13	EHIM Wraps Claims	3 police officers cost adjustment				32,000	25,816	6,184
101-7-3070-714-14	EHIM Wrap Fees	3 police officers cost adjustment				5,000	4,262	738
101-7-3070-714-15	EHIM Scripts	3 police officers cost adjustment				76,000	63,946	12,054
101-7-3070-714-17	Dental	3 police officers cost adjustment				25,000	21,234	3,766
101-7-3070-799-00	Computer/Equipment Non Capital	Adjust Computers replacement cost	13,185	13,640	(455)			
101-7-3070-799-00	Computer/Equipment Non Capital	Delayed purchase of shotguns, rifles and			-	53,943	43,143	10,800
101-7-3110-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	32,872	32,688	184	37,802	34,615	3,187
101-7-3390-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	163,221	160,504	2,717	187,704	168,239	19,465
101-7-3710-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	37,121	38,046	(925)	42,689	40,170	2,519
101-7-4410-714-08	Health Care costs - Blue Cross	Adjust health care cost budget				1,755	1,852	(97)
101-7-4420-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	2,800	3,099	(299)	3,100	3,271	(171)
101-7-4442-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	7,000	8,848	(1,848)	8,000	8,442	(442)
101-7-7170-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	13,000	15,286	(2,286)	14,000	14,774	(774)
101-7-7210-706-00	Permanent Wages-Salaries	Combined salaries of Historic District			-	225,022	230,022	(5,000)

101-7-7210-707-00	Temporary Wages	Restore temp wages that was omitted erroneously			-	5,000	23,177	(18,177)
101-7-7210-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	24,408	23,356	1,052	28,000	22,664	5,336
101-7-9670-999-04	Transfer Out (226) Garbage Fund	Adjust dund transfers to 226	92,192	94,226	(2,034)	109,425	111,622	(2,197)
Budget Adjustments					84,165			(157,352)
General Fund Adjusted Shortfall-Approved on First Reading on 6/6/2017					(601,263)			(223,968)
Budget adjustments agreed by Council on 6/13/2017:								
101-4-3730-607-11	Admin Hearing Bureau	Increase revenue				35,000	130,450	95,450
101-7-3730-819-01	Lien Processing Fees	Title search \$175 & Recording \$30				-	46,740	(46,740)
101-4-3110-656-00	Parking Ticket Revenues	Additional parking ticket revenue				150,000	318,747	168,747
101-7-3070-706-00 to 721-00	Wages & Fringes	One Officer added back				-	95,000	(95,000)
101-4-3390-676-01	Cost Reimbursement-YFD	Increased in revenues	20,000	27,000	7,000	-	-	-
101-4-7520-674-01	Donation from Mr. Barfield for PCC	Increased in revenues per MOU - 50% of oper. Exp.	-	25,122	25,122	-	26,532	26,532
101-7-3070-799-00	Computer Equipment-Non Capital	Parking handheldeEquipments				-	2,500	(2,500)
Sub-total - budget adjustments agreed by council on 6/13/2017					32,122			146,489
General Fund Adjusted Shortfall after Council amendments on 6/13/2017					(569,141)			(77,479)
Additional budget adjustments for discussions, approval, deferral, and rejection:								
101-4-0000-402-00	Current Property Taxes	Decrease in revenue due to	5,499,034	5,485,611	(13,423)			
101-4-0000-447-01	Administrative Fees	Amend budget due to increased in ytd revenues	221,734	230,188	8,454			
101-4-1910-664-00	Interest Earnings	Amend budget due to increased in ytd revenues	73,832	84,000	10,168			
101-4-2150-456-03	Medical Marijuana License	Increased in revenues due to increased in fees				11,000	50,000	39,000
101-4-2530-462-00	Residential Parking Permits	Increased in revenues due to increased in fees				38,000	57,300	19,300
101-4-3710-461-00	Building Permits	Amend budget due to increased in ytd revenues	162,000	172,000	10,000			
101-4-3710-461-00	Building Permits	Increased in revenues due to increased in fees				150,000	158,000	8,000
101-4-3710-461-08	Certificate of Compliance	Amend budget due to increased in ytd revenues	100,000	105,000	5,000			
101-4-3720-607-06	Property Maint Abatement Fees	Amend budget due to increased in ytd revenues	38,000	51,166	13,166			
101-4-4410-676-03	Cost Rembursement-DPW	Increased in revenues due to increased in fees				8,000	10,000	2,000
101-4-7170-694-01	Miscellaneous Revenues	Amend budget due to increased in ytd revenues	18,000	10,995	(7,005)			
101-4-3390-676-01	Cost Reimbursement-YFD	Increased in revenues due to increased in fees				17,000	20,000	3,000
101-7-2653-818-00	Contractual Services	Removed design engineering of Penn Dam Remediation				53,000		53,000
Sub-total					26,360			124,300
General Fund Adjusted (Shortfall) and Surplus after Council amendments on 6/20/2017					(542,781)			46,821
Defer/hold/for further discussions:								
101-7-9670-999-13	Computer/Equipment-Non Capital	BodyCamera acct # 414-7-9370-987-40						(13,344)
101-7-7210-706-01	Salary-DDA Stipend	Eliminate Stipend						29,000
101-7-3050-958-00	Membership & Dues	Police Accreditation						(7,000)
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MAJOR STREETS								
BUDGET ADJUSTMENTS								
6/6/2017								
ACCOUNT #	ACCOUNT NAME		FY 2016-17			FY 2017-18		
			FROM (M3)	TO (C3)	EFFECTS	FROM (M4)	TO (C4)	EFFECTS
202-4-0000-699-91	Major Street Unadjusted Appropriation				(526,972)			203,531
202-7-4411-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	9,229	1,307	7,922	4,226	4,460	(234)
202-7-4470-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	7,831	4,468	3,363	6,311	6,660	(349)
202-7-4640-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	8,995	7,159	1,836	9,349	9,866	(517)
202-7-4660-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	2,303	943	1,360	2,431	2,565	(134)
202-7-4690-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	5,558	6,189	(631)	5,797	6,117	(320)
202-7-4720-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	7,200	7,061	139	6,800	7,176	(376)
202-7-4740-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	3,238	3,818	(580)	3,366	3,552	(186)
202-7-4780-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	2,699	1,911	788	3,366	3,552	(186)
202-7-4860-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	630	419	211	542	572	(30)
202-7-4870-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	72	-	72	37	39	(2)
202-7-4880-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	198	196	2	253	267	(14)
202-7-4910-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	1,080	265	815	804	848	(44)
202-7-4940-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	18	12	6	15	16	(1)
202-7-4970-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	360	227	133	448	473	(25)
202-7-4971-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	360	-	360	347	366	(19)
202-7-5030-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	283	-	283	2,150	2,269	(119)
Budget Adjustments					16,079			(2,555)
Major Street Fund Adjusted Shortfall			-	-	(510,893)	-	-	200,976
Additional budget adjustmens for discussions and approval:								
202-4-9059-699-99	Misc. Revenue from WCPRC-0.50 Road Mills	Amend budget due to increased in ytd revenues	122,000	148,542	26,542			
Major Street Fund Adjusted (Shortfall) and Surplus after Council amendments on 6/20/2017					(484,351)			200,976
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LOCAL STREETS								
BUDGET ADJUSTMENTS								
6/6/2017								
			FY 2016-17			FY 2017-18		
ACCOUNT #	ACCOUNT NAME	DESCRIPTION	FROM (M3)	TO (C3)	EFFECTS	FROM (M4)	TO (C4)	EFFECTS
203-4-0000-699-91	Local Street Unadjusted Appropriation				0			0
203-7-4411-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	2,719	-	2,719	4,937	5,210	(273)
203-7-4470-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	2,697	2,010	687	2,132	2,250	(118)
203-7-4640-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	8,995	7,432	1,563	8,415	8,880	(465)
203-7-4660-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	1,619	619	1,000	1,683	1,776	(93)
203-7-4690-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	4,677	5,422	(745)	4,675	4,933	(258)
203-7-4720-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	8,096	7,906	190	8,041	8,485	(444)
203-7-4740-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	2,699	3,591	(892)	2,431	2,565	(134)
203-7-4780-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	2,519	2,249	270	2,992	3,157	(165)
203-7-9053-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	166	191	(25)			
Budget Adjustments					4,767			(1,951)
Local Street Fund Adjusted Shortfall			-	-	4,767	-	-	(1,951)

GARBAGE & RUBBISH FUND								
BUDGET ADJUSTMENTS								
6/6/2017								
			FY 2016-17			FY 2017-18		
ACCOUNT #	ACCOUNT NAME	DESCRIPTION	FROM (M3)	TO (C3)	EFFECTS	FROM (M4)	TO (C4)	EFFECTS
226-4-0000-699-01	Transfer from General Fund				(92,192)			(109,425)
226-7-5210-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	1,227	1,256	(29)	5,812	6,133	(321)
226-7-5213-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	90	104	(14)	93	98	(5)
226-7-5281-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	17,631	19,169	(1,538)	17,764	18,746	(982)
226-7-5282-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	10,254	10,394	(140)	10,284	10,852	(568)
226-7-5283-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	5,937	6,250	(313)	5,797	6,117	(320)
Budget Adjustments					(2,034)			(2,197)
Garbage & Rubbish Fund Adjusted Shortfall					(94,226)			(111,622)

DOWNTOWN DEVELOPMENT AUTHORITY								
BUDGET ADJUSTMENTS								
6/6/2017								
			FY 2016-17			FY 2017-18		
ACCOUNT #	ACCOUNT NAME	DESCRIPTION	FROM (M3)	TO (C3)	EFFECTS	FROM (M4)	TO (C4)	EFFECTS
413-7-7230-	UNADJUSTED SURPLUS				13,331			4,132
413-4-7231-699-92	UNADJUSTED FB APPROPRIATION				(33,470)			(19,235)
413-4-7230-694-01	Miscellaneous Revenue	Increase Revenues	-	15,000	15,000			
413-7-7231-818-00	CONTRACTUAL SERVICES	Eliminate contractual budget				40,761	-	40,761
Budget Adjustments					15,000			40,761
413-7-7230-	UNADJUSTED SURPLUS				28,331			4,132
413-4-7231-699-92	UNADJUSTED FB APPROPRIATION				(33,470)			21,526
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SIDEWALK IMPROVEMENT FUND								
BUDGET ADJUSTMENTS								
6/6/2017								
			FY 2016-17			FY 2017-18		
ACCOUNT #	ACCOUNT NAME	DESCRIPTION	FROM (M3)	TO (C3)	EFFECTS	FROM (M4)	TO (C4)	EFFECTS
495-4-0000-699-91	UNADJUSTED FB APPROPRIATION				(76,823)			(45,629)
495-7-4441-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	450	102	348	2,805	2,960	(155)
Budget Adjustments					348			(155)
Sidewalk Improvement Fund Adjusted Shortfall					(76,475)			(45,784)
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**MOTORPOOL FUND
BUDGET ADJUSTMENTS**

6/6/2017

ACCOUNT #	ACCOUNT NAME	DESCRIPTION	FY 2016-17			FY 2017-18		
			FROM (M3)	TO (C3)	EFFECTS	FROM (M4)	TO (C4)	EFFECTS
641--4-0000-699-91	UNADJUSTED (SHORTFALL) SURPLUS				(207,682)			53,672
641-4-1910-664-00	Interest Earnings	Increased revenues	8,553	9,300	747			-
641-4-9330-686-00	Insurance Reimbursements	One time reimbursement	0	2,249	2,249			
641-7-9320-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	14,346	16,451	(2,105)	12,556	13,250	(694)
641-7-9330-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	623	729	(106)	0	0	-
641-7-9340-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	0	0	-	0	0	-
641-7-9350-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	13,601	12,758	843	11,219	11,839	(620)
641-7-9360-714-08	Health Care costs - Blue Cross	Adjust health care cost budget	54	34	20	56	59	(3)
Budget Adjustments					1,648			(1,317)
Sidewalk Improvement Fund Adjusted Shortfall					(206,034)			52,355
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WORKERS COMPENSATION FUND								
BUDGET ADJUSTMENTS								
6/6/2017								
			FY 2016-17			FY 2017-18		
ACCOUNT #	ACCOUNT NAME	DESCRIPTION	FROM (M3)	TO (C3)	EFFECTS	FROM (M4)	TO (C4)	EFFECTS
677-4-0000-699-91	UNADJUSTED FB APPROPRIATION				97,235			(161,015)
677-7-8740-725-01	WC PREMIUM-COUNCIL	Adjust MML workers compensation premium				89	91	(2)
677-7-8740-725-02	WC PREMIUM-GENERAL GOVERNMENT	Adjust MML workers compensation premium				8,675	8,965	(290)
677-7-8740-725-03	WC PREMIUM-STREET	Adjust MML workers compensation premium				18,105	18,709	(604)
677-7-8740-725-04	WC PREMIUM-PUBLIC SERVICE	Adjust MML workers compensation premium				3,992	4,126	(134)
677-7-8740-725-05	WC PREMIUM-SANITATION	Adjust MML workers compensation premium				32,519	33,604	(1,085)
677-7-8740-725-08	WC PREMIUM-FIRE	Adjust MML workers compensation premium				55,517	57,370	(1,853)
677-7-8740-725-09	WC PREMIUM-BUILDING	Adjust MML workers compensation premium				7,288	7,532	(244)
677-7-8740-725-10	WC PREMIUM-POLICE	Adjust MML workers compensation premium				61,728	63,790	(2,062)
677-7-8740-725-11	WC PREMIUM-RUTHERFORD POOL	Adjust MML workers compensation premium				1,519	1,570	(51)
677-7-8740-725-12	WC PREMIUM-PARKRIDGE	Adjust MML workers compensation premium				568	587	(19)
	Budget Adjustments				0			(6,344)
	Workers Compensation Fund Adjusted Shortfall				97,235			(167,359)
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REQUEST FOR LEGISLATION

June 20, 2017

To: Mayor and Council

From: Darwin D. P. McClary, City Manager

Subject: CLOSED SESSION – COLLECTIVE BARGAINING STRATEGY SESSION FOR
AFSCME, POAM, COAM, AND IAFF

SUMMARY & BACKGROUND:

As council is aware, the collective bargaining agreements for all four of the city's bargaining units expire on June 30, and administration is engaged in collective bargaining with IAFF, COAM, POAM, and AFSCME. Administration is requesting to convene into closed session with council to discuss collective bargaining strategy pursuant to the Michigan Open Meetings Act.

RECOMMENDED ACTION: To convene into closed session for the purpose of considering collective bargaining strategy pursuant to the Michigan Open Meetings Act, MCL 15.268(c).

ATTACHMENTS: None

CITY MANAGER APPROVAL: _____ DDPM

COUNCIL AGENDA DATE: 06/20/17

CITY MANAGER COMMENTS:

FISCAL SERVICES DIRECTOR APPROVAL: _____



Resolution No. 2017 - 157
June 20, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the collective bargaining agreements for all four of the City of Ypsilanti's bargaining units expire on June 30, 2017; and

WHEREAS, it is necessary for the City Council and city administration to meet and confer periodically in closed session on collective bargaining strategy;

NOW THEREFORE BE IT RESOLVED BY THE CITY OF YPSILANTI that the City Council does hereby approve convening into closed session pursuant to Section 8(c) of the Michigan Open Meetings Act, Public Act 267 of 1976, being MCL 15.268(c), for the purpose of strategy sessions connected with the negotiation of the AFSCME, POAM, COAM, and IAFF contracts.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:



Resolution No. 2017-158
June 20, 2017

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

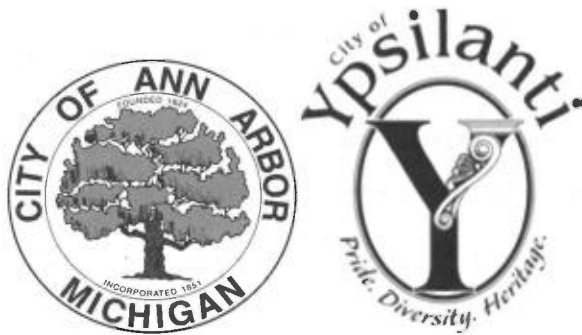
That the City Council Meeting be adjourned, on call, by the Mayor or two (2) members of Council.

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:

TAX INCREMENT FINANCING AND DEVELOPMENT PLAN
FOR THE
ANN ARBOR/YPSILANTI SMARTZONE LOCAL DEVELOPMENT FINANCE AUTHORITY



Adopted by Ann Arbor/Ypsilanti SmartZone LDFA	10/02/02
Adopted by City of Ann Arbor	11/19/02
Adopted by City of Ypsilanti	11/20/02
Ratified by the State Treasurer	12/18/02

Amendment No. 1
Adopted by Ann Arbor/Ypsilanti SmartZone LDFA
Adopted by City of Ann Arbor
Adopted by City of Ypsilanti
Ratified by the State Treasurer

Table of Contents

Section I. Introduction.....	4
Section II. Tax Increment Financing Plan Under PA 281 of 1986	8
(1)(a) Reason Captured Assessed Value Would Not Be Expected Without the TIFP	9
(1)(b) and (c) Estimate of Captured Assessed Value and Tax Increment Revenues	10
Table 1 Estimated Tax Increment Revenue	11
(1)(d) Tax Increment Procedure	11
(1)(e) Note or Bonded Indebtedness	13
(1)(f) Amount of Operating & Planning Expenditures	14
(1)(g) Cost of Plan Anticipated to be Paid from TIF Revenue	17
(1)(h) Duration of the Plan	18
(1)(i) Impact of TIF on Revenues of Taxing Jurisdictions	18
(1)(j) Legal Description of Property to Which the TIFP Applied	18
(1)(k) Jobs Created	18
(1)(l) Boundaries	19
Section III. Development Plan	20
2(a) and (b) Property Description and Boundaries	22
(2)(c) Location and Description of Existing Property	22
(2)(d) and (e) Public Facilities and Anticipated Improvements	23
(2)(f) Planned Construction	23
(2)(g) Property Sales, Donation, Exchange or Lease	24
(2)(h) Desired Zoning, Streets, Intersections, and Utilities Changes	24
(2)(i) Public Facility Cost	24
(2)(j) and (k) Lease, Sell, Convey or Transfer Public Facilities	24
(2)(l) through (o) Displaced Residents	25
(2)(p) Other Pertinent Information	25
APPENDICES INDEX	26
Appendix A Ann Arbor/Ypsilanti SmartZone Map	
Appendix B Legal Description/Boundaries of the Ann Arbor/Ypsilanti SmartZone LDFA	

Appendix C Satellite Agreement between Cities of Ann Arbor and Ypsilanti and the Adrian/Tecumseh
LDFA

Appendix D Ann Arbor/Ypsilanti SmartZone Agreement Amendment No. 1

Appendix E Ann Arbor/Ypsilanti SmartZone Agreement

Appendix F Resolutions of Approval

City of Ann Arbor

City of Ypsilanti

LDFA of the Cities of Adrian and Tecumseh

LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE
CITIES OF ANN ARBOR AND YPSILANTI
COUNTY OF WASHTENAW
STATE OF MICHIGAN

TAX INCREMENT FINANCING AND DEVELOPMENT PLAN
FOR THE ANN ARBOR/YPSILANTI SMARTZONE
AS AMENDED

Section I. Introduction

The State of Michigan, through PA 248 of 2000, has established the SmartZone program designed to foster the development of high technology enterprises through commercialization of university technologies and the establishment of new firms. The SmartZone program facilitates the capture of certain taxes for use by a Local Development Finance Authority (LDFA) to create or promote the development and attraction of high-technology activities to the designated SmartZone. The legislation allows the captured funds to be used to develop business incubators, improve property and market the area to attract high-tech businesses. SmartZones have a competitive advantage over other economic development programs in that they require partnerships that link business development and location with the technologies and technology transfer functions of the state's universities.

In October, 2000, the Ann Arbor Downtown Development Authority submitted a proposal for SmartZone status on behalf of the cities of Ann Arbor and Ypsilanti (the "Cities"), and a variety of partners, including: Washtenaw Development Council, University of Michigan, Eastern Michigan University, Ann Arbor and Ypsilanti Downtown Development Authorities, Small Business Development Center and Ann Arbor IT Zone. The proposal was designed to enhance existing efforts in high technology business formation and attraction being undertaken by the SBDC, universities and the IT Zone.

On April 11, 2001, the Michigan Economic Development Corporation announced that this proposal had received SmartZone status – one of eleven designated across the state.

Public Act 281 of 1986, as amended, governs SmartZone designation specifically, by Public Act 248 of 2000. This legislation allows a community designated by the MEDC as a SmartZone to establish an LDFA, which may, in cooperation with the MEDC and the incorporating municipality(ies) implement a "certified technology park", to be known by the term "SmartZone." Within a SmartZone, the LDFA may utilize tax increment financing to develop eligible projects within the SmartZone, in accordance with PA 281 of 1986, as amended. These projects are further subject to the 'Development Agreement' between the LDFA and the Michigan Economic Development Corporation (MEDC).

PA 248 of 2000 also anticipated the creation of multi-jurisdictional SmartZones, such as those proposed by Ann Arbor/Ypsilanti. The creation of a multi-jurisdictional SmartZone also required

the approval of the County of Washtenaw. The Ann Arbor/Ypsilanti SmartZone plan was adopted by the City of Ann Arbor and City of Ypsilanti on June 27, 2002 and the County of Washtenaw on July 17, 2002. A map of the SmartZone LDFA is attached as Appendix A.

PA 290 of 2012, Section 2.(jj) (ii) (ii) (B) allows for a municipality that has created a certified technology park that has entered into an agreement with another authority that does not contain a certified technology park to designate a distinct geographic area under section 12b, that authority that has created the certified technology park and the associated distinct geographic area may both capture under this sub-subparagraph for an additional period of 15 years as determined by the state treasurer and the president of the Michigan economic development corporation.

Recognizing the opportunities provided by PA 290 of 2012, the Cities of Ann Arbor and Ypsilanti ("the Cities"), as host cities for the Ann Arbor/Ypsilanti SmartZone LDFA ("Host Cities") separately adopted resolutions affirming the continuing public purpose of the Ann Arbor/Ypsilanti SmartZone LDFA to facilitate the development and support of new and existing technology-led businesses within the Authority and partnering with a Satellite SmartZone LDFA for greater regional collaboration. On recommendation by the Authority, the Cities approved the selection of the Adrian/Tecumseh LDFA as a Satellite SmartZone, citing the following criteria as the basis of their selection:

- The selection of Adrian/Tecumseh LDFA as a satellite provides unique characteristics and specialties through its public and private resources including the location of Adrian College, Siena Heights University and Jackson College within its TIF District and the opportunities for research partnerships and student/young entrepreneur involvement.
- The selection of the Adrian/Tecumseh LDFA as a satellite provides regional cooperation and collaboration benefits to the Authority and the Cities of Ann Arbor and Ypsilanti with joint focuses on technology (including expanding green technologies and agricultural technology) and entrepreneurial services.
- The selection of the Adrian/Tecumseh LDFA as a satellite provides value and support to the Authority by strengthening existing collaboratives, making available a new/expanded technical assistance and support through its Innovation Center at Adrian College, and agricultural and manufacturing resources.

On September 2, 2014, the Cities of Ann Arbor and Ypsilanti entered into an agreement with the Adrian/Tecumseh LDFA, attached as Appendix C, creating another SmartZone associated with the distinct geography of Adrian and Tecumseh in Lenawee County. The Agreement between the Cities and the Satellite LDFA, which incorporates the proposed Adrian/Tecumseh Executive Summary of its SmartZone Plan, includes provisions agreeing to the identification of legislative criteria required by MCL 125.2162(b) ("Legislative Criteria") in the Satellite SmartZone Plan specifically:

- Identify the unique characteristics and specialties offered by the public and private resources available in the Satellite SmartZone.
- Identify the benefits to regional cooperation and collaboration.

- Identify how the Satellite SmartZone adds value to the mission of the Host (e.g., Cities) SmartZone.

In order to best utilize its resources, the Adrian/Tecumseh SmartZone will focus its efforts on industries with high potential for utilizing at least one of the area's core competencies. The following technology areas have been identified as having particular strengths in the Adrian/Tecumseh Area:

- Agriculture: food processing, ethanol fuel production, bio-diesel fuel production
- Advanced Manufacturing
- Chemical manufacturing and plastics technologies
- Renewable/green technologies/water purification technologies

These areas of focus extend opportunities for employment in additional technology sectors of the Ann Arbor/Ypsilanti SmartZone and offer additional collaborative opportunities with research and development at the University of Michigan and Eastern Michigan Universities.

This Plan amends the Tax Increment Financing and Development Plan dated October 2, 2002 ("2002 Plan") to expand Plan expenditures within initial district and beyond within the territory constituting of the Cities of Ann Arbor and Ypsilanti in support of these communities and their regional partners and extend the term of the Plan an additional 15 years after the initial term ends. The amendments on use of funds will be implemented effective with the approval of the extension starting in fiscal year 2018 of the current TIF and Plan period.

One goal of this amendment is to permit and provide programs specifically for economic growth in the City of Ypsilanti. To accomplish this, the following edits are considered made to the 2002 Plan:

- Effective with this amendment, starting in fiscal year 2018, for both the remaining duration of the 2002 Plan and the duration of the new Plan, up to 10% of annual TIF capture will be allocated toward Ypsilanti-related programs.
- Section III(1) of the 2002 Plan is hereby amended such that the definition of 'eligible property' will now also include SPARK East located at 215 W. Michigan Avenue, Ypsilanti, Michigan. Under this amendment, 'eligible property' may now also include other facilities within the city limits of Ann Arbor and Ypsilanti.

Other goals of this amendment include permitting the SmartZone to utilize grants and donations for collaborative opportunities, allowing TIF proceeds to fund talent recruitment/retention programs, and the installation of technology related infrastructure. The SmartZone will immediately discontinue issuing new microloans and will wind-down the existing portfolio by allowing existing loans to be repaid under their existing terms without an early prepayment request from the LDFA. The amendment also modifies bonding language to permit the SmartZone to enter into agreements with the municipalities.

This Tax Increment Financing Plan ("TIFP") provides a summary of the methods that will be used to fund Ann Arbor/Ypsilanti SmartZones programs. As outlined in the TIFP, funding for projects

will be generated through tax increment financing ("TIF"), grants, local cooperation, and other funding eligible under Section 10 of PA 281.

The first year of TIF capture was Ann Arbor's FY2004. Since that time the captured proceeds have been focused on efforts that support company creation and thereby increase employment levels. These activities include providing business acceleration services, supporting a business incubator, creating networking opportunities, leading talent attraction/retention efforts, and providing marketing. In future years, the SmartZone anticipates expanding activities into the City of Ypsilanti, which was previously not permitted, along with continuing the aforementioned activities in Ann Arbor. Each year the LDFA Board considers how best to achieve its objective and adjusts how it spends the TIF capture to reflect current trends and opportunities.

The original TIF plan projected cumulative TIF capture of \$21 million in the initial 15 years through FY2018. The writers of the plan estimated *"that 700 jobs may be created as a direct and indirect result of these activities";* and *"the adoption of this Plan will provide capital needed for the facilitation of the commercialization of research products being developed at University of Michigan and Eastern Michigan University, and the development of private high technology enterprises that, but for this Plan, would be deferred, or located outside of the Cities and this State."* During the first 13 years of the Plan, 646 net new jobs of the 700 jobs forecasted in the 2002 Plan have been created by companies served; companies that have succeeded in establishing themselves in the marketplace and stayed in the State. These same companies have received about \$61.7 million in grant funding and \$248 million of private investment. 657 companies have been served with only 18 moving out of State and 213 moving outside the LDFA boundary but staying within the State. Both the TIF capture amounts and the job creation results are consistent with and on track with the original Plan.

The additional 15 years is projected to capture approximately \$66 million in TIF. The Ypsilanti designated area will receive up to 10% of the TIF capture to extend services to this portion of the SmartZone, which to date has not been able to take advantage of the Development Plan.

Over the course of the additional 15-year SmartZone extension, a total of 464 companies could be created, 1,161 tech companies could be served, and 1,606 jobs could be created. An average of \$23 million per year could be raised by these companies, cumulating over \$345 million of grants and private equity.

To recap, the original plan projected TIF capture of \$21 million to support the creation of 700 jobs. Through 2016, \$16 million has been captured and 646 jobs created. In the remaining years of the original plan \$5.3 million is expected to be captured and the jobs created should exceed the goal of 700. The 15-year extension period is expected to capture \$66 million and create 1,606 jobs.

Section II. Tax Increment Financing Plan Under PA 281 of 1986

This TIFP will authorize the capture of certain tax increment revenues by the LDFA for purposes of funding the elements included in the plan. PA 281 of 1986, as amended, establishes and defines the activities that may be undertaken with such a plan. The Ann Arbor/Ypsilanti SmartZone TIFP follows the statutory requirements of PA 281, specifically Section 12(1)(a) through (l) as stated below:

- (1) If the board determines that it is necessary for the achievement of the purposes of this act, the board shall prepare and submit a Tax Increment Financing Plan to the governing body. The plan shall be in compliance with PA 281, Section 13 and shall include a Development Plan as provided in Section 15. The plan shall also contain the following:
 - (a) A statement of the reasons that the plan will result in the development of captured assessed value that could not otherwise be expected. The reasons may include, but are not limited to, activities of the municipality, authority, or others undertaken before formulation or adoption of the plan in reasonable anticipation that the objectives of the plan would be achieved by some means.
 - (b) An estimate of the captured assessed value for each year of the plan. The plan may provide for the use of part or all of the captured assessed value or, subject to subsection (3), of the tax increment revenues attributable to the levy of any taxing jurisdiction, but the portion intended to be used shall be clearly stated in the plan. The board or the municipality creating the authority may exclude from captured assessed value a percentage of captured assessed value as specified in the plan or growth in property value resulting solely from inflation. If excluded, the plan shall set forth the method for excluding growth in property value resulting solely from inflation.
 - (c) The estimated tax increment revenues for each year of the plan.
 - (d) A detailed explanation of the tax increment procedure.
 - (e) The maximum amount of note or bonded indebtedness to be incurred, if any.
 - (f) The amount of operating and planning expenditures of the authority and municipality, the amount of advances extended by or indebtedness incurred by the municipality, and the amount of advances by others to be repaid from tax increment revenues.
 - (g) The costs of the plan anticipated to be paid from tax increment revenues as received.
 - (h) The duration of the Development Plan and the tax increment plan.

- (i) An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is or is anticipated to be located.
- (j) A legal description of the eligible property to which the Tax Increment Financing Plan applies or shall apply upon qualification as eligible property.
- (k) An estimate of the number of jobs to be created as a result of implementation of the tax increment financing plan.
- (l) The proposed boundaries of a certified technology park to be created under an agreement proposed to be entered into pursuant to section 12a, or of a certified alternative energy park to be created under an agreement proposed to be entered into pursuant to section 12c, or of a next Michigan development area designated under section 12e, an identification of the real property within the certified technology park, the certified alternative energy park, or the next Michigan development area to be included in the Tax Increment Financing Plan for purposes of determining tax increment revenues, and whether personal property located in the certified technology park, the certified alternative energy park, or the next Michigan development area is exempt from determining tax increment revenues.

The responses to PA 281 of 1986, as amended, Sections 12(1)(a) through (l) are addressed here:

(1)(a) Reason Captured Assessed Value Would Not Be Expected Without the TIFP

The Plan, as amended and extended, will continue to provide funding needed for the facilitation of the commercialization of research products being developed at University of Michigan, Eastern Michigan University, and other community institutions, and the development of private high technology enterprises that, but for this Plan, would be deferred or located outside of the Cities and this State. The activities detailed in the Development Plan, and financed by this LDFA, will induce the growth and retention of technology-led economic development, benefiting residents with new opportunities and increasing property values to taxing jurisdictions in the region. The experience gleaned during the initial 15-year term disclosed evolving gaps in the areas of second and third stage company support.

The extension also leverages collaborating with the Adrian/Tecumseh SmartZone. The Adrian/Tecumseh SmartZone is focused on the areas of:

- Agriculture: food processing, ethanol fuel production, bio-diesel fuel production
- Advanced Manufacturing
- Chemical manufacturing and plastics technologies
- Renewable/green technologies/water purification technologies

These areas of focus extend opportunities for employment in additional technology sectors of the Ann Arbor/Ypsilanti SmartZone and offer additional collaborative opportunities with research and development at the University of Michigan and Eastern Michigan University.

The Adrian/Tecumseh SmartZone satellite is an extension of the partnership enjoyed by the Region 9 Economic Collaborative, which includes Washtenaw and Lenawee along with four other counties. Lenawee's substantial agriculture and manufacturing capacity is a valuable compliment to Ann Arbor's science and academia. Leveraging the unique assets of each partner will create opportunities for innovation and growth in the identified focus areas and further enhance the collaboration that already exists between our communities.

(1)(b) and (c) Estimate of Captured Assessed Value and Tax Increment Revenues

In fiscal year 2003, the LDFA established the tax capture base from which incremental growth would be captured. The initial taxable value of the LDFA District in fiscal year 2003 was \$248,052,105.

Upon final approval by MEDC, the LDFA will capture tax dollars for an additional fifteen (15) years, beyond the original fiscal year 2003-2018 approved term, which would commence with levies imposed for fiscal year 2019 through the levies imposed in fiscal year 2033.

Under the 2002 Plan, the LDFA does not capture property taxes within the City of Ypsilanti. The LDFA captures 50% of the operating millage of local school districts and 50% of the State Education Tax levied upon the Captured Property in the City of Ann Arbor. Under the amended Plan starting in fiscal year 2018, the LDFA would continue to not capture property taxes within the City of Ypsilanti. The LDFA will capture 50% of the operating millage of local school districts and 50% of the State Education Tax levied upon the Captured Property in the City of Ann Arbor through fiscal year 2018 and twenty-five percent (25%) for all incremental growth in captured value after fiscal 2018. The amended Plan will exclude the hold harmless portion of the local school millage in order to ensure there is no direct impact to local school district funding from the LDFA tax capture.

The SmartZone LDFA District overlaps the development areas of the Downtown Development Authority in both Ann Arbor and Ypsilanti. Each DDA captures tax increment revenues from the captured taxable values of their respective development areas, and is expected, for the purposes of this Plan, to continue to do so to the maximum extent permitted by law and their respective tax increment financing and development plans.

Table 1 shows the estimated dollar amounts of captured tax increment revenue that is anticipated to be realized under this Plan. The State capture does not and will not exceed the local capture during the life of the Plan.¹

¹ Method of calculation discussed between the Cities and Jim Mills, Michigan Dept. of Treasury.

Table 1 Estimated Tax Increment Revenue

Original / Extension	Fiscal	Taxable	Incremental	Tax Capture		
Year	Year	Value ⁽¹⁾	Value	School Oper ⁽²⁾	SET ⁽²⁾	Total
15	2018	\$ 598,029,122	\$ 349,977,017	\$ 2,690,761	\$ 1,059,239	\$ 3,750,000
1	2019	\$ 621,950,287	\$ 373,898,182	\$ 2,744,399	\$ 1,080,326	\$ 3,824,725
2	2020	\$ 646,828,298	\$ 398,776,193	\$ 2,792,424	\$ 1,099,202	\$ 3,891,626
3	2021	\$ 672,701,430	\$ 424,649,325	\$ 2,842,369	\$ 1,118,834	\$ 3,961,203
4	2022	\$ 699,609,488	\$ 451,557,383	\$ 2,894,313	\$ 1,139,250	\$ 4,033,563
5	2023	\$ 727,593,867	\$ 479,541,762	\$ 2,948,335	\$ 1,160,483	\$ 4,108,818
6	2024	\$ 756,697,622	\$ 508,645,517	\$ 3,004,518	\$ 1,182,565	\$ 4,187,083
7	2025	\$ 786,965,527	\$ 538,913,422	\$ 3,062,947	\$ 1,205,531	\$ 4,268,478
8	2026	\$ 818,444,148	\$ 570,392,043	\$ 3,123,714	\$ 1,229,415	\$ 4,353,129
9	2027	\$ 851,181,914	\$ 603,129,809	\$ 3,186,911	\$ 1,254,255	\$ 4,441,166
10	2028	\$ 885,229,190	\$ 637,177,085	\$ 3,252,637	\$ 1,280,088	\$ 4,532,725
11	2029	\$ 920,638,358	\$ 672,586,253	\$ 3,320,991	\$ 1,306,955	\$ 4,627,946
12	2030	\$ 957,463,892	\$ 709,411,787	\$ 3,392,080	\$ 1,334,896	\$ 4,726,976
13	2031	\$ 995,762,448	\$ 747,710,343	\$ 3,466,012	\$ 1,363,955	\$ 4,829,967
14	2032	\$ 1,035,592,946	\$ 787,540,841	\$ 3,542,902	\$ 1,394,176	\$ 4,937,078
15	2033	\$ 1,077,016,663	\$ 828,964,558	\$ 3,622,866	\$ 1,425,607	\$ 5,048,473
Total						\$ 65,772,956

⁽¹⁾ Assume a 4% annual increase, which is consistent with the original plan (2% new construction/2% growth).

⁽²⁾ Applying applicable millage rates to the Incremental Value in this table will not equal the Projected Tax Capture. This is due to the fact that various types of personal property are now exempt from taxation at various levels, depending upon property classification. For School Operating tax, real property and utility personal property are captured at 9 mills, and commercial personal property is captured at 3 mills. Additionally, the LDFA has a negative capture for utility personal property in FY15. For SET, real and personal property less industrial personal property, are captured at 3 mills. The LDFA has negative industrial personal property capture in FY15, which increases capture of SET (see Michigan Department of Treasury Form 2604 (rev. 2/09), Step 5, Worksheet A, Line 5A).

(1)(d) Tax Increment Procedure

Tax increment financing allows a local government, through a SmartZone LDFA, to finance public improvements and economic development by capturing the property taxes levied on any increase in property values of all real and personal property that is within the SmartZone and that has been made subject to the tax increment revenue calculation (Captured Property) in that district. Under a TIFP, a base year is established for the development district, resulting in an "Initial Assessed Value." The amount by which the aggregate Current Taxable Value of Captured Property exceeds its Initial Taxable Value in any one year is the "Captured Taxable Value" of the SmartZone. Act

281 of 1986 governs the tax increment finance procedure. These procedures outlined below are effective as of the date of adoption of this Plan, but are subject to any changes imposed by future amendments to Act 281.

