

1. City Council Regular Meeting Agenda

Documents:

[09-02-14 FINAL AGENDA.PDF](#)

2. City Council Regular Meeting Packet

Documents:

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**CITY OF YPSILANTI
COUNCIL MEETING AGENDA
CITY COUNCIL CHAMBERS – ONE SOUTH HURON ST.
YPSILANTI, MI 48197
TUESDAY, SEPTEMBER 2, 2014
7:00 P.M. – OPEN SESSION**

I. CALL TO ORDER –

II. ROLL CALL –

Council Member Jefferson	P A	Council Member Robb	P A
Council Member Moeller	P A	Council Member Vogt	P A
Council Member Murdock	P A	Mayor Schreiber	P A
Mayor Pro-Tem 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. AGENDA APPROVAL –

VI. INTRODUCTIONS –

VII. PRESENTATIONS –

Eastern Washtenaw Safety Alliance

VIII. AUDIENCE PARTICIPATION –

IX. REMARKS BY THE MAYOR –

X. MINUTES –

Resolution No. 2014-196, approving minutes of August 7, 2014

XI. ORDINANCES - FIRST READING

Ordinance No. 1227

1. Ordinance to Amend Chapter 106, Article V, Section 106-454(b) of the Code of Ordinances to increase water rates by 3.5% within the City of Ypsilanti.

- A. Resolution No. 2014-197, determination
- B. Open Public Hearing
- C. Resolution No. 2014-198, close public hearing.

Ordinance No. 1228

2. Ordinance to Amend Chapter 106, Article V, Section 106-455(a) of the Code of Ordinances to increase sewage disposal service rates by 3.5% within the City of Ypsilanti.
 - A. Resolution No. 2014-199, determination
 - B. Open Public Hearing
 - C. Resolution No. 2014-200, close public hearing.

Ordinance No. 1229

3. Ordinance to Amend Chapter 106, Article V, Section 106-499 to decrease the restricted debt retirement and capital improvement fund surcharge on water and sewer service bills within the City of Ypsilanti by adding a surcharge of 65% to each water and sewage bill for billings to be deposited in a restricted debt retirement and capital improvements fund.
 - A. Resolution No. 2014-201, determination
 - B. Open Public Hearing
 - C. Resolution No. 2014-202, close public hearing.

XII. ORDINANCES – SECOND READING

Ordinance No. 1230

Ninde-River Alley Vacation

- A. Resolution No. 2014-203, determination
- B. Open Public Hearing
- C. Resolution No. 2014-204, close public hearing.

XIII. CONSENT AGENDA –

Resolution No. 2014-205

1. Resolution No. 2014-206, approving Ordinance No. 1226, an ordinance to adopt the International Property Maintenance Code, to amend Chapter 50 entitled, "Fire Prevention and Protection" by amending Article II, "Fire Prevention Code", Section 50-33, "Additions, Insertions, and Changes to update the rules regarding "Open Source Fires and Open Burnings". **(Second Reading)**
2. Resolution No. 2014-207, renewing agreement with Michigan Department of Transportation (MDOT) to maintain all state trunk lines and bridges within the City's jurisdiction.
3. Resolution No. 2014-208, designating official representative and alternate for the Michigan Municipal League (MML) Annual Convention.
4. Resolution No. 2014-209, approving DDA Streetscape Agreement.

XIV. RESOLUTIONS/MOTIONS/DISCUSSIONS -

1. Resolution No. 2014-210, approving a request to extend purchase agreement with Herman & Kittle LLC for purchase and development of 1.7 acres for family housing.
2. Resolution No. 2014-211, approving OHM proposal for construction engineering for Phase I Prospect Road Priority Road Improvement Project (PRIP).
3. Resolution No. 2014-212, awarding contract to Cadillac Asphalt, LLC for Phase I of the Prospect Road PRIP Project.
4. Resolution No. 2014-213, approving LDFA extension.

XV. LIASON REPORTS –

- A. SEMCOG Update
- B. Washtenaw Area Transportation Study
- C. Washtenaw Metro Alliance
- D. Urban County
- E. Freight House

XVI. COUNCIL PROPOSED BUSINESS –

XVII. COMMUNICATIONS FROM THE MAYOR –

XVIII. COMMUNICATIONS FROM THE CITY MANAGER –

XIX. AUDIENCE PARTICIPATION -

XX. REMARKS FROM THE MAYOR -

XXI. ADJOURNMENT –

Resolution No. 2014-214, adjourning the Council meeting.



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Mayor Pro-Tem Richardson	P A		

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- A. Resolution No. 2014-203, determination
- B. Open Public Hearing
- C. Resolution No. 2014-204, close public hearing.

XIII. CONSENT AGENDA –

Resolution No. 2014-205

1. Resolution No. 2014-206, approving Ordinance No. 1226, an ordinance to adopt the International Property Maintenance Code, to amend Chapter 50 entitled, "Fire Prevention and Protection" by amending Article II, "Fire Prevention Code", Section 50-33, "Additions, Insertions, and Changes to update the rules regarding "Open Source Fires and Open Burnings". **(Second Reading)**
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XVIII. COMMUNICATIONS FROM THE CITY MANAGER –

XIX. AUDIENCE PARTICIPATION -

XX. REMARKS FROM THE MAYOR -

XXI. ADJOURNMENT –

Resolution No. 2014-214, adjourning the Council meeting.