The LDFA established a tax capture base in fiscal year 2003, when the LDFA agreement was implemented. The amended and extended Plan will continue to utilize this base. The only change in the amended tax increment procedures is to exclude hold harmless millages from capture. This change is being made to ensure that under existing law, the local school district funding is not directly impacted.

In each year the Plan is in effect, the "Current Taxable Value" of Captured Property is determined. For fiscal year 2018, the total taxable value is \$598,029,122. Increases in assessed values of Captured Property that result in the generation of tax increment revenue can be attributable to any of the following sources:

- New construction / investment / renovations occurring after date establishing the Initial Assessed Value.
- Expiring IFT
- Increases in property values that occur for any other reason

As a SmartZone, tax increment revenues authorized to be captured under this Plan from Captured Property may be used, subject to required approvals of MEDC, to assure conformance with PA 281, as amended.

As discussed above, the SmartZone LDFA District overlaps the DDA districts created in both Ann Arbor and Ypsilanti. In Ann Arbor, its DDA captures tax increment revenues attributable to all taxing authorities except local school districts, intermediate school districts and the State Education Tax. The Ypsilanti DDA currently captures from all taxing authorities including the taxes attributable to local school district operating millages, intermediate school district and the State Education Tax. After fiscal year 2015, the Ypsilanti DDA will no longer capture school taxes since pre-1994 debt will be paid-off. No taxes in Ypsilanti will be captured that are not captured by the DDA. These captures of tax increment revenues by the DDAs will be exempted from the annual calculations of the tax increment revenues available to be captured by the LDFA under this Plan. Additionally, the intermediate school district tax capture has been exempted from this Plan; as such revenue supports direct student services, and is not subject to per pupil reimbursement from the State School Aid Fund.

Tax Increment Revenues captured under the 2002 Plan were utilized solely in Ann Arbor, the community in which they were collected. The amended and extended Plan will allow for the expenditure of Tax Increment Revenues from the Ann Arbor District throughout the SmartZone LDFA District to the extent provided for and for the purposes stated in the amended Plan.

Tax Increment Revenues in excess of the actual costs of this Amended Plan to be paid from Tax Increment Revenues will be considered surplus under Act 281. Unless retained for further implementation of the Development Plan set forth in Section III pursuant to a resolution of the

LDFA, surplus tax increment revenues must revert proportionately to the respective taxing jurisdictions from which collected.

Approval of the TIF and Development Plans, and any amendment thereto (excluding amendments solely for revisions in estimates of captured assessed value and tax increment revenue), must be obtained following the notice, hearing, and disclosure provisions. The City Councils of Ann Arbor and Ypsilanti will each respectively hold a public hearing on the plans and shall provide a reasonable opportunity to the taxing jurisdictions levying taxes subject to capture to express their views and recommendations. The Ann Arbor/Ypsilanti SmartZone LDFA shall fully inform the taxing jurisdictions about the fiscal and economic implications of the proposed plans. The taxing jurisdictions may present their recommendations at the respective public hearings. Notice of the time and place of each City Council's public hearing shall be published twice in a newspaper of general circulation in the respective City, the first of which shall not be less than 20 days before the date set for the hearing. At the public hearing, the respective City Council shall provide an opportunity for interested persons to be heard and shall receive and consider communications in writing with reference to the TIF and Development Plans. Each City Council shall make and preserve a record of the public hearing, including data presented at that time. The City Clerks of Ann Arbor and Ypsilanti shall provide copies to the other of the public hearing records. The City Councils of Ann Arbor and Ypsilanti shall determine whether the plans constitute a public purpose and shall approve, reject, or modify the plans. Once the plans are approved by each City Council, they will be reviewed and approved by the MEDC and the State Treasurer.

The City of Ann Arbor Treasurer shall levy captured millages upon Captured Property. The Treasurer shall collect these taxes and distribute them to the LDFA. The City of Ypsilanti shall follow the same procedures in the event the Plan is amended to approve tax capture in the Ypsilanti district.

(1)(e) Note or Bonded Indebtedness

Subject to the requirements and restriction of State law, an LDFA may participate in the authorization, issuance, and sale of notes or bonds. The exact type of note or bond to be issued will be decided by the LDFA and the respective City Council as the occasion arises. The original plan did not anticipate any issuance of notes and/or bonds and required the adoption of a plan amendment to do so. Notwithstanding the LDFA's statutory authorization to issue revenue bonds, this amended plan recognizes that it is agreed by the LDFA and the Cities that no revenue bonds will be authorized for issuance by the LDFA during the term of the Plan. However, the LDFA may enter into an agreement with Ann Arbor or the Cities to pay debt service from bonds issued by Ann Arbor or the Cities to the extent the bonds are utilized to meet the permissible expenditures under the Development Plan.

The LDFA, by its statutory authority and subject to the restrictions set forth above, may issue tax increment bonds, borrow funds from any source, or negotiate credit lines. It may also accept grants, donations, and other sources of revenue. In the event notes or bonded indebtedness are incurred by the LDFA, the full faith and credit of the Cities may be pledged to support such indebtedness in the manner and subject to the approval required by Act 281 of 1986, as amended.

(1)(f) Amount of Operating & Planning Expenditures

As the LDFA determines, expenses related to operating, administration, planning, and those expenditures allowed by PA 281 of 1986, as amended, are expenditures for 'public facilities' for which tax increment revenues may be used, and will be budgeted and approved by the LDFA and the Cities for payment from tax increment financing revenues.

For the life of the TIFP, including any approved extension, it is anticipated that the LDFA will contract with the City of Ann Arbor and/or an organization providing economic development services, to support the operation of the LDFA. The City will continue to provide financial management, audit and required reporting as well as secretarial services, including preparation and follow up for all LDFA meetings, posting of meeting times and locations, and required planning and administration to assure the execution of the LDFA's adopted plans. In the event the Ypsilanti portion of the LDFA begins to generate revenue in support of the SmartZone, the same provision will apply to the Ypsilanti-portion of the SmartZone, with the City of Ypsilanti providing financial management for that funding. Operating and planning expenses of the LDFA that are to be directly supported with tax increment revenues of the LDFA are anticipated not to exceed 20% of the LDFA annual tax increment revenues.

A summary breakdown of actual expenditures versus the 2002 Plan estimated expenditures for each year of the TIFP is below as Table 2. The breakdown of estimated expenditures for each year of the TIFP additional 15-year term is below as Table 3. These expenditures are currently expected to consist of the same type of expenditures incurred during the 2002 Plan original term. Additional expenditures may be deemed necessary based on expanded regional partnerships and will be reviewed with the LDFA Board as appropriate.

Table 2: Operating and Planning Expenditures

Ann Arbor - Ypsilanti SmartZone LDFA

BUDGET

Expenditures	Fiscal Year															
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Existing Plan - Assumed																
Accelerator																
LDFA		\$ 50,000	\$ 100,000	\$ 300,000	\$ 350,000	\$ 400,000	\$ 512,500	\$ 512,500	\$ 512,500	\$ 512,500	\$ 512,500	\$ 512,500	\$ 512,500	\$ 512,500	\$ 512,500	\$ 512,500
Other		\$ 500,000	\$ 600,000	\$ 875,000	\$ 975,000	\$ 1,075,000	\$ 612,500	\$ 725,000	\$ 725,000	\$ 725,000	\$ 725,000	\$ 725,000	\$ 725,000	\$ 725,000	\$ 725,000	\$ 725,000
Entrepreneurs of Tomorrow Program																
Marketing		\$ 12,000	\$ 12,000	\$ 10,000	\$ 15,000	\$ 20,000	\$ 25,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
LDFA		-	\$ 25,000	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Other		\$ 25,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Telecommunications Connectivity ¹		\$ 30,000	\$ 80,000	\$ 40,000	\$ 100,000	\$ 200,000	\$ 250,000	\$ 300,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Administration ³		\$ 36,672	\$ 56,762	\$ 88,000	\$ 123,093	\$ 160,431	\$ 200,685	\$ 229,498	\$ 278,258	\$ 310,682	\$ 356,748	\$ 392,657	\$ 430,002	\$ 468,840	\$ 509,111	\$ 551,240
Total LDFA Expenditures	\$ -	\$ 118,672	\$ 273,762	\$ 443,000	\$ 598,098	\$ 790,431	\$ 998,185	\$ 1,096,998	\$ 1,350,758	\$ 1,383,182	\$ 1,429,248	\$ 1,465,157	\$ 1,502,502	\$ 1,541,340	\$ 1,581,733	\$ 1,623,740
Total LDFA Revenues (Existing Plan/Proposed)	\$ 133,358	\$ 283,808	\$ 443,332	\$ 443,332	\$ 615,489	\$ 802,153	\$ 1,003,427	\$ 1,147,491	\$ 1,391,288	\$ 1,553,410	\$ 1,783,741	\$ 1,963,284	\$ 2,150,008	\$ 2,334,202	\$ 2,546,163	\$ 2,756,202
Contribution to Fund Balance ²	\$ -	\$ 14,686	\$ 10,046	\$ 332	\$ 17,391	\$ 11,722	\$ 5,242	\$ 50,493	\$ 40,530	\$ 170,228	\$ 354,493	\$ 498,127	\$ 647,506	\$ 792,862	\$ 964,430	\$ 1,132,462
Existing Plan - Actual																
Accelerator																
Entrepreneur Education (bootcamp)	\$ -	\$ 250,109	\$ 254,000	\$ 254,000	\$ 223,500	\$ 410,680	\$ 401,422	\$ 661,948	\$ 575,616	\$ 763,361	\$ 977,893	\$ 963,623	\$ 965,328	\$ 1,165,576		
Marketing					\$ 39,950	\$ 40,000	\$ 55,150	\$ 52,000	\$ 52,681	\$ 60,129	\$ 68,870	\$ 74,115	\$ 68,271	\$ 80,268		
Business Networking Events					\$ 20,000	\$ 70,104	\$ 65,000	\$ 71,940	\$ 65,180	\$ 64,433	\$ 72,127	\$ 150,899	\$ 156,085	\$ 156,085		
SPARK Central Incubator						\$ 190,373	\$ 153,568	\$ 137,950	\$ 154,773	\$ 164,672	\$ 165,892	\$ 321,525	\$ 285,271	\$ 519,930		
Admin. (Legal & City Admin)					\$ 11,977	\$ 5,804	\$ 32,807	\$ 28,146	\$ 32,529	\$ 39,338	\$ 29,030	\$ 57,431	\$ 73,913	\$ 57,716		
SPARK Support (Accounting & Misc)					\$ 9,620		\$ 43,000	\$ 53,120	\$ 52,770	\$ 63,191	\$ 65,086	\$ 67,000	\$ 68,500	\$ 95,000		
Internship & Talent Training											\$ 55,851	\$ 114,012	\$ 189,159	\$ 226,186		
Business Software for Clients											\$ 7,330	\$ 16,497	\$ 21,189	\$ 17,361		
Angel Investment Group							\$ 12,500	\$ 24,987	\$ 12,490							
Micro Loan Program						\$ 60,000		\$ 275,000	\$ 400,000	\$ 275,000				\$ 100,000		
Collaboration Networking																
Cantillon Web Based Education					\$ 53,500	\$ 70,875	\$ 35,375	\$ 27,925	\$ 2,400							
MITC																
Total LDFA Expenditures	\$ 10,187,500	\$ 250,109	\$ 254,000	\$ 254,000	\$ 338,547	\$ 872,836	\$ 806,305	\$ 1,349,136	\$ 1,386,084	\$ 1,456,619	\$ 1,481,475	\$ 1,725,222	\$ 1,861,533	\$ 2,466,473		
Total LDFA Revenues (incl. Interest)	\$ 10,187,956	\$ 338,312	\$ 203,185	\$ 320,147	\$ 542,875	\$ 762,487	\$ 1,097,640	\$ 1,357,510	\$ 1,490,227	\$ 1,454,117	\$ 1,542,218	\$ 1,981,483	\$ 2,362,624	\$ 2,529,390		
Contribution to Fund Balance	\$ 456	\$ 88,203	\$ (50,815)	\$ 66,147	\$ 184,328	\$ (110,349)	\$ 291,335	\$ 8,374	\$ 104,143	\$ (2,502)	\$ 60,743	\$ 256,261	\$ 501,091	\$ 62,917		
Existing Plan - Actual vs Assumed (higher/lower)																
Accelerator	\$ -	\$ 200,109	\$ 154,000	\$ (46,000)	\$ (126,500)	\$ 10,680	\$ (111,078)	\$ 149,448	\$ 63,116	\$ 250,861	\$ 465,393	\$ 451,123	\$ 452,828	\$ 653,076		
Entrepreneur Education (bootcamp)		\$ (12,000)	\$ (10,000)	\$ (10,000)	\$ 24,950	\$ 20,000	\$ 30,150	\$ 22,000	\$ 17,681	\$ 25,129	\$ 33,870	\$ 39,115	\$ 33,271	\$ 45,268		
Marketing			\$ (25,000)	\$ (5,000)	\$ (10,000)	\$ 60,104	\$ 40,400	\$ 40,000	\$ 46,940	\$ 40,180	\$ 39,433	\$ 47,127	\$ 125,899	\$ 131,085		
Business Networking Events					\$ 20,000	\$ 25,000	\$ 22,083	\$ 23,060	\$ 30,885	\$ 25,748	\$ 47,090	\$ 38,892	\$ 38,892	\$ 48,351		
SPARK Central Incubator						\$ 190,373	\$ 153,568	\$ 137,950	\$ 154,773	\$ 164,672	\$ 165,892	\$ 321,525	\$ 285,271	\$ 519,930		
Admin. (Legal & City Admin)		\$ (26,672)	\$ (56,762)	\$ (88,000)	\$ (111,121)	\$ (154,627)	\$ (167,878)	\$ (201,352)	\$ (245,729)	\$ (271,344)	\$ (327,718)	\$ (335,226)	\$ (356,089)	\$ (411,124)		
SPARK Support (Accounting & Misc)					\$ 9,620		\$ 43,000	\$ 53,120	\$ 52,770	\$ 63,191	\$ 65,086	\$ 67,000	\$ 68,500	\$ 95,000		
Internship & Talent Training											\$ 55,851	\$ 114,012	\$ 189,159	\$ 226,186		
Business Software for Clients											\$ 7,330	\$ 16,497	\$ 21,189	\$ 17,361		
Angel Investment Group							\$ 12,500	\$ 24,987	\$ 12,490							
Micro Loan Program						\$ 60,000		\$ 275,000	\$ 400,000	\$ 275,000				\$ 100,000		
Collaboration Networking																
Cantillon Web Based Education					\$ 53,500	\$ 70,875	\$ 35,375	\$ 27,925	\$ 2,400							
Telecommunications Connectivity		\$ (30,000)	\$ (80,000)	\$ (40,000)	\$ (100,000)	\$ (200,000)	\$ (250,000)	\$ (300,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)		
MITC																
Total LDFA Expenditures	\$ 10,187,500	\$ 131,437	\$ (19,762)	\$ (189,000)	\$ (239,551)	\$ 82,405	\$ (191,880)	\$ 252,138	\$ 35,326	\$ 73,437	\$ 52,227	\$ 260,065	\$ 359,031	\$ 925,133		

1. To be utilized in conjunction with the outcomes of the Link Michigan planning initiative.

2. For new projects designed to further the goals of the SmartZone LDFA and/or to offset the impacts of recessionary periods.

3. Maximum, not-to-exceed costs; based on actual

Note: For planning purposes only. Both revenues and expenditures may differ significantly as implementation proceeds.

Table 3: Anticipated Tax Increment Revenues/Expenditures

Ann Arbor - Ypsilanti SmartZone LDFA													
PROPOSED													
Amended Budget	Projections												
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
TIF Capture (1)	\$3,170,000	\$3,750,000	\$3,824,725	\$3,891,626	\$3,961,203	\$4,033,563	\$4,108,818	\$4,187,083	\$4,268,478	\$4,353,129	\$4,441,166	\$4,532,725	\$4,627,946
Existing Expenditures													
Accelerator	\$1,529,868	\$1,522,795											
Entrepreneur Education (bootcamp)	110,000	50,000											
Marketing	150,000	200,000											
Business Networking Events/Sponsorships	45,000	145,000											
SPARK Central Incubator	228,000	242,000											
Admin. (Legal, City Admin)	54,300	67,600											
SPARK Support (Accounting & Misc)	104,000	117,000											
Internship & Talent Training	300,000	450,000											
Business Software for Clients	20,000	25,000											
Incubator Expansion	-	45,000											
Microloan Program (Winding Down)	(40,000)	(75,000)											
Consulting Services (LDFA)	30,000	170,000											
Mobility Support	-	102,000											
Talent Retention & Recruitment	-	-											
Utilization of Grants / Donations	-	-											
Installation of technology Related Infr.	-	-											
Total Non-Infrastructure Expenditures	\$2,531,168	\$3,061,395											
Proposed Expenditures for Existing Activities													
Growth (3% till 2026, after ramp down to 2%)	\$2,531,168	\$3,061,395	\$3,153,237	\$3,247,834	\$3,345,269	\$3,445,627	\$3,548,996	\$3,655,466	\$3,765,130	\$3,878,084	\$3,994,426	\$4,079,453	\$4,165,151
Ypsilanti Portion													
10% of capture	\$77,000	\$375,000	\$382,473	\$389,163	\$396,120	\$403,356	\$410,882	\$418,708	\$426,848	\$435,313	\$444,117	\$453,273	\$462,795
Telecommunications Connectivity													
Available for infrastructure, new initiatives, & recessions	-	\$313,605	\$289,016	\$254,629	\$219,814	\$184,580	\$148,940	\$112,909	\$76,500	\$39,733	\$2,623	\$-	\$-
Total Proposed Expenditures	\$2,608,168	\$3,750,000	\$3,824,725	\$3,891,626	\$3,961,203	\$4,033,563	\$4,108,818	\$4,187,083	\$4,268,478	\$4,353,129	\$4,441,166	\$4,532,725	\$4,627,946
Net Income (1)	\$561,832	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-

(1) Excludes interest income so that TIF projections are purely TIF tax capture.

(1)(g) Cost of Plan Anticipated to be Paid from TIF Revenue

The LDFA adopts by reference the Development Plan contained in Section III and as part of this Plan. The scope of activity within the Development Plan is the primary focus of expenditure(s) by the LDFA. To carry out the Development Plan, expenditures include, but are not limited to, the following:

Existing Planned Expenditures

- All eligible expenditures allowed by PA 281 of 1986, as amended, and specifically related to acquisition, construction and operation of certified technology parks, incubator facilities and other eligible properties.
- Cash payments for fulfilling activity contained in the Development Plan.
- Set asides required for any capital reserve fund(s) that the LDFA may establish.
- Payment for contractual services, whether between the LDFA and the Cities, or other public or private entity, for planning, administration, or general services fulfilling the objectives of the Development Plan.
- Payments for contractual services, whether between the LDFA and the Cities, or other public or private entity, for services maintaining the infrastructure or administration of eligible property or programs within the LDFA District.

Additional Areas of Planned Expenditures

- Expenditures for technology related infrastructure (e.g. fiber lines, conduit, pole attachments, nodes, etc.).
- Talent recruitment and retention programs.
- Utilization of grants and donations for collaboration with other communities and programs.
- Economic development services throughout the Cities.
- All eligible expenditures allowed by PA 281 of 1986, as amended

The above referenced Table 3 projects expenditures by large category area. The amended TIFP permits three activities where the SmartZone has not historically expended funds, specifically it:

1. allows the expenditure of funds in the City of Ypsilanti;
2. allows for the support of talent and recruitment programs, and the acceptance of supporting grants and donations for collaborative opportunities; and
3. allows for expenditures for technology related infrastructure.

The issuance of new microloans will be immediately discontinued. Existing microloans will be permitted to repay under existing terms without an early termination request from the LDFA. Each year the SmartZone LDFA Board assesses where the best opportunities for results are, and allocates funding to the most critical areas.

It is the intent of the LDFA to pledge any excess revenue to the furtherance of the Development Plan, directed as the occasion may require, by adoption of appropriate resolutions.

(1)(h) Duration of the Plan

Tax increment revenues shall continue to be captured by the LDFA from levies in 2003 through levies for fiscal year 2033. The Development Plan portion of this Plan shall remain in effect until the end of the LDFA fiscal year commencing in 2033, or until the TIF funds have been fully expended as contemplated by the Development Plan, whichever is later.

At no time shall the LDFA be dissolved unless the principal and interest on all obligations issued or incurred by the LDFA have been extinguished, or that sufficient funds to services those obligations have been placed in an irrevocable trust.

(1)(i) Impact of TIF on Revenues of Taxing Jurisdictions

Table 1, as previously displayed, estimates the amount of tax increment revenue available for disbursement to the LDFA and the impact of this Plan upon on the revenues of the taxing jurisdiction(s) that levy taxes in the SmartZone District, which includes the local school district and the State. No other taxing jurisdictions are affected. Based on current State law, this Plan does not have a direct impact upon the local school districts, as it has no direct impact upon the per pupil reimbursement from the State to the public schools.

(1)(j) Legal Description of Property to Which the TIFP Applied

The SmartZone District overlaps the development areas of the Downtown Development Authority in both the City of Ann Arbor and the City of Ypsilanti. The legal description of the district is attached as Appendix B.

This will not change under the amended and extended TIFP.

(1)(k) Jobs Created

The estimation of jobs in the high technology sector and under the program outlined by this Plan is a speculative venture contingent upon many factors outside the control of the LDFA. However, the initial 15-year plan estimated that 700 more jobs may be created as a direct and indirect result of these activities. Over the last *five* years the LDFA has been able to take advantage of the solid program and supporting infrastructure built during the initial term of the Plan and focus on growth resulting in the creation of 490 new jobs and retention of 506 jobs.

For the extended 15-year period, an estimate was derived based upon the current track record of the programs funded by the LDFA from 2002 to 2016. It is reasonable to estimate that the contractor providing the services to companies for the LDFA can maintain the trend of creating 24 companies each year, resulting in a total of 464 companies created by 2033. Assuming the continued support of the current ecosystem for client companies, and the achievement of catalyzing the creation of 464 new companies, it is projected that 1,161 unique companies will be served and 1,606 jobs created over the 15-year extension. The LDFA service portfolio will be expanded to reach companies within a broader range of the growth cycle, and more concentrated

services will be provided to the companies most poised for rapid growth in high economic impact areas.

Although the growth in the amount of companies served and dependent metrics cannot be entirely attributed to increased funding, it plays two roles; one contingent on the other. Firstly, more money will be available to provide direct services to companies, but that is only part of the overall service offering of the LDFA. The other component of LDFA activity is in support of the entrepreneurial ecosystem that catalyzes the formation of companies and commercialization of technology. Moreover, the number of companies served, for example, is not driven by the amount of money available at present alone; it relies upon the network and environment of the entrepreneurial community. This community has been built and seeded by the early efforts of LDFA-funded programs to create the environment that drives activity today. Continued effort and initiatives to build this community can be seen as the overhead that allows for a widening pipeline of entrepreneurial activity for the LDFA to accelerate over the course of the extension.

In terms of private equity and grant funding received by companies served, an average of \$23 million per year can be raised, cumulating \$345 million in grants and private equity over the course of extended 15 years.

(1)(I) Boundaries

As approved by the MEDC pursuant to PA 281 of 1986, as amended, the LDFA District established by the Cities encompasses the boundaries of the SmartZone. A map of the SmartZone LDFA District is attached as Appendix A. As a designated SmartZone and pursuant to the terms of the Development Plan, public facilities may be developed for any eligible property within Ann Arbor or Ypsilanti and a business incubator or its equivalent may be located anywhere within these boundaries.

No change is being made to the boundaries of the Ann Arbor/Ypsilanti LDFA District as part of the term extension of the Authority. It is, however, anticipated that these boundaries may be amended from time-to-time, and may, at the recommendation of the SmartZone LDFA Board, and as approved by the member municipalities, be extended to other municipalities. If approved by the member municipalities, the boundaries of the District could be altered or amended to include lands within other municipalities pursuant to the same requirements prescribed for adopting the resolution creating the Authority as required by MCL 125.2154(5). In that event, the terms of this Plan shall apply to new members in their entirety. It is not anticipated that the boundaries would be altered or amended to exclude lands currently within the District.

All property within these boundaries shall be subject to the terms of this Plan, except that tax increments subject to the current tax increment financing plans of the Ann Arbor and Ypsilanti Downtown Development Authorities shall be regarded as "senior." If at any time during extended term of the Plan the boundaries of the District are altered or amended to include lands which could be subject to capture of tax increment revenues, this Plan will be subject to further amendment and the same notice and public hearing procedures shall apply as were necessary for approval or rejection of the 2002 Plan (e.g., original plan) as required by MCL 125.2167(2).

Section III. Development Plan

This Development Plan adheres to the required statutory provisions of PA 281 of 1986, as amended, and assumes final designation of the LDFA district as a “certified technology park.”

The LDFA anticipates implementation of the Development Plan is and will continue to be a collaborative effort between the LDFA, the Cities, University of Michigan and Eastern Michigan University, the Small Business Development Center, various private venture and service providers, and local/regional economic development organizations. An economic business development organization will assume, on behalf of or in collaboration with the LDFA, functions related to assuring the successful implementation of the purposes of this Development Plan. This Development Plan recognizes that other partners will provide other programs and services on behalf of the ‘SmartZone,’ not party to the LDFA and its Development Plan.

Ann Arbor SPARK (“SPARK”) is the lead economic development organization for Washtenaw County, with one of its missions the acceleration of emerging driving industry start-up companies. If successfully nurtured through its growth stage, a driving industry company will generate a ripple of economic growth in the community beyond its direct contribution. The primary driving industries the LDFA and SPARK focus on include information technology, life sciences, advanced materials & manufacturing, automotive, and homeland security & defense. Together, these five industry segments account for 80% of the jobs created in our client companies and over \$130 million of private investment in the Ann Arbor area.

More than 600 entrepreneurs and companies have been served by and benefited from programs like the Entrepreneur Boot Camp, Accelerator Grants, Micro loans, and incubator facilities. These companies today employ more than 2,000 people, nearly 600 more than when they were first provided assistance with LDFA resources. These companies have received \$42 million dollars of grants from around the state and country. Information technology companies constitute 38% of the companies served by SPARK, and are responsible for half of the job creation reported. Life sciences companies represent only 16% of SPARK’s client company base, but have generated about half of the private equity investment.

The above data is reported by the companies served in annual surveys and in ongoing direct contact with SPARK.

The presentation of the Development Plan follows the statutory requirements of PA 281, specifically Section 15(2)(a) through (p) as stated below.

- (2) To the extent necessary to accomplish the proposed development program the Development Plan shall contain:
 - (a) A description of the property to which the plan applies in relation to the boundaries of the authority district and a legal description of the property.
 - (b) The designation of boundaries of the property to which the plan applies in relation to highways, streets, or otherwise.

- (c) The location and extent of existing streets and other public facilities in the vicinity of the property to which the plan applies; the location, character, and extent of the categories of public and private land uses then existing and proposed for the property to which the plan applies, including residential, recreational, commercial, industrial, educational, and other uses.
- (d) A description of public facilities to be acquired for the property to which the plan applies, a description of any repairs and alterations necessary to make those improvements, and an estimate of the time required for completion of the improvements.
- (e) The location, extent, character, and estimated cost of the public facilities for the property to which the plan applies, and an estimate of the time required for completion.
- (f) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.
- (g) A description of any portions of the property to which the plan applies, which the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.
- (h) A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.
- (i) An estimate of the cost of the public facility or facilities, a statement of the proposed method of financing the public facility or facilities, and the ability of the authority to arrange the financing.
- (j) Designation of the person or persons, natural or corporate, to whom all or a portion of the public facility or facilities is to be leased, sold, or conveyed and for whose benefit the project is being undertaken, if that information is available to the authority.
- (k) The procedures for bidding for the leasing, purchasing, or conveying of all or a portion of the public facility or facilities upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed to those persons.
- (l) Estimates the number of persons residing on the property to which the plan applies and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a Development Plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

- (m) A plan for establishing priority for the relocation of persons displaced by the development.
- (n) Provision for the costs of relocating persons displaced by the development, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, 42.U.S.C. 4601 to 4655.
- (o) A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.
- (p) Other material which the authority or governing body considers pertinent.

The response to PA 281, Sections 15(2)(a) through (p) are addressed here:

2(a) and (b) Property Description and Boundaries

The amended Plan clarifies below that the LDFA may expend tax increment revenues anywhere within the Cities to achieve the mission of the Development Plan.

As with the TIF Plan, the Development Plan applies to the SmartZone LDFA District, which encompasses all or part of the Downtown Development Districts of Ann Arbor and Ypsilanti and may apply beyond the District within the territory constituting the Cities. For purposes of this Development Plan, 'eligible property' is deemed initially to be the facilities known as SPARK Central, currently located at 330 E. Liberty, Ann Arbor, Michigan and SPARK East located at 215 W. Michigan Avenue, Ypsilanti, Michigan. This Plan assumes that the definition of an 'eligible property' may extend to other facilities within the city limits of Ann Arbor and Ypsilanti.

The boundaries of the District are illustrated in the Map attached as Appendix A and legally described in the attached Appendix B. The Eligible Property within the SmartZone LDFA District to which this Development Plan will initially apply is the building owned by First Martin Corporation, and located at 330 E. Liberty, Ann Arbor, Michigan. At this location, SPARK is providing networking and educational services and incubator office space for the technology community in Washtenaw County. SPARK collaborates with MichBio, the University of Michigan's Zell-Lurie Entrepreneurial Institute, the University of Michigan Office of Technology Transfer and Center for Entrepreneurship, the SBDC, New Enterprise Forum, and other organizations to expand its reach beyond the information technology industry, to serve all innovative ideas and technologies no matter the industry sector. These collaborating organizations have further agreed to cooperate with the proposed technology business accelerator.

(2)(c) Location and Description of Existing Property

The District consists mainly of commercial properties. The boundaries were established using the existing DDA boundaries in each City to minimize the number of residential parcels included in the SmartZone and no direct impact (removal or displacement) on any residential parcels included with the boundaries and/or any current or future residents of those parcels is anticipated.

The boundaries are illustrated in the Map attached as Appendix A and legally described in the attached Appendix B.

(2)(d) and (e) Public Facilities and Anticipated Improvements

Other than the operating and planning costs associated with the LDFA, 'public facilities' shall be defined as those activities necessary to support the operation of the technology business accelerator (the Accelerator) in its efforts to provide services to emerging and growing companies in technology sectors as well as technology related public infrastructure. The ownership of the Accelerator facility will remain in private hands, with the Accelerator continuing to provide resources to its members and others through partnerships with such entities as the University of Michigan TechStart program, the Small Business Development Center, the Business Assistance Team, and other public, non-profit, and private entities as may be determined. The Accelerator shall be considered an 'incubator' under the terms of Act 281 of 1986, as amended, and proceeds from the LDFA attributable to this facility shall be used in accordance with the Act.

LDFA revenues will be budgeted for items as approved in the LDFA Development Plan on an annual basis.

In addition to support of the public facilities and improvements identified, the LDFA anticipates using tax increment revenues received under the Development Plan for funding the costs related to providing administrative services to the LDFA. It is anticipated that the City of Ann Arbor and/or an organization providing economic development service will provide these services to the SmartZone. The service provider shall be compensated for actual costs attributable to periodic audits and the annual filing of such reports as required by the Michigan Department of Treasury or Michigan Economic Development Corporation in support of the LDFA, as well as other related costs of financial administration and compliance. The service provider shall also be compensated for actual out-of-pocket costs of meeting publications and the expenses for supporting the LDFA. It is not anticipated that the LDFA will hire staff directly, but rather, shall carry out its plans through the work of the various Smart Zone partners.

These administrative costs in total are not anticipated to exceed 20% of revenues received by the LDFA in any single year.

Other projects, including marketing, telecommunications connectivity, and various educational programs will be supported by the LDFA as funds become available.

(2)(f) Planned Construction

The SmartZone LDFA District is fully developed with roads, sidewalks, lighting, and subsurface utilities. This existing infrastructure is publicly financed and maintained. Investment may be made to facilitate the expansion of the technology infrastructure, such as high-speed telecommunications throughout the Cities' public facilities as defined by Act 281, or expansion of the incubator facilities within the SmartZone LDFA District. Additionally, the LDFA may become a grant recipient for financing designed to encourage this investment. Examples of such infrastructure might include timely installation of publicly-owned conduit or fiber in conjunction with

other public infrastructure projects, and designed to reduce the costs of telecommunications extensions. No LDFA funds shall be used to directly subsidize installation of this public infrastructure to an individual business, or to directly subsidize a regulated or unregulated telecommunications carrier.

(2)(g) Property Sales, Donation, Exchange or Lease

The LDFA does not currently own any property in the SmartZone LDFA District subject to this TIF and Development Plan. The LDFA does not anticipate any sales, donations, exchanges, and leases of land by the LDFA to either the City of Ann Arbor or the City of Ypsilanti, or from either city to the LDFA. The LDFA may enter into sales, donations, exchanges, and leases of other assets to the extent it fulfills the mission of the Development Plan.

If at any time during the duration of the Plan, property is donated to or leased by the LDFA, a procedure will be developed and reviewed with the LDFA Board and it will abide by all applicable ordinances and laws.

(2)(h) Desired Zoning, Streets, Intersections, and Utilities Changes

The SmartZone LDFA District and the Eligible Property are properly zoned for the purposes of this Development Plan. No zoning changes or changes in streets, street levels, intersections or utilities are presently anticipated.

(2)(i) Public Facility Cost

It is estimated that the overall cost to the LDFA of implementing this extended Development plan from 2019 – 2033 will be approximately \$66 million. These cost estimates include the operation of the Accelerator, the costs in connection with the performance of the LDFA Board's authorized functions, and the costs of extending publicly owned technology related infrastructure as appropriate. These costs will be funded with tax increment revenues, user fees and grants. In the event that costs exceed the available tax increment financing, priority will be provided to funding programs.

(2)(j) and (k) Lease, Sell, Convey or Transfer Public Facilities

No actual conveyance of public facilities is anticipated under this Development Plan. It is anticipated that the Accelerator will share space with SPARK, due to SPARK's current role as a lead organization for the technology community in the Ann Arbor/Ypsilanti area. It is the intent of the LDFA to provide these services in a manner that assures the successful implementation of this Development Plan, and the growth of all type technology businesses within the community. The LDFA believes this can best be accomplished through the enhancement of an existing program.

As previously indicated in this Development Plan, SPARK Central is a tenant in a privately owned building. No actual conveyance will take place. Although the term of the lease does not extend for the length of the LDFA, it is anticipated that SPARK Central will continue to be a tenant in a

privately owned facility, and not a building owner. SPARK Central will provide the physical home for the business Accelerator. SPARK Central will maintain its qualification as a provider of business incubator services under Act 281 of 1986, as amended, for the term of this Development Plan. Failure of SPARK to maintain its qualification under the Act shall result in withdrawal of LDFA funding to SPARK.

Beneficiaries of the SmartZone will be the small and emerging businesses, meeting applicable criteria, establishing operations in the SmartZone.

If at any time during the duration of the Plan it is determined that a public facility or facilities is available and appropriate for the purposes of the Plan, the respective City and the LDFA will work together to determine a process and fair value with the interest of all parties protected.

(2)(l) through (o) Displaced Residents

There will be no need to remove or relocate any residents or homesteads. Therefore, the Plan does not include a process for priority of relocation, costs, or compliance to Michigan laws relevant to the relocation of residents.

(2)(p) Other Pertinent Information

Regular reports will be prepared by the LDFA for the Cities of Ann Arbor and Ypsilanti, and to the MEDC if requested, to ensure the programs developed and offered are fulfilling the goals of authority. Reporting will be performed (1) monthly for the term of the TIF capture on the following information for companies served by the SmartZone: companies created, jobs created, and investment in companies by source (federal grants, state grants, venture capital, angel funding and increase in revenue); (2) annually for the term of the TIF capture on the progress of regional cooperation and any other information deemed pertinent by the Cities or the Authority Board.

As required by law, the LDFA will submit amendments to the Development and/or TIF Plan to the City Councils of Ann Arbor and Ypsilanti for review and approval.