Resolution No. 2014 – 196
September 2, 2014

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the Minutes of August 7, 2014 be approved.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:



Draft

**CITY OF YPSILANTI
COUNCIL MEETING MINUTES
CITY COUNCIL CHAMBERS – ONE SOUTH HURON ST.
YPSILANTI, MI 48197
THURSDAY, AUGUST 7, 2014
7:00 P.M. – OPEN SESSION**

I. CALL TO ORDER – The meeting was called to order at 7:07 p.m.

II. ROLL CALL –

Council Member Jefferson	Present	Council Member Robb	Present
Council Member Moeller	Present (7:20)	Council Member Vogt	Present
Council Member Murdock	Present	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Present		

Mayor Pro-Tem Richardson moved, supported by Council Member Vogt, to excuse the absence of Mayor Schreiber. On a voice vote, the motion carried.

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 –

Council Member Murdock moved, supported by Council Member Robb, to add audience participation directly before the Charter Amendments and after Resolution 2014-183. On a voice vote the motion carried.

Agenda approved as amended.

VI. INTRODUCTIONS –

Mayor Pro-Tem Richardson introduced the following individuals; Assistant City Attorney Dan DuChene, City Attorney Jesse O'Jack, Finance Director Marilou Uy, DPS Director Stan Kirton, Fire Chief Max Antouard, Community Development Director Teresa Gillotti, and Chair of the Charter Commission Kim Hoppe.

VII. PRESENTATIONS –

1. CAFR Presentation – Edward Sell, Jr., City of Monroe Finance Director, GFOA State Representative
2. Special Presentation on Eastern Washtenaw Safety Alliance – City Manager Ralph Lange

VIII. AUDIENCE PARTICIPATION –

1. Kim Hoppe, 1303 Grant St, stated that the Charter Commission acknowledge Council's Authority to request charter amendments and are in complete support of Amendments 1-4, 6 and 8. Ms. Hoppe stated that the Commission has concerns with Amendments 5 and 9 as it may reduce transparency. Ms. Hoppe stated that Amendments 7 and 10 may have the unintended consequence of intimidating volunteer commission and board members. Ms. Hoppe stated that adding too many amendments to the ballot may confuse voters causing them to vote no on all Amendments. Ms. Hoppe concluded by repeating the support of the Commission for Amendments 1-4, 6 and 8.

IX. REMARKS BY THE MAYOR –

None

X. MINUTES –

Resolution No. 2014-172, approving minutes of July 8 and July 14, 2014.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the Minutes of July 8 and July 14, 2014 be approved.

OFFERED BY: Council Member Moeller
SUPPORTED BY: Council Member Vogt

Mayor Pro-Tem Richardson asked for the first paragraph of page 13 in the July 8th minutes, be made clearer.

On a voice vote, the minutes were approved as amended.

XI. ORDINANCES - FIRST READING

Ordinance No. 1226

1. Ordinance to Amend the Ypsilanti City Code regarding open source fires or open burnings to include the use of outdoor fireplaces, to prohibit sky lanterns, and to reflect the requirements of NFPA 1.
 - A. Resolution No. 2014-173, determination

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That an ordinance to adopt the International Property Maintenance Code, entitled "AN ORDINANCE TO AMEND CHAPTER 50 OF THE YPSILANTI CITY CODE, ENTITLED "FIRE PREVENTION AND PROTECTION," BY AMENDING ARTICLE II, "FIRE PREVENTION CODE," SECTION 50-33 "ADDITIONS, INSERTIONS, AND CHANGES TO UPDATE THE RULES REGARDING OPEN SOURCE FIRES AND OPEN BURNINGS" be approved on First Reading.

OFFERED BY: Council Member Robb
SUPPORTED BY: Council Member Vogt

- B. Open Public Hearing

None

C. Resolution No. 2014-174, close public hearing.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the public hearing on an ordinance to adopt the International Property Maintenance Code, entitled "AN ORDINANCE TO AMEND CHAPTER 50 OF THE YPSILANTI CITY CODE, ENTITLED "FIRE PREVENTION AND PROTECTION," BY AMENDING ARTICLE II, "FIRE PREVENTION CODE," SECTION 50-33 "ADDITIONS, INSERTIONS, AND CHANGES TO UPDATE THE RULES REGARDING OPEN SOURCE FIRES AND OPEN BURNINGS" be officially closed.

OFFERED BY: Council Member Robb

SUPPORTED BY: Council Member Vogt

On a voice vote, the motion carried.

Fire Chief Anthouard stated that there are two main changes to the ordinance; first is to authorize the use of outdoor fireplaces, and second to ban sky lanterns which are considered an uncontrolled burn. Chief Anthouard added that this ordinance change will sync City Ordinance with the National Fire Protection Standards the City adopted.

On a roll call, the vote for Resolution 2014-173 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

XII. CONSENT AGENDA –

Resolution No. 2014-175

1. Resolution No. 2014-176, approving Ordinance No. 1225, an ordinance to amend the Ypsilanti City Code to prohibit the operation of motor vehicles and motorcycles without insurance consistent with MCL 500.3101, MCL 500.3102, and MCL 500.3103.
(Second Reading)

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That an ordinance entitled "AN ORDINANCE TO AMEND CHAPTER 102 "TRAFFIC AND VEHICLES" OF THE YPSILANTI CITY CODE, BY ADDING ARTICLE V "MOTOR VEHICLE AND MOTORCYCLE INSURANCE REQUIRED", INCLUDING SECTION 102-225 SETTING FORTH DEFINITIONS AND SECTION 102-226 MAKING IT A VIOLATION TO OPERATE OR PERMIT THE OPERATION OF A MOTOR VEHICLE OR MOTORCYCLE WITHOUT THE INSURANCE REQUIRED BY STATE LAW, CREATION OF A

PRESUMPTION, AND SETTING FORTH THE PENALTIES" be approved at Second and Final Reading.

2. Resolution No. 2014-177, approving Michigan Municipal League (MML) Liability and Property Pool insurance coverage, effective 8/1/2014-8/1/2015, and authorizing payment.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT, the invoice submitted for payment to the Michigan Municipal League Liability and Property Pool for issuance of coverage beginning August 1, 2014 and ending August 1, 2015 in the amount of \$321,019 be approved.

BE IT FURTHER RESOLVED THAT the City Manager is authorized to sign and approve payment of the invoice.

3. Resolution No. 2014-178, recognizing September as "*Turn the Towns Teal*", a National Awareness for Ovarian Cancer campaign and allowing volunteers to tie teal ribbons around the City of Ypsilanti.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, ovarian cancer is the deadliest of gynecologic cancers and a leading cause of cancer-related death in women. The survival rate has barely improved over the past 40 years, when "War on Cancer" was declared.

WHEREAS, due to lack of early detection, less than 20 percent of ovarian cancer is diagnosed early, when it is most treatable; and

WHEREAS, the Michigan Ovarian Cancer Alliance (MIOCA), a nonprofit and partner member of the Ovarian Cancer National Alliance, promotes saving lives through early detection, improved treatment outcomes, community outreach and education; and

WHEREAS, "*Turn the Towns Teal*" is a campaign promoting awareness of ovarian cancer and its symptoms, and is held in conjunction with National Ovarian Cancer Awareness Month, from September 1 to September 30; and

WHEREAS, "*Turn the Towns Teal*" this is the 8th year of the campaign and it features teal ribbons tied throughout the city as well as awareness posters and information cards provided for establishments that are interested; and

WHEREAS, the Michigan Ovarian Cancer Alliance (MIOCA), will cover all expenses incurred by this campaign and there will be no cost to the city.

THEREFORE BE IT RESOLVED THAT the Mayor and City Council supports this national campaign and approves of teal ribbons being tied throughout the city on September 1st and removed on September 30, 2014, along with lawn signs, awareness posters and information cards being provided for establishments that are interested.

4. Resolution No. 2014-179, approving appointment of Jake Albers to Zoning Board of Appeals.

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:

TERM		
<u>NAME</u>	<u>BOARD</u>	<u>EXPIRATION</u>
Jake Albers (replacing Tony Bedogne) 1533 Collegewood Ypsilanti, MI 48197	ZBA	5/1/2017

5. Resolution No. 2014-180, approving MuniRent Intergovernmental Agreement contract.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the city needs to minimize its overhead costs, and;

WHEREAS, to accomplish this goal, the city needs to own the least amount of heavy equipment possible, and;

WHEREAS, there are times that the city needs to use expensive heavy equipment that does not make sense for it to own, and;

WHEREAS, the city needs as many options to rent this type of equipment as possible, and;

WHEREAS, entering into this contract with MuniRent provides the city with many more possible options to rent heavy equipment at a reasonable cost,

NOW, THEREFORE, BE IT RESOLVED THAT the City Council approves that the Mayor and City Clerk are authorized to sign the attached contract, excepting paragraph 5.3 of the Intergovernmental Agreement, subject to review and approval by the City Attorney; and

That the City Manager is authorized, under this agreement, to rent equipment needed by the city from other governmental agencies or rent out equipment owned by the city to other governmental agencies and to sign any and all other documents

so required, subject to review and approval by the City Attorney.

6. Resolution No. 2014-181, correcting the comprehensive city fee schedule adopted by Resolution 2014-130 on June 3, 2014 to add a \$50 lien filing cost to judgments, waived if the judgment is paid within 30 days; and increase the Administrative Hearing Bureau costs to \$250, as provided in Resolution 2014-030 dated January 21, 2014.

IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

the comprehensive city fee schedule adopted by resolution 2014-130, June 3, 2014 be corrected to add a \$50 lien filing cost to judgments, waived if the judgment is paid within 30 days; and increase the Administrative Hearing Bureau costs to \$250, as provided in Council Resolution 2014-030, dated January 21, 2014.

7. Resolution No. 2014-182, approving proposal for OHM design services – Border to Border TAP Grant.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, Ypsilanti City Council is working with Washtenaw County Parks and Recreation on completing segments of the county-wide Border to Border trail; and

WHEREAS, Ypsilanti has received two Natural Resources Trust Fund grants to complete segments of the Border to Border trail including the Heritage Bridge Project linking Riverside Park to Michigan Avenue and The Rivers' Edge Linear Park and trail which traverses the extent of the Water Street Redevelopment Area ending on South Grove Street; and

WHEREAS, on-street connections are needed for pedestrians and bicyclists first on Michigan Avenue, and later on S. Grove street connecting to North Bay Park; and

WHEREAS, completion of these two connections in conjunction with the larger Border to Border trail work this year will meet goals in the City's Master Plan, Non-Motorized Transportation Plan and Parks and Recreation Plan;

WHEREAS, the City applied for an was awarded a Transportations Alternatives Program (TAP) grant in the amount of \$647,426.01 to construct the Michigan avenue mid-block crossing and Grove Road non-motorized improvements; and

WHEREAS, OHM has put forth a proposal to provide engineering design services for the Grove Road project,

NOW, THEREFORE, BE IT RESOLVED THAT the Ypsilanti City Council approves the OHM proposal for engineering design

services for the TAP grant project: Border to Border trail non-motorized links in City of Ypsilanti

OFFERED BY: Council Member Jefferson
SUPPORTED BY: Council Member Vogt

On a roll call, the vote for Resolution 2014-175 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

XIII. RESOLUTIONS/MOTIONS/DISCUSSIONS -

1. Resolution No. 2014-157, approving 6 and 12 S. Washington (Birdscolors) OPRA application. ***(postponed 7/8/14)***

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 #11-11-39-102-016 and parcel #11-11-39-102-017 (6-12 S. Washington 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 6 and 12 S. Washington Street have been certified functionally obsolete by the City Assessor per P.A. 146 in September 2013; 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, Birdscolors, LLC have 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, Birdscolors, LLC are not delinquent in any taxes related to the facility; and

WHEREAS, the owners of the above referenced parcel have proposed to rehabilitate currently vacant, fire-damaged, and functionally obsolete structure into first floor commercial space, and upper story residential; and

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(I) of Public Act 146 of 2000.