APPENDICES INDEX

Appendix A Ann Arbor/Ypsilanti SmartZone Map

**Appendix B Legal Description/Boundaries of the Ann Arbor/Ypsilanti
SmartZone LDFA**

**Appendix C Satellite Agreement between Cities of Ann Arbor and
Ypsilanti and the Adrian/Tecumseh LDFA**

**Appendix D Ann Arbor/Ypsilanti SmartZone Agreement Amendment No.
1**

Appendix E Ann Arbor/Ypsilanti SmartZone Agreement

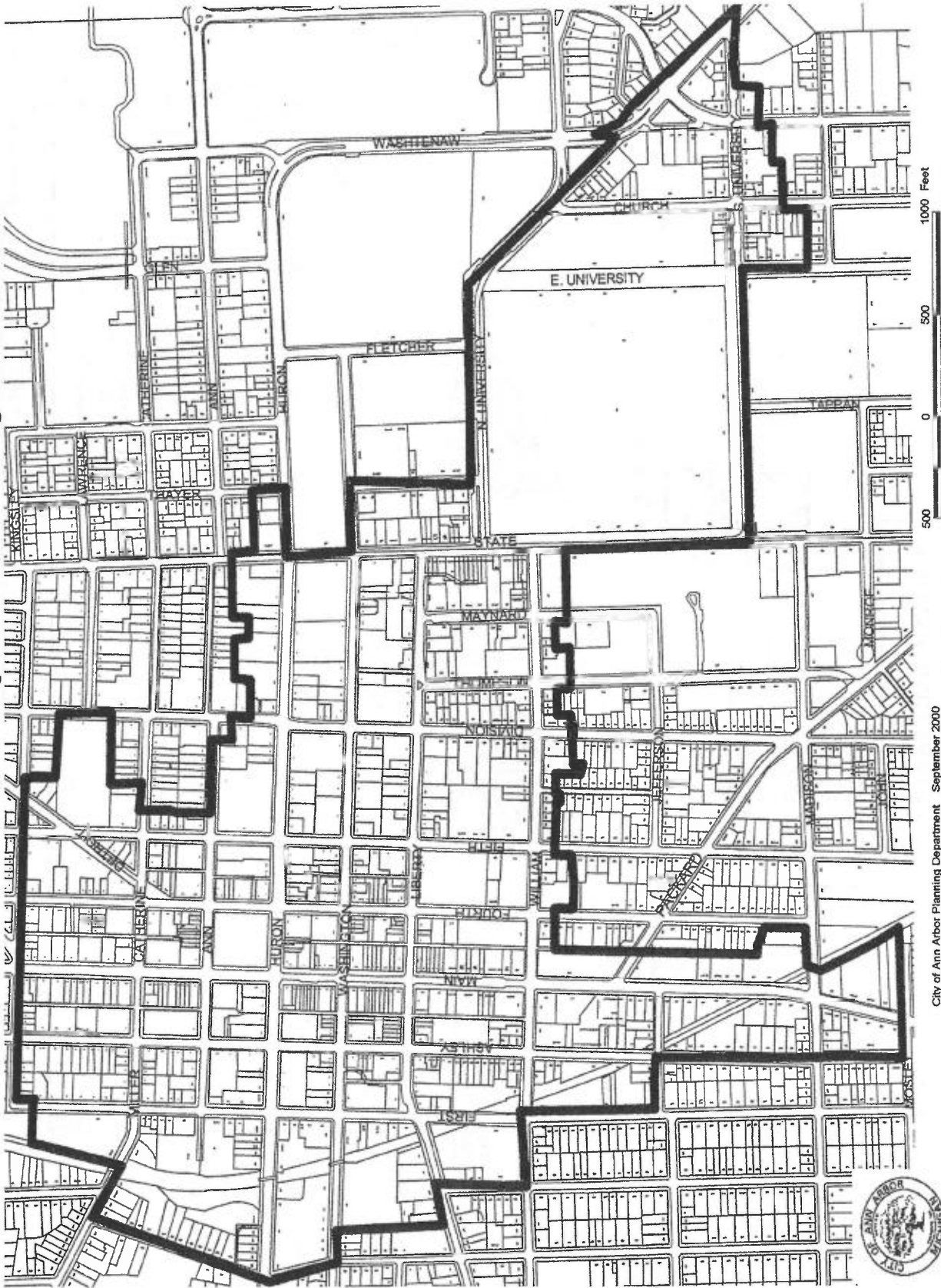
Appendix F Resolutions of Approval

City of Ann Arbor

City of Ypsilanti

LDFA of the Cities of Adrian and Tecumseh

Downtown Development Authority District



**CITY OF YPSILANTI
SMART ZONE LOCATION**

AATA TRANSIT
STATION

EMU ICARD

CITY HALL

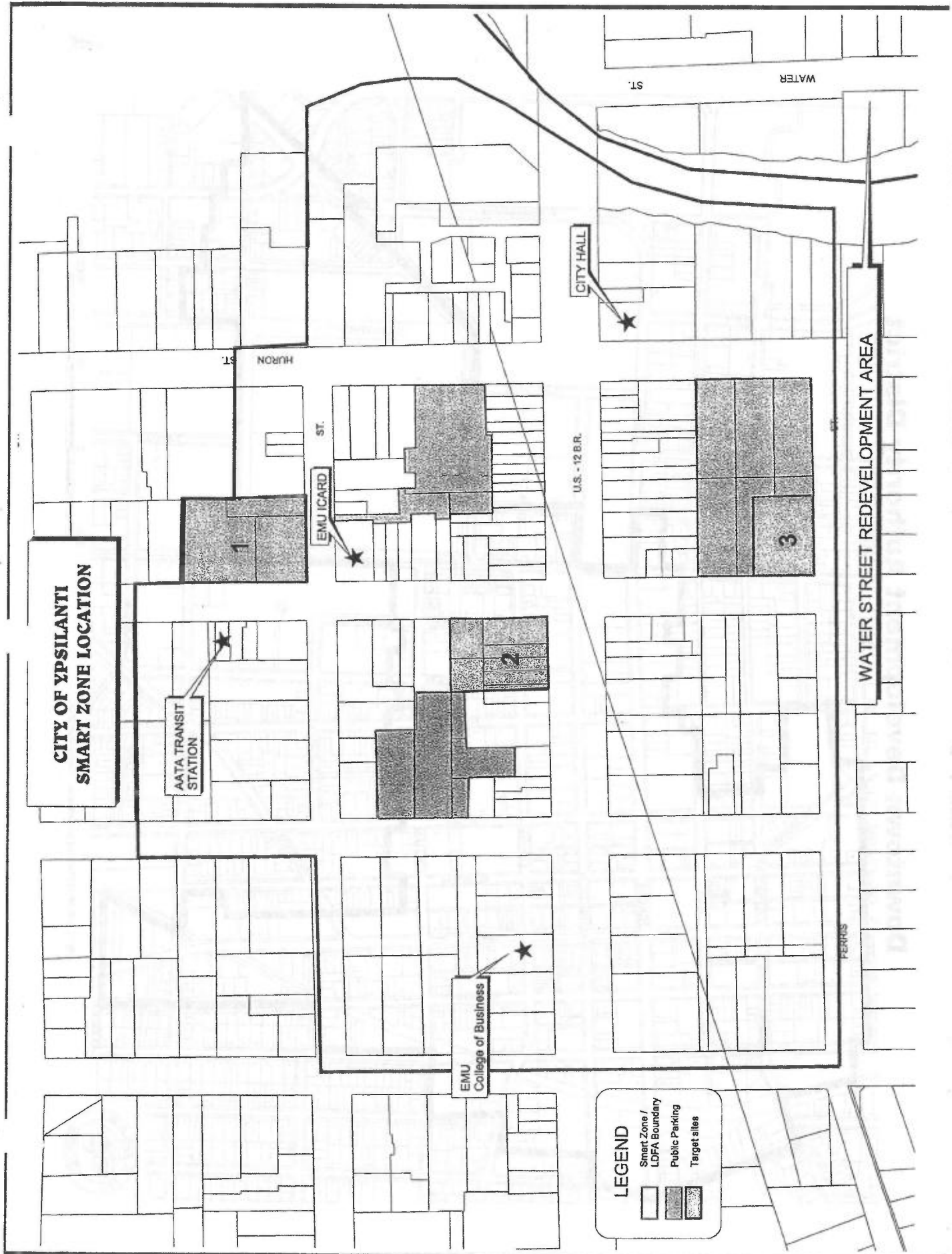
EMU
College of Business

U.S. - 12 B.R.

WATER STREET REDEVELOPMENT AREA

LEGEND

- Smart Zone / LDFA Boundary
- Public Parking
- Target sites



APPENDIX B

LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITY OF ANN ARBOR AND CITY OF YPSILANTI FOR THE SMARTZONE PROGRAM

LEGAL DESCRIPTION OF DISTRICT BOUNDARIES IN THE CITIES OF ANN ARBOR AND YPSILANTI COUNTY OF WASHTENAW, MICHIGAN

Property in the City of Ypsilanti

Commencing on the centerline of Ferris Street at a point 106 feet West of South Washington Street; thence West along the centerline of Ferris Street to the centerline of Hamilton Street; thence North to a point where the North line of Pearl Street intersects if that line is extended West along the North line of Pearl Street; thence East along the North line of Pearl Street to the West line of North Adams Street; thence North to a point 231 feet South of the South line of Washtenaw Avenue; thence East to the East line of North Washington Street; thence South to the Northwest corner of Parcel 11-11-486-005; thence East 140.25 feet to the Northeast corner of said Parcel; thence South to the Northwest corner of Parcel 11-11-486-022; thence East to the East line of North Huron Street; thence South to the Northwest corner of Parcel 11-11-401-017; thence East to the East line of the Huron River; thence Southerly along the East line of the Huron River to the North side of the Michigan Avenue Bridge thence; East to the East end of the bridge; thence South to the centerline of Water street; thence West along the South side of the Michigan Avenue Bridge to the East line of the Huron River; thence Southerly along the East line of the Huron River to a point where the centerline of Ferris Street intersects if that line is extended; thence West along the centerline of Ferris Street to the point of beginning.

Property in the City of Ann Arbor

Beginning at the southwest corner of the intersection of South University and East University Streets rights-of-way; thence south along the west right-of-way line of East University Street approximately 330 feet; thence east to a point 132 feet west of the east right-of-way line of Church Street; thence north 27 feet; thence east 56 feet; thence south 15 feet; thence east to the east right-of-way line to Church Street; thence north along Church Street to the southwest corner of Lot #2, Block 1, R.S. Smith's Second Addition; thence easterly approximately 165 feet; thence north 44 feet; thence east approximately 360 feet to the west line of Lot #9, Block 5, R.S. Smith's Second Addition; thence north approximately 155 feet to the south right-of-way line of South University Street; thence east along a south right-of-way line of East University Street to the northeast right-of-way line of Washtenaw Avenue; thence northwesterly along said line to the north right-of-way line of North University Street; thence west along the north right-of-way line of North University Street to the east right-of-way line of South Thayer Street; thence north approximately 1,030 feet to the north line of Lot #1 of Eastern Addition (110 North Thayer Street); thence west to the east right-of-way line of North State Street; thence north approximately 70 feet; thence west to the northwest corner of Lot #17, of Assessor's Plat No. 8; thence south to the north line

of Lot #18 of said plat; thence west to the east line of Lot #20 of said Assessor's Plat No. 8; thence north along the east line of said Lot #20 to the north line of said lot; thence west 150.08 feet to the east line of Lot #1 of Assessor's Plat No. 8; thence south to the southeast corner of said lot; thence westerly and southerly along the northwest side of Lot #22 and the north side of Lot #23 of Assessor's Plat No. 8 to the east right-of-way line of North Division Street; thence northwesterly to a point 4 feet south of the northeast corner of Lot #8 of original plat of Ann Arbor; thence west approximately 101 feet; thence north 3.3 feet; thence west to a point 27 feet east of the northwest corner of Lot #10, original plat of Ann Arbor; thence north along a line that is 27 feet west of the east line of Lot #10 to the north right-of-way line of Ann Street; thence west along the north right-of-way line of said street to the a point that is 16.5 feet east of the southwest corner of Lot #2 of original plat of Ann Arbor; thence north 132 feet on a line parallel with the west line of said Lot #2 to a point that is 16.5 feet of the northwest corner of Lot #2; thence east 10 feet along the north line of Lot #2; thence north 198 feet along a line parallel to and 40 feet west of the east line of Lot #15 of original plat of Ann Arbor to the southwest corner of Lot #149 of Assessor's Plat No. 29; thence east 74.37 feet to the southeast corner of Lot #150 of Assessor's Plat #29; thence north 132.35 feet to the northeast corner of Lot #150, Assessor's Plat No. 29; thence east along the north side of Lots #151, #153, #154, #155, and #158 of Assessor's Plat No. 29, extended to the east side of the North Division Street right-of-way; thence north along the east right-of-way line of North Division Street to the northwest corner of Lot #2 of Assessor's Plat No. 6; thence west to the southwest corner of Lot #141 of Assessor's Plat No. 29; thence north along the west line of said lot extended to the north right-of-way line of East Kingsley Street; thence west along the north right-of-way of East and West Kingsley Street to the intersection of the right-of-way line of North First Street with the north right-of-way line of West Kingsley Street; thence south $4^{\circ} 02' 10''$ west 131.56 feet; thence north $83^{\circ} 23' 50''$ west 137.76 feet; thence south $15^{\circ} 31' 45''$ west 66 feet; thence south $15^{\circ} 01' 40''$ west 350.49 feet to the north right-of-way line of Miller Avenue; thence northwest along the northeasterly right-of-way line of Miller Avenue to a point approximately 125 feet northwest of the northwest intersection of the rights-of-way of Spring Street and Miller Avenue; thence southwesterly along the northwest right-of-way of Chapin Street to intersect with the southwest right-of way of Third Street; thence southeast along said southwest right-of-way line of Third Street to a point intersecting with the south right-of-way line of West Washington Street; thence east along said south right-of-way line of West Washington Street to the northeast corner of Lot #1 of Krause's Addition; thence south along the east side of Lots #1, #3, #4, #5, #6, #7, #8, and #9 of Krause's Addition to a point intersecting with the southeast right-of-way line of West Liberty Street; thence northeasterly along said southeasterly right-of-way line of West Liberty Street to a point intersecting with the west right-of-way line of Second Street; thence south along said west right-of-way line to the intersection of the west right-of-way line of Second Street with the south right-of-way line of West William Street; thence east along the south right-of-way line of West William Street to the west right-of-way line of First Street; thence south along the west right-of-way line of First Street to the intersection of the north right-of-way line of Jefferson Street with the west right-of-way line of First Street; thence east to the west right-of-way line of South Ashley Street; thence south along said west right-of-way line of South Ashley Street to the south right-of-way line of West Mosley Street; thence east along said south right-of-way line of West Mosley Street to the northwest right-of-way line of the Ann Arbor Railroad right-of-way; thence northeasterly along the northwest right-of-way line of said Ann Arbor Railroad to a point intersecting the south right-of-way line of West Madison

Street; thence east along said south right-of-way line to a point in the line with the extension of the east right-of-way line of South Fourth Avenue; thence north along the east right-of-way line of South Fourth Avenue to a point approximately 33 feet north of the southwest corner of Lot #7, Block 55, R5E, Ann Arbor Land Co.'s Addition; thence west to a point 33 feet north of the southwest corner of Lot #10, Block 55, R4E, Ann Arbor Land Co.'s Addition; thence north along the west side of Lots #10, #11, #12, #13, #14, #15, #16, #17, and #18 of said block, and continuing north along the east right-of-way line of 16-foot wide alley between Main Street and Fourth Avenue to a point 6 feet south of the northwest corner of Lot #15, Block 45, R4E, original plat of Ann Arbor; thence east to the west right-of-way line of South Fourth Avenue; thence south along said right-of-way line 99 feet to appoint on said right-of-way line; thence east along a line parallel with and 31.5 feet south of north line of Lot #3, Block 45, R5E, original plat of Ann Arbor to the west line of Lot #14 of said block; thence south 1.5 feet, thence east to the west line of South Fifth Avenue; thence north along the west right-of-way line of South Fifth Avenue 36 feet; thence west approximately 132 feet to a point 3 feet north of the southwest corner of Lot #15 of said block; thence north 52 feet; thence east 132 feet to the west right-of-way line of South Fifth Avenue thence northeasterly to a point 66 feet south of the northwest corner of Lot #1, Block 45, R6E, original plat of Ann Arbor; thence east 189 feet; thence south 16.5 feet; thence east to a point on the east right-of-way line of Hamilton Place approximately 50 feet north of the southwest corner of Lot #8 of said block; thence north approximately 25 feet; thence east 66.15 feet; thence south 138.1 feet; thence east 33 feet; thence north 66 feet; thence east to the southeast corner of Lot #2, Block 45, R7E, Ann Arbor Land Co.'s Addition; thence north 66 feet, thence east approximately 132 feet to the west right-of-way line of Thompson Street; thence south 66 feet; thence east to the southeast corner of Lot #2, Block 45, R8E, Ann Arbor Land Co.'s Addition; thence north to the southwest corner of Lot #16 of said block; thence 132 feet to the west right-of-way line of Maynard Street; thence south approximately 40 feet; thence east to the west right-of-way line of South State Street; thence south to the south right-of-way line of South University Street; thence east to the point of beginning.

SATELLITE SMARTZONE AGREEMENT

THIS AGREEMENT (the "Agreement"), is made this 7 day of September 2014, by and among the City of Ann Arbor, County of Washtenaw, Michigan, a Michigan municipal corporation ("Ann Arbor"), the City of Ypsilanti, County of Washtenaw, Michigan, a Michigan municipal corporation ("Ypsilanti") and the Local Development Finance Authority of the Cities of Adrian and Tecumseh, A Michigan municipal corporation (the "Adrian-Tecumseh LDFA").

RECITALS

WHEREAS, Ann Arbor and Ypsilanti have previously established the Local Development Finance Authority of Ann Arbor and Ypsilanti (the "Ann Arbor-Ypsilanti LDFA") pursuant to Act 281, Public Acts of Michigan, 1986, as amended ("Act 281"); and

WHEREAS, the Ann Arbor-Ypsilanti LDFA has previously been designated as a "certified technology park" pursuant to Act 281 and a SmartZone Agreement by and among Ann Arbor, Ypsilanti, the Ann Arbor-Ypsilanti LDFA and the Michigan Economic Development Corporation ("MEDC"), which certified technology park is also referred to hereinafter as the "Ann Arbor – Ypsilanti SmartZone"; and

WHEREAS, the Adrian-Tecumseh LDFA was established by the City of Adrian ("Adrian") and the City of Tecumseh ("Tecumseh") pursuant to Act 281 to promote economic growth in Adrian and Tecumseh within the boundaries of its Authority District, as described on Exhibit A attached hereto (the "Satellite District"); and

WHEREAS, the Adrian-Tecumseh LDFA desires to have its Satellite District designated as a "certified technology park", pursuant to Section 12b of Act 281, which certified technology park is also referred to hereinafter as a "Satellite SmartZone," to permit the Adrian-Tecumseh LDFA to capture certain tax increment revenues from taxes levied by the State, local school district and intermediate school district for a fifteen (15) year period; and

WHEREAS, the Adrian-Tecumseh LDFA has prepared and approved a SmartZone Plan as set forth in Exhibit B attached hereto (the "SmartZone Plan") which sets forth its qualifications as a Satellite SmartZone and summarizes its intent to stimulate the growth of technology-based businesses and jobs; and

WHEREAS, Ann Arbor and Ypsilanti desire to designate the Satellite District as a certified technology park pursuant to Section 12b of Act 281 in order to achieve the benefits of regional cooperation and collaboration and to permit the extension of the authorization of the Ann Arbor – Ypsilanti LDFA to capture certain tax increment revenues from taxes levied by the State, local school district and intermediate school district for an additional fifteen (15) year period.

NOW, THEREFORE, it is agreed by the parties as follows:

1. Satellite SmartZone Plan Meets Legislative Criteria. The parties jointly and severally agree that the Satellite SmartZone Plan meets the criteria of Act 281 for the designation of a Satellite SmartZone and specifically make the following findings:

- a. The Satellite SmartZone Plan identifies the unique characteristics and specialties offered by the public and private resources available in the Satellite SmartZone.
- b. The Satellite SmartZone Plan provides benefits to regional cooperation and collaboration.
- c. The Satellite SmartZone Plan adds value to the mission of the Ann Arbor – Ypsilanti LDFA.

2. Designation of Certified Technology Park. The Satellite District is hereby designated as a “certified technology park” pursuant to Section 12b of Act 281.

3. Obligations of Adrian-Tecumseh LDFA. The Adrian-Tecumseh LDFA agrees to the following obligations:

- a. The Adrian-Tecumseh LDFA will work with Adrian and Tecumseh to prepare and approve a Development Plan and Tax Increment Financing Plan that meets the requirements of Act 281 and provides for the capture of tax increment revenues from taxes levied by local taxing units, in addition to the taxes levied by the State, local school district and intermediate school district.
- b. The Adrian-Tecumseh LDFA will work with Adrian, Tecumseh and Adrian College to annually prepare and approve a budget that includes at least \$200,000 per year for operations of the Satellite SmartZone.
- c. The Adrian-Tecumseh LDFA will provide monthly reporting to Adrian and Tecumseh for the term of its capture of tax increment revenues on the following information for companies served by the Satellite SmartZone: companies created, jobs created, and investment in companies by source (federal grants, state grants, venture capital, angel funding and increase in revenue).
- d. The Adrian-Tecumseh LDFA will work with Adrian and Tecumseh to approve and file its Development Plan and Tax Increment Financing Plan by June 30, 2015 with the MEDC.

4. Obligations of Ann Arbor and Ypsilanti. Ann Arbor and Ypsilanti agrees to the following obligations:

- a. Ann Arbor and Ypsilanti will work with the Ann Arbor - Ypsilanti LDFA to require the Ann Arbor - Ypsilanti LDFA to provide monthly reporting to Ann Arbor and Ypsilanti for the term of its capture of tax increment revenues on the following information for companies served by the Ann Arbor – Ypsilanti SmartZone: companies created, jobs created, and investment in companies by

source (federal grants, state grants, venture capital, angel funding and increase in revenue).

- b. Ann Arbor and Ypsilanti will provide a copy of this Agreement to the MEDC within seven (7) days of its approval and execution by all parties.

5. Term of Agreement. This Agreement shall be for a term of fifteen (15) years after the approval of the capture of tax increment revenues on taxes levied by the State, local school district and intermediate school district by the State Treasurer in connection with the Satellite SmartZone. In the event the MEDC and State Treasurer do not approve the capture of tax increment revenues on taxes levied by the State, local school district and intermediate school district by December 31, 2015, then this Agreement shall terminate. This Agreement may be extended upon mutual written consent of the parties.

6. Entire Agreement; Amendment. This Agreement constitutes the entire agreement of the parties. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are hereby terminated. This Agreement shall not be modified, altered or amended except by written agreement duly executed by all parties to this Agreement in accordance with the terms hereof.

7. No Third Party Beneficiaries. This Agreement is exclusively for the benefit of the parties hereto. It may not be enforced by any party other than the parties to this Agreement and shall not create any liability to any third party.

8. No Assignment. The parties mutually agree that their respective rights, obligations and duties under this Agreement may not be assigned.

9. Severability. If any section or provision of this Agreement shall be found invalid, that provision shall be severable and the balance of the Agreement shall remain in full force and effect.

10. Captions. The captions in this Agreement are for convenience only and shall not be considered as a part of this Agreement or as in any way amplifying or modifying the provisions of this Agreement.

11. Notices. All notices, requests, demands or other communications under this Agreement shall be in writing and deemed given when delivered personally, upon the next business day if deposited with a nationally recognized over night delivery service, or upon the third following business day, if deposited in the United States Mail with postage prepaid and sent by certified mail, return receipt requested, addressed as follows:

- a. If to Ann Arbor;

Attention: City Administrator
City of Ann Arbor
301 E. Huron Street
Ann Arbor, MI 48107-8647

b. If to Ypsilanti:

Attention: City Manager
City of Ypsilanti
One South Huron Street
Ypsilanti, MI 48197

c. If to the Adrian-Tecumseh LDFA:

Attention: City Manager
City of Adrian
135 E. Maumee Street
Adrian, MI 49221

And

Attention: City Administrator
City of Tecumseh
309 E. Chicago Blvd.
Tecumseh, MI 49286

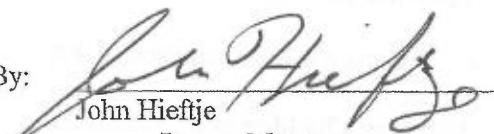
Or to such other address as the parties may from time to time designate by notice in writing to the other parties.

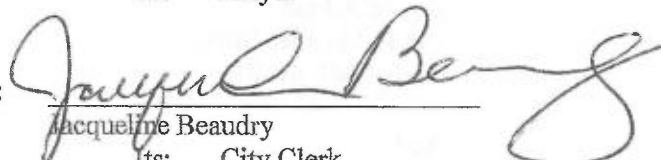
12. Counterparts. This Agreement may be signed in any number of counterparts, which counterparts shall be considered as one and the same instrument. Electronic copies of this Agreement shall have the full force and effect of an original document.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereby execute this Agreement as of the date first written above.

CITY OF ANN ARBOR

By: 
John Hiestje
Its: Mayor

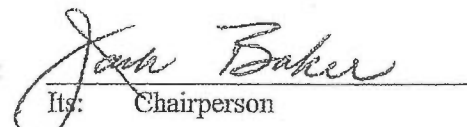
By: 
Jacqueline Beaudry
Its: City Clerk

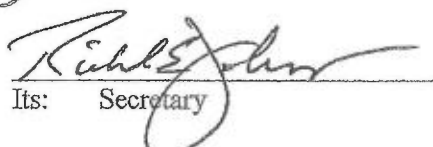
CITY OF YPSILANTI

By: _____
Paul Schreiber
Its: Mayor

By: _____
Frances McMullen
Its: City Clerk

LOCAL DEVELOPMENT FINANCE
AUTHORITY OF THE CITIES OF ADRIAN AND
TECUMSEH

By: 
Its: Chairperson

By: 
Its: Secretary

IN WITNESS WHEREOF, the parties hereby execute this Agreement as of the date first written above.

CITY OF ANN ARBOR

By: _____
John Hieftje
Its: Mayor

By: _____
Jacqueline Beaudry
Its: City Clerk

CITY OF YPSILANTI

By: Paul W. Schreiber
Paul Schreiber
Its: Mayor

By: Frances McMullen
Frances McMullen
Its: City Clerk

LOCAL DEVELOPMENT FINANCE
AUTHORITY OF THE CITIES OF ADRIAN AND
TECUMSEH

By: _____
Its: Chairperson

By: _____
Its: Secretary

EXHIBIT A

DESCRIPTION OF SATELLITE DISTRICT

- Within the City of Tecumseh: Tecumseh Business and Technology Campus – 5695 E M-50 - South side of M-50 and West of Billmeyer Highway; Van-Rob Tecumseh – 1200 E M50 - South side of M-50 and East of Rogers Highway; Tecumseh High School – 706 Brown Street - South side of Brown Street, North side of M-50; Tecumseh Admin Building – 212 N. Ottawa Street - At the corner of SE. Shawnee Street and Ottawa; Tecumseh Middle School – 307 N Maumee St – At the corner of E. Logan Street and Maumee Street; Tecumseh District Library – 215 N Ottawa St – At the corner of E. Shawnee St and N. Ottawa; and
- Within the City of Adrian: Adrian College, 110 S. Madison, roughly bound by Madison, Michigan, Williams and U.S. 223; Jackson College, 1376 North Main; Siena Heights University, 1247 East Siena Heights Drive, roughly bound by Siena Heights Drive, Oakwood and Elm; Lenawee ISD Tech Center, 1372 North Main; Adrian High School, 785 Riverside, roughly bound by Riverside, McKenzie and Stockford; Adrian Public Library, 143 East Maumee; City-owned greenfield site, 2610 West Beecher; City-owned greenfield site, 2900 West Beecher; City-owned greenfield site, 2817 West Beecher; City-owned industrial park, 1456 Enterprise Drive; City-owned industrial park, 1446 Enterprise Drive; City-owned industrial park, 1440 Enterprise Drive; City-owned industrial park - north, Industrial Drive; City-owned industrial park – south, Industrial Drive; Brownfield site, 1356 East Beecher; Brownfield site, 430 North Dean; Brownfield site, 1407 East Maumee; City-owned greenfield site, 2300 North Adrian Highway; City-owned greenfield site, 2930 North Adrian Highway; City-owned property, North Adrian Highway; City-owned industrial park, 1470 Enterprise Drive.

EXHIBIT B

SATELLITE SMARTZONE PLAN

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Local Development Finance Authority of the Cities of Adrian and Tecumseh

Executive Summary Satellite SmartZone Plan

Executive Summary

The communities of Adrian and Tecumseh, in cooperation with Adrian College and a host of partners, submit this Satellite SmartZone Plan for consideration by the Michigan Economic Development Corporation. This proposal leverages a unique combination of public and private resources, designed to stimulate private business with a minimum number of public dollars.

The Adrian Tecumseh SmartZone (ATSZ) is just one element in a comprehensive economic development strategy, which continues Lenawee County's rich history of technological innovation. The strategy focuses on the creation and attraction of high-tech businesses in our established technology parks and on the combined resources of our secondary and post-secondary institutions and programs including the Adrian Innovation Center, a business incubator and accelerator on the Adrian College campus. This strategy encourages managed growth, community stabilization, and discourages inappropriate urban sprawl. In addition to an emphasis on emerging and startup companies, the program will encourage the retention of college graduates in the county, providing a continuing labor pool for new and expanding companies.

Location

As the name implies, the ATSZ is multi-jurisdictional. Property in both the city of Adrian and the city of Tecumseh is included. The majority of the TIF capture area is located in existing technology/Certified Business Parks owned by the respective cities with all the necessary infrastructure/telecommunications in place for technology-focused businesses.

Unique Characteristics and Specialties

Lenawee County is home to three colleges/universities, including Adrian College, Siena Heights University and Jackson College. And all three campuses are included within the authority TIF district. This plethora of post-secondary education, combined with its close proximity to the larger research institutions in Ann Arbor and southeastern Michigan make Lenawee County an ideal location for technology driven entrepreneurs. Our community has a long and successful history of translating intellectual capital to production and distribution.

The Michigan Certified Business Parks that are proposed for inclusion in this satellite zone have been designed for technology businesses. A campus like setting provides the perfect backdrop with pad ready sites developed with LEED principles in mind.

The area boasts a high quality of place, an important element in attracting and retaining technology start ups. With a wide variety of recreational and cultural opportunities, a highly developed arts community, upscale events and active public gathering spaces in both Adrian and Tecumseh, there are plenty of amenities enticing to entrepreneurs.

Executive Summary Satellite SmartZone Plan

Benefits to Regional Collaboration and Value Added to Mission of Host SmartZone

A reasonably mature entrepreneurial community has many groups and individuals focused on technology business development. Coordinating these assets is necessary to ensure minimal friction and maximum leverage for companies seeking to obtain the most appropriate services. While these relationships take time to build and evolve, our distinct advantage is that these relationships are already established and have been working together towards common goals for many years. This SmartZone satellite is an extension of the partnership enjoyed by the Region 9 Economic Collaborative, which includes Washtenaw and Lenawee along with four other counties. Lenawee's substantial agriculture and manufacturing capacity is a valuable compliment to Ann Arbor's science and academia. This satellite will seek to leverage our unique assets with those of the Ann Arbor/Ypsilanti SZ to further enhance the collaboration that already exists between our communities.

Technology Focus - Support to Technology Businesses and Entrepreneurs

In order to best utilize its resources, the ATSZ will focus its efforts on industries with high potential for utilizing at least one of the area's core competencies. The following technology areas have been identified as having particular strengths in the Adrian/Tecumseh Area:

- Agriculture: food processing, ethanol fuel production, bio-diesel fuel production
- Advanced Manufacturing
- Chemical manufacturing and plastics technologies
- Renewable/green technologies/water purification technologies

Entrepreneurial services offered will be tailored to the needs of businesses to include management guidance, technical assistance and support, individual consulting, marketing assistance, assistance with accessing funding, shared basic business services and equipment, and rental spaces with flexible leases, among others.

The Adrian Innovation Center at Adrian College offers support services and space to attract promising entrepreneurial start-ups and early-stage companies to Lenawee County. Other service providers will include the Adrian Public Library, Tecumseh District Library, Tecumseh Public Schools, Lenawee Intermediate School District (LISD), Siena Heights University, Jackson College, and others. The programs are entrepreneur-driven, specialized to meet the needs of technology businesses.

Budget

The ATSZ will leverage resources from all its partners, particularly the Adrian Innovation Center at Adrian College. During the 15 year lifespan of the ATSZ we expect at least \$80,000,000 of private real property investment that will generate approximately \$7.8 million of funding over those 15 years for the ATSZ. We are anticipating the tax capture to begin in 2016 at about

Local Development Finance Authority of the Cities of Adrian and Tecumseh

Executive Summary Satellite SmartZone Plan

\$250,000 a year and grow to \$700,000 a year by the last year of the LDFA. In addition, during the first three years of operation, Adrian College will provide \$200,000 a year of support in the form of incubator space, business support services and salary for the Incubator director.

Economic Impact

The estimation of jobs in the high technology sector and under the program outlined by this plan is a speculative venture contingent upon many factors outside the control of the ATSZ. However, we estimate that 400 jobs may be created as a direct and indirect result of these activities. Based on the recent interest in our area by external advanced manufacturing companies, and the projected establishment/location of two new businesses each year within the ATSZ, this would result in the creation of 400 full-time jobs during the 15 year life of the LDFA. Given the recent international attractions of Comstar Automotive in Tecumseh and Metcan Industries in Adrian, we believe that businesses of this scale can find appropriate facilities within the areas encompassed by the ATSZ.

Management Team & Partners

Efforts will be lead by a team of dedicated individuals, which includes staff from the Cities of Adrian and Tecumseh, as well as Lenawee Now. Dr. Oded Gur-Arie, Director of the Adrian Innovation Center will be instrumental in designing programs for entrepreneurs in partnership with Adrian College. The team will also be utilizing support services through Siena Heights University, Jackson College, the Lenawee Intermediate School District, South Central Michigan Works, LISD, the USDA, Michigan Department of Agriculture and Rural Development, the Small Business Development Center, and our local SCORE representative, among others.

Ann Arbor/Ypsilanti
SmartZone Agreement
Amendment One
By and Between
Michigan Economic Development Corporation,
City of Ann Arbor
City of Ypsilanti
Local Development Finance Authority of the Cities of Ann Arbor and Ypsilanti.

This Amendment One (the "Amendment"), dated September 2, 2014, is to the Ann Arbor/Ypsilanti SmartZone Agreement entered into on or about November 25, 2002 (the "Agreement") by and between Michigan Economic Development Corporation (the "MEDC") the City of Ann Arbor and the City of Ypsilanti (collectively the "Cities"), and the Local Development Finance Authority of the Cities of Ann Arbor and Ypsilanti (the "Authority") (collectively the "Parties"). Under the Agreement, the MEDC contracted with the Cities and Authority to establish the terms and conditions governing the Ann Arbor/Ypsilanti SmartZone (the "Host SmartZone"). The parties to the Ann Arbor/Ypsilanti SmartZone Agreement now desire to amend the Agreement to include and recognize a Satellite SmartZone in Adrian and Tecumseh.

WHEREAS, the Michigan Legislature enacted Public Act 108 of 2008 to amend Public Act 281 of 1986 to promote the development of high technology businesses throughout the State of Michigan;

WHEREAS, the MEDC is authorized to designate distinct geographic areas within authorities in municipalities that do not have a certified technology park if a municipality that contains a certified technology park designates the authority without a certified technology park as a certified technology park (referred to herein as a "SmartZone");

WHEREAS, by resolution R14-099 dated August 6, 2014 the City of Adrian resolved to enter into an agreement with the City of Tecumseh to create a Local Development Finance Authority exercising powers in the Authority District the ("Satellite LDFA");

WHEREAS, by resolution dated August 6, 2014 the City of Tecumseh resolved to enter into an agreement with the City of Adrian to create a Local Development Finance Authority exercising powers in the Authority District the ("Satellite LDFA");

WHEREAS, by resolution #2014-019 dated August 13, 2014, County of Lenawee, approved the creation of the a Local Development Finance Authority exercising powers in the Authority District the Satellite LDFA;

WHEREAS, by resolution R-14-306 dated September 2, 2014 the City of Ann Arbor resolved to enter into an agreement with the City of Ypsilanti, and the Satellite LDFA to

designate the Satellite LDFA District as a Smartzone Satellite.

WHEREAS, by resolution 2014-213 dated September 2, 2014 the City of Ypsilanti resolved to enter into an agreement with the City of Ann Arbor, and the Satellite LDFA to designate the Satellite LDFA District as a SmartZone Satellite.

WHEREAS, by resolution dated August 19, 2014, the Satellite SmartZone resolved to enter into an agreement with the City of Ann Arbor, and the City of Ypsilanti to designate the Satellite LDFA District as a Smart Zone Satellite, subject to the approval of the MEDC.

WHEREAS, Pursuant to MCL 125.2162b Cities entered into an agreement with the Satellite LDFA to designate a distinct geographic area within the boundaries of its Authority District as a SmartZone Satellite, (the "Designation" attached hereto as Appendix A); The Designation includes provisions agreeing to the identification of criteria required by MCL 125.2162(b):

- a. Identify the unique characteristics and specialties offered by the public and private resources available in the Satellite SmartZone.
- b. Identify the benefits to regional cooperation and collaboration.
- c. Identify how the Satellite SmartZone adds value to the mission of the Host SmartZone.

These criteria are referred to herein as the "Legislative Criteria."

WHEREAS, the Designation has been filed with the MEDC, and the Parties now desire to amend the Agreement to incorporate the rights and obligations of the parties in regard to the designation of the Satellite LDFA District as a Satellite Smartzone.

WHEREAS, The Host SmartZone and Satellite LDFA agreed to the following terms in the agreement to designate the Satellite SmartZone:

- a. Satellite Development and TIF Plan must include LOCAL TIF if requesting state school TIF capture.
- b. Satellite SmartZone Plan must include a budget that includes at least \$200,000/year for operations.
- c. Host and Satellite SmartZone must agree to provide monthly reporting, that includes providing the following metrics for the high-technology activity occurring in the SmartZones: funding received by the SmartZone organization (and source of that funding), companies created, companies relocated into the SmartZone, companies expanded, companies served, and for these companies - jobs created, jobs retained, new sales, and follow-on-funding received by these companies (including amount and source of such funding -sources including state funds, federal funds, venture capital, angel funds, bank/loan, owner investment, other) (the "Monthly Reporting.")

WHEREAS, 2012 PA 290, Section 2 (jj) (ii) (B) allows the Host that designated the Satellite to amend their Development and TIF Plan and extend their TIF capture for an additional 15 years subject to the approval of the state treasurer and the

president of the MEDC.

NOW THEREFORE the Parties now desire to amend the Agreement as follows.

1. The Cities and the Satellite SmartZone represent and warrant that the SmartZone was created in compliance with the Public Act 281 of 1986 in all material respects.
2. The Cities shall cause the Satellite Smartzone to provide a TIF plan including the Legislative Criteria.
3. Ann Arbor/Ypsilanti SmartZone must provide the Monthly Reporting to MEDC in a manner directed by and satisfactory to the MEDC.
4. The MEDC will enter into a SmartZone Agreement with the Local Development Finance Authority of the Cities of Adrian and Tecumseh to designate the Satellite SmartZone under the terms and conditions required pursuant to MCL 125.2162a.
5. Section 3.05 of the Agreement is amended to include the following language:
 - (f) An annual report summarizing the Monthly Reporting results.
 - (g) The amount of Tax Increment Financing collected and expensed during the prior fiscal year of the Authority.
 - (h) The amount of projected Tax Increment Financing for the next fiscal year of the Authority.
 - (i) An annual report summarizing activities that indicate Host SmartZone and Satellite SmartZone continue to comply with Legislative Criteria identified above.
6. Pursuant to MCL 125.2152 (2)(jj)(B) the Cities may amend their Development and TIF Plan identified in Section 3.01 of the Agreement to provide for an additional 15 year period, including capturing School Taxes. Before these amendments take effect, the Cities must receive the ratification of the State Treasurer and the approval of the President of the Michigan Economic Development Corporation. Upon receipt of this ratification Section 3.01 is amended to change "fifteen (15)" to "thirty (30)."
7. If the Satellite does not complete the Satellite Development and TIF Plan by June 30, 2015 the Cities will have until December 31, 2017 to designate an alternative Satellite SmartZone.
8. If Satellite SmartZone fails to file its plan, or the plan is not ratified by the State Treasurer and/or approval of the President of the MEDC, then the MEDC may revoke the Cities' amendment to their Development and TIF Plan and the above amendment to increase the tax capture period from 15 to 30 years may be revoked, unless an amended Development and TIF Plan is

submitted and approved by the President of the MEDC and ratified by the State Treasurer that addresses a remedy to fulfilling the Legislative Criteria.

9. Section 5.01 of the Agreement is amended to replace "May 1, 2017" with "May 1, 2032."
10. If after approval of the respective Development and TIF Plans, either the Host Smartzone or the Satellite LDFA default and no longer exists, the survivor must submit an amended Development and TIF Plan to be approved by the President of the MEDC and ratified by the State Treasurer that addresses a remedy to fulfilling the Legislative Criteria.

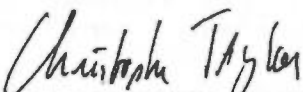
Except as specifically provided above, the Parties agree that all terms and conditions of the Agreement shall remain unchanged and in effect.

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The signatories below warrant that they are empowered to enter into this Amendment.

City of Ann Arbor ACCEPTANCE:

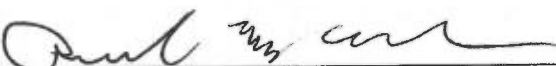
Dated: 12/16/14



Christopher Taylor
Mayor

City of Ypsilanti ACCEPTANCE:

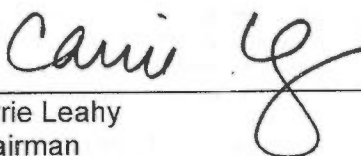
Dated: 1/7/15



Amanda Edmonds
Mayor

**Local Development Finance Authority of the Cities of Ann Arbor and Ypsilanti
ACCEPTANCE:**

Dated: 1/21/15



Carrie Leahy
Chairman

MEDC ACCEPTANCE:

Michigan Economic Development Corporation

Dated: _____

Steve Arwood
Chief Operating Officer

Appendix A : Host-Satellite Designation Agreement

SATELLITE SMARTZONE AGREEMENT

THIS AGREEMENT (the "Agreement"), is made this ____ day of _____, 2014, by and among the City of Ann Arbor, County of Washtenaw, Michigan, a Michigan municipal corporation ("Ann Arbor"), the City of Ypsilanti, County of Washtenaw, Michigan, a Michigan municipal corporation ("Ypsilanti") and the Local Development Finance Authority of the Cities of Adrian and Tecumseh, A Michigan municipal corporation (the "Adrian-Tecumseh LDFA").

RECITALS

WHEREAS, Ann Arbor and Ypsilanti have previously established the Local Development Finance Authority of Ann Arbor and Ypsilanti (the "Ann Arbor-Ypsilanti LDFA") pursuant to Act 281, Public Acts of Michigan, 1986, as amended ("Act 281"); and

WHEREAS, the Ann Arbor-Ypsilanti LDFA has previously been designated as a "certified technology park" pursuant to Act 281 and a SmartZone Agreement by and among Ann Arbor, Ypsilanti, the Ann Arbor-Ypsilanti LDFA and the Michigan Economic Development Corporation ("MEDC"), which certified technology park is also referred to hereinafter as the "Ann Arbor - Ypsilanti SmartZone"; and

WHEREAS, the Adrian-Tecumseh LDFA was established by the City of Adrian ("Adrian") and the City of Tecumseh ("Tecumseh") pursuant to Act 281 to promote economic growth in Adrian and Tecumseh within the boundaries of its Authority District, as described on Exhibit A attached hereto (the "Satellite District"); and

WHEREAS, the Adrian-Tecumseh LDFA desires to have its Satellite District designated as a "certified technology park", pursuant to Section 12b of Act 281, which certified technology park is also referred to hereinafter as a "Satellite SmartZone," to permit the Adrian-Tecumseh LDFA to capture certain tax increment revenues from taxes levied by the State, local school district and intermediate school district for a fifteen (15) year period; and

WHEREAS, the Adrian-Tecumseh LDFA has prepared and approved a SmartZone Plan as set forth in Exhibit B attached hereto (the "SmartZone Plan") which sets forth its qualifications as a Satellite SmartZone and summarizes its intent to stimulate the growth of technology-based businesses and jobs; and

WHEREAS, Ann Arbor and Ypsilanti desire to designate the Satellite District as a certified technology park pursuant to Section 12b of Act 281 in order to achieve the benefits of regional cooperation and collaboration and to permit the extension of the authorization of the Ann Arbor - Ypsilanti LDFA to capture certain tax increment revenues from taxes levied by the State, local school district and intermediate school district for an additional fifteen (15) year period.

NOW, THEREFORE, it is agreed by the parties as follows:

1. Satellite SmartZone Plan Meets Legislative Criteria. The parties jointly and severally agree that the Satellite SmartZone Plan meets the criteria of Act 281 for the designation of a Satellite SmartZone and specifically make the following findings:

- a. The Satellite SmartZone Plan identifies the unique characteristics and specialties offered by the public and private resources available in the Satellite SmartZone.
- b. The Satellite SmartZone Plan provides benefits to regional cooperation and collaboration.
- c. The Satellite SmartZone Plan adds value to the mission of the Ann Arbor – Ypsilanti LDFA.

2. Designation of Certified Technology Park. The Satellite District is hereby designated as a “certified technology park” pursuant to Section 12b of Act 281.

3. Obligations of Adrian-Tecumseh LDFA. The Adrian-Tecumseh LDFA agrees to the following obligations:

- a. The Adrian-Tecumseh LDFA will work with Adrian and Tecumseh to prepare and approve a Development Plan and Tax Increment Financing Plan that meets the requirements of Act 281 and provides for the capture of tax increment revenues from taxes levied by local taxing units, in addition to the taxes levied by the State, local school district and intermediate school district.
- b. The Adrian-Tecumseh LDFA will work with Adrian, Tecumseh and Adrian College to annually prepare and approve a budget that includes at least \$200,000 per year for operations of the Satellite SmartZone.
- c. The Adrian-Tecumseh LDFA will provide monthly reporting to Adrian and Tecumseh for the term of its capture of tax increment revenues on the following information for companies served by the Satellite SmartZone: companies created, jobs created, and investment in companies by source (federal grants, state grants, venture capital, angel funding and increase in revenue).
- d. The Adrian-Tecumseh LDFA will work with Adrian and Tecumseh to approve and file its Development Plan and Tax Increment Financing Plan by June 30, 2015 with the MIDC.

4. Obligations of Ann Arbor and Ypsilanti. Ann Arbor and Ypsilanti agrees to the following obligations:

- a. Ann Arbor and Ypsilanti will work with the Ann Arbor - Ypsilanti LDFA to require the Ann Arbor - Ypsilanti LDFA to provide monthly reporting to Ann Arbor and Ypsilanti for the term of its capture of tax increment revenues on the following information for companies served by the Ann Arbor – Ypsilanti SmartZone: companies created, jobs created, and investment in companies by

source (federal grants, state grants, venture capital, angel funding and increase in revenue).

- b. Ann Arbor and Ypsilanti will provide a copy of this Agreement to the MEDC within seven (7) days of its approval and execution by all parties.

5. Term of Agreement. This Agreement shall be for a term of fifteen (15) years after the approval of the capture of tax increment revenues on taxes levied by the State, local school district and intermediate school district by the State Treasurer in connection with the Satellite SmartZone. In the event the MEDC and State Treasurer do not approve the capture of tax increment revenues on taxes levied by the State, local school district and intermediate school district by December 31, 2015, then this Agreement shall terminate. This Agreement may be extended upon mutual written consent of the parties.

6. Entire Agreement; Amendment. This Agreement constitutes the entire agreement of the parties. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are hereby terminated. This Agreement shall not be modified, altered or amended except by written agreement duly executed by all parties to this Agreement in accordance with the terms hereof.

7. No Third Party Beneficiaries. This Agreement is exclusively for the benefit of the parties hereto. It may not be enforced by any party other than the parties to this Agreement and shall not create any liability to any third party.

8. No Assignment. The parties mutually agree that their respective rights, obligations and duties under this Agreement may not be assigned.

9. Severability. If any section or provision of this Agreement shall be found invalid, that provision shall be severable and the balance of the Agreement shall remain in full force and effect.

10. Captions. The captions in this Agreement are for convenience only and shall not be considered as a part of this Agreement or as in any way amplifying or modifying the provisions of this Agreement.

11. Notices. All notices, requests, demands or other communications under this Agreement shall be in writing and deemed given when delivered personally, upon the next business day if deposited with a nationally recognized over night delivery service, or upon the third following business day, if deposited in the United States Mail with postage prepaid and sent by certified mail, return receipt requested, addressed as follows:

- a. If to Ann Arbor;

Attention: City Administrator
City of Ann Arbor
301 E. Huron Street
Ann Arbor, MI 48107-8647

b. If to Ypsilanti:

Attention: City Manager
City of Ypsilanti
One South Huron Street
Ypsilanti, MI 48197

c. If to the Adrian-Tecumseh LDFA:

Attention: City Manager
City of Adrian
135 E. Main Street
Adrian, MI 49221

And

Attention: City Administrator
City of Tecumseh
309 E. Chicago Blvd.
Tecumseh, MI 49286

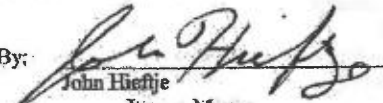
Or to such other address as the parties may from time to time designate by notice in writing to the other parties:

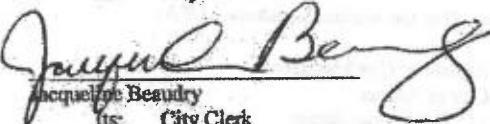
12. Counterparts. This Agreement may be signed in any number of counterparts, which counterparts shall be considered as one and the same instrument. Electronic copies of this Agreement shall have the full force and effect of an original document.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereby execute this Agreement as of the date first written above.

CITY OF ANN ARBOR

By: 
John Hiestje
Its: Mayor

By: 
Jacqueline Beaudry
Its: City Clerk

CITY OF YPSILANTI

By: _____
Paul Schreiber
Its: Mayor

By: _____
Frances McMullen
Its: City Clerk

LOCAL DEVELOPMENT FINANCE
AUTHORITY OF THE CITIES OF ADRIAN AND
TECUMSEH

By: 
Joan Baker
Its: Chairperson

By: 
Riley
Its: Secretary

IN WITNESS WHEREOF, the parties hereby execute this Agreement as of the date first written above.

CITY OF ANN ARBOR

By: _____
John Hiestje
Its: Mayor

By: _____
Jacqueline Beaudry
Its: City Clerk

CITY OF YPSILANTI

By: _____
Paul J. Schreiber
Its: Mayor

By: _____
Frances McMullen
Its: City Clerk

LOCAL DEVELOPMENT FINANCE
AUTHORITY OF THE CITIES OF ADRIAN AND
TECUMSEH

By: _____
Its: Chairperson

By: _____
Its: Secretary

EXHIBIT A

DESCRIPTION OF SATELLITE DISTRICT

- Within the City of Tecumseh: Tecumseh Business and Technology Campus – 5695 E M-50 - South side of M-50 and West of Billmeyer Highway; Van-Rob Tecumseh – 1200 E M50 - South side of M-50 and East of Rogers Highway; Tecumseh High School – 706 Brown Street - South side of Brown Street, North side of M-50; Tecumseh Admin Building – 212 N. Ottawa Street - At the corner of SE. Shawnee Street and Ottawa; Tecumseh Middle School – 307 N Maumee St – At the corner of E. Logan Street and Maumee Street; Tecumseh District Library – 215 N Ottawa St – At the corner of E. Shawnee St and N. Ottawa; and
- Within the City of Adrian: Adrian College, 110 S. Madison, roughly bound by Madison, Michigan, Williams and U.S. 223; Jackson College, 1376 North Main; Siena Heights University, 1247 East Siena Heights Drive, roughly bound by Siena Heights Drive, Oakwood and Elm; Lenawee ISD Tech Center, 1372 North Main; Adrian High School, 785 Riverside, roughly bound by Riverside, McKenzic and Stockford; Adrian Public Library, 143 East Maumee; City-owned greenfield site, 2610 West Beecher; City-owned greenfield site, 2900 West Beecher; City-owned greenfield site, 2817 West Beecher; City-owned industrial park, 1456 Enterprise Drive; City-owned industrial park, 1446 Enterprise Drive; City-owned industrial park, 1440 Enterprise Drive; City-owned industrial park - north, Industrial Drive; City-owned industrial park - south, Industrial Drive; Brownfield site, 1356 East Beecher; Brownfield site, 430 North Dean; Brownfield site, 1407 East Maumee; City-owned greenfield site, 2300 North Adrian Highway; City-owned greenfield site, 2930 North Adrian Highway; City-owned property, North Adrian Highway; City-owned industrial park, 1470 Enterprise Drive.

Execution Copy

EXHIBIT B
SATELLITE SMARTZONE PLAN

22284438.31153360-00001

Local Development Finance Authority of the Cities of Adrian and Tecumseh

Executive Summary Satellite SmartZone Plan

Executive Summary

The communities of Adrian and Tecumseh, in cooperation with Adrian College and a host of partners, submit this Satellite SmartZone Plan for consideration by the Michigan Economic Development Corporation. This proposal leverages a unique combination of public and private resources, designed to stimulate private business with a minimum number of public dollars.

The Adrian Tecumseh SmartZone (ATSZ) is just one element in a comprehensive economic development strategy, which continues Lenawee County's rich history of technological innovation. The strategy focuses on the creation and attraction of high-tech businesses in our established technology parks and on the combined resources of our secondary and post-secondary institutions and programs including the Adrian Innovation Center, a business incubator and accelerator on the Adrian College campus. This strategy encourages managed growth, community stabilization, and discourages inappropriate urban sprawl. In addition to an emphasis on emerging and startup companies, the program will encourage the retention of college graduates in the county, providing a continuing labor pool for new and expanding companies.

Location

As the name implies, the ATSZ is multi-jurisdictional. Property in both the city of Adrian and the city of Tecumseh is included. The majority of the TIF capture area is located in existing technology/Certified Business Parks owned by the respective cities with all the necessary infrastructure/telecommunications in place for technology-focused businesses.

Unique Characteristics and Specialties

Lenawee County is home to three colleges/universities, including Adrian College, Siena Heights University and Jackson College. And all three campuses are included within the authority TIF district. This plethora of post-secondary education, combined with its close proximity to the larger research institutions in Ann Arbor and southeastern Michigan make Lenawee County an ideal location for technology driven entrepreneurs. Our community has a long and successful history of translating intellectual capital to production and distribution.

The Michigan Certified Business Parks that are proposed for inclusion in this satellite zone have been designed for technology businesses. A campus like setting provides the perfect backdrop with pad ready sites developed with LEED principles in mind.

The area boasts a high quality of place, an important element in attracting and retaining technology start ups. With a wide variety of recreational and cultural opportunities, a highly developed arts community, upscale events and active public gathering spaces in both Adrian and Tecumseh, there are plenty of amenities enticing to entrepreneurs.

Local Development Finance Authority of the Cities of Adrian and Tecumseh

Executive Summary Satellite SmartZone Plan

Benefits to Regional Collaboration and Value Added to Mission of Host SmartZone

A reasonably mature entrepreneurial community has many groups and individuals focused on technology business development. Coordinating these assets is necessary to ensure minimal friction and maximum leverage for companies seeking to obtain the most appropriate services. While these relationships take time to build and evolve, our distinct advantage is that these relationships are already established and have been working together towards common goals for many years. This SmartZone satellite is an extension of the partnership enjoyed by the Region 9 Economic Collaborative, which includes Washtenaw and Lenawee along with four other counties. Lenawee's substantial agriculture and manufacturing capacity is a valuable complement to Ann Arbor's science and academia. This satellite will seek to leverage our unique assets with those of the Ann Arbor/Ypsilanti SZ to further enhance the collaboration that already exists between our communities.

Technology Focus - Support to Technology Businesses and Entrepreneurs

In order to best utilize its resources, the ATSZ will focus its efforts on industries with high potential for utilizing at least one of the area's core competencies. The following technology areas have been identified as having particular strengths in the Adrian/Tecumseh Area:

- Agriculture: food processing, ethanol fuel production, bio-diesel fuel production
- Advanced Manufacturing
- Chemical manufacturing and plastics technologies
- Renewable/green technologies/water purification technologies

Entrepreneurial services offered will be tailored to the needs of businesses to include management guidance, technical assistance and support, individual consulting, marketing assistance, assistance with accessing funding, shared basic business services and equipment, and rental spaces with flexible leases, among others.

The Adrian Innovation Center at Adrian College offers support services and space to attract promising entrepreneurial start-ups and early-stage companies to Lenawee County. Other service providers will include the Adrian Public Library, Tecumseh District Library, Tecumseh Public Schools, Lenawee Intermediate School District (USD), Siena Heights University, Jackson College, and others. The programs are entrepreneur-driven, specialized to meet the needs of technology businesses.

Budget

The ATSZ will leverage resources from all its partners, particularly the Adrian Innovation Center at Adrian College. During the 15-year lifespan of the ATSZ we expect at least \$80,000,000 of private real property investment that will generate approximately \$7.8 million of funding over those 15 years for the ATSZ. We are anticipating the tax capture to begin in 2016 at about

Local Development Finance Authority of the Cities of Adrian and Tecumseh

Executive Summary Satellite SmartZone Plan

\$250,000 a year and grow to \$700,000 a year by the last year of the LDFA. In addition, during the first three years of operation, Adrian College will provide \$200,000 a year of support in the form of incubator space, business support services and salary for the incubator director.

Economic Impact

The estimation of jobs in the high technology sector and under the program outlined by this plan is a speculative venture contingent upon many factors outside the control of the ATSZ. However, we estimate that 400 jobs may be created as a direct and indirect result of these activities. Based on the recent interest in our area by external advanced manufacturing companies, and the projected establishment/location of two new businesses each year within the ATSZ, this would result in the creation of 400 full-time jobs during the 15 year life of the LDFA. Given the recent international attractions of Comstar Automotive in Tecumseh and Metcan Industries in Adrian, we believe that businesses of this scale can find appropriate facilities within the areas encompassed by the ATSZ.

Management Team & Partners

Efforts will be lead by a team of dedicated individuals, which includes staff from the Cities of Adrian and Tecumseh, as well as Lenawee Now. Dr. Oded Gur-Arie, Director of the Adrian Innovation Center will be instrumental in designing programs for entrepreneurs in partnership with Adrian College. The team will also be utilizing support services through Siena Heights University, Jackson College, the Lenawee Intermediate School District, South Central Michigan Works, USD, the USDA, Michigan Department of Agriculture and Rural Development, the Small Business Development Center, and our local SCORE representative, among others.

ANN ARBOR/YPSILANTI SMARTZONESM AGREEMENT

This Ann Arbor/Ypsilanti SmartZone Agreement (hereinafter called "Agreement") is entered into as of this 25th day of November, 2002, by and among the Michigan Economic Development Corporation, a public body corporate, with offices at 201 N. Washington Square, Lansing, Michigan 48913 (hereinafter called "MEDC"), the City of Ann Arbor, a Municipal Corporation with offices at 100 N. 5th Avenue, Michigan 48107, the City of Ypsilanti, a Municipal Corporation, with offices at One South Huron Street, Michigan 48197 (hereinafter collectively called "Cities"), and the Cities' joint Local Development Finance Authority with offices at 3135 S. State, Michigan Ann Arbor (hereinafter called the "Authority").

RECITALS

WHEREAS, the Michigan Legislature passed and the Governor signed Public Act 248 of 2000 to promote, *inter alia*, the development of high technology businesses throughout the State of Michigan; and

WHEREAS, the MEDC has been authorized by Public Act 281 of 1986, as amended, being MCL 125.2151 et seq., to designate a certain number of certified technology parks ("Certified Technology Parks") within the State of Michigan, by December 31, 2002; and

WHEREAS, the MEDC, for strategic marketing purposes, has chosen to designate the aforementioned Certified Technology Parks as "SmartZones;" and

WHEREAS, on July 26, 2000, the MEDC issued a request for proposals for SmartZone designation; and

WHEREAS, on October 16, 2000, the MEDC received a proposal requesting designation as a Certified Technology Park of certain areas located within the Cities' jurisdiction (the "Proposal"); and

WHEREAS, the MEDC, the Cities, and the Authority have entered into productive discussions regarding the Proposal; and

WHEREAS, the MEDC, the Cities, and the Authority desire to enter into this Agreement to designate the Authority District (as herein after defined) both as a Certified Technology Park and as a SmartZone and to establish terms and conditions of this designation.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the MEDC, the Cities, and the Authority, (collectively referred to hereinafter, at times, as the "Parties") agree as follows:

ARTICLE I DEFINITIONS

The Parties agree that the following words and expressions, as used in this Agreement, whenever initially capitalized, whether used in the singular or plural, possessive or non-possessive, either within or without quotation marks, shall be defined and interpreted as follows:

Section 1.01 Act. "Act" means 1986 PA 281, as amended, being MCL 125.2151 et seq.

Section 1.02 Affiliated Parties. "Affiliated Parties" means that or those public and private individual(s), business(es) and organization(s) with which the Cities and/or the Authority may enter into letters of intent, memoranda of understanding, contractual agreements or other types of arrangement to provide, or induce opportunities for, support, market access, assistance or other types of direct or in-kind assistance for tenants of the Business Incubator or to the development of high technology activity within the Certified Technology Park.

Section 1.03 Agreement. "Agreement shall mean this Ann Arbor/Ypsilanti SmartZone Agreement.

Section 1.04 Agreement Date. "Agreement Date" means the date set forth above as the date, which this Agreement has been into by the Parties.

Section 1.05 Appendix(es). "Appendix(es)" means the appendix(es) serially identified in this Agreement and attached hereto and incorporated herein by this reference.

Section 1.06 Authority. "Authority" means the Cities' Joint Local Development Finance Authority.

Section 1.07 Authority District. "Authority District" means that area or areas, established by the Cities, and within which the Authority exercises its powers.

Section 1.08 Business Incubator. "Business Incubator" means that real and personal property as defined by the Act, identified in the TIFP, and used in a manner provided for by the Act.

Section 1.09 Certified Technology Park. "Certified Technology Park," means that area or areas within the Authority District, as adopted by the Cities and the Authority and designated by the MEDC as a Certified Technology Park under the Act.

Section 1.10 Cities "Cities" means the City of Ann Arbor and the City of Ypsilanti located in the County of Washtenaw.

Section 1.11 DDA. "DDA" means the Ann Arbor Downtown Development Authority.

Section 1.12. EMU. "EMU" means Eastern Michigan University

Section 1.13 Event of Default or Default. "Event of Default" or "Default" means the failure by the Authority or the Cities to observe and perform any covenant, condition or agreement on their part to be observed or performed under this Agreement for a period of forty-five (45) days after written notice, specifying such failure and requesting that it be remedied, shall have been given by a party to not only the defaulting party, but to all other parties to this Agreement.

Section 1.14 Initial Assessed Value. "Initial Assessed Value" means the assessed value of that real and personal property identified in the TIFP as included within the TIFP as of the date the resolution establishing the TIFP was approved by the Cities and the Authority.

Section 1.15 MEDC. "MEDC" means the Michigan Economic Development Corporation, a public body corporate created under section 28 of Article VII of the State Constitution of 1963 and the Urban Cooperation act of 1967, 1967 PA 7, MCL 124.501 to 124.512, by a contractual interlocal agreement effective April 5, 1999 between participating local economic development corporations created under 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan Strategic Fund, or its successor as provided for in the Act.

Section 1.16 Operational Costs. "Operational Costs" means those expenses and other operational and planning costs authorized by the Act, including, but not limited to, executive management and other expenses directly related to the central administration of the facility including insurance, salaries, repairs and maintenance, marketing, supplies, and utilities.

Section 1.17 Public Facilities. "Public Facilities" means those facilities authorized by the Act and designated in the TIFP.

Section 1.18 Ratification. "Ratification" means the document, substantially in the form attached hereto as Appendix B, evidencing the State Treasurer's approval of the Authority's TIFP and of the capture of the tax increment revenues by the Authority.

Section 1.19 Resolution. "Resolution" means the document(s) approved by the Cities, which create the Authority and designate the boundaries of the Authority District or Districts, within which the Authority shall exercise its powers and filed with the Michigan Secretary of State, a copy of which is attached hereto as Appendix C.

Section 1.20 School Taxes. "School Taxes" the levies by the State pursuant to the state education act, Public Act 331 of 1993, MCL 211.901 to 211.906, and local and intermediate school districts that are not excluded from the definition of tax increment revenues under the Act.

Section 1.21 State. "State" means the State of Michigan.

Section 1.22 SmartZone or SmartZones. "SmartZone" or "SmartZones" means the service mark owned and adopted by the MEDC that applies to a "Certified Technology Park" or "Certified Technology Parks," respectively.

Section 1.23 Statewide SmartZone Council. "Statewide SmartZone Council" means the SmartZone advisory group comprised of representatives of each SmartZone and MEDC representatives.

Section 1.24 Tax Increment Revenues. "Tax Increment Revenues" means that term as defined by the Act.

Section 1.25 TIFP. "TIFP" means the tax increment financing plan approved by the Authority, the Cities, and the MEDC, which is attached hereto as Appendix D.

Section 1.26. Universities. "Universities" means the University of Michigan and Eastern Michigan University.

Section 1.27 UoM. "UoM" means the University of Michigan at Ann Arbor.

Section 1.28 WDC. "WDC" means the Washtenaw Development Council with offices at 3135 S. State Street, #205, Ann Arbor, MI 48108.

Section 1.29 Ann Arbor/Ypsilanti SmartZone. "Ann Arbor/Ypsilanti SmartZone" means the Certified Technology Park designated by Sections 2.01 and 4.01.

ARTICLE II RIGHTS AND OBLIGATIONS OF THE MEDC

Section 2.01 Designation of the Authority's Certified Technology Park. The MEDC designates all the Authority District as a Certified Technology Park; the Certified Technology Park shall be known upon such designation as the Ann Arbor/Ypsilanti SmartZone, pursuant to Section 4.01 of this Agreement.

Section 2.02 Marketing of the Authority's Certified Technology Park by the MEDC. The MEDC shall market the Ann Arbor/Ypsilanti SmartZone as one of the Certified Technology Parks authorized under the Act. All marketing of the Ann Arbor/Ypsilanti SmartZone by MEDC shall be consistent with the TIFP and the purposes and objectives of the Authority. It is understood that the marketing funds to be expended by the MEDC in fulfillment of its obligation under this Section 2.02 shall be determined by the MEDC.

Section 2.03 Ratification by State Treasurer. The MEDC will use its best efforts to obtain the State Treasurer's ratification of the Ann Arbor/Ypsilanti Certified Technology Park and the TIFP.

ARTICLE III
RIGHTS AND OBLIGATIONS OF THE CITIES AND THE AUTHORITY

Section 3.01 Authorized Capture and Use of Tax Increment Revenues.

(a) All Tax Increment Revenues received by the Authority from the Certified Technology Park during the term of this Agreement may be expended by the Authority for only those purposes and in those amounts authorized under the Act and the TIFP, including, but not limited to, telecommunications infrastructure. The Authority may capture the maximum amount of School Taxes allowed under the Act for a period of fifteen (15) years for levies imposed on or after January 1, 2001 subject to an annual review by the MEDC. Said MEDC review shall be limited to assessment of consistency with the TIFP and the Act, and in the event that MEDC identifies material inconsistency/ies, it shall notify the Cities and the Authority of it and the Authority shall have the opportunity to respond in a manner consistent with Section 5.03(a) of this Agreement. Should the Authority fail to perform as described by Section 5.03(a), then the MEDC may exercise its options as provided for in Article V of this Agreement. Tax Increment Revenues shall be determined on the basis of an initial assessed value determined as of December 31, 2001, as authorized by the State Treasurer and pursuant to the TIFP and the Ratification.

(b) The Authority may enter into a contract(s) with the Cities or an Affiliated Party to delegate, on behalf of the Authority, the responsibility of operating and planning the activities supported by the Authority, including, but not limited to: Providing administrative services to the Authority, conducting an integrated marketing study, generating specific marketing plans, identifying methods of facilitating technology commercialization, and implementation of the integrated marketing program

Section 3.02 Prohibited Uses of Tax Increment Revenues. Tax Increment Revenues shall not be used to fund the costs of direct subsidies, programs or services provided to or for tenants in the Business Incubator such as research stipends or grants, employee compensation subsidies, or grant proposal assistance.

Section 3.03 Private Sector Participation. The following actions shall be taken to encourage and support private sector support and participation in the development and attractions of high technology activities within the Ann Arbor/Ypsilanti SmartZone:

(a) The Cities and the Authority shall seek to develop and implement commercially reasonable strategies to facilitate the commercialization of high technology activities in the Ann Arbor/Ypsilanti SmartZone.

(b) The Cities and Authority shall seek to obtain written statements from Affiliated Parties to provide: Funding or in-kind contributions to the Ann Arbor/Ypsilanti SmartZone; and services, market access and assistance to tenants of Business Incubator

facilities, and towards the development of high technology activities within the Ann Arbor/Ypsilanti SmartZone.

Section 3.04 MEDC Membership on the Governing Body of the Ann Arbor/Ypsilanti SmartZone. The Cities shall appoint an MEDC representative, selected by the MEDC, as an ex-officio, non-voting, member, to the Authority.

Section 3.05 Reporting Requirements.

The Authority shall provide, within 30 days of the end of the Authority's fiscal year, or cause to be provided, the MEDC and the Cities with, an annual report and audited financial statement, including, but not limited to, the following information:

(a) A summary of the Ann Arbor/Ypsilanti SmartZone operations, including, but not limited to, number of businesses assisted, number of businesses locating or expanding in the Ann Arbor/Ypsilanti SmartZone, number of jobs created/retained, number of on-going and completed research projects, number of on-going and completed commercialization projects, and amount of investments in the Ann Arbor/Ypsilanti SmartZone.

(b) The use of Tax Increment Financing funds during the prior fiscal year of the Authority.

(c) The proposed use of Tax Increment Financing funds for the next fiscal year of the Authority.

(d) Any modifications sought to this Agreement or to the TIFP.

(e) Any other information, which the MEDC and the Cities may want included in the annual report.

Section 3.06 Amendments to the TIFP. The Authority and the Cities shall not amend the TIFP without the prior approval of the MEDC.

Section 3.07 Statewide SmartZone Council The Cities and the Authority agree to participate in the activities of the Statewide SmartZone Council, including, but not limited to, assisting the MEDC in developing a marketing plan for the SmartZone program.

ARTICLE IV SERVICE MARK

Section 4.01 The MEDC owns the Service Mark "SmartZone" and "SmartZones" and hereby grants a limited license to use the Service Mark "SmartZone," and "SmartZones" in accordance with guidelines established by the MEDC, to the Cities and the Authority in connection with the Ann Arbor/Ypsilanti SmartZone. The MEDC

retains the exclusive right to revoke the Service Mark license or to suspend or revoke the designation of the SmartZone Service Mark to the Ann Arbor/Ypsilanti SmartZone pursuant to Section 5.03 of this Agreement. The Cities and Authorities shall use the SmartZone Service Mark in conformity with the specifications set forth in the document attached as Appendix E.

ARTICLE V
TERM, TERMINATION, AND DEFAULT

Section 5.01 Term.

The term of this Agreement shall commence on the Agreement Date and shall expire on May 1, 2017, unless terminated earlier as set forth below:

(a) An action, other than one caused by an Event of Default by any of the Parties that voids, suspends, terminates or revokes the approval by MEDC of the Authority District as a Certified Technology Park or the authorization for the Authority to capture and use Tax Increment Revenues for the purposes permitted under Section 3.01, such as, but not limited to:

(i) Court order;

(ii) Any ruling, bulletin, order, administrative or executive decision of the State, State Tax Commission, any State official, or State commission, authority, body or employee with authority to make such determination or take such action;

(iii) State or federal legislative action.

(b) The involuntary dissolution or liquidation of the Authority

(c) The voluntary termination of this Agreement by the MEDC and the Cities and the Authority. It is understood that none of the Parties shall unreasonably withhold their consent to terminate this Agreement under this Section 5.01 (d), if it should be in the best interest, under good business practice standards, to terminate this Agreement.

(d) Withdrawal from this Agreement by any Party pursuant to Section 5.05.

Section 5.02. Rights of the MEDC. The expiration of the Term of this Agreement shall not affect the rights of the MEDC in connection with its SmartZone Service Mark.

Section 5.03 Default: Dispute Resolution.

(a) If an Event of Default is such that it can be corrected but not within 45-days, and corrective action is instituted within such period and diligently pursued until such Event of Default is corrected, then such 45-day period shall be increased to such extent necessary to enable the party failing to observe or perform any covenant, condition

or agreement to observe or perform such covenant, condition, undertaking or agreement through the exercise of due diligence. The MEDC is not bound by the 45-day period for cure described herein in the event of a failure by the Authority to comply with Section 3.01(a) of this Agreement.

(b) Whenever an Event of Default shall have occurred and be continuing, any non-defaulting party may take whatever action at law or in equity as may appear necessary or desirable to enforce performance and observance of this Agreement, provided that:

(i) If a dispute arises under this Agreement, which cannot be resolved within the period for cure provided in Section 5.03(a), subject to the exception provided therein, before exercising any of the rights contained in Section 5.03(c), the Parties agree to first try to resolve the dispute with the help of a mutually agreed-upon mediator prior to exercising any rights or remedies under Section 5.03. Any costs and fees other than attorney fees associated with the mediation shall be shared equally by the Parties. If the Parties cannot agree on the selection of a mediator within ten (10) calendar days, then the Parties shall ask the American Arbitration Association to appoint a mediator to serve them in resolving their dispute.

(c) Whenever an Event of Default is caused by the failure of the Cities or the Authority, the MEDC shall have the right to exercise any one or more of the following remedies:

(i) Suspend or revoke the SmartZone Service Mark designation granted to the Ann Arbor/Ypsilanti SmartZone, and the use of the Service Mark "SmartZone" or "SmartZones" to the Cities and the Authority.

(ii) Cease to market, as otherwise agreed to by the MEDC under Section 2.02, or revoke permission to market, under Section 3.07, the Ann Arbor/Ypsilanti Certified Technology Park as a SmartZone. If the MEDC exercises this remedy, the Cities and the Authority shall be able to continue to market and operate the Ann Arbor/Ypsilanti SmartZone as the Ann Arbor/Ypsilanti Certified Technology Park during the remaining term of this Agreement.

(d) Whenever an Event of Default is caused a failure of the Authority under Section 3.01(a), the MEDC, in addition the its rights under Section 5.03(b) or (c) above, shall have the right to exercise any one or more of the following remedies:

(i) Suspend or revoke the capture of School Taxes, in whole or in part, to the extent that said School taxes are not applied to satisfy existing outstanding obligations, of the Authority, the Cities, and Affiliated Parties.

Section 5.04 Limitations upon Obligations and Remedies.

(a) The amendment, revocation or suspension by the State Treasurer of the Ratification or any authorization conferred upon the Authority by Section 3.01 above,

shall waive all obligations imposed upon the Cities or the Authority under Article III above.

(b) If the State Treasurer refuses, for any reason whatsoever, to approve the capture of that portion of Tax Increment Revenues attributable to School Taxes, revokes or suspends its approval of such capture, attributable to School Taxes, in whole or in part, or requires reimbursement, for any reason, from a the Cities or the Authority, then the MEDC will have no liability to the Cities and the Authority and the Cities and the Authority will have no liability to the MEDC for damages caused by such action of the State Treasurer and this Agreement will not be construed to impose any liability upon or require the MEDC or the Cities and the Authority to repay any obligation or reimbursement paid from Tax Increment Revenues already collected.

(c) The authorization to use the MEDC's Service Mark "SmartZone" and "SmartZones" extended to the Cities and the Authority shall cease immediately upon termination of this Agreement or dissolution of the MEDC, without requiring any action of the MEDC.

Section 5.05 Absolute Right of Withdrawal. Any Party to this Agreement shall have the absolute right to withdraw from this Agreement if the Cities through their respective city councils, fail to approve the TIFP by July 1, 2002.

ARTICLE VI MISCELLANEOUS

Section 6.01 Designation of MEDC Chief Executive Officer. The Chief Executive Officer of MEDC, or his designee, is designated as the authorized officer to make determinations and approvals on behalf of the MEDC related to the satisfaction of any condition imposed by this Agreement upon the Cities and the Authority, the terms of any performance required by the Cities or the Authority, or the terms of any agreement entered into by the Cities or the Authority with another person or organization which is subject to MEDC approval.

Section 6.02 Entire Agreement. This Agreement, including its Appendixes and Exhibits, sets forth the entire agreement between the Parties and supersedes any and all prior agreements or understandings between them in any way related to the subject matter hereof. It is further understood and agreed that the terms and conditions herein are contractual and are not a mere recital and that there are no other agreements, understandings, contracts, or representations between the Parties in any way related to the subject matter hereof, except as expressly stated herein.