WHEREAS, the review committee met on June 2, 2013 and recommends approval of the application for a period of twelve years (2015-2026); 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 #11-11-39-102-016 and parcel #11-11-39-102-017 (6-12 S. Washington 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: Council Member Robb

SUPPORTED BY: Council Member Vogt

Community Development Director Gillotti provided an update of the application process for the former Elbow Room space. Ms. Gillotti informed Council the applicant has made the changes to the pro-forma lowering its projection from 3% to 1% to adjust for the changing millage rate. Ms. Gillotti stated that she had spoken with Fiscal Director Uy and that she was in agreement with the 1% projection. Ms. Gillotti explained that the pro-forma does not include revenue projections developed by the first floor restaurant instead it lists revenue as a rental space.

Council Member Robb asked what makes the first floor functionally obsolete.

Ms. Gillotti responded the building as a whole is considered functionally obsolete. Ms. Gillotti explained that the Assessor determines what percentage of the second floor is obsolete, and the second floor space is in such a condition that renders the entire building obsolete.

Council Member Robb stated the last business to request an OPRA exemption was Sidetrack.

Ms. Gillotti responded the Thompson Block was the most recent request.

Council Member Robb responded the Thompson Block request was a repeat of a 2006 request. Mr. Robb explained Sidetrack provided projected revenue developed from the proposed project. Mr. Robb stated that the City would essentially be investing \$120,000 in this project and the applicant has not provided a business plan. Mr. Robb explained that if it is the applicant's plan to construct a restaurant on the first floor a business plan for that restaurant should have been provided. Mr. Robb cited the Maurer's OPRA application, stating projections were based on rentals because that was the plan for the space. Mr. Robb added approving an OPRA exemption without a business plan essentially says the City will approve a 12 year exemption without question.

Ms. Gillotti responded the Maurers know what will be charged for rent as well as costs of construction. The Maurers do not provide business plans of projected tenants, essentially this is the same thing, the only difference is the applicants are the renters.

Council Member Robb asked why Sidetrack was required to present a business plan.

Ms. Gillotti responded everyone is asked to provide a pro-forma and Sidetrack already knew that information. Ms. Gillotti explained that Sidetrack also needed to show why a building which houses a successful business on its first floor would require an OPRA exemption.

Council Member Robb asked at the end of three years does the City expect to have complete a restaurant or white space first floor retail.

Ms. Gillotti responded both levels must be rehabilitated. Ms. Gillotti added the first floor could be a restaurant or white space retail.

Council Member Robb replied based on the information provided, the first floor should be a restaurant as the pro-forma lists the need for restaurant equipment.

Ms. Gillotti responded it is the applicant's intent to house a restaurant on the first floor.

Council Member Robb said that he is trying to understand what the City is going to hold the applicant to.

Ms. Gillotti explained the intent of the OPRA exemption is to bring a building to usable quality. Ms. Gillotti stated that she would consider a building rehabilitated and able to be occupied meets the terms of an OPRA exemption.

Council Member Robb replied the applicant's return on investment is based on the need for restaurant equipment. Mr. Robb said that if the applicant no longer needs restaurant equipment the return on investment will be improved. Mr. Robb explained that he is not against this application however he would like clarification of what the City can expect in three years.

Ms. Gillotti answered that she is expecting an occupied upper story residential space and at minimum a lower floor that is finished and ready for rental.

Mayor Pro-Tem Richardson asked if the rehabilitation should be complete within three years.

Ms. Gillotti responded yes.

On a roll call, the vote for Resolution 2014-157 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

2. Resolution No. 2014-183, approving proposal from Orchard, Hiltz & McCliment, Inc. (OHM) for additional design engineering services for the Prospect Corridor Road Improvement Project.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, Federal Surface Transportation Program - Urban funding had originally been programmed for repairs including full depth reconstruction, asphalt milling and overlay, selective curb/gutter replacement and drainage improvements for Prospect Road between Holmes Road and South Grove Road in the 2015 construction season; and

WHEREAS, recent State Legislation allocated funds to the Priority Road Improvement Program (PRIP); and

WHEREAS, the City of Ypsilanti was awarded a grant through the PRIP in the amount of \$1,900,000 for the reconstruction of Prospect Road between Holmes Road and Grove Road; and

WHEREAS, additional design engineering services are needed to accommodate the increased scope of work afforded by the PRIP Grant for this road project; and

WHEREAS, Orchard, Hiltz and McCliment (OHM) has provided an exemplary level of service to the City of Ypsilanti on similar street improvement projects, and possesses a depth of experience with the infrastructure in the project area; and

WHEREAS, it is necessary to secure additional design engineering services as proposed by OHM for the amount of \$42,500 to be added to the original design engineering services proposal of a not to exceed amount of \$105,800 to keep this project on schedule;

NOW, THEREFORE, BE IT RESOLVED THAT the City Council approves the additional design engineering and geotechnical testing services proposal submitted by Orchard, Hiltz & McCliment, Inc., 34000 Plymouth Road, Livonia, MI bringing the total design engineering to a not to exceed cost of \$148,300; and

THAT the Mayor and City Clerk are authorized to sign this contract, subject to review and approval by the City Attorney; and

THAT the City Manager is authorized to sign any change orders that may be needed to maintain the project's schedule, subject to review and approval by the City Attorney.