Section 6.03 No Presumption. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the Party causing this Agreement to be drafted.

Section 6.04 Severability of Provisions. If any provision of this Agreement, or its application to any Party or circumstance, is invalid or unenforceable, the remainder of

this Agreement and the application of that provision to other Parties or circumstances is not affected but will be enforced to the extent permitted by law.

Section 6.05 Governing Law. This Agreement is made and entered into in the State of Michigan and shall in all respects be interpreted, enforced and governed under the laws of the State of Michigan without regard to the doctrines of conflict of laws. The language of all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning, and not construed strictly for or against any Party.

Section 6.06 Captions. The captions, headings, and titles in this Agreement are intended for the convenience of the reader and not intended to have any substantive meaning and not to be interpreted as part of this Agreement.

Section 6.07 Terminology. All terms and words used in this Agreement, regardless of the numbers or gender in which they are used, are deemed to include any other number and any other gender as the context may require.

Section 6.08 Cross-References. References in this Agreement to any Article include all Sections, subsections, and paragraphs in the Article; references in this Agreement to any Section include all subsections and paragraphs in the Section.

Section 6.09 Jurisdiction and Venue. In the event of any disputes between the Parties over the meaning, interpretation, or implementation of the terms, covenants or conditions of this Agreement, the matter under dispute, unless resolved between the parties, shall be submitted to the courts of the State of Michigan.

Section 6.10 Amendment. The Agreement may be amended or an alternative form of the Agreement adopted only upon written agreement of the Parties.

Section 6.11 Independent Contractor. The Parties agree that at all times and for all purposes under the terms of this Agreement each Party's relationship to any other Party shall be that of an independent contractor. Each Party will be solely responsible for the acts of its own employees, agents, and servants. No liability, right, or benefit arising out of any employer/employee relationship, either express or implied, shall arise or accrue to any Party as a result of this Agreement.

Section 6.12 Counterpart Signatures. This Agreement may be signed in counterpart. The counterparts taken together shall constitute a single agreement.

Section 6.13 No Waiver. No waiver by MEDC or the Cities and the Authority of any breach of obligations, agreements or covenants herein shall be a waiver of any subsequent breach of any obligation, agreement or covenant, nor shall any forbearance by the MEDC or a Local Representative to seek a remedy for any breach by the another party to this Agreement be a waiver of any rights or remedies with respect to such or any subsequent breach, nor shall any express waiver by the MEDC or the Cities and the Authority be deemed to apply to any other existing or subsequent right to remedy any default by another party to this Agreement. nor shall any waiver by MEDC or the Cities and the Authority of any default or breach by another party to this Agreement in the

performance of any of the covenants or obligations under this Agreement be deemed to have been made by the MEDC unless contained in a writing executed by the waiving party. None of the Parties waive any immunities provided by law.

Signatures on the following pages.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

**MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION**

Address: 300 N. Washington Square
Lansing, MI 48913

WITNESSES:

BY:

[Signature]

ITS:

President & CEO

DATE:

11/25/02

CITY OF ANN ARBOR

Address: 100 N. Fifth Ave.
Ann Arbor, MI 48104

WITNESSES:

BY:

[Signature]
John Hieftje

ITS:

Mayor

DATE:

7/11/02

BY:

[Signature]
Yvonne Carl

ITS:

Interim City Clerk

DATE:

Approved as to form:

[Signature] 7-10-02
Abigail Elias, City Attorney

LOCAL DEVELOPMENT FINANCING
AUTHORITY

Address: 3135 S. State
#205
Ann Arbor, M. 48108

WITNESSES:

[Signature]
70 May

BY: Earl H. Porter

ITS: Chair

DATE: 9/9/02

THE CITY OF YPSILANTI

Address: ONE SOUTH HURON STREET
YPSILANTI, MICHIGAN
48197

WITNESSES:

Jennifer H. Goulet

Robert H. Slone

Ante N. Barr

Jennifer H. Goulet

BY: Cheryl C. Farmer
Cheryl C. Farmer

ITS: Mayor

DATE: 6.18.02

BY: Robert H. Slone
Robert Slone

ITS: City Clerk

DATE: 6.18.02

APPROVED AS TO FORM

John M. Barr 5.31.02
John M. Barr
Ypsilanti City Attorney

Appendixes

- Appendix A..... Description of the Authority District, Certified
Technology Park and Public Facilities.
- Appendix B Ratification by State Treasurer
- Appendix C Copy of Resolution creating the Authority
- Appendix D Authority's Tax Increment Financing Plan
- Appendix E SmartZone Service Mark Specifications

ATTACHMENT A

LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITY OF ANN ARBOR AND CITY OF YPSILANTI FOR THE SMARTZONE PROGRAM

LEGAL DESCRIPTION OF DISTRICT BOUNDARIES IN THE CITIES OF ANN ARBOR AND YPSILANTI COUNTY OF WASHTENAW, MICHIGAN

Property in the City of Ypsilanti

Commencing on the centerline of Ferris Street at a point 106 feet West of South Washington Street; thence West along the centerline of Ferris Street to the centerline of Hamilton Street; thence North to a point where the North line of Pearl Street intersects if that line is extended West along the North line of Pearl Street; thence East along the North line of Pearl Street to the West line of North Adams Street; thence North to a point 231 feet South of the South line of Washtenaw Avenue; thence East to the East line of North Washington Street; thence South to the Northwest corner of Parcel 11-11-486-005; thence East 140.25 feet to the Northeast corner of said Parcel; thence South to the Northwest corner of Parcel 11-11-486-022; thence East to the East line of North Huron Street; thence South to the Northwest corner of Parcel 11-11-401-017; thence East to the East line of the Huron River; thence Southerly along the East line of the Huron River to the North side of the Michigan Avenue Bridge thence; East to the East end of the bridge; thence South to the centerline of Water Street; thence West along the South side of the Michigan Avenue Bridge to the East line of the Huron River; thence Southerly along the East line of the Huron River to a point where the centerline of Ferris Street intersects if that line is extended; thence West along the centerline of Ferris Street to the point of beginning.

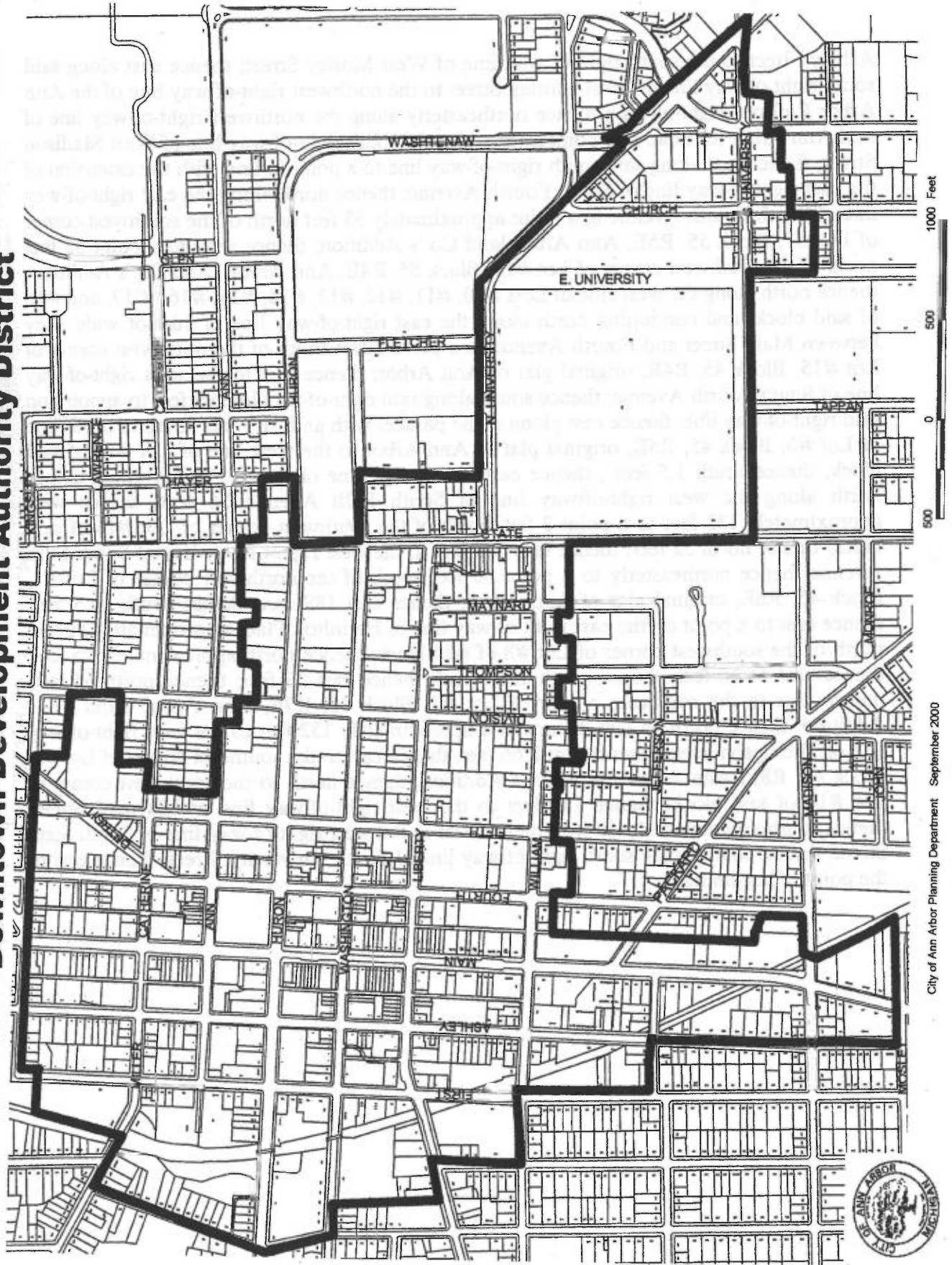
Property in the City of Ann Arbor

Beginning at the southwest corner of the intersection of South University and East University Streets rights-of-way; thence south along the west right-of-way line of East University Street approximately 330 feet; thence east to a point 132 feet west of the east right-of-way line of Church Street; thence north 27 feet; thence east 56 feet; thence south 15 feet; thence east to the east right-of-way line to Church Street; thence north along Church Street to the southwest corner of Lot #2, Block 1, R.S. Smith's Second Addition; thence easterly approximately 165 feet; thence north 44 feet; thence east approximately 360 feet to the west line of Lot #9, Block 5, R. S. Smith's Second Addition; thence north approximately 155 feet to the south right-of-way line of South University Street; thence east along a south right-of-way line of East University Street to the northeast right-of-way line of Washtenaw Avenue; thence northwesterly along said line to the north right-of-way line of North University Street; thence west along the north right-of-way line of North University Street to the east right-of-way line of South Thayer Street; thence north approximately 1,030 feet to the north line of Lot #1 of Eastern Addition (110 North Thayer Street); thence west to

the east right-of-way line of North State Street; thence north approximately 70 feet; thence west to the northwest corner of Lot #17, of Assessor's Plat No. 8; thence south to the north line of Lot #18 of said plat; thence west to the east line of Lot #20 of said Assessor's Plat No. 8; thence north along the east line of said Lot #20 to the north line of said lot; thence west 150.08 feet to the east line of Lot #1 of Assessor's Plat No. 8; thence south to the southeast corner of said lot; thence westerly and southerly along the northwest side of Lot #22 and the north side of Lot #23 of Assessor's Plat No. 8 to the east right-of-way line of North Division Street; thence northwesterly to a point 4 feet south of the northeast corner of Lot #8 of original plat of Ann Arbor; thence west approximately 101 feet; thence north 3.3 feet; thence west to a point 27 feet east of the northwest corner of Lot #10, original plat of Ann Arbor; thence north along a line that is 27 feet west of the east line of Lot #10 to the north right-of-way line of Ann Street; thence west along the north right-of-way line of said street to a point that is 16.5 feet east of the southwest corner of Lot #2 of original plat of Ann Arbor; thence north 132 feet on a line parallel with the west line of said Lot #2 to a point that is 16.5 feet east off the northwest corner of Lot #2; thence east 10 feet along the north line of Lot #2; thence north 198 feet along a line parallel to and 40 feet west of the east line of Lot #15 of original plat of Ann Arbor to the southwest corner of Lot #149 of Assessor's Plat No. 29; thence east 74.37 feet to the southeast corner of Lot #150 of Assessor's Plat #29; thence north 132.35 feet to the northeast corner of Lot #150, Assessor's Plat No. 29; thence east along the north side of Lots #151, #153, #154, #155, and #158 of Assessor's Plat No. 29, extended to the east side of the North Division Street right-of-way; thence north along the east right-of-way line of North Division Street to the northwest corner of Lot #2 of Assessor's Plat No. 6; thence west to the southwest corner of Lot #141 of Assessor's Plat No. 29; thence north along the west line of said lot extended to the north right-of-way line of East Kingsley Street; thence west along the north right-of-way of East and West Kingsley Street to the intersection of the right-of-way line of North First Street with the north right-of-way line of West Kingsley Street; thence south $4^{\circ} 02' 10''$ west 131.56 feet; thence north $83^{\circ} 23' 50''$ west 137.76 feet; thence south $15^{\circ} 31' 45''$ west 66 feet; thence south $15^{\circ} 01' 40''$ west 350.49 feet to the north right-of-way line of Miller Avenue; thence northwest along the northeasterly right-of-way line of Miller Avenue to a point approximately 125 feet northwest of the northwest intersection of the rights-of-way of Spring Street and Miller Avenue; thence southwesterly along the northwest right-of-way of Chapin Street to intersect with the southwest right-of-way of Third Street; thence southeast along said southwest right-of-way line of Third Street to a point intersecting with the south right-of-way line of West Washington Street; thence east along said south right-of-way line of West Washington Street to the northeast corner of Lot #1 of Krause's Addition; thence south along the east side of Lots #1, #3, #4, #5, #6, #7, #8, and #9 of Krause's Addition to a point intersecting with the southeast right-of-way line of West Liberty Street; thence northeasterly along said southeasterly right-of-way line of West Liberty Street to a point intersecting with the west right-of-way line of Second Street; thence south along said west right-of-way line to the intersection of the west right-of-way line of Second Street with the south right-of-way line of West William Street; thence east along the south right-of-way line of West William Street to the west right-of-way line of First Street; thence south along the west right-of-way line of First Street to the intersection of the north right-of-way line of Jefferson Street with the west right-of-way line of First Street; thence east to the west right-of-way line of South Ashley Street; thence south along said west right-of-way line of South

Ashley Street to the south right-of way line of West Mosley Street; thence east along said south right-of-way line of West Mosley Street to the northwest right-of-way line of the Ann Arbor Railroad right-of-way; thence northeasterly along the northwest right-of-way line of said Ann Arbor Railroad to a point intersecting the south right-of-way line of West Madison Street; thence east along said south right-of-way line to a point in line with the extension of the east right-of-way line of South Fourth Avenue; thence north along the east right-of-way line of South Fourth Avenue to a point approximately 33 feet north of the southwest corner of Lot #7, Block 55, R5E, Ann Arbor land Co.'s Addition; thence west to a point 33 feet north of the southwest corner of Lot #10, Block 55, R4E, Ann Arbor Land Co.'s Addition; thence north along the west side of Lots #10, #11, #12, #13, #14, #15, #16, #17, and #18 of said block, and continuing north along the east right-of-way line of 16-foot wide alley between Main Street and Fourth Avenue to a point 6 feet south of the northwest corner of Lot #15, Block 45, R4E, original plat of Ann Arbor; thence east to the west right-of-way line of South Fourth Avenue; thence south along said right-of-way line 99 feet to appoint on said right-of-way line; thence east along a line parallel with and 31.5 feet south of north line of Lot #3, Block 45, R5E, original plat of Ann Arbor to the west line of Lot #14 of said block; thence south 1.5 feet, thence east to the west line of South Fifth Avenue; thence north along the west right-of-way line of South Fifth Avenue 36 feet; thence west approximately 132 feet to a point 3 feet north of the southwest corner of Lot #15 of said block; thence north 52 feet; thence east 132 feet to the west right-of-way line of South Fifth Avenue thence northeasterly to a point 66 feet south of the northwest corner of Lot #1, Block 45, R6E, original plat of Ann Arbor; thence east 189 feet; thence south 16.5 feet; thence east to a point on the east right-of-way line of Hamilton Place approximately 50 feet north of the southwest corner of Lot #8 of said block; thence north approximately 25 feet; thence east 66.15 feet; thence south 138.1 feet; thence east 33 feet; thence north 66 feet; thence east to the southeast corner of Lot #2, Block 45, R7E, Ann Arbor Land Co.'s Addition; thence north 66 feet, thence east approximately 132 feet to the west right-of-way line of Thompson Street; thence south 66 feet; thence east to the southeast corner of Lot #2, Block 45, R8E, Ann Arbor Land Co.'s Addition; thence north to the southwest corner of Lot #16 of said block; thence 132 feet to the west right-of-way line of Maynard Street; thence south approximately 40 feet; thence east to the west right-of-way line of South State Street; thence south to the south right-of-way line of South University Street; thence east to the point of beginning.

Downtown Development Authority District



**CITY OF YPSILANTI
SMART ZONE LOCATION**

AATA TRANSIT
STATION

EMU ICARD

EMU
College of Business

U.S. - 12 B.R.

WATER STREET REDEVELOPMENT AREA

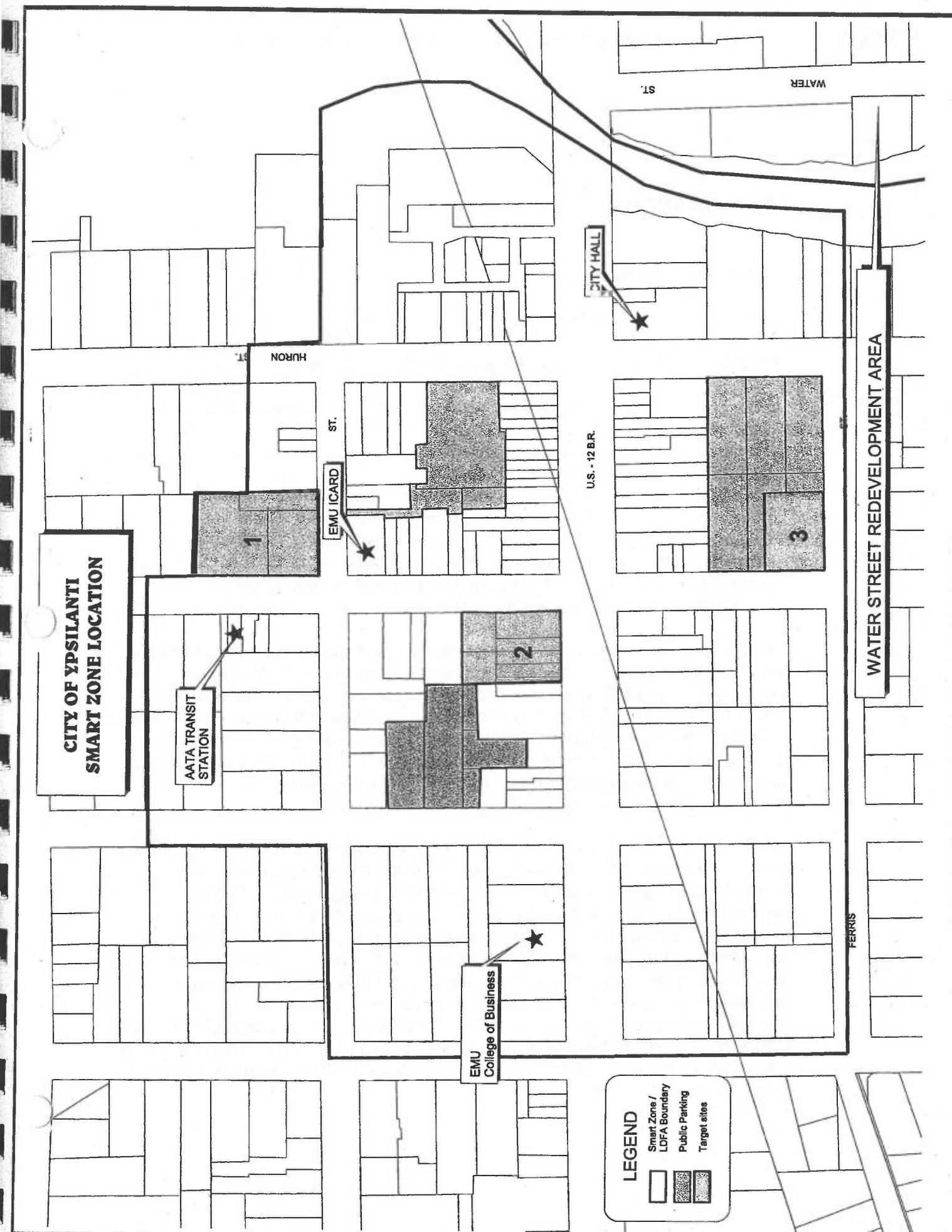
LEGEND

- Smart Zone /
LDFA Boundary
- Public Parking
- Target sites

HURON ST.

WATER ST.

FERRIS





MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

300 WASHINGTON SQ.
LANSING, MI 48913

CUSTOMER ASSISTANCE
517 373 9808

WWW.MICHIGAN.ORG

MEMORANDUM

DATE: December 18, 2002

TO: Doug Roberts, State Treasurer

FROM: Doug Rothwell, President and Chief Executive Officer

RE: Approval of the Ann Arbor/Ypsilanti SmartZone Tax Increment Financing Plan

EXECUTIVE COMMITTEE
GOVERNOR JOHN ENGLER
General Chair

MATTHEW P. CULLEN
Chair
General Motors

PHILIP H. POWER
Vice-Chair
HomeTown Communications
Network

FACUNDO BRAVO
Uni Boring Co., Inc.

JOHN W. BROWN
Stryker Corporation

DR. DAVID E. COLE
er for
Automotive Research

JOANN CRARY
Saginaw Future Inc.

STEVEN K. HAMP
Henry Ford Museum &
Greenfield Village

HAYDEN H. HARRIS
EDF Ventures

DEWITT J. HENRY
Wayne County

PAUL HILLEGONDS
Detroit Renaissance

MAYOR DAVID HOLLISTER
City of Lansing

MICHAEL J. JANDERNOA
Perrigo Company

BIRGIT M. KLOHS
The Right Place Program

DR. IRVIN D. REID
Wayne State University

S. MARTIN TAYLOR
DTE Energy Company

PETER S. WALTERS
Guardian Industries
Corporation

PRESIDENT & CEO
DOUG ROTHWELL

In the spring of 2000, the Legislature amended the Local Development Financing Act to create a SmartZone program within the Michigan Economic Development Corporation (MEDC). By law, the MEDC designated ten SmartZones that contain certified technology parks (as referenced in the Act). These zones are comprised of districts that are governed by Local Development Finance Authorities (LDFA).

SmartZones are designed to foster partnerships between local governments, their economic development partners, and key providers of intellectual property and research and development, typically a university or private research institute. Through this partnership, and with a focus on new business formation, technology transfer, and either business park or downtown development, the program is designed to create and foster the creation and growth of technology oriented businesses, industry clusters, and a recognizable brand or image.

Within a SmartZone, or a certified technology park, the LDFA can collect the growth of property taxes from all property within the boundaries of the SmartZone to fund the cost of "public facilities" designed to aid in the development of "eligible businesses" (i.e. primarily manufacturing and technology-related firms). The definition within the LDFA Act for SmartZones has been significantly expanded and includes, in addition to traditional forms of public infrastructure, business incubators, publicly owned laboratory facilities, R&D facilities, teleconferencing facilities, marketing, and administration of the SmartZone and the acquisition and disposal of land. The LDFA may collect all local operating property taxes within the SmartZone and up to 50% of the K-12, state, and Intermediate School District (ISD) operating levies for up to 15 years.

Doug Roberts
Page 2
December 18, 2002

Pursuant to section 2 (ee)(ii)(B) of the statute, in order for an LDFA to capture the K-12, state, and ISD levies, the State Treasurer must determine that the capture is necessary to reduce unemployment, promote economic growth, and increase capital investment in the municipality.

In the fall of 2000, in response to an RFP, the MEDC received eighteen proposals and pre-proposals for SmartZone designation. After a great deal of analysis and negotiation, on April 11, 2001, the MEDC announced the ten areas that will receive designation. Attached to this memo is a fact sheet on the SmartZone program and a summary of each SmartZone.

Recommendation to Approve Ann Arbor/Ypsilanti Request

Enclosed with this memorandum is a request by a SmartZone community to capture the K-12, state, and ISD operating levies. The MEDC recommends your approval of the request. Their request is for the full amount (50% of K-12, state, and ISD levies) available by law. The total estimated capture for the first 15 years of the LDFA is \$23,891,999. The communities intend to capture school levies only. Along with this estimated support, the MEDC will be providing the City of Ann Arbor a \$10 million grant.

The Ann Arbor/Ypsilanti LDFA plan identifies the capture, its intended uses, and the goals and objectives of the SmartZone. The Ann Arbor/Ypsilanti SmartZone encompasses a significant portion of the downtown of each community. The LDFA anticipates using the bulk of tax increment revenues for business incubator operations and programs and telecommunications connectivity. In addition to the above costs, LDFA administration and marketing plans and programs are included in the plan.

Process Issues

Pursuant to the law, the MEDC, the Cities of Ann Arbor and Ypsilanti, and the LDFA have entered into an agreement formally designating the Ann Arbor/Ypsilanti SmartZone as a certified technology park. Included in the enclosed binder is a copy of the SmartZone Agreement, LDFA plan, and the original draft Ratification Certificate as signed by the Cities of Ann Arbor and Ypsilanti and the LDFA that you could use to memorialize your approval of the Ann Arbor/Ypsilanti tax increment plan.

Doug Roberts
Page 3
December 18, 2002

Please sign the original Ratification Certificate and return it to the MEDC for disbursement to the SmartZone Agreement parties.

Should you or your staff have any questions regarding the Ann Arbor/Ypsilanti request, the SmartZone program in general, or the process to be followed to secure your approval of the tax capture, please do not hesitate to contact myself or Matt Dugener, Managing Director of Targeted Community Initiatives, at (517) 241-3635.

cc: Matt Dugener

Attachments



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

300 N. WASHINGTON SQ.
LANSING, MI 48913

CUSTOMER CONTACT
CENTER
517 373 9808

WWW.MICHIGAN.ORG

January 6, 2003

Ms. Susan Lackey
President
Washtenaw Development Council
3135 S. State Street
Suite 205
Ann Arbor, MI 48108

Dear ^{Sue} ~~Ms. Lackey~~:

I am pleased to present to you the Ratification Agreement as signed by the State Treasurer. This document officially approves your SmartZone Local Development Finance Authority (LDFA) plan and authorizes the capture of state education taxes toward the fulfillment of that plan.

As you will note, the Chair of your LDFA has not yet signed the Ratification Agreement. Please have the Chair of the LDFA sign the attached agreement and forward a copy of the executed document to me.

If you have any comments or questions, please call me at (517) 241-3635.

Best regards,

Matthew Dugener
Managing Director
Targeted Community Initiatives

*I figured better
Coffee stains
than trying to get
the resigned!*

EXECUTIVE COMMITTEE

MATTHEW P. CULLEN
Chair

General Motors

PHILIP H. POWER

Vice-Chair

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ter for

omotive Research

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Greenfield Village

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DEWITT J. HENRY

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Detroit Renaissance

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DR. IRVIN D. REID

Wayne State University

S. MARTIN TAYLOR

DTE Energy Company

PETER S. WALTERS

Guardian Industries
Corporation

(1)
A RESOLUTION APPROVING THE CREATION OF THE ANN ARBOR/YPSILANTI SMART ZONE
LOCAL DEVELOPMENT FINANCE AUTHORITY

WASHTENAW COUNTY BOARD OF COMMISSIONERS

July 17, 2002

WHEREAS, in early 2001, the Michigan Economic Development Corporation designated the Ann Arbor/Ypsilanti SmartZone as one of only ten smartzones in the State; and

WHEREAS, the purpose of the SmartZone is to support small start-up technology companies primarily in the information technology field within the SmartZone; and

WHEREAS, the SmartZone will be funded through a local development finance authority ("LDFA") the boundary of which is roughly equivalent to the existing Ann Arbor and Ypsilanti Downtown Development Authorities; and

WHEREAS, Michigan law provides that when two governmental entities combine to create an LDFA, the county where those entities are located must approve the creation of that LDFA; and

WHEREAS, the creation of the SmartZone and the LDFA which will fund the SmartZone will have no negative financial impact upon the County as the only taxes to be captured are increased public school property taxes which the County does not have the right to receive under Michigan law.

NOW THEREFORE, BE IT RESOLVED that the Washtenaw County Board of Commissioners approves the creation of the Ann Arbor/Ypsilanti SmartZone as well as the creation of the Ann Arbor/Ypsilanti Local Development Finance Authority, which will fund the SmartZone.

COMMISSIONER	Y	N	A	COMMISSIONER	Y	N	A	COMMISSIONER	Y	N	A
Armentrout			X	Irwin	X			Prater	X		
Bergman	X			Kern	X			Shaw	X		
Craiger	X			Kestenbaum	X			Sizemore			X
DeLong	X			Montague	X			Sołowczuk	X		
Gunn	X			Peterson	X			Yekulis	X		

CLERK/REGISTER'S CERTIFICATE - CERTIFIED COPY

ROLL CALL VOTE: TOTALS

13 0 2

STATE OF MICHIGAN)
COUNTY OF WASHTENAW)^{SS}

I, Peggy M. Haines, Clerk/Register of said County of Washtenaw and Clerk of Circuit Court for said County, do hereby certify that the foregoing is a true and accurate copy of a resolution adopted by the Washtenaw County Board of Commissioners at a session held at the County Administration Building in the City of Ann Arbor, Michigan, on July 17, 2002, as appears of record in my office.
In Testimony Whereof, I have hereunto set my hand and affixed the seal of said Court at Ann Arbor, this 30th day of Sept., 2002.

PEGGY M. HAINES, Clerk/Register

BY: Barbara L. King
Deputy Clerk



Res. No. 02-0120

SmartZonesSM

SERVICE MARK HANDBOOK

This Service Mark handbook has been developed to answer basic questions about Service Mark usage in connection with the Michigan SmartZones.

What is a Service Mark?

A service mark is a word, phrase, symbol or design, or combination of those, which identifies and distinguishes the source of a service of one party from those of others. It is the same thing as a trademark, except it is for a service rather than a product.

Examples of Service Marks:

- Two Men and a Truck
- Comerica
- Tuffy Auto Service Centers
- Stanley Steamer
- SmartZone, SmartZones

How do you get a Service Mark?

There are two ways to get a Service Mark. One is to simply use the mark commercially. The second is to file an application with the Patent and Trademark Office and use the mark in commerce across state lines.

The MEDC has done both. We are using the mark commercially and we have filed an application with the Patent and Trademark Office.

What are the benefits of a Service Mark?

Establishing Service Mark rights gives the owner the ability to keep others from trading off of the value it builds up in the mark and the value of public recognition of the owner's services.

Using the examples of Service Marks from above most people know:

- that Two Men and a Truck is a moving service,
- that Comerica is a bank,
- that Tuffy Auto Service Centers are known for their mufflers,
- that Stanley Steamer is associated with rug cleaners

Our goal is that SmartZones be associated with very innovative clusters of technology-based businesses and research institutions throughout the state.

When do you use a Service Mark?

Use the Service Mark any time you want the public to identify the services being offered with the owner of the mark.

You should use the SM symbol any time the mark stands out as the source of the services, such as in:

Advertising	Letterhead
Headings	Business Cards
Titles	Signs

The broader the public exposure, the more you should prominently display the SM.

In longer marketing material, the use of the Service Mark symbol every time "SmartZone" (known as "the mark") is used in a document can disrupt the flow of normal text. Therefore, use an * after the mark and denote at the bottom that "SmartZone" is a Service Mark of The Michigan Economic Development Corporation.

Why did the MEDC Service Mark SmartZones?

In two words: Quality and Innovation

SmartZones are a very innovative approach to stimulating and supporting the growth of technology-based businesses and jobs. These technology clusters, building on Michigan's strong scientific, engineering, educational, and research capabilities, will bring to market the application of scientific and technological innovation to help drive Michigan's economic development strategy for years to come. Therefore, it is critical that each SmartZone reflect a high level of quality in its businesses, research activities, training and support services, and marketing. It is necessary, then, to ensure that quality services are offered under a Service Mark the public recognizes.

Can we name the SmartZone?

During the selection process and awarding of the SmartZone designation, the MEDC and the local applicants have already agreed to the name of the SmartZone. The approved names of the local SmartZones are:

Battle Creek Aviation and e-Learning
Grand Rapids
Kalamazoo
Lansing Regional
Michigan Tech Enterprise
Mount Pleasant

Muskegon Lakeshore
Oakland Automation Alley
Pinnacle
Washtenaw
Woodward Technology Corridor

The use of the local name combined with the SmartZone service mark is allowed but must meet Service Mark criteria by visually separating SmartZone through spacing, different font, a line, etc. from the name when used in a title, logo, or other identifier.

The following example would **meet** the Service Mark criteria for the use of the local identifier with the SmartZone Service Mark:

Battle Creek Aviation and e-Learning
SmartZoneSM

Battle Creek Aviation and e-Learning
SmartZoneSM

In this example, Battle Creek Aviation and e-Learning is on a different line than SmartZone, it is separated by a line, it is in italics and in a different font.

The following examples would not meet the Service Mark criteria when used in a title, logo, or other identifier.

Battle Creek Aviation and e-Learning SmartZoneSM
Battle Creek Aviation and e-Learning SmartZoneSM

In each of these examples Battle Creek Aviation and e-Learning is on the same line as SmartZone, which can lead the reader to believe the whole line is Service Marked, not just the SmartZone.

Can we use the business, research or governmental entities in identifying the SmartZone?

SmartZones are associated with an educational institution or a private research institution ("University"). Therefore, it is not unreasonable to identify the university with the SmartZone. In order to meet the Service Mark criteria, the following format must be used:

Kalamazoo SmartZone^{SM*} at Western Michigan University

*SmartZones is a Service Mark of The Michigan Economic Development Corporation.

Can you combine Trademarks with Service Marks?

Yes, this is done frequently. A good example is Microsoft® and their various software programs. Microsoft is Service Marked and the software programs are Trademarked.

A number of the educational institutions involved with the SmartZones have logos that are Service Marked as well as some of the major contributors to the SmartZones. These various logos can be combined in marketing material and signage. We request that the SmartZone logo be the predominate image/wording.



The MEDC is willing to work with you on these issues, but we want to review all marketing materials, including signage, prior to their publication, per your SmartZone agreement.

What is the difference between an SM and a ®?

Once the Service Mark application has been through the process at the Patent and Trademark Office and an official Registration Certificate has been issued, the owner may use the ® at the end of the mark instead of SM.

Will signs and other marketing materials have to be changed from SM to ®?

Signs are of a permanent nature and usually very costly to change. We will not require the centers to change the SM to a ®. You can still use the SM even after it is registered. The ® indicates it is on the Patent and Trademark Office Register.

As you update or reprint marketing material the SM should be changed to the ®.

Who owns the Service Mark for the SmartZones?

The Michigan Economic Development Corporation owns the Service Marks and contractually licenses individual SmartZones to use them.

How do we give attribution to the MEDC that is a requirement of our contracts?

Please use the following:

SmartZones is a Service Mark of The Michigan Economic Development Corporation.

If you have further specific questions regarding Service Mark usage, please contact Kirsten Tava at 517-241-0813.



City of Ann Arbor

301 E. Huron St.
Ann Arbor, MI 48104
[http://a2gov.legistar.com/
Calendar.aspx](http://a2gov.legistar.com/Calendar.aspx)

Certified Copy

Resolution: R-14-175

File Number: 14-0858

Enactment Number: R-14-175

Resolution to Affirm the Continuing Public Purpose of the Ann Arbor/Ypsilanti SmartZone Local Development Financing Authority and Approve Application to MEDC for Extension of its Term

Whereas, In 2001, the Michigan Economic Development Corporation designated the Ann Arbor/Ypsilanti SmartZone to promote the growth of technology business and employment opportunities in the SmartZone area;

Whereas, The Cities of Ann Arbor and Ypsilanti, desiring to work together in this economic development initiative, entered to an agreement to and established the Ann Arbor/Ypsilanti Local Development Finance Authority (LDFA) to fund the SmartZone through tax increment financing;

Whereas, Under the provisions of the Ann Arbor/Ypsilanti SmartZone LDFA adopted Tax Increment Financing (TIF) and Development Plan, the LDFA will dissolve and at the end of the LDFA fiscal year commencing in 2018 and the final will occur in 2018;

Whereas, The Michigan legislative passed Public Act 290 of 2012, amending the Local Development Financing Act, and providing for extension of local development financing authorities for either 5 or 15 years if certain conditions were met;

Whereas, The Ann Arbor/Ypsilanti SmartZone LDFA has adopted a Resolution supporting application to the MEDC for extension for 15 years or 5 years at a minimum; and

Whereas, There is a continuing public purpose for maintaining the LDFA to further the growth and expansion of technology business and employment opportunities within Ann Arbor and Ypsilanti;

RESOLVED, That City Council affirms the continuing public purpose of the Ann Arbor/Ypsilanti SmartZone LDFA and its role in facilitation of the commercialization of research products being developed at University of Michigan and Eastern Michigan University, and the development and support of new and existing technology-led economic development;

RESOLVED, That City Council supports the application to the MEDC by the Ann Arbor/Ypsilanti SmartZone LDFA for extension, as allowed by law, of its term for an additional 15 years, commencing in 2018, or at minimum an additional 5 years;

RESOLVED, That City Council, in support of such application, states that if MEDC approves the Ann Arbor/Ypsilanti SmartZone LDFA application for extension subject to completion of all statutory requirements for extension, the City will:

On receipt of request by the LDFA, cooperatively work with the City of Ypsilanti to amend the LDFA TIF and Development Plan to include regional collaboration as determined by MEDC and in accordance with all statutory requirements for amendment.