OFFERED BY: Council Member Vogt

SUPPORTED BY: Council Member Jefferson

DPS Director Kirton stated he is requesting Council approve an additional \$42,500 for construction on Prospect Rd.

Council Member Murdock asked if the additional funding will be used to repair dilapidated curbs along that stretch of Prospect.

Mr. Kirton responded yes, the additional funding will be used for curb repair as well as repairs of five driveways.

Council Member Jefferson asked if they would be ADA compliant.

Mr. Kirton answered yes.

Council Member Murdock asked if the project will follow the complete streets process.

Marcus McNamara, OHM, responded the project has two phases; the current project being bid out consists of mill and overlay with curb and driveway repairs as needed from Michigan Ave to Grove on Prospect Rd. Mr. McNamara explained the project is not required to follow the complete streets process. Mr. McNamara added that the balance of this project and the TAP grant project will follow the complete streets process.

On a roll call, the vote for Resolution 2014-183 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

Assistant City Attorney Dan DuChene provided Council a brief overview of the proposed Charter Amendments. Mr. DuChene stated that charter amendments, both generally and procedurally, require a 3/5ths vote. Mr. DuChene added that state law requires that each amendment be separate on the ballot.

Council Member Murdock stated a Charter Commission was formed four years ago and placed a total Charter revision on the ballot in 2012 which was narrowly defeated. Mr. Murdock added the commission disband rather than issue another proposal. Mr. Murdock said that he has been in contact with commission members who informed him that much of the revision was technical in nature. Mr. Murdock explained the less controversial items of the revision may have passed and the 11 proposed amendments were designed to model those items.

Mr. DuChene stated originally there were 12 amendments which have been cut to 11. Mr. DuChene informed Council that the City Attorney's office has been in contact with the Attorney General's Office through this process to avoid procedural back-up.

Council Member Murdock stated there is an August 12th deadline to submit the amendments to the county clerk to be placed on the November ballot.

City Attorney Barr stated Ypsilanti is a home rule city and is allowed a City Charter approved by the electorate. Mr. Barr explained charters must be created by a Charter Commission and approved by the Governor and the Attorney General before the charter goes to a ballot. Major changes to the charter require a revision and the formation of a charter commission to complete that process. Mr. Barr added that amendments do not require a commission but must focus on a single issue.

Council Member Vogt asked members of the City Attorney's office if they had concerns with the proposed amendments in a legal sense or otherwise.

Mr. Barr responded the amendment referring to how the City sells real estate is designed to make the process easier. Mr. Barr said it is not the purpose of the City Attorney's office to involve itself with policy decisions. The City Attorney examines the legality and, as stated by Mr. DuChene, all of the proposed charter amendments have been approved by the Attorney General. Mr. Barr added he has provided an opinion regarding council members sitting on Boards and Commissions, and the present status of the law is that it is not legal. However, both Ypsilanti Township and Ann Arbor allow this practice. Mr. Barr stated regarding the process of removing Board and Commission members, per general law the Mayor recommends and Council approves termination of said member. Mr. Barr concluded that these are policy decisions and should be decided by Council.

Council Member Murdock suggested a review of each proposed amendment to discuss concerns of Council and those raised by the Charter Commission.

3. Resolution No. 2014-184, approving proposed charter amendment to remove the mandatory revision process.

**IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI
that:**

WHEREAS, Section 21(1) of the Home Rule City Act (HRCA), MCL 117.21(1), authorizes a city council to adopt a resolution proposing to amend the city charter by a three-fifths vote of its members-elect, and the resolution proposing to amend the city charter must set forth the exact wording of the proposed amendment to be submitted to the city voters for approval at a regular or special election, and;

WHEREAS, The resolution must set forth the ballot language for the proposed charter amendment—with each proposal being limited to a single subject, and if the subject of a proposal includes more than one related proposition, each proposition shall be separately stated as a ballot proposal to afford an opportunity for a separate vote of the city voters for or against each proposition, and

WHEREAS, Section 21(2) of the HRCA, MCL 117.21(2), requires that the ballot language for the submission to the city voters of each proposed amendment shall be limited to 100 words, exclusive of caption, shall be a true and impartial statement of the purpose of the amendment, and shall not create prejudice for or against the proposed amendment,

NOW THEREFORE BE IT RESOLVED that Article XI, Section 11.07 of the Ypsilanti City Charter shall be amended as follows:

11.07. Revision.

This Charter may be revised as provided by State law.

The current charter section(s) being altered by this amendment provides as follows:

11.07. Charter revision question.

The question of whether there shall be a general revision of the City Charter shall be submitted to the voters of the City of Ypsilanti at the 8th general City election after the effective date of this Charter and at every 8th general City election thereafter and may be submitted at other times in the manner provided by law.

Members of the Commission shall be elected at the same time as the vote on the question.

BE IT FURTHER RESOLVED that the ballot language for the proposed amendment shall be as follows:

Shall Article XI, Section 11.07 of the Ypsilanti City Charter be amended to remove a mandatory charter revision process every 8th general city election and instead provide that the Charter may be revised as provided by State law, being MCL

117.18 et seq., which provides that revisions may be initiated by City Council or by initiatory petition?

Yes _____ No _____

BE IT FURTHER RESOLVED that the City Clerk shall transmit a certified copy of this resolution to the Governor of the State of Michigan for approval of the proposed amendment (MCL 117.22) and transmit a certified copy of this resolution to the Attorney General of the State of Michigan for approval of the proposed ballot language for the proposed amendment (MCL 117.21).

BE IT FURTHER RESOLVED that the proposed amendment shall be submitted to the qualified electors of the City of Ypsilanti at the general election to be held in the City on November 4, 2014, and the City Clerk is directed to give notice of the election and notice of registration in a manner prescribed by law and to do all things and to provide all supplies necessary to submit the Charter amendment to a vote of the electors as required by law.