Assist the LDFA, to the extent necessary, to meet additional reporting requirements required by State Treasury and/or MEDC in connection with approval of the extension

Work with the LDFA and the City of Ypsilanti to identify and negotiate a Sponsorship Agreement with another LDFA (Satellite SmartZone LDFA) which will allow the Satellite SmartZone LDFA to capture local taxes in its own distinct geographic area for the maximum 15 years allowed by statute; which Sponsorship Agreement will be presented to the respective City Councils of Ann Arbor and Ypsilanti for approval;

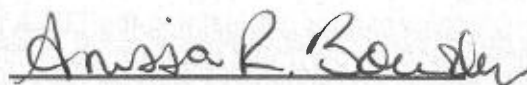
RESOLVED, That in furtherance of the above mentioned support, the City Administrator and City Attorney are directed to take all necessary actions to implement this Resolution and the application for extension of the Ann Arbor/Ypsilanti SmartZone LDFA; and

RESOLVED, That the City Clerk provide a copy of this Resolution to the City of Ypsilanti and the Ann Arbor/Ypsilanti SmartZone LDFA.

Sponsored by: Councilmember Petersen

I, Jacqueline Beaudry, Clerk of the City of Ann Arbor, Michigan, certify that this is a true copy of Resolution R-14-175, passed by the Ann Arbor City Council on 6/2/2014.

Attest:



Anissa R. Bowden,
Council Administrative Coordinator

June 04, 2014

Date Certified



City of Ann Arbor

301 E. Huron St.
Ann Arbor, MI 48104
<http://a2gov.legistar.com/Calendar.aspx>

Certified Copy

Resolution: R-14-306

File Number: 14-1313

Enactment Number: R-14-306

Resolution Authorizing an Agreement with Adrian/Tecumseh SmartZone as a Satellite SmartZone to Support the 15 Year Extension of the Ann Arbor/Ypsilanti SmartZone LDFA

Whereas, The Cities of Ann Arbor and Ypsilanti, as host cities for the Ann Arbor/Ypsilanti SmartZone LDFA (the "Host Cities"), separately adopted resolutions which affirmed the continuing public purpose of the Ann Arbor/Ypsilanti SmartZone LDFA (the "LDFA") to facilitate the development and support of new and existing technology-led businesses and expressed support for an application to the MEDC for an extension of 5 and/or 15 years;

Whereas, As part of their respective support for the LDFA's application for an extension of its term, the Host Cities agreed to work with the LDFA to identify and negotiate an agreement with a Satellite SmartZone LDFA, which will allow the satellite SmartZone to capture local taxes in its own distinct geographic area, and which is required by law for the Ann Arbor/Ypsilanti SmartZone LDFA to qualify for a 15 year extension;

Whereas, On August 21, 2014, after negotiation with potential communities, and being fully advised of each of the potential communities attributes, the LDFA unanimously approved the selection of the Adrian/Tecumseh LDFA for recommendation to the Host Cities as a Satellite SmartZone, citing the following criteria as the basis of their recommendation:

Level and likelihood of funding.

Adrian/Tecumseh LDFA meets MEDC requirements.

Strategic Advantage/Complimentary to Host Communities

Multi-jurisdictional district includes colleges/universities. Proximity to Ann Arbor/Ypsilanti and technology/renewable energy focus

Attractiveness to the State

Adrian/Tecumseh LDFA Development Plan includes agricultural technology development as a focus

Preparedness to move forward in the Satellite approval process

Satellite approvals already in place.

History of Entrepreneurship Activity

Adrian Innovation Center at Adrian College.

Whereas, A requirement of the Adrian/Tecumseh LDFA's designation as a Satellite SmartZone is that the Host Cities and the Adrian/Tecumseh LDFA enter into an Agreement as required under Section 12b of the Local Development Financing Act (PA 281 of 1986, as amended);

RESOLVED, That the City Council of the City of Ann Arbor accepts the recommendation of the LDFA and being fully apprised of the basis for that recommendation makes the following findings:

That the selection of the Adrian/Tecumseh LDFA as a satellite provides unique characteristics and specialties through its public and private resources including the location of Adrian College, Siena Heights University and Jackson College within its TIF District and the opportunities for research partnerships and student/young entrepreneur involvement. In addition partnership with another multi-jurisdictional LDFA provides opportunities for shared experiences.

That the selection of the Adrian/Tecumseh LDFA as a satellite provides regional cooperation and collaboration benefits to the LDFA and the Cities of Ann Arbor and Ypsilanti with joint focuses on technology (including expanding green technologies and agricultural technology) and entrepreneurial services.

That the selection of the Adrian/Tecumseh LDFA as a satellite provides value and support to the LDFA by strengthening existing collaboratives, making available a new/expanded technical assistance and support through its Innovation Center at Adrian College, and agricultural and manufacturing resources; and

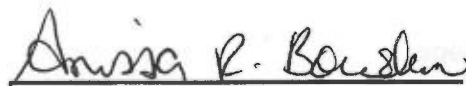
RESOLVED, That the City Council of City of Ann Arbor, based on the findings stated in this Resolution and the negotiated terms of the attached Satellite Agreement, which incorporates the proposed Adrian/Tecumseh Executive Summary of its SmartZone Plan, agrees to enter into the Satellite Agreement with the Adrian/Tecumseh LDFA to create a SmartZone Satellite;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the Satellite Agreement after approval as to form by the City Attorney; and

RESOLVED, That the City Clerk be directed to provide a copy of this Resolution to the City Council of the City of Ypsilanti, the Ann Arbor/Ypsilanti LDFA and the Adrian/Tecumseh LDFA.

I, Jacqueline Beaudry, Clerk of the City of Ann Arbor, Michigan, certify that this is a true copy of Resolution R-14-306, passed by the Ann Arbor City Council on 9/2/2014.

Attest:



Anissa R. Bowden,
Council Administrative Coordinator

September 03, 2014

Date Certified



City of Ann Arbor

301 E. Huron St.
Ann Arbor, MI 48104
<http://a2gov.legistar.com/Calendar.aspx>

Certified Copy

Resolution: R-14-418

File Number: 14-1723

Enactment Number: R-14-418

Resolution to Approve Amendment No. 1 to the Ann Arbor/Ypsilanti SmartZone Agreement between Michigan Economic Development Corporation, City of Ann Arbor, City of Ypsilanti, and the Local Development Finance Authority of the Cities of Ann Arbor and Ypsilanti

Whereas, On November 25, 2002, the Michigan Economic Development Corporation ("MEDC"), the City of Ann Arbor and the City of Ypsilanti (collectively the "Cities") and the Local Development Finance Authority of the Cities ("LDFA") entered into an agreement to establish the terms and conditions governing the Ann Arbor/Ypsilanti SmartZone ('Agreement');

Whereas, Under the terms of the Agreement, the Cities and the LDFA are required to obtain prior approval of the MEDC to amend the Ann Arbor/Ypsilanti SmartZone LDFA Development and Tax Increment Financing Plan;

Whereas, The Cities and the LDFA have previously approved application to the MEDC to extend the tax capture period of the LDFA by additional fifteen (15) years which required the Cities and the LDFA to enter into an agreement with a Satellite LDFA to designate the Satellite LDFA District as a SmartZone Satellite for the benefit of regional cooperation and collaboration, and to amend Development and Tax Increment Financing Plan for the LDFA to comply with Public Act 281 of 1986, as amended ("Public Act 281");

Whereas, The Cities approved and entered into an agreement with Satellite LDFA to designate the Satellite LDFA District as a SmartZone Satellite, which designation has been filed with MEDC;

Whereas, The Cities and the LDFA now desire to amend the Agreement with the MEDC to incorporate the rights and obligations of the parties in regard to the designation of the Satellite LDFA District as a Satellite SmartZone;

Whereas, Amendment of the Agreement will:

- amend Section 3.01 to provide for an additional 15 year period on ratification by State Treasurer and approval of the President of the MEDC of the LDFA amended Development and Tax Increment Financing Plan
- amend Section 3.05 of the Agreement to comply with the reporting requirement of Public Act 281
- amend Section 5.01 of the Agreement extending its term to May 1, 2032

Whereas, It is understood by the Cities and the LDFA that MEDC may revoke its approval of the Cities' amendment to their Development and TIF Plan and the extension of its term from 15 to 30 years if the terms of the Amendment to the Agreement are not satisfied,

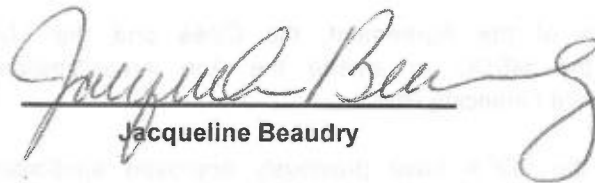
RESOLVED, That the Mayor and City Council approve Amendment No. 1 to the Ann Arbor/Ypsilanti SmartZone Agreement between Michigan Economic Development Corporation, City of Ann Arbor, City of Ypsilanti, and the Local Development Finance Authority of the Cities of Ann Arbor and Ypsilanti

RESOLVED, That the Mayor is authorized and directed to execute the Agreement after approval as to form by the City Attorney; and

RESOLVED, That the City Clerk is directed to provide a certified copy of this Resolution to the City of Ypsilanti, the Chair of the Ann Arbor/Ypsilanti SmartZone LDFA and MEDC.

I, Jacqueline Beaudry, Clerk of the City of Ann Arbor, Michigan, certify that this is a true copy of Resolution R-14-418, passed by the Ann Arbor City Council on 12/15/2014.

Attest:


Jacqueline Beaudry

December 17, 2014

Date Certified



RESOLUTION NO. 2014-135
June 3, 2014

Resolution to Affirm the Continuing Public Purpose of the Ann Arbor/Ypsilanti SmartZone Local Development Financing Authority and Approve Application to MEDC for Extension of its Term.

IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

Whereas, In 2001, the Michigan Economic Development Corporation designated the Ann Arbor/Ypsilanti SmartZone to promote the growth of technology business and employment opportunities in the SmartZone area;

Whereas, The Cities of Ann Arbor and Ypsilanti, desiring to work together in this economic development initiative, entered to an agreement to and established the Ann Arbor/Ypsilanti Local Development Finance Authority (LDFA) to fund the SmartZone through tax increment financing;

Whereas, Under the provisions of the Ann Arbor/Ypsilanti SmartZone LDFA adopted Tax Increment Financing (TIF) and Development Plan, the LDFA will dissolve and at the end of the LDFA fiscal year commencing in 2018 and the final will occur in 2018;

Whereas, The Michigan legislative passed Public Act 290 of 2012, amending the Local Development Financing Act, and providing for extension of local development financing authorities for either 5 or 15 years if certain conditions were met;

Whereas, The Ann Arbor/Ypsilanti SmartZone LDFA has adopted a Resolution supporting application to the MEDC for extension for 15 years or 5 years at a minimum; and

Whereas, There is a continuing public purpose for maintaining the LDFA to further the growth and expansion of technology business and employment opportunities within Ann Arbor and Ypsilanti;

RESOLVED, That City Council affirms the continuing public purpose of the Ann Arbor/Ypsilanti SmartZone LDFA and its role in facilitation of the commercialization of research products being developed at University of Michigan and Eastern Michigan University, and the development and support of new and existing technology-led economic development;

RESOLVED, That City Council supports the application to the MEDC by the Ann Arbor/Ypsilanti SmartZone LDFA for extension, as allowed by law, of its term for an additional 15 years, commencing in 2018, or at minimum an additional 5 years;

RESOLVED, That City Council, in support of such application, states that if MEDC approves the Ann Arbor/Ypsilanti SmartZone LDFA application for extension subject to completion of all statutory requirements for extension, the City will:

- On receipt of request by the LDFA, cooperative work with the City of Ann Arbor to amend the LDFA TIF and Development Plan to include regional collaboration as determined by MEDC and in accordance with all statutory requirements for amendment.
- Assist the LDFA, to the extent necessary, to meet additional reporting requirements required by State Treasury and/or MEDC in connection with approval of the extension
- Work with the LDFA and the City of Ann Arbor to identify and negotiate a Sponsorship Agreement with another LDFA (Satellite SmartZone LDFA) which will allow the Satellite SmartZone LDFA to capture local taxes in its own distinct geographic area for the maximum 15 years allowed by statute; which Sponsorship Agreement will be presented to the respective City Councils of Ann Arbor and Ypsilanti for approval;

RESOLVED, That in furtherance of the above mentioned support, the City Manager and City Attorney are directed to take all necessary actions to implement this Resolution and the application for extension of the Ann Arbor/Ypsilanti SmartZone LDFA; and

RESOLVED, That the City Clerk provide a copy of this Resolution to the City of Ann Arbor and the Ann Arbor/Ypsilanti SmartZone LDFA.

OFFERED BY: Council Member Murdock

SUPPORTED BY: Council Member Robb

YES: 7 NO: 0 ABSENT: 0 VOTE: CARRIED



Resolution No. 2014-213
September 2, 2014

Resolution Authorizing an Agreement with the Adrian/Tecumseh SmartZone as a Satellite SmartZone to Support the 15-Year Extension of the Ann Arbor/Ypsilanti SmartZone LDFA

IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

WHEREAS, The Cities of Ann Arbor and Ypsilanti, as host cities for the Ann Arbor/Ypsilanti SmartZone LDFA (the "Host Cities"), separately adopted resolutions which affirmed the continuing public purpose of the Ann Arbor/Ypsilanti SmartZone LDFA (the "LDFA") to facilitate the development and support of new and existing technology-led businesses and expressed support for an application to the MEDC for an extension of 5 and/or 15 years;

WHEREAS, as part of their respective support for the LDFA's application for an extension of its term, the Host Cities agreed to work with the LDFA to identify and negotiate an agreement with a satellite SmartZone LDFA, which will allow the satellite SmartZone to capture local taxes in its own distinct geographic area, and which is required by law for the LDFA to qualify for a 15 year extension;

WHEREAS, on August 21, 2014, after negotiation with potential communities, and being fully advised of each of the potential communities attributes, the LDFA unanimously approved the selection of the Adrian/Tecumseh LDFA for recommendation to the Host Cities as a Satellite SmartZone, citing the following criteria as the basis of their recommendation:

- *Level and likelihood of funding.*
Adrian/Tecumseh LDFA meets MEDC requirements.
- *Strategic Advantage/Complimentary to Host Communities*
Multi-jurisdictional. District includes colleges/universities. Proximity to Ann Arbor/Ypsilanti and technology/renewable energy focus
- *Attractiveness to the State*
Adrian/Tecumseh LDFA Development Plan includes agricultural technology development as a focus
- *Preparedness to move forward in the Satellite approval process*
Satellite approvals already in place.
- *History of Entrepreneurship Activity*
Adrian Innovation Center at Adrian College.

WHEREAS, a requirement of the Adrian/Tecumseh LDFA's designation as a Satellite SmartZone is that the Host Cities and the Adrian/Tecumseh LDFA enter into an Agreement as required under Section 12b of the Local Development Financing Act (PA 281 of 1986, as amended);

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Ypsilanti accepts the recommendation of the LDFA and being fully apprised of the basis for that recommendation makes the following findings:

1. That the selection of the Adrian/Tecumseh LDFA as a satellite provides unique characteristics and specialties through its public and private resources, including the

location of Adrian College, Siena Heights University, and Jackson College within its TIF District and the opportunities for research partnerships and student/young entrepreneur involvement. In addition, partnership with another mutli-jurisdictional LDFA provides opportunities for shared experiences.

2. That the selection of the Adrian/Tecumseh LDFA as a satellite provides regional cooperation and collaboration benefits to the LDFA and the cities of Ann Arbor and Ypsilanti with joint focuses on technology (including expanding green technologies and agricultural technology) and entrepreneurial services.
3. That the selection of the Adrian/Tecumseh LDFA as a satellite provides value and support to the LDFA by strengthening existing collaboratives, making available a new/expanded technical assistance and support through its Innovation Center at Adrian College, and agricultural and manufacturing resources.

BE IT FURTHER RESOLVED THAT the City Council of City of Ypsilanti, based on the findings stated in this Resolution and the negotiated terms of the attached Satellite Agreement, which incorporates the proposed Adrian/Tecumseh Executive Summary of its SmartZone Plan, agrees to enter into the Satellite Agreement with the Adrian/Tecumseh LDFA to create a SmartZone Satellite.

BE IT FURTHER RESOLVED THAT the Mayor and City Clerk are authorized and directed to execute the Satellite Agreement after approval as to form by the City Attorney.

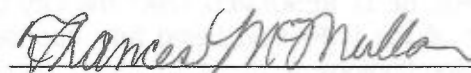
BE IT FURTHER RESOLVED THAT the City Clerk is directed to provide a copy of this Resolution to the City Council of the City of Ann Arbor, the Ann Arbor/Ypsilanti LDFA, and the Adrian/Tecumseh LDFA.

OFFERED BY: Council Member Robb

SUPPORTED BY: Mayor Pro-Tem Richardson

YES: 7 NO: 0 ABSENT: 0 VOTE: Carried

I do hereby certify that the above resolution is a true and correct copy of Resolution 2014-213 as passed by the Ypsilanti City Council, at their meeting held on September 2, 2014.


Frances McMullan, City Clerk



Resolution No. 2015-006
January 6, 2015

RESOLUTION TO APPROVE AMENDMENT NO. 1 TO THE ANN ARBOR/YPSILANTI
SMARTZONE AGREEMENT BETWEEN MICHIGAN ECONOMIC DEVELOPMENT
CORPORATION, CITY OF ANN ARBOR, CITY OF YPSILANTI, AND THE LOCAL
DEVELOPMENT FINANCE AUTHORITY OF THE CITIES OF ANN ARBOR AND YPSILANTI

IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

Whereas on November 25, 2002, the Michigan Economic Development Corporation ("MEDC"), the City of Ann Arbor, and the City of Ypsilanti (collectively the "Cities") and the Local Development Finance Authority of the Cities ("LDFA") entered into an agreement to establish the terms and conditions governing the Ann Arbor/Ypsilanti SmartZone ("Agreement"); and

Whereas under the terms of the Agreement, the Cities and the LDFA are required to obtain prior approval of the MEDC to amend the Ann Arbor/Ypsilanti SmartZone LDFA Development and Tax Increment Financing Plan; and

Whereas the Cities and the LDFA have previously approved application to the MEDC to extend the tax capture period of the LDFA by additional fifteen (15) years which required the Cities and the LDFA to enter into an agreement with a Satellite LDFA to designate the Satellite LDFA District as a SmartZone Satellite for the benefit of regional cooperation and collaboration, and to amend Development and Tax Increment Financing Plan for the LDFA to comply with Public Act 281 of 1986, as amended ("Public Act 281"); and

Whereas the Cities approved and entered into an agreement with Satellite LDFA to designate the Satellite LDFA District as a SmartZone Satellite, which designation has been filed with MEDC; and

Whereas, the Cities and the LDFA now desire to amend the Agreement with the MEDC to incorporate the rights and obligations of the parties in regard to the designation of the Satellite LDFA District as a Satellite SmartZone; and

Whereas, Amendment of the Agreement will:

- amend Section 3.01 to provide for an additional 15 year period on ratification by State Treasurer and approval of the President of the MEDC of the LDFA amended Development and Tax Increment Financing Plan
- amend Section 3.05 of the Agreement to comply with the reporting requirement of Public Act 281

• amend Section 5.01 of the Agreement extending its term to May 1, 2032; and
Whereas it is understood by the Cities and the LDFA that MEDC may revoke its approval of the Cities' amendment to their Development and TIF Plan and the extension of its term from 15 to 30 years if the terms of the Amendment to the Agreement are not satisfied;

NOW THEREFORE BE IT RESOLVED that the City Council for the City of Ypsilanti approve Amendment No. 1 to the Ann Arbor/Ypsilanti SmartZone Agreement between Michigan Economic Development Corporation, City of Ann Arbor, City of Ypsilanti, and the Local Development Finance Authority of the Cities of Ann Arbor and Ypsilanti;

BE IT FURTHER RESOLVED that the Mayor is authorized and directed to execute the Agreement after approval as to form by the City Attorney; and

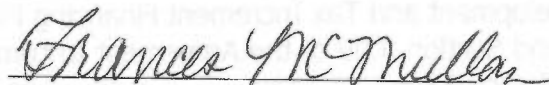
BE IT FURTHER RESOLVED that the City Clerk is directed to provide a certified copy of this Resolution to the City of Ann Arbor, the Chair of the Ann Arbor/Ypsilanti SmartZone LDFA, and the MEDC.

OFFERED BY: Council Member Nicole Brown

SUPPORTED BY: Council Member Vogt

YES: 7 NO: 0 ABSENT: 0 VOTE: CARRIED

I do hereby certify that the above resolution is a true and correct copy of Resolution 2015-006 as passed by the Ypsilanti City Council, at their meeting held on January 6, 2015.


Frances McMullan, City Clerk

Local Development Finance Authority of the
Cities of Adrian and Tecumseh

RESOLUTION APPROVING
SATELLITE SMARTZONE AGREEMENT

Minutes of a special meeting of the Local Development Finance Authority of the Cities of Adrian and Tecumseh, County of Lenawee, State of Michigan, held on August 19, 2014 at 7:30p.m., prevailing Eastern Time.

PRESENT: Members Baker, Gnodtke, Johnson, Kapnick, Noe,
Olsaver, Steele and Wimple.

ABSENT: Members None.

The following preamble and resolution were offered by Member Noe and supported by Member Kapnick:

WHEREAS, the City of Ann Arbor, County of Washtenaw, State of Michigan ("Ann Arbor") and the City of Ypsilanti, County of Washtenaw, State of Michigan ("Ypsilanti") have previously established the Local Development Finance Authority of Ann Arbor and Ypsilanti (the "Ann Arbor-Ypsilanti LDFA") pursuant to Act 281, Public Acts of Michigan, 1986, as amended ("Act 281"); and

WHEREAS, the Ann-Arbor-Ypsilanti LDFA has previously been designated as a "certified technology park" pursuant to Act 281 and a SmartZone Agreement by and among Ann Arbor, Ypsilanti, the Ann Arbor-Ypsilanti LDFA and the Michigan Economic Development Corporation; and

WHEREAS, the City of Adrian, County of Lenawee, State of Michigan ("Adrian") and the City of Tecumseh ("Tecumseh") have established the Local Development Finance Authority of the Cities of Adrian and Tecumseh (the "Adrian-Tecumseh LDFA") pursuant to Act 281 to promote economic growth in Adrian and Tecumseh within the boundaries of its authority district (the "Satellite District"), as described in the Satellite Agreement (hereinafter defined); and

WHEREAS, the Adrian-Tecumseh LDFA desires to have its Satellite District designated as a certified technology park (referred to herein as the "Satellite SmartZone") by Ann Arbor and Ypsilanti, pursuant to Section 12b of Act 281, to permit the Adrian-Tecumseh LDFA to capture certain tax increment revenues from taxes levied by the State, local school districts, and intermediate school districts for a fifteen (15) year period; and

WHEREAS, the Adrian-Tecumseh LDFA has prepared a SmartZone Plan (the "Satellite SmartZone Plan"), as attached to the Satellite SmartZone Agreement (hereinafter defined), which sets forth its qualifications as a Satellite SmartZone and summarizes its intent to stimulate the growth of technology-based businesses and jobs; and

WHEREAS, the Adrian-Tecumseh LDFA desires to approve an agreement by and among the Adrian-Tecumseh LDFA, Ann Arbor and Ypsilanti that designates the Satellite District as a certified technology park pursuant to Section 12b of Act 281, in the form attached hereto as Exhibit A (the "Satellite SmartZone Agreement").

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Adrian-Tecumseh LDFA hereby approves the Satellite SmartZone Agreement in substantially the form presented in Exhibit A hereto, including the SmartZone Plan attached thereto.

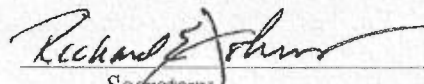
2. The Adrian-Tecumseh LDFA authorizes the Chairperson and Secretary to execute the Satellite SmartZone Agreement and submit the same to the City Clerk of Ann Arbor and the City Clerk of Ypsilanti for approval by Ann Arbor and Ypsilanti.

3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be, and the same hereby are, rescinded.

AYES: Members Baker, Gnodtke, Johnson, Kapnick, Noe,
Olsaver, Steele and Wimple.

NAYS: Members None.

RESOLUTION DECLARED ADOPTED.


Secretary

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of the Local Development Finance Authority of the Cities of Adrian and Tecumseh, County of Lenawee, State of Michigan, at a special meeting held on August 19, 2014, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.


Secretary



Obsolete Property Rehabilitation Act (OPRA) (PA 146)

Tax Exemption Application Packet

January 10, 2017

Table of Contents

Section A – OPRA Tax Exemption Certificate Application Guidelines

Section B – Criteria for Granting OPRA Tax Exemption Certificates

Section C – OPRA Application Process

Section D – OPRA Tax Exemption Certificates Applicant Checklist of Documents and Attachments

Section A - OPRA Tax Exemption Certificate Application Guidelines

Introduction

The intent of this document is to outline the policies and procedures adopted by the City of Ypsilanti regarding the rehabilitation of properties considered obsolete through the Obsolete Property Rehabilitation Act (PA 146 of 2000).

The City of Ypsilanti's urban environment, heritage and culture present the community with a unique opportunity to encourage and support sustainable economic development. The City is committed to working closely with entrepreneurs, business owners and developers to provide a business-friendly climate while meeting the needs of the Ypsilanti community.

OPRA Facts

This incentive is designed to assist in the redevelopment of older buildings in which the facility is contaminated, blighted, or functionally obsolete. Certificates may be given for eligible projects that take place on an obsolete property and result in a commercial or commercial housing building project.

The community freezes the existing taxable value on a designated facility no less than 1 year and no more than 12 years. This creates an incentive for the property owner which allows the rehabilitation to be property-tax free, with the exception of school taxes.

Through application materials, applicants must demonstrate that completion of the rehabilitation will lead to increased commercial activity, the creation or retention of jobs, or an increase in residency. It must also be demonstrated by the applicant that "but for" the exemption, the rehabilitation would not occur.

The City of Ypsilanti, in an ongoing spirit of cooperation and collaboration, expects all applicants to be current in their property tax payments, hold no liens against their property, have no outstanding fines, and be in compliance with all city codes.

The period of time for OPRA certificates is determined by City Council.

Ypsilanti City Council retains discretionary power for final determination and is not bound to using the information included in this packet when acting on a request for OPRA Certificates.

The city will forward the application to the State Tax Commission for final approval or disapproval.

Eligible facilities

A granted exemption covers only the specific project that is the subject of the application.

A facility eligible for OPRA must be a commercial property or a commercial housing property, located within the boundaries of the City of Ypsilanti, that meet the definition of “blighted” or “functionally obsolete” as defined by the Brownfield Redevelopment Financing Act of 1996.

“Blighted”, as defined by the Brownfield Redevelopment Financing Act of 1996 means that the structure:

- 1) Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.
- 2) Is a fire hazard or is otherwise dangerous to the safety of persons or property.
- 3) Has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.
- 4) Is a tax reverted property owned by the City of Ypsilanti, Washtenaw County, or the State of Michigan.
- 5) The current state of the property makes it unfit for its intended use

A building that is “functionally obsolete” is unable to be used for what it was originally intended due to a loss in value. Factors responsible for the loss in value include overcapacity, changes in technology, or other similar factors that affect the property itself or the property's relationship with other surrounding property.

Application Process

- 1) The project is located within the City of Ypsilanti OPRA District (see attached map)
- 2) The Ypsilanti DDA has reviewed or is reviewing the application presented to the City.
- 3) Filing of application for Certificate of Exemption by the building owner
 - Application and supporting materials are submitted to the City Clerk's office.
 - City Council holds a public hearing for the Tax Exemption Certificate application.
 - City Council takes action on the application.

- Once the application is approved, it is sent to the State Tax Commission, and is acted upon within 60 days (either approved or disapproved).

Revocation

If at any time during the abatement period the terms and conditions are violated, the exemption may be revoked. The abatement holder is required to keep all property taxes current to receive tax abatement. This shall include real and personal property assessed to the abatement holder at all locations within the City of Ypsilanti.

Questions?

Contact the Planning and Development Department at (734) 483-9646 with further questions regarding OPRA certificates.

Section B – Criteria for Granting OPRA Tax Exemption Certificates

Priority will be given to applicants whose proposed projects can meet or exceed the City's criteria for granting tax abatements. Supporting evidence for any application must demonstrate that:

- 1) No outstanding back taxes, fines, or liens are owed to the city.
- 2) Upon completion of the project, a Certificate of Occupancy has been obtained.
- 3) The new business being proposed will offer employees a living wage (currently \$14.43/ hour without health benefits and \$12.93/hour with health benefits) or better salary with opportunities for development and advancement.
- 4) The applicant, contactors, sub-contractors and tenants will make a concerted effort to employ primarily residents of the city of Ypsilanti.
- 5) The project will use context sensitive design in building development with special attention to storm water management and energy efficient design.
- 6) The proposed project will represent new economy businesses, green technology, and/or innovative business models.
- 7) The implementation of a project has not begun prior to tax abatement approval.
- 8) The applicant is an equal opportunity employer.
- 9) The project is in compliance with Historic District Commission guidelines, if applicable
- 10) The tax abatement is required for the success of the project. This evidence will be in the form of a written statement addressed to City Council as well as a pro forma submitted with application materials.

Applications will further be considered in light of the following general economic development/redevelopment goals of the City of Ypsilanti:

1. Promoting the growth and expansion of existing businesses and the growth and development of local entrepreneurs.
2. Encouraging the adaptive reuse of historic and underutilized buildings including properties that are currently tax exempt, and supporting Brownfield cleanup and redevelopment.
3. Attracting businesses that diversify the city's commercial and industrial base and contribute to the economic and social well-being of the community.
4. Supporting and attracting businesses that further develop the local workforce by increasing the personal income of residents, diversifying the job base, and creating new jobs.
5. Promoting energy efficiency in building renovations and rebuilds.
6. Continuously improving the quality of life in Ypsilanti.

Any portion of this policy or the procedures outlined may be waived by the City Council if it is in the best interest of the City and in accordance with State law. The City of Ypsilanti also reserves the right to consider additional goals and criteria that are consistent with the interests of the City.

Section C – OPRA Application Process

- 1) The project is located within the City of Ypsilanti OPRA District (see attached map)
- 2) The Ypsilanti DDA has reviewed or is reviewing the application presented to the City.
- 3) Filing of application for Certificate of Exemption by the building owner
 - Application and supporting materials are submitted to the City Clerk's office.
 - City Council holds a public hearing for the Tax Exemption Certificate application.
 - City Council takes action on the application.
 - Once the application is approved, it is sent to the State Tax Commission, and is acted upon within 60 days (either approved or disapproved).

Section D – OPRA Tax Exemption Certificates Applicant Checklist of Documents and Attachments

Four copies of each of the following materials should be submitted to the City:

- ☐ Statement that the Ypsilanti DDA has reviewed or is reviewing the application

- ☐ Complete OPRA application submitted to City Clerk's Office.
- ☐ A complete list of renovation costs.
- ☐ A detailed statement outlining why OPRA is needed for the project. The statement should address the project in relation to the City criteria for granting OPRA certificates and economic development goals (found in this packet), as well as why you feel that the project is eligible for this exemption.
- ☐ A pro forma for the proposed project.

It is the burden of the applicant to provide sufficient materials to support an application. The City of Ypsilanti holds no responsibility in the submission of an application or supporting materials. Incomplete applications will not be considered.

City Clerk sign when complete

Date Stamp

Application for Obsolete Property Rehabilitation Exemption Certificate

This form is issued as provided by Public Act 146 of 2000, as amended. This application should be filed after the district is established. This project will not receive tax benefits until approved by the State Tax Commission. Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the State Tax Commission.

INSTRUCTIONS: File the original and two copies of this form and the required attachments with the clerk of the local government unit. (The State Tax Commission requires two copies of the Application and attachments. The original is retained by the clerk.) Please see State Tax Commission Bulletin 9 of 2000 for more information about the Obsolete Property Rehabilitation Exemption. The following must be provided to the local government unit as attachments to this application: (a) General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage); (b) General description of the proposed use of the rehabilitated facility, (c) Description of the general nature and extent of the rehabilitation to be undertaken, (d) A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility, (e) A time schedule for undertaking and completing the rehabilitation of the facility, (f) A statement of the economic advantages expected from the exemption. A statement from the assessor of the local unit of government, describing the required obsolescence has been met for this building, is required with each application. Rehabilitation may commence after establishment of district.

Applicant (Company) Name (applicant must be the OWNER of the facility) The Original and Only Thompson Block, LLC								
Company Mailing address (No. and street, P.O. Box, City, State, ZIP Code) 120 West Washington #G, Ann Arbor, MI 48104								
Location of obsolete facility (No. and street, City, State, ZIP Code) 400 North River Street								
City, Township, Village (indicate which) Ypsilanti		County Washtenaw						
Date of Commencement of Rehabilitation (mm/dd/yyyy) 09/30/2017	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 09/01/2018	School District where facility is located (include school code) 81020						
Estimated Cost of Rehabilitation \$8,247,225	Number of years exemption requested 12	Attach Legal description of Obsolete Property on separate sheet						
Expected project likelihood (check all that apply): <table border="0"><tr><td>☒ Increase Commercial activity</td><td>☐ Retain employment</td><td>☒ Revitalize urban areas</td></tr><tr><td>☒ Create employment</td><td>☐ Prevent a loss of employment</td><td>☒ Increase number of residents in the community in which the facility is situated</td></tr></table> Indicate the number of jobs to be retained or created as a result of rehabilitating the facility, including expected construction employment _____			☒ Increase Commercial activity	☐ Retain employment	☒ Revitalize urban areas	☒ Create employment	☐ Prevent a loss of employment	☒ Increase number of residents in the community in which the facility is situated
☒ Increase Commercial activity	☐ Retain employment	☒ Revitalize urban areas						
☒ Create employment	☐ Prevent a loss of employment	☒ Increase number of residents in the community in which the facility is situated						
Each year, the State Treasurer may approve 25 additional reductions of half the school operating and state education taxes for a period not to exceed six years. Check the following box if you wish to be considered for this exclusion. ☐								

APPLICANT'S CERTIFICATION

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all of the information is truly descriptive of the property for which this application is being submitted. Further, the undersigned is aware that, if any statement or information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.

The applicant certifies that this application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility, as defined by Public Act 146 of 2000, as amended, and that the rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate.

It is further certified that the undersigned is familiar with the provisions of Public Act 146 of 2000, as amended, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Obsolete Property Rehabilitation Exemption Certificate by the State Tax Commission.

Name of Company Officer (no authorized agents) Jon Carlson	Telephone Number (734) 604-0977	Fax Number
Mailing Address 120 West Washington #G, Ann Arbor, MI 48104		Email Address jon@2mission.com
Signature of Company Officer (no authorized agents) 		Title Managing Member

LOCAL GOVERNMENT UNIT CLERK CERTIFICATION

The Clerk must also complete Parts 1, 2 and 4 on Page 2. Part 3 is to be completed by the Assessor.

Signature	Date application received
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FOR STATE TAX COMMISSION USE

Application Number	Date Received	LUCI Code
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LOCAL GOVERNMENT ACTION

This section is to be completed by the clerk of the local governing unit before submitting the application to the State Tax Commission. Include a copy of the resolution which approves the application and Instruction items (a) through (f) on page 1, and a separate statement of obsolescence from the assessor of record with the State Assessor's Board. All sections must be completed in order to process.

PART 1: ACTION TAKEN

Action Date: _____		
☐ Exemption Approved for _____ Years, ending December 30, _____ (not to exceed 12 years)		
☐ Denied		
Date District Established	LUCI Code	School Code

PART 2: RESOLUTIONS (the following statements must be included in resolutions approving)

A statement that the local unit is a Qualified Local Governmental Unit. A statement that the Obsolete Property Rehabilitation District was legally established including the date established and the date of hearing as provided by section 3 of Public Act 146 of 2000. A statement indicating whether the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) exceeds 5% of the total taxable value of the unit. A statement of the factors, criteria and objectives, if any, necessary for extending the exemption, when the certificate is for less than 12 years. A statement that a public hearing was held on the application as provided by section 4(2) of Public Act 146 of 2000 including the date of the hearing. A statement that the applicant is not delinquent in any taxes related to the facility. If it exceeds 5% (see above), a statement that exceeding 5% will not have the effect of substantially impeding the operation of the Qualified Local Governmental Unit or of impairing the financial soundness of an affected taxing unit. A statement that all of the items described under "Instructions" (a) through (f) of the Application for Obsolete Property Rehabilitation Exemption Certificate have been provided to the Qualified Local Governmental Unit by the applicant.	A statement that the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000. A statement that the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District. A statement that the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in a Qualified Local Governmental Unit eligible under Public Act 146 of 2000 to establish such a district. A statement that completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, retain employment, prevent a loss of employment, revitalize urban areas, or increase the number of residents in the community in which the facility is situated. The statement should indicate which of these the rehabilitation is likely to result in. A statement that the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of Public Act 146 of 2000. A statement of the period of time authorized by the Qualified Local Governmental Unit for completion of the rehabilitation.
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PART 3: ASSESSOR RECOMMENDATIONS

Provide the Taxable Value and State Equalized Value of the Obsolete Property, as provided in Public Act 146 of 2000, as amended, for the tax year immediately preceding the effective date of the certificate (December 31st of the year approved by the STC).

Taxable Value	State Equalized Value (SEV)
Building(s)	
Name of Governmental Unit	Date of Action on application Date of Statement of Obsolescence

PART 4: CLERK CERTIFICATION

The undersigned clerk certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way. Further, the undersigned is aware that if any information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.

Name of Clerk	Clerk Signature	Date	
Clerk's Mailing Address	City	State	ZIP Code
	Telephone Number	Fax Number	Email Address

Mail completed application and attachments to: Michigan Department of Treasury
 State Tax Commission
 P.O. Box 30471
 Lansing, Michigan 48909-7971

If you have any questions, call (517) 373-2408.

For guaranteed receipt by the State Tax Commission, it is recommended that applications and attachments are sent by certified mail.

(a) General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage);

The Thompson Block Redevelopment, located at 400 N River Street, Ypsilanti will take a dilapidated 2-3 story 30,000 square foot historic structure on the edge of Ypsilanti's historic Depot Town commercial center and restore it to a vibrant mixed use facility.

The property is a 160 year old building, originally constructed as a Civil War Barracks and has seen a wide variety of commercial uses for 140+/- years. It experienced a fire in 2009 and has since has multiple redevelopment efforts. It is currently blighted, contaminated and a dangerous building.

(b) General description of the proposed use of the rehabilitated facility

The project proposes a single restaurant tenant to occupy the entire 12,000 square feet on the first floor and a partial basement for storage and administrative use. The restaurant will be similar in concept to other restaurants managed by Mission Management Services, Inc., a Michigan corporation and highly skilled and experienced restaurant management Services Company that currently operates several other restaurants throughout the State of Michigan. More information on Mission Management Services, Inc., can be found in attachment A. The upper two floors will contain 20 high-quality residential apartments.

(c) Description of the general nature and extent of the rehabilitation to be undertaken

As the building is in significant disrepair, thorough structural studies will be completed to determine the best reconstruction method. A steel frame will be built within the existing historic façade to support the redevelopment. The existing façade will be restored with the intent to salvage as much as the historic brick as possible. Where walls need to be rebuilt, a historically appropriate brick will be used. Where the brick is currently painted, the brick will be repainted. The roof cornice of the three-story building will be reconstructed using cementitious bead-board and trim boards with molded polyurethane brackets. All punched opening windows will be metal clad wood. The west facing storefronts will be aluminum framed with clear glazing, similar to historic documentation of the large original storefronts. A permanent awning will be installed to match the original historic construction. The restaurant tenant anticipates to use this space for outdoor dining. The development is currently exploring options for solar panels to be installed on the site. Storm water will be addressed by Bio-swales that will feed an underground retention system that will reduce the storm water runoff from the site.

The project received support from the Ypsilanti Historic District Commission on February 14, 2017.

(d) A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility

Rehabilitation activities will include:

- Selective interior demolition,
- New interior construction of (20) residential living units and approximately 12,000 square feet of restaurant space on first floor
- All new fixed building equipment, including heating, ventilation, lighting, mechanical, and fixtures, new roof structure, structural wall and floor replacement, etc.
- Physical upgrades to the building exterior, and
- Site improvements including utility relocation, new and improved entrance, curb and gutter, parking and landscaping.

Equipment associated with the restaurant tenant is anticipated to include:

- Refrigerators
- Coolers
- Ice Machines
- Underbar equipment (Drain board, Glass Rack, Bottle Display, etc)
- Freezers
- Sinks
- Mixers
- Slicers
- Refrigerated prep stations
- Charbroiler
- Cooking Range
- Fryer
- Hood
- Dishwasher
- Stainless steel prep stations and shelving
- Ovens

(e) A time schedule for undertaking and completing the rehabilitation of the facility

2017

March- ~~Wdzyś~~ Local Approvals

May-September – State and Federal Incentive Approvals

August/September - Start Construction

2018

August/September- Complete Construction

(f) A statement of the economic advantages expected from the exemption.

The completed Thompson Block project will dramatically improve a highly visible stretch of River

Street and an important undeveloped corner in Depot Town, adding density with the creation of an exciting new restaurant that is anticipated to create 70 FTE jobs with an average hourly wage of \$15.00 an hour. The Restaurant will hold a job fair to attract Ypsilanti residents and is an equal opportunity employer. The creation of a new restaurant concept will bring additional visitors to Ypsilanti and helping to support existing restaurant and retail establishments by reinforcing Depot Town as an entertainment and dining destination.

The improvements to this currently vacant and blighted property will be permanent, and will increase the taxable value many many times the existing taxable value. In addition, surrounding buildings value will increase, significantly benefit the surrounding community immediately and on a long term basis.

The project will encourage additional re-development in the area by demonstrating that historic buildings are valuable to restore and maintain the heritage and character of a community.

The project is anticipated to create 75-80 construction jobs in the city of Ypsilanti at an average hourly wage of \$25.00 per hour. The construction management company, Kincaid Henry, is dedicated to supporting local trades when selecting sub-contractors.

The project would be unable to move forward without local support of an OPRA, Brownfield TIF and state/federal incentives because of unusually high cost of restoring the existing historic structure. The construction associated with the careful rehabilitation of the structure and high- quality, historically appropriate materials is anticipated to cost approximately \$75 per square foot more than new construction. In addition, the market rate for residential apartments is not currently strong enough to support the operating expenses associated with the full millage rate. The project is anticipated to cost approximately \$ Million in hard and soft costs and is expected to raise the taxable value of the property many times over. The project cannot move forward without the support of local/state/federal incentives.

Appendix A- Owner Bios and Company Background

Jon Carlson

Jon was the first developer to deliver New York–inspired lofts to Ann Arbor. Since his 1994 conversion of West Washington Street in Ann Arbor he has worked together with Greg Lobdell to develop more than 200,000 sf of mixed-use property and transacted more than \$70 million in real estate business. All projects, to date, have been or are currently going through the approval process of The Department of Interiors Historic Designation. He has owned and developed fourteen restaurants in several cities throughout Michigan. Together, Jon and Greg have also developed and grown Northern United Brewing Company to its current sales level of \$14 million annually. Jon is a Michigan native and earned an undergraduate degree in sociology from the University of Michigan. He is in the process of finishing his Evening MBA from the University of Michigan.

Greg Lobdell

Greg has worked together with Jon Carlson to develop more than 200,000 sf of mixed-use property and transacted more than \$70 million in real estate business. All projects, to date, have been or are currently going through the approval process of The Department of Interior’s Historic Designation. Greg owns and has developed fourteen restaurants in several cities throughout Michigan. Together, Greg and Jon have also developed and grown Northern United Brewing Company to its current sales level of \$14 million annually. Greg earned an undergraduate degree in fine arts and a master’s degree in Architecture from the University of Michigan as well as a masters’ degree in real-estate development from Columbia University in New York City. Greg worked as a designer for KMD in San Francisco where he led international design teams to success. Collaborating with developers, government officials and other design professionals, Greg worked on projects that ranged in size from 60,000 square feet to 1.4 million square feet. This work includes a broad range of building types, including residential, office, entertainment retail, and health care. Many of these projects have won awards and have been published in places including Architectural Record. Greg’s experience working on Architecture and Real Estate Development projects in many cities in the United States, Europe, Central America and South America gives him a unique ability to add value to the Company.

Since joining forces in 2mission Design and Development, Greg Lobdell and Jon Carlson have amplified their productivity and increased idea-generation through a new collaborative process.

Founded by **Jon Carlson** and **Greg Lobdell**, **2mission design and development** employs a dedicated, creative, and industrious group of employees and consultants. 2mission works collaboratively on all its projects; its members teach and learn from one another and extend to their clients a multitude of skills and resources acquired from many walks of life. Currently, 2mission is working on mixed-use, urban infill projects in Traverse City, Dexter, Royal Oak, Detroit and Traverse City, Michigan. Their current hospitality businesses have around 1000 employees and produce \$50,000,000 in annual revenue.

Restaurant Operations



Mission Management Services, Inc., is a Michigan corporation and highly skilled and experienced restaurant management services company that currently operates several other restaurants throughout the State of Michigan. The Company's Mission Statement and Philosophy is set forth below:

MISSION STATEMENT

Mission Management Services will operate restaurants creating a high level of guest satisfaction, rewarding all team members for their contributions and providing an excellent return on investment for their restaurant owners and investors.

Mission Management Services will provide accounting services to restaurant and brewery operations as well as related real estate operations which utilize state of the art software and techniques and will stress honesty and integrity in all of its accounting procedures and reports.

In all activities, Mission Management staff members will act with the highest degree of both personal and professional ethics and honesty in our dealings with each other, our team members, our business partners and the owners and investors of the restaurants we operate.

A simple and unwavering "recipe for success" will fuel our restaurants' growth in the future:

"Excellence and Integrity in everything we do."

MISSION MANAGEMENT OFFICIALS

Mission Management Services, Inc. officers are:

- Scott Joling: President & CEO
- Linda Kreutzfeldt: VP of Finance & Administration

- Cindy Meeker: VP of Training

The principals of Mission Management have many years of experience in the creation of and operation of casual upscale restaurant operations and provide complete operational expertise, accounting and marketing support for the restaurant operations that contract for their services.

Scott Joling has over 40 years of experience in the restaurant industry during which he has managed both individual restaurants and groups of restaurants. Scott has been an integral part of many differing restaurant concepts, from steakhouses to brewpubs to fine dining. He is adept and experienced in developing menus, controlling costs, creating service systems and maintaining standards of operational excellence. He has opened over thirty restaurants, and currently supervises seven high-volume, award-winning properties.

Linda Kreutzfeldt was previously the Controller for a company that operated successful restaurants throughout Michigan, and she has been involved in the financial and administrative aspects of the restaurant industry for forty years. Linda majored in Accounting at Davenport University and graduated magna cum laude with a B.A. degree from Alma College. In a volunteer capacity, she has served on various charitable and education committees and as President of the School Board for her children's primary school.

Cindy Meeker came to Michigan from upstate New York to study at Calvin College in Grand Rapids, Michigan where her love for the restaurant industry and her passion to teach led to a successful career in the hospitality industry. Cindy is a veteran of over thirty-five years in the industry and her commitment to creating a culture where staff learns caring service for guests and respect for each other has enabled her to successfully head up the training of staff and management for more than 30 restaurant openings. In her current position, she is responsible for the development of all training materials, the supervision of all training personnel and the evaluation of all management staff. Cindy is a developer of people, a relationship builder and a good ambassador for Mission Management Services.

CURRENT RESTAURANT OPERATIONS

Mission Management Services, Inc. operates a group of highly successful restaurants located throughout Michigan. Collectively, it serves more than two million guests a year. Its corporate administration headquarters are located in Grand Rapids, Michigan, and operations headquarters are based out of Ann Arbor, Michigan.

Current restaurant operations are:

MISSION TABLE & JOLLY PUMPKIN & PENINSULA ROOM

Mission Table is located at Bowers Harbor Inn Estate, 13512 Peninsula Drive in Traverse City. It was originally built in the 1880's as a family mansion. In 1960 it was converted to a restaurant. Bowers Harbor Restaurants, LLC purchased the Inn in March of 2006 and subsequently transformed it into Mission Table. The farm to table culinary experience, local artisan cocktails, beer and wine are among the highlights that bring customers from all over the country. It is well known across the Midwest for its locavore cuisine, outstanding local wines, artisan spirits, mixology cocktails, an organic garden, its own vineyard and grand views.

The Peninsula Room is a separate private room available for up to 150 guests with customized menus available for any occasion. It has proven itself to be a popular destination for wedding receptions and other special events.

The Jolly Pumpkin is located at Bowers Harbor Inn Estate in the former servants' quarters. Dining is casual here, and the atmosphere is focused on the artisan beer, wine and spirits that are created in the adjacent brewery and distillery. The Jolly Pumpkin of Traverse City, is historically situated among the generous cherry orchards and distinguished lakes of northern Michigan.

www.missiontable.net
www.jollypumpkin.com

GRIZZLY PEAK BREWING COMPANY & THE GRIZZLY DEN and THE OLD GERMAN

Grizzly Peak Brewing Company is located at 120 West Washington Street in Ann Arbor. Grizzly Peak opened in August of 1995. This concept is owned by GPBC, Inc. and is operated by Mission Management Services under a management contract. The restaurant has gathered many favorable reviews and was named "Restaurant of the Year" by AAA Magazine in its first year of operation. Its menu is varied and features popular foods served in a unique and interesting manner. The brewery features hand-crafted ales and always has something new and unique on tap for lounge and dining room guests.

The Old German, which closed in 1994 after more than 80 years of operations, was reopened in 2013 below Grizzly Peak. The charm and atmosphere of the Original Old German was brought back but with a modern interpretation of a German beer hall.

www.grizzlypeak.net
www.oldgerman.net

NORTH PEAK BREWING COMPANY & KILKENNY'S IRISH PUBLIC HOUSE

North Peak Brewing Company is located at 400 West Front Street in Traverse City. North Peak opened in September of 1997 and is owned by NPBC, Inc. North Peak Brewing Co. was originally a candy factory, and the atmosphere retains an industrial look and feel. It serves a menu of hand-made pizzas, tasty sandwich creations and interesting and unique entrée selections. The beers are hand-crafted in the brewery and are predominately English-style ales.

The opening of Kilkenney's in June of 2007 has been a great addition to North Peak! It is a place that takes fun, excitement and people-watching to the next level. It is known for its beer, Irish whiskey and its lively night scene. The Irish inspired décor, pool tables, the live music, televisions and Irish and American fare add to its popularity.

www.northpeak.net
www.kilkennyspub.com

JOLLY PUMPKIN CAFÉ AND BREWERY

The Jolly Pumpkin Ann Arbor is located at 311 South Main Street in Ann Arbor, Mi. This is the

largest Jolly Pumpkin with around 200 seats inside and a beautiful rooftop deck facing the alley. It has a full menu serving casual farm to table food. JP also is a multi-tap serving 30 + beers made by their parent company in Dexter, MI. They also serve Northern Michigan Wines and Artisan Michigan Distilled Spirits.

www.jollypumpkin.com

BASTONE, MONK, CRAFT & VINOTECCA

Bastone is located at 419 South Main in Royal Oak, Michigan. Bastone opened in April of 2004 with a combination of three different concepts. It now houses four different concepts with the addition of Vinoteca in April of 2005. The main restaurant is a unique Belgian brewpub featuring Belgium beers and foods such as mussels and frites (a unique French fry served with various mayonnaises). It seats approximately 160 people and occupies the center of the building.

A companion concept with 65 seats is called Monk and serves a variety of foods influenced by cuisine from the Belgium. Pomme Frites, Moules and Belgian Blue Beef Burgers are the specialties

Downstairs is the ultra-lounge called Craft. This cozy, basement club setting serves a full range of Belgium beer, wine and mixology cocktails. Craft is one of the most popular lounge destinations in the greater Detroit area and is frequented by an eclectic mix of guests.

Vinoteca adds a wine bar to this multi-themed complex. Known for an outstanding selection of wines gathered from around the world, it is consistently voted as the top wine bar in the Detroit area.

www.monkbeerbar.com

www.bastonebrewery.com

<http://www.vinoteca.com/vt/vinoteca>

www.craftbar.net

BLUE TRACTOR COOK SHOP & THE SHED

The Blue Tractor Cook Shop opened on July 2, 2006 at 423 South Union Street in Traverse City, Michigan. The theme of the restaurant is a return to old time values when people worked hard and sought out a place to relax, eat good food and enjoy life. Food items utilize local products and are “made from scratch” to ensure freshness and quality. An on-premise smoker provides fresh smoked briskets, chicken and BBQ specialties. Service is casual and comfortable in an atmosphere created to bring back memories of farm and families.

www.bluetractor.net

BLUE TRACTOR BBQ & BREWERY and MASH

The Blue Tractor BBQ and Brewery is located at 207 E. Washington St. in Ann Arbor. The

historic building has been renovated by owners - Jon Carlson and Greg Lobdell. The theme of the restaurant is a return to old time values when people worked hard and sought out a place to relax, eat good food and enjoy life. Food items utilize local products and are “made from scratch” to ensure freshness and quality. An on premise smoker provides fresh smoked briskets, chicken and BBQ specialties. All of the beers are hand-crafted on site by the brew master. Service is casual and comfortable in an atmosphere created to bring back memories of farm and families.

www.mashbar.net
www.bluetractor.net

JOLLY PUMPKIN PIZZERIA AND BREWERY DETROIT

The Jolly Pumpkin Detroit is located at 441 West Canfield in the formers Willy’s Jeep Auto Showroom. The dynamic location in Midtown Detroit or as we like to call it, The Cass Corridor, is also home to the most exciting retail brand in America, called Shinola. While primarily focused on Pizzas, JP does serve its famous truffle fries and an excellent selection of fresh salads and sandwiches. JP also is a multi-tap serving 30 + beers made by their parent company in Dexter, MI. They also serve Northern Michigan Wines and Artisan Michigan Distilled Spirits.

www.jollypumpkin.com

PRETZEL BELL

Located at 226 South Main St. in Ann Arbor, MI. The historic building was renovated by developers Jon Carlson and Greg Lobdell. Operating in 7000 sq. ft. and a soon to open rooftop deck, “P-Bell” is a reincarnation of a fabled restaurant that operated for 50 years in Ann Arbor but closed in 1985. This restaurant has a retro gastropub menu and is built and designed on the traditions of the University Of Michigan.

www.thepretzelbell.com

Kincaid Henry Building Group, Inc.

CASH FLOW WITHOUT OPRA AND BROWNFIELD TIF

400 North River, Ypsilanti, MI- Thompson Block Redevelopment

5/8/17

Year	1	2	3	4	5	6	7	8	9	10	11	12
Gross Revenue												
Commercial	165,261	166,087	166,918	167,752	168,591	169,434	170,281	171,133	171,988	172,848	173,712	174,581
Residential	286,800	288,234	289,675	291,124	292,579	294,042	295,512	296,990	298,475	299,967	301,467	302,974
Vacancy & Collection Allowance												
Vacancy Commercial	0	0	0	0	0	0	0	0	0	0	0	0
Vacancy Residential	43,020	28,823	28,968	29,112	29,258	29,404	29,551	29,699	29,847	29,997	30,147	30,297
Effective Gross Income	409,041	425,498	427,625	429,764	431,912	434,072	436,242	438,423	440,616	442,819	445,033	447,258
Operating Expenses												
Replacement Reserves	12,271	12,765	12,829	12,893	12,957	13,022	13,087	13,153	13,218	13,285	13,351	13,418
Management	28,748	29,335	29,934	30,532	31,143	31,766	32,401	33,049	33,710	34,385	35,072	35,774
Cleaning	11,525	11,760	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060	14,341
Landscaping	5,762	5,880	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171
Snow Removal	9,124	9,310	9,500	9,690	9,884	10,081	10,283	10,489	10,699	10,913	11,131	11,353
Trash	4,322	4,410	4,500	4,590	4,682	4,775	4,871	4,968	5,068	5,169	5,272	5,378
Elevator Maintenance	1,729	1,764	1,800	1,836	1,873	1,910	1,948	1,987	2,027	2,068	2,109	2,151
Building Utilities	6,308	6,437	6,568	6,700	6,834	6,970	7,110	7,252	7,397	7,545	7,696	7,850
Insurance	8,644	8,820	9,000	9,180	9,364	9,551	9,742	9,937	10,135	10,338	10,545	10,756
Professional	5,282	5,390	5,500	5,610	5,722	5,837	5,953	6,072	6,194	6,318	6,444	6,573
Anticipated Taxes without OPRA	78,533	79,318	80,111	80,912	81,722	82,539	83,364	84,198	85,040	85,890	86,749	87,617
Total Operating Expenses	172,248	175,189	177,742	180,304	182,907	185,554	188,244	190,979	193,759	196,586	199,459	202,381
Net Operating Income	236,793	250,309	249,883	249,460	249,005	248,518	247,998	247,445	246,856	246,233	245,573	244,877
Debt Service												
Bank Payment	258,756	258,756	258,756	258,756	258,756	286,300	286,300	286,300	286,300	286,300	286,300	286,300
Cash Flow without OPRA or Brownfield TIF	-21,963	-8,447	-8,873	-9,296	-9,751	-37,782	-38,302	-38,856	-39,444	-40,067	-40,727	-41,423

Kincaid Henry Building Group, Inc.

CASH FLOW WITHOUT OPRA AND BROWNFIELD TIF

400 North River, Ypsilanti, MI- Thompson Block Redevelopment

5/8/17

Year	13	14	15	16	17	18	19	20
Gross Revenue								
Commercial	175,454	176,331	177,213	178,099	178,989	179,884	180,784	181,688
Residential	304,489	306,012	307,542	309,079	310,625	312,178	313,739	315,308
Vacancy & Collection Allowance								
Vacancy Commercial	0	0	0	0	0	0	0	0
Vacancy Residential	30,449	30,601	30,754	30,908	31,062	31,218	31,374	31,531
Effective Gross Income	449,494	451,742	454,000	456,270	458,552	460,845	463,149	465,464
Operating Expenses								
Replacement Reserves	13,485	13,552	13,620	13,688	13,757	13,825	13,894	13,964
Management	36,489	37,219	37,963	38,723	39,497	40,287	41,093	41,915
Cleaning	14,628	14,920	15,219	15,523	15,834	16,150	16,473	16,803
Landscaping	7,314	7,460	7,609	7,762	7,917	8,075	8,237	8,401
Snow Removal	11,580	11,812	12,048	12,289	12,535	12,786	13,041	13,302
Trash	5,485	5,595	5,707	5,821	5,938	6,056	6,178	6,301
Elevator Maintenance	2,194	2,238	2,283	2,328	2,375	2,423	2,471	2,520
Building Utilities	8,007	8,167	8,330	8,497	8,667	8,840	9,017	9,197
Insurance	10,971	11,190	11,414	11,642	11,875	12,113	12,355	12,602
Professional	6,704	6,839	6,975	7,115	7,257	7,402	7,550	7,701
Anticipated Taxes without OPRA	88,493	89,378	90,271	91,174	92,086	93,007	93,937	94,876
Total Operating Expenses	205,351	208,371	211,441	214,563	217,737	220,965	224,246	227,584
Net Operating Income	244,143	243,371	242,559	241,708	240,815	239,880	238,902	237,881
Debt Service								
Bank Payment	286,300	286,300	286,300	286,300	286,300	286,300	286,300	286,300
Cash Flow without OPRA or Brownfield TIF	-42,157	-42,929	-43,741	-44,593	-45,485	-46,420	-47,398	-48,419



Design Development Budget- 5/5/2017

Owner: The Original and Only Thompson Block, LLC

Estimator: Kincaid Henry

Total Building Square Feet: 33,470

Location: 400 N River- Ypsilanti, MI Architect: Mitchell and Mouat

Project Description: Mixed-Use Historic Redevelopment

Division 1- Builder Profit/Overhead General Requirements	\$1,166,414
Division 2- Demo and Site	\$170,000
Division 3- Concrete	\$285,361
Division 4- Masonry	\$688,800
Division 5- Metals	\$436,535
Division 6- Woods, Plastics and Composites	\$717,113
Division 7- Thermal and Moisture Protection	\$238,000
Division 8- Openings	\$401,931
Division 9- Finishes	\$858,220
Division 10- Specialties	\$84,100
Division 11- Equipment	\$54,834
Division 14- Conveying Equipment	\$128,500
Division 21- Fire Suppression	\$112,000
Division 22- Plumbing	\$187,000
Division 23- HVAC	\$630,000
Division 26- Electrical	\$477,406
Division 31- Earthwork	\$115,400
Division 32- Exterior Improvements	\$52,595
Division 33- Utilities	\$153,600
Contingency	\$173,742
Tenant Improvements/Energy Efficiency	\$1,115,674
Total Hard Costs	\$8,247,225

934 Clark St., Lansing MI 48906 517-332-8210

Leaders Partners Innovators

LEGAL DESCRIPTION

Lots 422, 423, 424, 425, 431 AND THE North/South 17 feet wide vacated alley lying adjacent thereto, M. Norris addition, a subdivision as recorded in Liber N of Deeds, Page(s) 162, Washtenaw County Records, being more particularly described as beginning at the Southwest corner of said Lot 422, being also the intersection of the East line of N. River St., 100 feet wide, with the North line of E. Cross St., 66 feet wide; thence North 01 degrees 00' 30" East, 132.00 feet along the West line of said Lots 422 through 425, inclusive; thence South 89 degrees 53' 38" East 184.65 feet along the North line of said Lots 425 and 431 and their extension across said vacated alley, thence South 00 degrees 13' 20" West, 131.64 feet along the East line of said 431; thence due West 186.46 feet along the South line of said Lots 425 and 431 and their extension across said vacated alley, to the POINT of BEGINNING. Bearings based on the North line of said E. Cross Street as due East/West.

Also:

Being more particularly described as Beginning at the Southwest corner of Lot 422 of Mark Norris Addition, Liber N of Deeds, Page 162, Washtenaw County Records.

thence N 00°44'12" W 129.75 feet measured, (128.00 feet recorded) along the West line of Lots 422 through 425 of said Mark Norris Addition and the East line of River St., 99 feet wide,

thence N 88°26'24" E 182.50 feet along the North line of Lot 425 and 431 and their extension across a vacated alley (16.5 feet wide).

thence S 00°44'15" E 129.87 feet measured, (128.00 feet recorded) along the East line of said Lot 431,

thence S 88°28'42" W 182.50 feet along the South line of Lots 431 and 422 and their extension along a vacated alley (16.5 feet wide) and the North line of Cross St., 66 feet wide to the Point of Beginning.

Commonly known as: 400 N. River St., Ypsilanti, MI 48198.

LEGAL DESCRIPTIONS

PROPOSED PARCEL 'A'

LEGAL DESCRIPTION OF A PROPOSED PARCEL OF
LAND LOCATED IN THE SE 1/4 OF SECTION 4, T3S, R7E,
CITY OF YPSILANTI, WASHTENAW COUNTY, MICHIGAN

Beginning at the Southwest corner of Lot 422 of Mark Norris Addition, Liber N of Deeds, Page 162, Washtenaw County Records, being also the intersection of the East line of N. River St., 99 feet wide, with the North line of E. Cross St., 66 feet wide,

thence N 00°44'12" W 123.20 feet along the West line of Lots 422 through 425 of Mark Norris Addition and the East line of River St., 99 feet wide;
thence S 89°15'48" W 22.00 feet;
thence S 00°44'12" E 113.67 feet;
thence S 26°44'12" E 10.61 feet;
thence N 89°15'48" E 17.35 feet to the POINT OF BEGINNING. Being a part of the Southeast 1/4 of Section 4, containing 0.06 acres of land, more or less, being subject to easements and restrictions of record, if any.

PROPOSED PARCEL 'B'

LEGAL DESCRIPTION OF A PROPOSED PARCEL OF
LAND LOCATED IN THE SE 1/4 OF SECTION 4, T3S, R7E,
CITY OF YPSILANTI, WASHTENAW COUNTY, MICHIGAN

Beginning at the Southwest corner of Lot 422 of Mark Norris Addition, liber N of Deeds, Page 162, Washtenaw County Records, being also the intersection of the East line of N. River St., 99 feet wide, with the North line of E. Cross St., 66 feet wide,

thence N 88°28'42" E 182.50 feet along the South line of Lots 431 and 422 and their extension across a vacated alley (16.5 feet wide) and the North line of Cross St., 66 feet wide.
thence S 00°44'15" E 3.00 feet;
thence S 88°28'42" W 182.50 feet;
thence N 00°44'12" W 3.00 feet to the POINT OF BEGINNING. Being a part of the Southeast 1/4 of Section 4, containing 0.01 acres of land, more or less, being subject to easements and restrictions of record, if any.



City of Ypsilanti

Finance Department
Assessment Division

AFFIDAVIT OF DOUGLAS SHAW

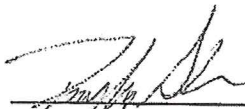
STATE OF MICHIGAN)
) SS:
COUNTY OF WASHTENAW)

Douglas Shaw, being sworn, says:

1. I have personal knowledge of the facts stated in this affidavit and, if sworn, as a witness, I am competent to testify hereto.
2. I am the City Assessor, Level III, for the City of Ypsilanti in the State of Michigan.

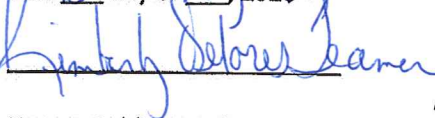
I have inspected the specific property located at 400 N. River. The Property suffers from severe physical depreciation and is currently vacant.

3. On the basis of my physical inspection of the specific aforementioned property, I have determined that this property is "functionally obsolete" and is unable to be used to perform as intended due to substantial loss in value resulting from extreme structural damage and deficiencies and super inadequacies in design and construction.
4. Further affiant sayeth not.


Douglas Shaw

Subscribed and sworn to before me

This 15 day of February, 2019



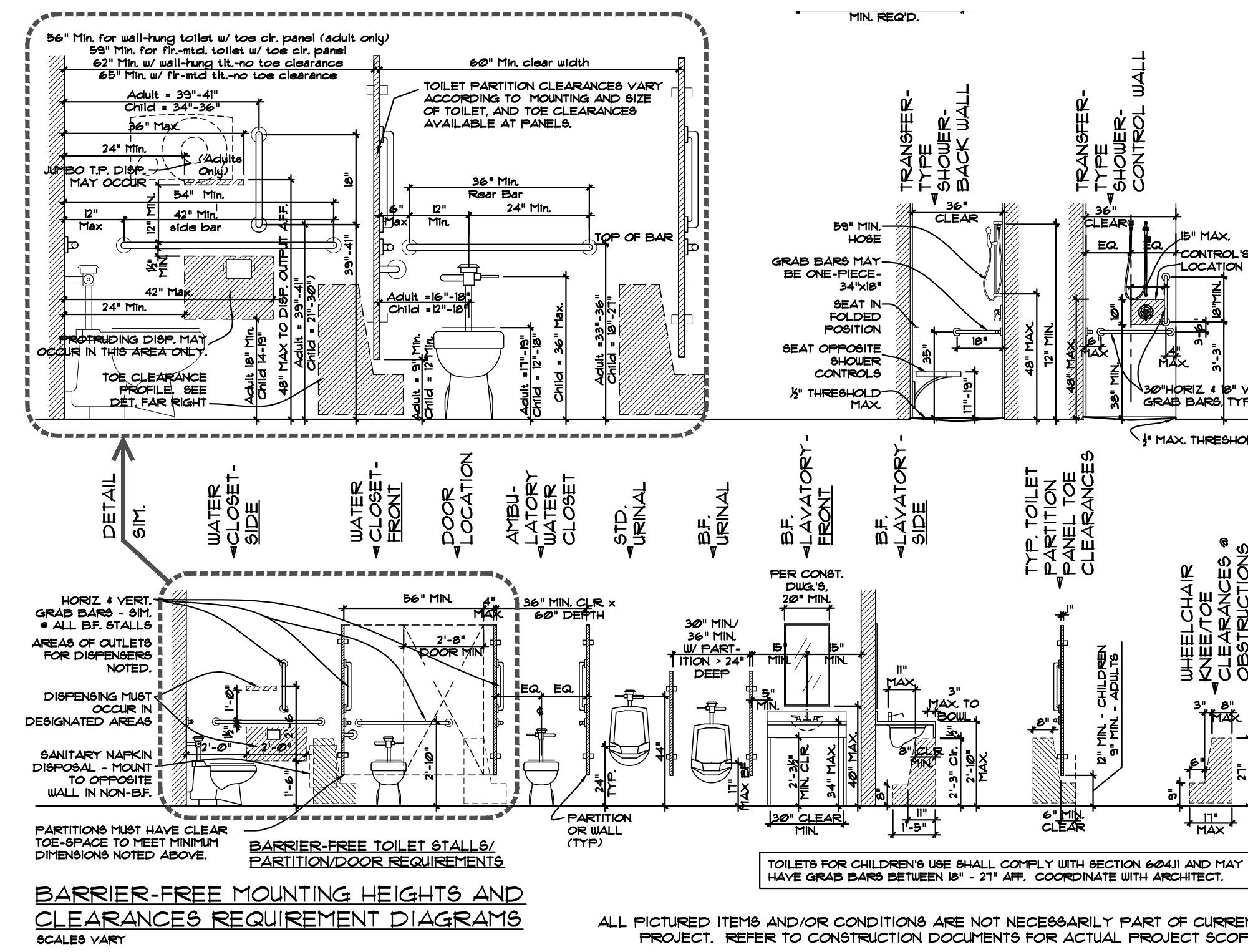
KIMBERLY DELORES TEAMER
Notary Public, State of Michigan
County of Washtenaw
My Commission Expires 09-05-2019
Acting in the County of Washtenaw

Notary Public, Washtenaw County, MI

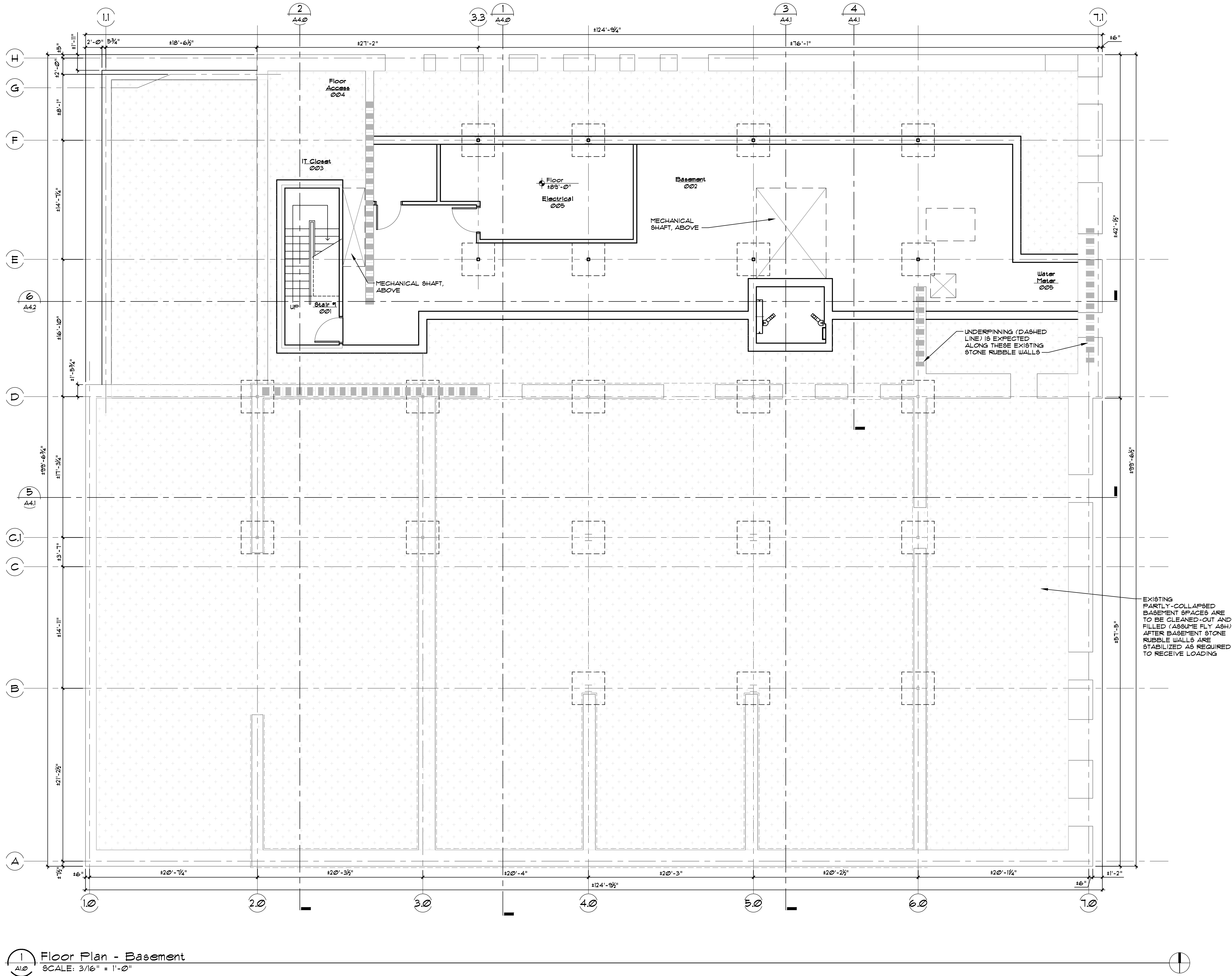
My commission expires: Acting in Washtenaw County, Michigan

September 5, 2019

400 N. River Street
Ypsilanti, Michigan



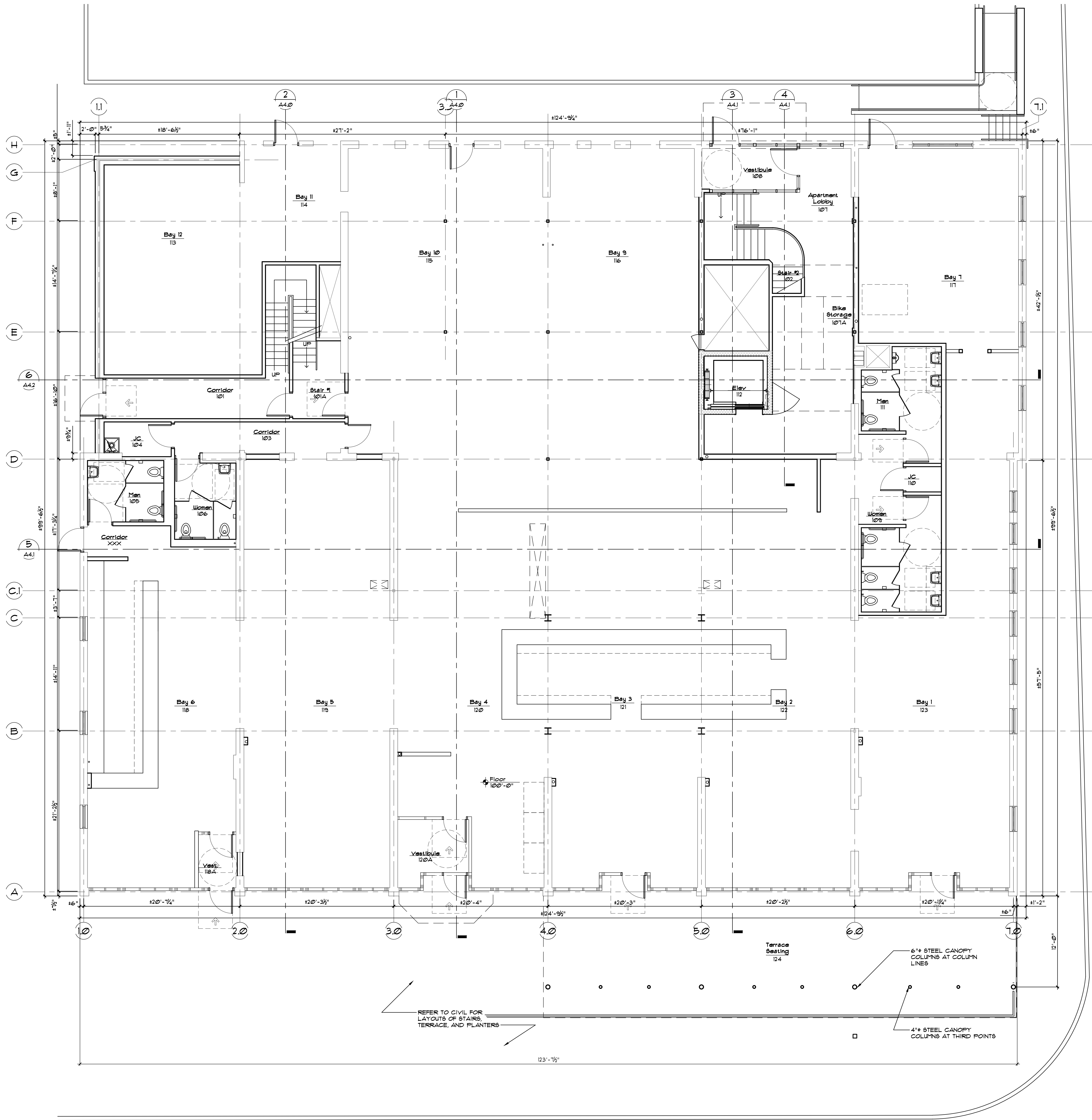
T1.1)



- KEY NOTES
1. USE DIMENSIONS PROVIDED. DO NOT SCALE DRAWINGS. VERIFY ALL EXISTING DIMENSIONS PRIOR TO CONSTRUCTION.
 2. ALL DIMENSIONS ARE FROM FACE OF STUD OR FACE OF MASONRY, UNLESS NOTED OTHERWISE.
 3. REFER TO MECHANICAL, PLUMBING, ELECTRICAL AND STRUCTURAL DRAWINGS FOR ADDITIONAL AREAS OF WORK.
 4. REFER TO ROOM FINISH SCHEDULES FOR ADDITIONAL WORK CLARIFICATIONS IN EACH ROOM.
 5. PROTECT IN PLACE ALL FIXTURES AND SURFACES SCHEDULED TO REMAIN.
 6. COORDINATE WITH ADA REQUIREMENTS AS PUBLISHED AND AS NOTED ON SHEET TU FOR FIXTURES + PARTITION LOCATIONS + REQUIRED BLOCKING.
 7. CONTRACTOR SHALL BE RESPONSIBLE FOR PROVIDING AND INSTALLING ALL MIRRORS, GRAB BARS, PARTITIONS, HOOKS AND OTHER ITEMS SHOWN ON DRAWING.
 8. PROVIDE ALL NECESSARY BLOCKING FOR PROPER ANCHORAGE OF ALL ACCESSORIES INSTALLED BY CONTRACTORS AND BY OWNER. COORDINATE FINAL LOCATION OF ACCESSORIES WITH INSTALLER.