BE IT FURTHER RESOLVED that the proposed charter amendment shall be published in full, together with the existing charter provision amended as required by law.

BE IT FURTHER RESOLVED that this proposed charter amendment must be posted, in full, in a conspicuous place in each polling location.

OFFERED BY: Council Member Moeller

SUPPORTED BY: Council Member Murdock

Council Member Murdock explained the Charter currently has a provision requiring a charter revision be on the ballot every 16 years. Mr. Murdock stated this seems unnecessary, Council, following the amendment process, can make changes and citizens have the ability to petition for charter amendments.

On a roll call, the vote for Resolution 2014-184 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

4. Resolution No. 2014-185, approving proposed charter amendment to permit the publication of ordinances and notices by newspaper, posting in at least three conspicuous places within the city, or placing such on the City's website in a manner as to make it easily accessible to the public.

IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

WHEREAS, Section 21(1) of the Home Rule City Act (HRCA), MCL 117.21(1), authorizes a city council to adopt a resolution proposing to amend the city charter by a three-fifths vote of its members-elect, and the resolution proposing to amend the city charter must set forth the exact wording of the proposed amendment to be submitted to the city voters for approval at a regular or special election, and;

WHEREAS, The resolution must set forth the ballot language for the proposed charter amendment—with each proposal being limited to a single subject, and if the subject of a proposal includes more than one related proposition, each proposition shall be separately stated as a ballot proposal to afford an opportunity for a separate vote of the city voters for or against each proposition, and

WHEREAS, Section 21(2) of the HRCA, MCL 117.21(2), requires that the ballot language for the submission to the city voters of each proposed amendment shall be limited to 100 words, exclusive of caption, shall be a true and impartial statement of the purpose of the amendment, and shall not create prejudice for or against the proposed amendment,

NOW THEREFORE BE IT RESOLVED that the fourth sentence of Article II, Section 2.06 of the Ypsilanti City Charter shall be amended as follows:

A Member charged with conduct constituting ground for forfeiture of office shall be entitled to a public hearing on demand, and notice of such hearing shall be published at least one week in advance of the hearing.

BE IT FURTHER RESOLVED that Article II, Section 2.10(d) of the Ypsilanti City Charter shall be amended as follows:

***"Publish" Defined.* As used in this Section, the term "publish" means publishing as provided in Section 11.13: (1) The ordinance or a brief summary, and (2) the places where copies of it have been filed and the times when they are available for public inspection.**

BE IT FURTHER RESOLVED that Article V, Section 5.05(a) of the Ypsilanti City Charter shall be amended as follows:

***(a) Notice and Hearing.* The City Council shall publish the general summary of the budget and a notice stating:**

- (1) The times and places where copies of the message and budget are available for inspection by the public, and**
- (2) The time and place, not less than two weeks after such publication, for a public hearing on the budget.**

BE IT FURTHER RESOLVED that Article V, Section 5.12(a) of the Ypsilanti City Charter shall be amended as follows:

(a) Notice and Hearing. The City Council shall publish the general summary of the capital program and a notice stating:

- (1)** The times and places where copies of the capital program are available for inspection by the public, and
- (2)** The time and place, not less than two weeks after such publication, for a public hearing on the capital program.

BE IT FURTHER RESOLVED that the fourth paragraph of Article X, Section 10.07 of the Ypsilanti City Charter shall be amended as follows:

When approval of the voters of the City is required, the ordinance as approved by the City Council shall be published not less than 30 days before the election at which it is submitted to the voters. The City Council may not call a special election unless the expense (as determined by the City Council) of holding the election has first been paid to the Treasurer by the grantee.

BE IT FURTHER RESOLVED that Article XI, Section 11.03 of the Ypsilanti City Charter shall be amended as follows:

(a) Within six months after the effective date of this Charter, the Planning Commission shall review a list of all real property owned by the City and shall designate certain parcels as protected lands based on the character of the land as parkland, likely parkland or environmentally sensitive land such as wetlands or riverfront.

Protected lands may not thereafter be sold or disposed of without a vote of the people or the potential for a vote of the people. Land will be considered sold or disposed of when there has been a binding grant of rights in the land for any period of time to any individual or organization which is likely to significantly affect the character or use of the land during the period of the grant or after. A parcel with a market value of \$500,000 or more may not be sold or disposed of without a vote of the people. A parcel of protected land with a market value of less than \$500,000 may not be sold or disposed of until 45 days after a public hearing before the City Council on the question. There shall be a prominent notice of the public

hearing published. If petitions with signatures amounting to ten percent of the vote cast for Mayor in the most recent election are filed in the office of the City Clerk requesting a vote of the people on the sale or disposition, the City Council shall either cancel the proposed sale or disposition or schedule a vote of the people. A majority of affirmative votes shall be required to approve the sale or disposition of land.

(b) In accordance with State law, no park or cemetery or any parts of a park or cemetery may be sold except where the park is not required under an official master plan of the City unless approved by a majority of the voters voting thereon at a general or special election.

BE IT FURTHER RESOLVED that Article XI of Ypsilanti City Charter shall be amended by adding a new Section 11.13 that reads as follows:

11.13 Publication defined.

Unless otherwise required by law or this Charter, the requirement contained in this Charter for the publishing or publication of notices, ordinances, or proceedings of city council or other city boards, commissions, or authorities is met by publishing (a) at least once in a newspaper published in the English language for news of general character, with general circulation at regular intervals in the city for at least one (1) year immediately prior to the publication of the notice, ordinance, or proceeding; (b) by posting in at least three (3) conspicuous places within the city; or (c) placing such on the City's website in a manner as to make it easily accessible to the public. If an applicable law requires a different method of publication, then that law will control.