Date	Issued For:	01/03/17	SD Estimate
12/01/16	Review	12/01/16	HDC evaluation
12/01/16	Review	02/02/17	HDC Application
12/14/16	Prelim. HDC Review	02/07/17	
12/29/16	Window Assessment		

- NOTES:
1. ALL SPACES ON THIS FLOOR ARE WHITEBOXED IN BPI AND FINISHED IN BF2.
 2. ALL UNDERSLAB UTILITIES AND ALL SLABS ARE BPI.
 3. ALL MASONRY RESTORATION AND STABILIZATION OF EXISTING FOUNDATION WALLS IS BPI.



1 Floor Plan - First
SCALE: 3/16" = 1'-0"

- KEY NOTES
1. USE DIMENSIONS PROVIDED. DO NOT SCALE DRAWINGS. VERIFY ALL EXISTING DIMENSIONS PRIOR TO CONSTRUCTION.
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 4. REFER TO ROOM FINISH SCHEDULES FOR ADDITIONAL WORK CLARIFICATIONS IN EACH ROOM.
 5. PROTECT IN PLACE ALL FIXTURES AND SURFACES SCHEDULED TO REMAIN.
 6. COORDINATE WITH ADA REQUIREMENTS AS PUBLISHED AND AS NOTED ON SHEET T1 FOR FIXTURES + PARTITION LOCATIONS + REQUIRED BLOCKING.
 7. CONTRACTOR SHALL BE RESPONSIBLE FOR PROVIDING AND INSTALLING ALL MIRRORS, GRAB BARS, PARTITIONS, HOOKS AND OTHER ITEMS SHOWN ON DRAWING.
 8. PROVIDE ALL NECESSARY BLOCKING FOR PROPER ANCHORAGE OF ALL ACCESSORIES INSTALLED BY CONTRACTOR AND BY OWNER. COORDINATE FINAL LOCATION OF ACCESSORIES WITH INSTALLER.

- NOTES:
1. ALL STAIR 101 AND APARTMENT LOBBY 107 SPACES, INCLUDING ANCILLARY SPACES ASSOCIATED WITH SAME, ARE FINISHED IN BPI.
 2. ALL OTHER SPACES ON THIS FLOOR ARE WHITEBOXED IN BPI AND FINISHED IN BP2.
 3. ALL UNDERSLAB UTILITIES AND ALL SLABS ARE BPI.
 4. ALL SHAFTS ARE BPI.
 5. THE ELEVATOR IS BPI.
 6. ALL MASONRY RESTORATION AND STABILIZATION IS BPI.

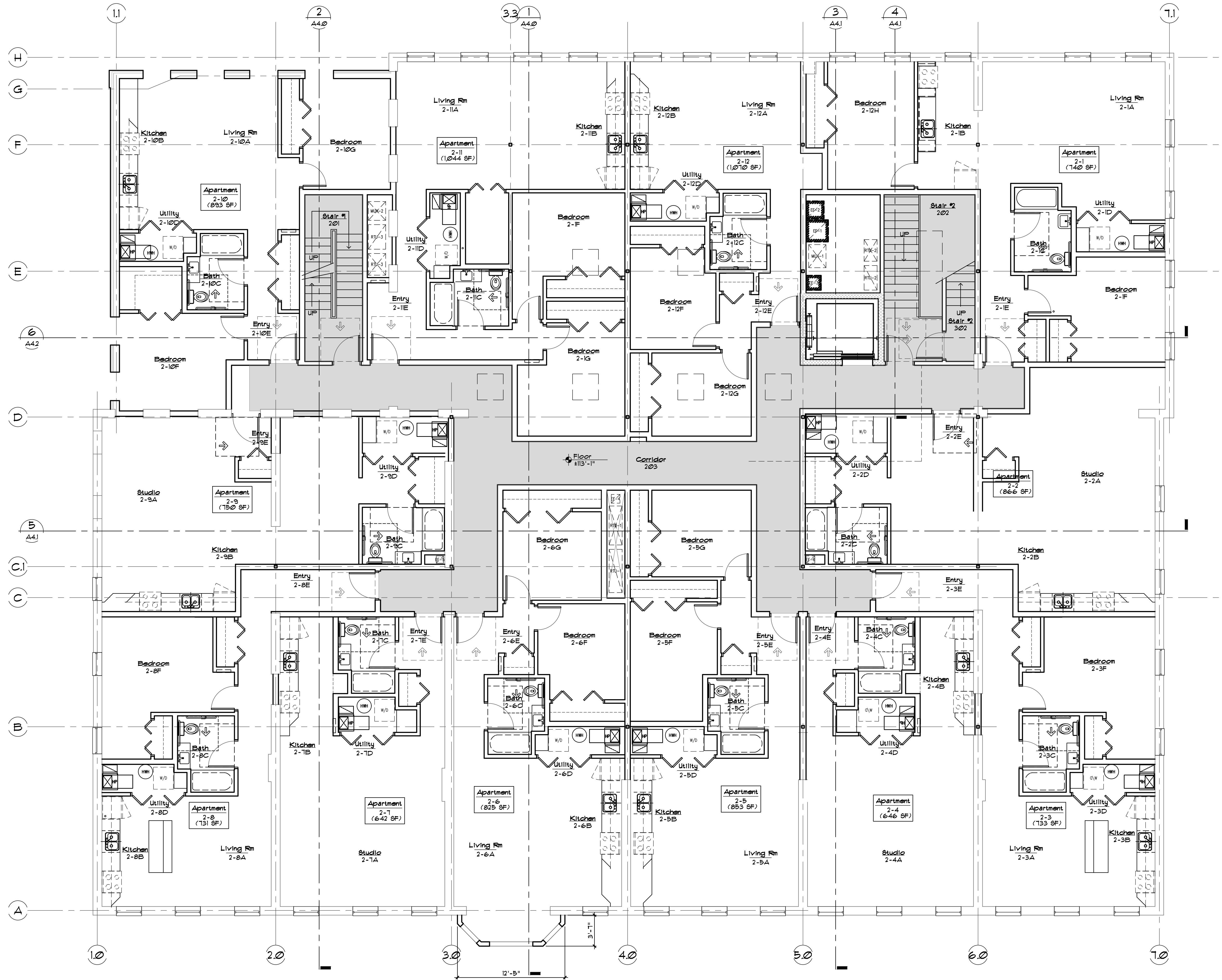
- KEY NOTES
1. USE DIMENSIONS PROVIDED. DO NOT SCALE DRAWINGS. VERIFY ALL EXISTING DIMENSIONS PRIOR TO CONSTRUCTION.
 2. ALL DIMENSIONS ARE FROM FACE OF STUD OR FACE OF MASONRY, UNLESS NOTED OTHERWISE.
 3. REFER TO MECHANICAL, PLUMBING, ELECTRICAL AND STRUCTURAL DRAWINGS FOR ADDITIONAL AREAS OF WORK.
 4. REFER TO ROOM FINISH SCHEDULES FOR ADDITIONAL WORK CLARIFICATIONS IN EACH ROOM.
 5. PROTECT IN PLACE ALL FIXTURES AND SURFACES SCHEDULED TO REMAIN.
 6. COORDINATE WITH ADA REQUIREMENTS AS PUBLISHED AND AS NOTED ON SHEET TU FOR FIXTURES + PARTITION LOCATIONS + REQUIRED BLOCKING.
 7. CONTRACTOR SHALL BE RESPONSIBLE FOR PROVIDING AND INSTALLING ALL MIRRORS, GRAB BARS, PARTITIONS, HOOKS AND OTHER ITEMS SHOWN ON DRAWING.
 8. PROVIDE ALL NECESSARY BLOCKING FOR PROPER ANCHORAGE OF ALL ACCESSORIES INSTALLED BY CONTRACTOR AND BY OWNER. COORDINATE FINAL LOCATION OF ACCESSORIES WITH INSTALLER.

Date	Issued For:	SD Estimate	HDC Evaluation
12/01/16	Review	01/03/17	02/02/17
12/07/16	Review	02/02/17	HDC Application
12/14/16	Review	02/02/17	
12/29/16	Window Assessment		

Thompson Block
400 N. River Street
Ypsilanti, Michigan
Project Number: 1620

Floor Plan - SECOND

A1.2



- NOTES:
1. ALL SPACES ON THIS FLOOR ARE FINISHED IN BPL.
 2. ALL MASONRY RESTORATION AND STABILIZATION IS BPL.

1 Floor Plan - Second
SCALE: 3/16" = 1'-0"

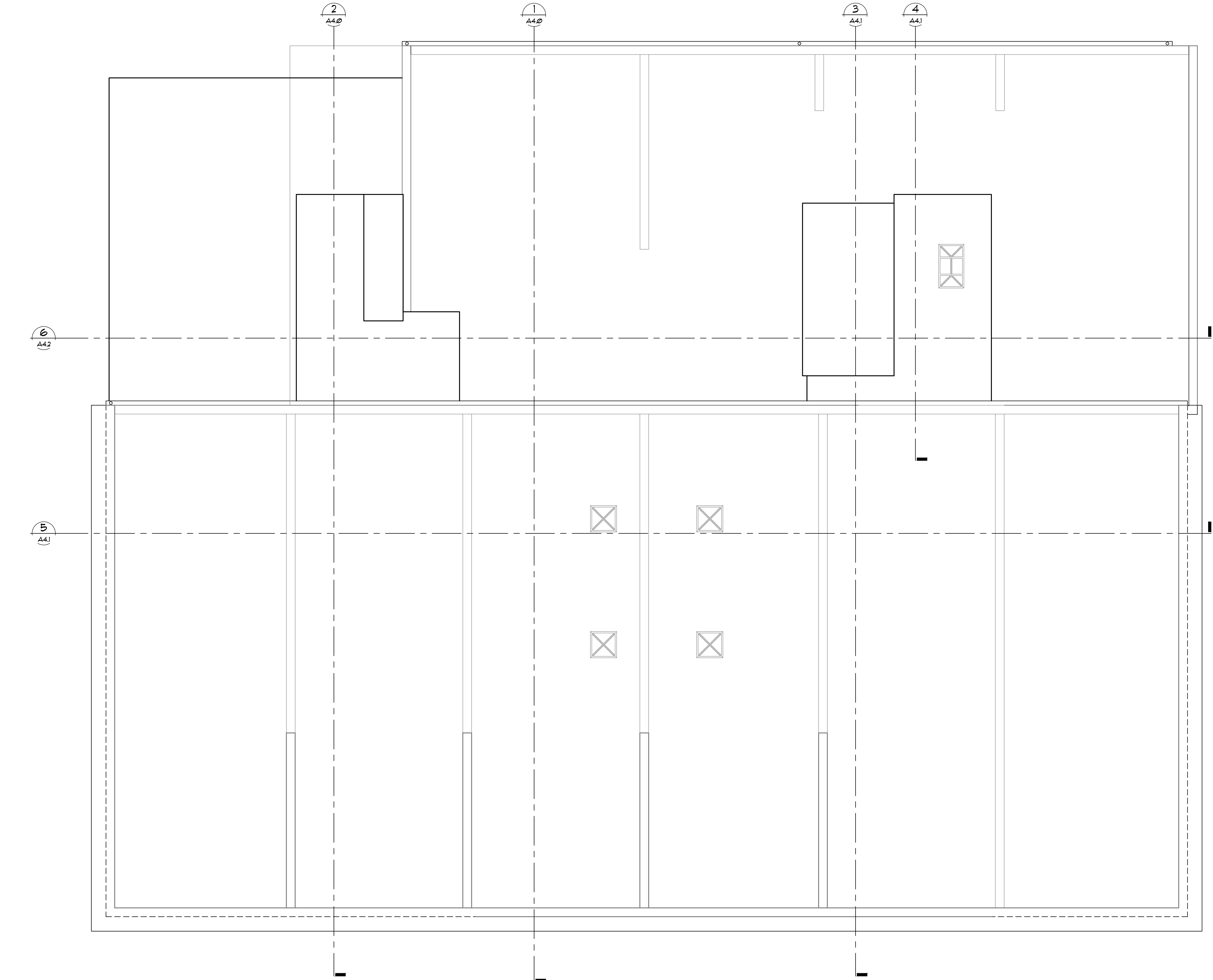
- 1. ALL ROOF SURFACES ARE BPI.
- 2. ALL PARAPET MASONRY RESTORATION AND STABILIZATION IS BPI.
- 3. ALL ROOFS SHALL BE TPO MEMBRANE WITH MIN R-30 RIGID INSULATION THROUGHOUT

Date	Issued For:	01/03/17	SD Estimate
12/01/16	Review	02/02/17	HDC evaluation
12/07/16	Review	02/07/17	HDC Application
12/14/16	Permit, HDC Review		
12/29/16	Window Assessment		

Thompson Block
400 N. River Street
Ypsilanti, Michigan
Project Number: 1620

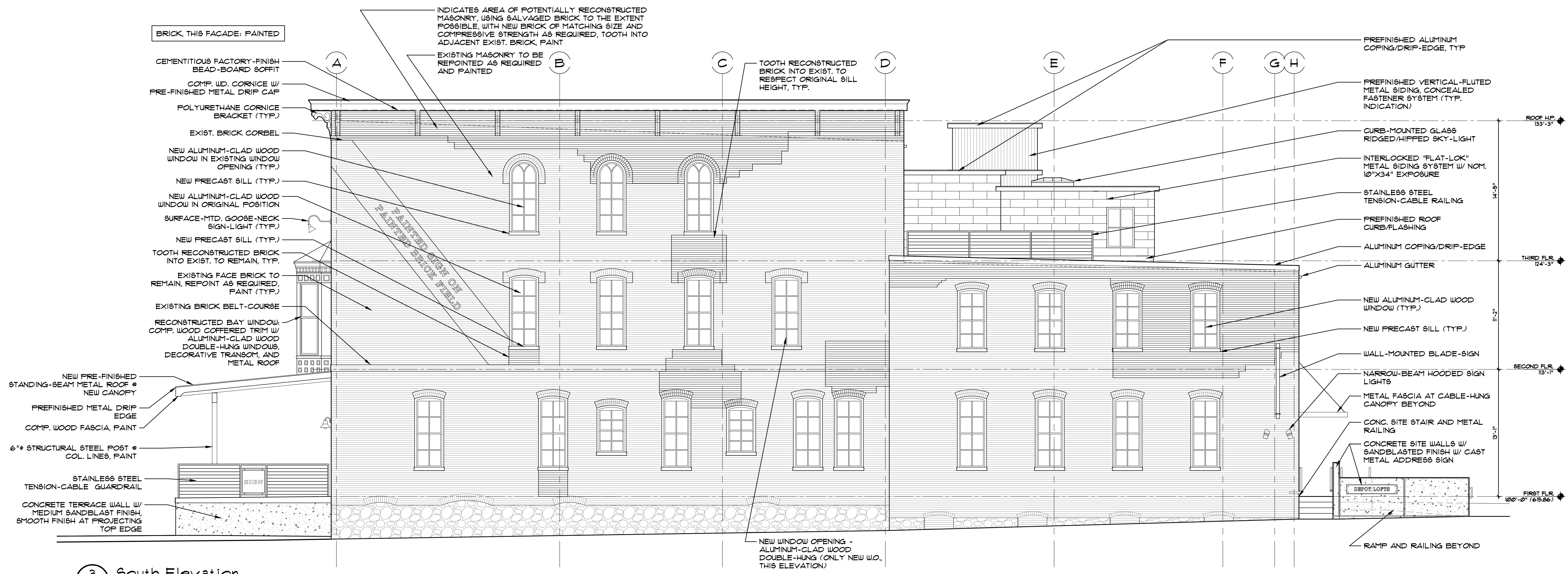
Roof Plan

A1.4

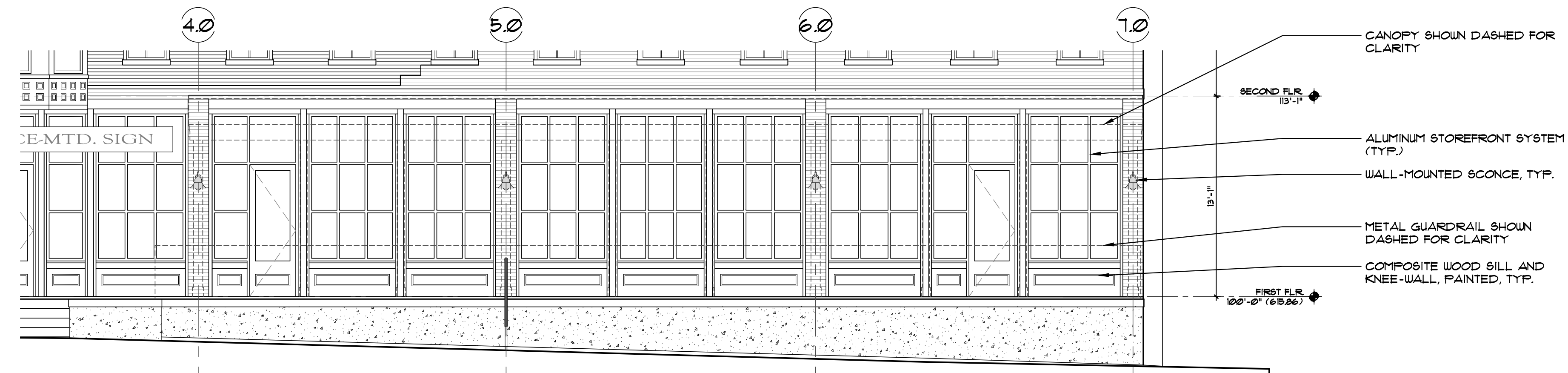


NOTES:

1 Roof Plan
A1.4 SCALE: 3/16" = 1'-0"



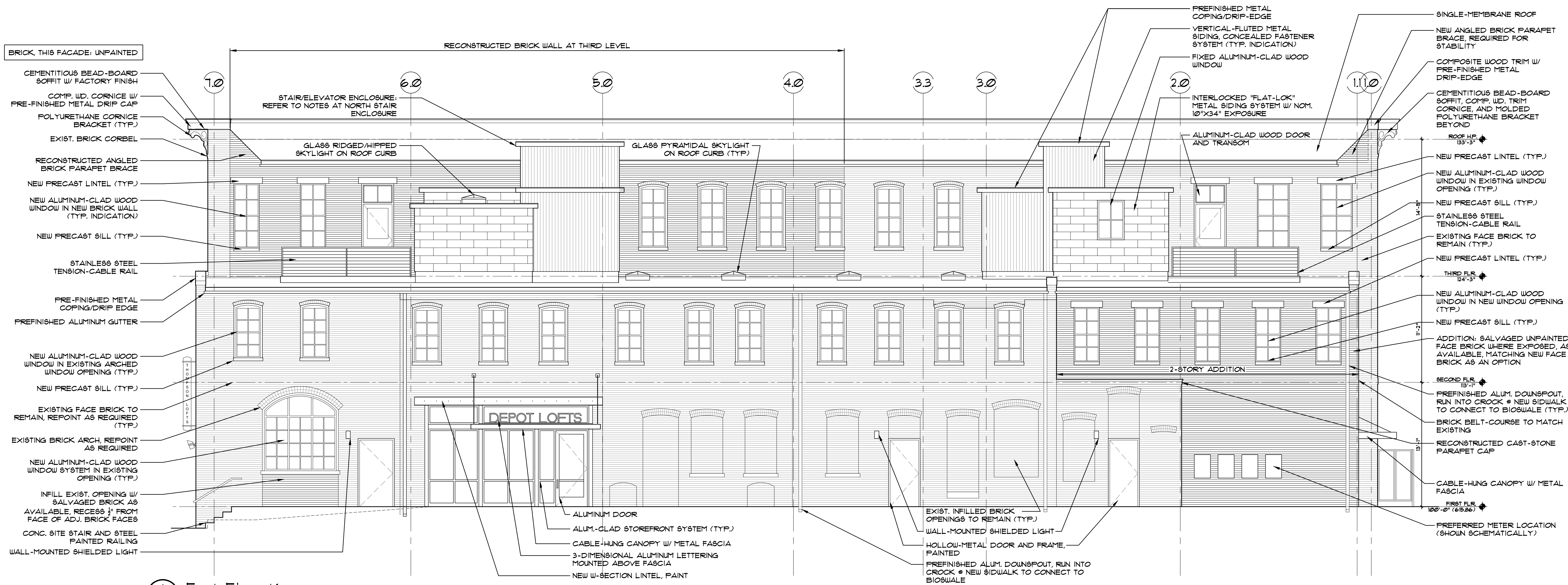
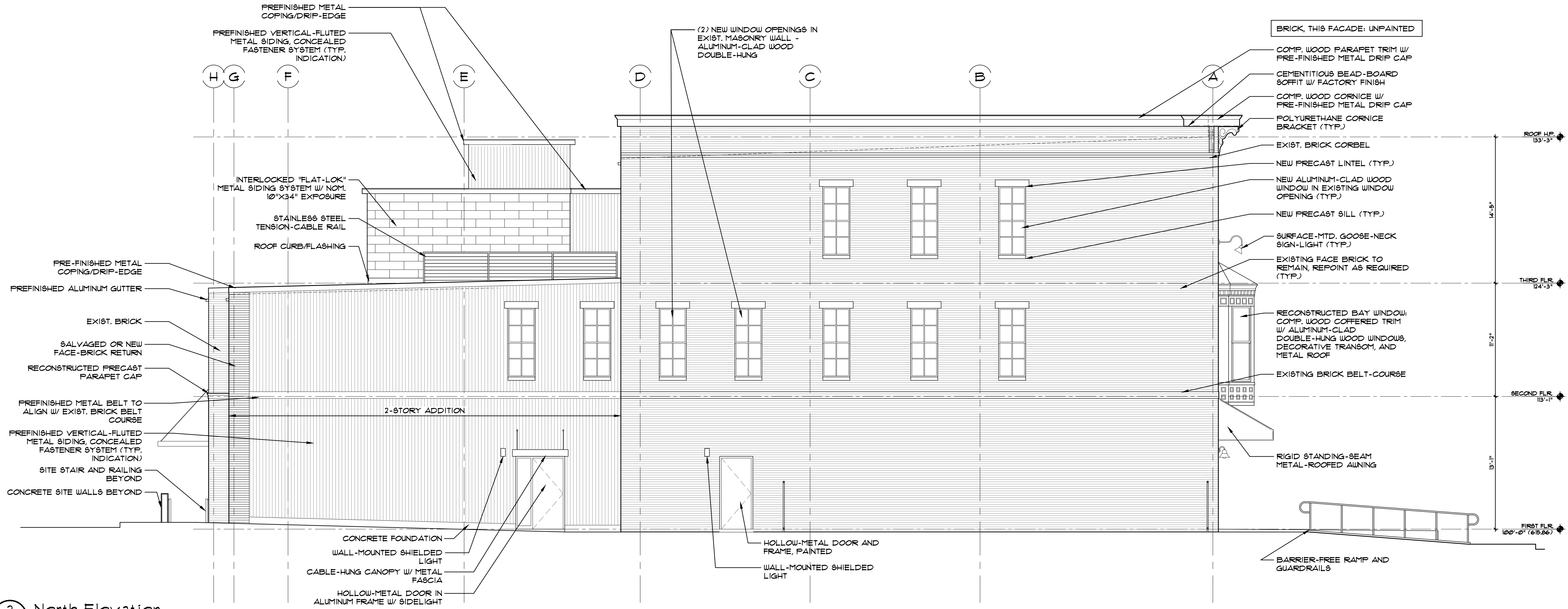
3 South Elevation
SCALE: 3/16" = 1'-0"



2 West Elevation - Canopy and Rail Not Shown
SCALE: 3/16" = 1'-0"



1 West Elevation
SCALE: 3/16" = 1'-0"



Perspective Views

Thompson Block Renovation
Project
400 North River Street

HDC Ypsilanti
Submission Date: 02.07.17



South-west Corner



South-east Corner



North-east Corner



North-west Corner



East Apartment Entry



Toward Terrace
Canopy, West Facade



circa 1890



circa 1890



circa 1916

O.E. Thompson & Sons, Ypsilanti



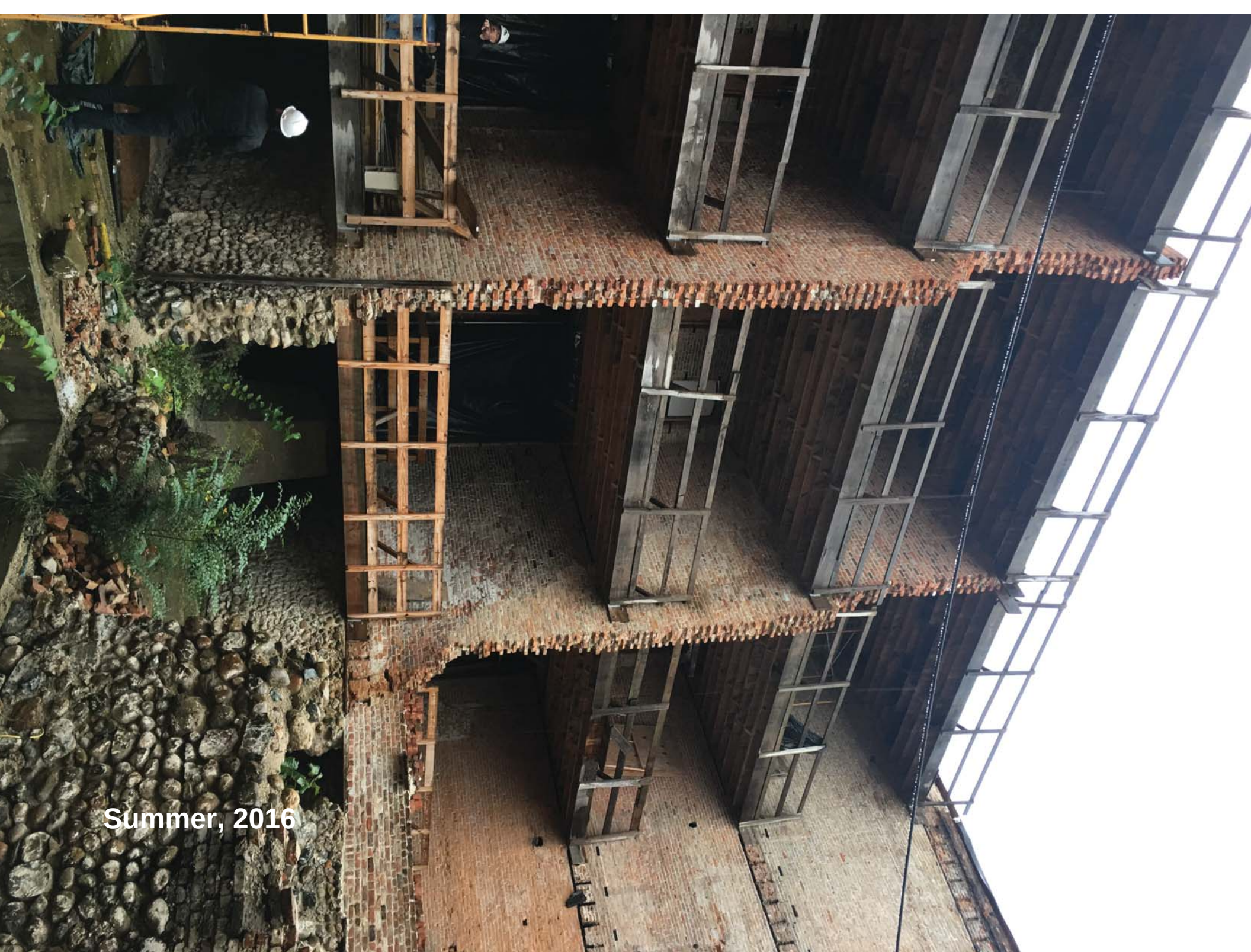
Pre-2009 fire



Post 2009 fire



Summer, 2016



Summer, 2016



Summer, 2016



Summer, 2018



Summer, 2016



Summer, 2016



City of Ypsilanti

Community and Economic Development

February 16, 2017

RICHARD MITCHELL
113 S FOURTH AVE
ANN ARBOR, MI 48104

RE: HDC Work Permit Application for 400 N RIVER

Dear RICHARD MITCHELL,

On February 14, 2017 the Historic District Commission (HDC) reviewed your request for work at 400 N RIVER. Your application was **approved** to include:

All work as submitted.

In the commission's decision, the following Secretary of the Interior Standards were cited:

- #4 - Preserve significant changes acquired over time.
- #5 - Preserve distinctive features.

Approval by the Historic District Commission does not guarantee approval by the zoning, building and/or other necessary departments. Before proceeding with the project it is the responsibility of the applicant to have obtained all approvals necessary. You must apply for and receive all applicable permits within six months of this date for your HDC approval to remain valid.

Please contact me at 734-483-9646 or hintern@cityofypsilanti.com with any questions.

Sincerely,

Yasmin Ruiz
Historic District Assistant
Community & Economic Development Department

CC: Property Owner - THOMPSON BLOCK PARTNERS LLC MI 48103
File
Building Department



ACTION MINUTES

CITY OF YPSILANTI
COUNCIL REGULAR MEETING ACTION MINUTES
COUNCIL CHAMBERS - ONE SOUTH HURON STREET
TUESDAY, June 20, 2017
7:00 P.M.

I. CALL TO ORDER –

The meeting was called to order at 7:00 p.m.

II. ROLL CALL –

Council Member Bashert	Present	Council Member Robb	Present
Mayor Pro-Tem Brown	Absent	Council Member Vogt	Present
Council Member Murdock	Present	Mayor Edmonds	Present
Council Member Richardson	Present		

III. INVOCATION –

IV. PLEDGE OF ALLEGIANCE –

"I pledge allegiance to the flag, of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all."

V. INTRODUCTIONS –

VI. AGENDA APPROVAL-

The agenda was approved as amended

Change:

Moved: Resolution No. 2017-150, amending the agreement held with Urban County, was moved from Section X, Consent Agenda, to Section XI, Resolution/Motions/Discussions.

VII. AUDIENCE PARTICIPATION –

VIII. REMARKS FROM THE MAYOR –

IX. PUBLIC HEARING –

1. Approving a 15 year extension to the Smart Zone LDFA. The City does not lose any local tax revenue and has the opportunity to receive state captures to be spent on Economic Development activities. (Community Development)
 - A. Resolution No. 2017 - 143, determination
Offered By: Council Member Vogt; Seconded By: Council Member Richardson
Approved: Yes – 6; No – 0; Absent – 1 (Brown)
 - B. Public Hearing
 - C. Resolution No. 2017 – 144, close the public hearing
Offered By: Council Member Vogt; Seconded By: Council Member Bashert
Approved: Yes – 6; No – 0; Absent – 1 (Brown)

2. Granting an Obsolete Property Rehabilitation Exemption for a period of 12 years for 400 N. River. (Community Development)
 - A. Resolution No. 2017 - 145, determination
Offered By: Council Member Bashert; Seconded By: Council Member Vogt
Approved: Yes – 6; No – 0; Absent – 1 (Brown)
 - B. Public Hearing
 - C. Resolution No. 2017 – 146, close the public hearing
Offered By: Council Member Bashert; Seconded By: Council Member Vogt
Approved: Yes – 6; No – 0; Absent – 1 (Brown)

X. CONSENT AGENDA –

Resolution No. 2017 - 147

1. Resolution No. 2017-148, approving the minutes of May 23, 2017. (Clerk)
Offered By: Council Member Robb; Seconded By: Council Member Vogt
Approved: Yes – 6; No – 0; Absent – 1 (Brown)
2. Resolution No. 2017-149, approving appointments to Boards and Commissions. (Mayor)
Offered By: Council Member Robb; Seconded By: Council Member Vogt
Approved: Yes – 6; No – 0; Absent – 1 (Brown)
3. Resolution No. 2017-150, amending the agreement held with Urban County. (Community Development) **(Removed and heard during Section XI)**

XI. MOTIONS, RESOLUTIONS, DISCUSSIONS -

1. Resolution No. 2017-151, approving purchase agreement for the Ozone House. (Community Development).
Offered By: Council Member Bashert; Seconded By: Council Member Murdock
Approved as Amended: Yes – 6; No – 0; Absent – 1 (Brown)
2. Resolution No. 2017-152, approving a social media policy. (City Manager)
Offered By: Council Member Richardson; Seconded By: Council Member Bashert
Approved as Amended: Yes – 4; No – 2 (Richardson, Robb); Absent – 1 (Brown)
3. Resolution No. 2017-153, approving a City procurement policy. (Attorney)
Offered By: Council Member Richardson; Seconded By: Council Member Bashert
Approved as Amended: Yes – 5; No – 1 (Murdock); Absent – 1 (Brown)
4. Resolution No. 2017-154, approving the Fiscal Year 2017-2018 Fee Schedule. (Finance)
Offered By: Council Member Vogt; Seconded By: Council Member Bashert
Approved as Amended: Yes – 4; No – 0; Absent – 3 (Murdock, Richardson, Brown)
5. Resolution No. 2017 –155, approving Ordinance 1289 an ordinance entitled, “An Ordinance to Amend Budget Appropriations by Department and Major Organizational Unit for the Fiscal Years 2016-2017 and 2017-2018”. **(Second Reading)** (Finance)
(Continued to June 27th at 5:00 p.m.)

6. Resolution No. 2017-156, approving Ordinance 1290 an ordinance entitled "2017-2018 Tax Levy Ordinance". **(Second Reading)** (Finance)
Offered By: Council Member Robb; Seconded By: Council Member Vogt
Approved: Yes – 4; No – 0; Absent – 3 (Murdock, Richardson, Brown)
7. Resolution No. 2017-150, amending the agreement held with Urban County. (Community Development)
Offered By: Council Member Robb; Seconded By: Council Member Bashert
Approved: Yes – 4; No – 0; Absent – 3 (Murdock, Richardson, Brown)

XII. AUDIENCE PARTICIPATION –

XIII. LIASON REPORTS –

- A. SEMCOG Update
- B. Washtenaw Area Transportation Study
- C. Urban County
- D. Ypsilanti Downtown Development Authority
- E. Eastern Washtenaw Safety Alliance
- F. Police-Community Relations/Black Lives Matter Joint Task Force
- G. Friends of Rutherford Pool
- H. Housing Equity Leadership Team
- I. Economic Development Coordinating Committee

XIV. COUNCIL PROPOSED BUSINESS –

XV. COMMUNICATIONS FROM THE MAYOR –

XVI. COMMUNICATIONS FROM THE CITY MANAGER –

XVII. COMMUNICATIONS –

XVIII. REMARKS FROM THE MAYOR –

XIV. CLOSED SESSION –

- Resolution No. 2017-157, adjourning to Closed Session to discuss Collective Bargaining Strategy for AFSCME, POAM, COAM, and IAFF unions pursuant to MCL 15.268(c).
Offered By: Council Member Vogt; Seconded By: Council Member Bashert
Approved as Amended: Yes – 4; No – 0; Absent – 3 (Murdock, Richardson, Brown)

- Closed Session to discuss Attorney Opinion. *OMA 15.268(h)*

XIX. ADJOURNMENT –

Resolution No. 2017-158, adjourning the City Council Meeting.
The meeting adjourned at 12: 38 a.m.