Prima facie evidence of such publication, and when this Charter requires the mailing of notices, must be in the form of an affidavit of the officer or employee responsible for such mailing or posting.

The current charter section(s) being altered by this amendment provides as follows:

2.06. Judge of qualifications (fourth sentence).

A Member charged with conduct constituting ground for forfeiture of office shall be entitled to a public hearing on demand, and notice of such hearing shall be published in one or more newspapers of general circulation in the City at least one week in advance of the hearing.

2.10(d) "Publish" Defined.

As used in this Section, the term "publish" means to print in one or more newspapers or equivalent media of general circulation in the City: (1) The ordinance or a brief summary, and (2) the places where copies of it have been filed and the times when they are available for public inspection.

5.05 City Council action on budget.

(a) Notice and Hearing. The City Council shall publish in one or more newspapers of general circulation in the City the general summary of the budget and a notice stating:

- (1) The times and places where copies of the message and budget are available for inspection by the public, and
- (2) The time and place, not less than two weeks after such publication, for a public hearing on the budget.

5.12 City Council action on capital programs

(a) Notice and Hearing. The City Council shall publish in one or more newspapers of general circulation in the City the general summary of the capital program and a notice stating:

- (1) The times and places where copies of the capital program are available for inspection by the public, and
- (2) The time and place, not less than two weeks after such publication, for a public hearing on the capital program.

10.07 Limitation on a franchise (fourth paragraph)
When approval of the voters of the City is required, the ordinance as approved by the City Council shall be published in a daily newspaper or equivalent of general circulation in the City not less than 30 days before the election at which it is submitted to the voters. The City Council may not call a special election unless the expense (as determined by the City Council) of holding the election has first been paid to the Treasurer by the grantee.

11.03 Protected lands

(a) Within six months after the effective date of this Charter, the Planning Commission shall review a list of all real property owned by the City and shall designate certain parcels as protected lands based on the character of the land as parkland, likely parkland or environmentally sensitive land such as wetlands or riverfront.

Protected lands may not thereafter be sold or disposed of without a vote of the people or the potential for a vote of the people. Land will be considered sold or disposed of when there has been a binding grant of rights in the land for any period of time to any individual or organization which is likely to significantly affect the character or use of the land during the period of the grant or after. A parcel with a market value of \$500,000 or more may not be sold or disposed of without a vote of the people. A parcel of protected land with a market value of less than \$500,000 may not be sold or disposed of until 45 days after a public hearing before the City Council on the question. There shall be a prominent notice of the public hearing published in a newspaper of general circulation in the City. If petitions with signatures amounting to ten percent of the vote cast for Mayor in the most recent election are filed in the office of the City Clerk requesting a vote of the people on the sale or disposition, the City Council shall either cancel the proposed sale or disposition or schedule a vote of the people. A majority of affirmative votes shall be required to approve the sale or disposition of land.

(b) In accordance with State law, no park or cemetery or any parts of a park or cemetery may be sold except where the park is not required under an official master plan of the City unless approved by a majority of the voters voting thereon at a general or special election.

11.13.

Article XI of the Ypsilanti City Charter does not currently contain a Section 11.13.

BE IT FURTHER RESOLVED that the ballot language for the proposed amendment shall be as follows:

Shall sections 2.06, 2.10(d), 5.05(a), 5.12(a), 10.07, and 11.03 of the Ypsilanti City Charter be amended and Section 11.13 be added to permit the publication of ordinances, notices, or proceedings by one or more of the following methods: (a) at least once in a newspaper published in the English language for news of general character, (b) by posting in at least three (3) conspicuous places within the city, or (c) placing such on the City's website in a manner as to make it easily accessible to the public?

Yes ____ No ____

BE IT FURTHER RESOLVED that the City Clerk shall transmit a certified copy of this resolution to the Governor of the State of Michigan for approval of the proposed amendment (MCL 117.22) and transmit a certified copy of this resolution to the Attorney General of the State of Michigan for approval of the proposed ballot language for the proposed amendment (MCL 117.21).

BE IT FURTHER RESOLVED that the proposed amendment shall be submitted to the qualified electors of the City of Ypsilanti at the general election to be held in the City on November 4, 2014, and the City Clerk is directed to give notice of the election and notice of registration in a manner prescribed by law and to do all things and to provide all supplies necessary to submit the Charter amendment to a vote of the electors as required by law.

BE IT FURTHER RESOLVED that the proposed charter amendment shall be published in full, together with the existing charter provision amended as required by law.

BE IT FURTHER RESOLVED that this proposed charter amendment must be posted, in full, in a conspicuous place in each polling location.

OFFERED BY: Council Member Moeller
SUPPORTED BY: Council Member Murdock

Council Member Murdock stated this amendment awards the City the ability to use electronic notification and newspaper publication which provides more options for notifying the public.

On a roll call, the vote for Resolution 2014-185 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

5. Resolution No. 2014-186, approving proposed charter amendment to provide the city clerk act as city manager in the absence of the city manager.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

WHEREAS, Section 21(1) of the Home Rule City Act (HRCA), MCL 117.21(1), authorizes a city council to adopt a resolution proposing to amend the city charter by a three-fifths vote of its members-elect, and the resolution proposing to amend the city charter must set forth the exact wording of the proposed amendment to be submitted to the city voters for approval at a regular or special election, and;

WHEREAS, The resolution must set forth the ballot language for the proposed charter amendment—with each proposal being limited to a single subject, and if the subject of a proposal includes more than one related proposition, each proposition shall be separately stated as a ballot proposal to afford an opportunity for a separate vote of the city voters for or against each proposition, and

WHEREAS, Section 21(2) of the HRCA, MCL 117.21(2), requires that the ballot language for the submission to the city voters of each proposed amendment shall be limited to 100 words, exclusive of caption, shall be a true and impartial statement of the purpose of the amendment, and shall not create prejudice for or against the proposed amendment,

NOW THEREFORE BE IT RESOLVED that Article IV, Section 4.02 of the Ypsilanti City Charter shall be amended as follows:

The City Clerk will serve as Acting City Manager during a vacancy or absence in the office of the City Manager until Council designates a different qualified person to perform the duties of the City Manager, whether permanently or on an interim basis.

For the purposes of this Section, “absence” means when the holder of an office is not present in office for an appreciable amount of time and is otherwise unable to fulfill the duties of said office. An absence may include incapacity, and extended illness, or when the office holder cannot otherwise be located during an emergency. Also for the purposes of this Section, “vacancy” means when an office is unoccupied. A vacancy may operate by death, resignation, or abandonment.

The current charter section(s) being altered by this amendment provides as follows:

4.02. Acting city manager.

The Council shall designate a qualified person to perform the duties of the City Manager during a vacancy or absence in the office. In the event of an emergency, the City Clerk will serve as Acting City Manager until the next Council meeting.

BE IT FURTHER RESOLVED that the ballot language for the proposed amendment shall be as follows:

Shall Article IV, Section 4.02 of the Ypsilanti City Charter be amended to provide that the City Clerk automatically serves as Acting City Manager during a vacancy or absence in the office of the City Manager until otherwise designated by City Council?

Yes _____ No _____

BE IT FURTHER RESOLVED that the City Clerk shall transmit a certified copy of this resolution to the Governor of the State of Michigan for approval of the proposed amendment (MCL 117.22) and transmit a certified copy of this resolution to the Attorney General of the State of Michigan for approval of the proposed ballot language for the proposed amendment (MCL 117.21).

BE IT FURTHER RESOLVED that the proposed amendment shall be submitted to the qualified electors of the City of Ypsilanti at the general election to be held in the City on November 4, 2014, and the City Clerk is directed to give notice of the election and notice of registration in a manner prescribed by law and to do all things and to provide all supplies necessary to submit the Charter amendment to a vote of the electors as required by law.

BE IT FURTHER RESOLVED that the proposed charter amendment shall be published in full, together with the existing charter provision amended as required by law.

BE IT FURTHER RESOLVED that this proposed charter amendment must be posted, in full, in a conspicuous place in each polling location.

OFFERED BY: Council Member Moeller
SUPPORTED BY: Council Member Jefferson

City Manager Lange stated this is how the City currently functions and asked what the procedure would be for this amendment.

Mayor Pro-Tem Richardson stated this amendment adds the term "absence" to the Charter.

Assistant City Attorney DuChene stated the purpose of this amendment was to define what an absence is. Mr. DuChene cited the second paragraph of the resolution defining an absence as not being present for some time and unable to perform duties of the office, examples being incapacitated, an extended illness, or cannot be otherwise located.

Mayor Pro-Tem Richardson asked if the Charter currently provides for this.

Mr. DuChene responded the issue is the current charter does not define an emergency. Mr. DuChene stated he assumes the Clerk, when acting in the City Manager's absence, is doing so under direction.

Mr. Lange responded yes. Mr. Lange asked if something was to happen to him while the Clerk was on vacation would Council choose an interim City Manager.

Mr. DuChene responded yes.

Mayor Pro-Tem Richardson asked if the amendment would automatically give charge to the Clerk during the absence of the City Manager.

Mr. DuChene responded yes, until action is taken by Council.

On a roll call, the vote for Resolution 2014-186 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

6. Resolution No. 2014-187, approving proposed charter amendment to permit city council to discontinue city Boards and Commissions.

IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

WHEREAS, Section 21(1) of the Home Rule City Act (HRCA), MCL 117.21(1), authorizes a city council to adopt a resolution proposing to amend the city charter by a three-fifths vote of its members-elect, and the resolution proposing to amend the city charter must set forth the exact wording of the proposed amendment to be submitted to the city voters for approval at a regular or special election, and;

WHEREAS, The resolution must set forth the ballot language for the proposed charter amendment—with each proposal being limited to a single subject, and if the subject of a proposal includes more than one related proposition, each proposition shall be separately stated as a ballot proposal to afford an opportunity for a separate vote of the city voters for or against each proposition, and

WHEREAS, Section 21(2) of the HRCA, MCL 117.21(2), requires that the ballot language for the submission to the city voters of each proposed amendment shall be limited to 100 words, exclusive of caption, shall be a true and impartial statement of the purpose of the amendment, and shall not create prejudice for or against the proposed amendment,

NOW THEREFORE BE IT RESOLVED that the first paragraph of Article IX, Section 9.03 of the Ypsilanti City Charter shall be amended as follows:

The Council may create or discontinue, by ordinance, boards and commissions as the Council deems necessary or of benefit to the City of Ypsilanti. Council will provide for the duties and functions of boards and commissions, subject to law. The boards and commissions shall not administer any activity, department, or agency of the City government unless specifically required to do so by State statute, but shall serve solely in an advisory capacity or in the capacity of a quasi-judicial appeal board.

The current charter section(s) being altered by this amendment provides as follows:

9.03. Boards (first paragraph).

The Council may create, by ordinance, boards and commissions which the Council deems necessary or of benefit to the City of Ypsilanti and provide for their duties and functions subject to law. The boards and commissions shall not administer any activity, department, or agency of the City government unless specifically required to do so by State statute, but shall serve solely in an advisory capacity or in the capacity of a quasi-judicial appeal board.

BE IT FURTHER RESOLVED that the ballot language for the proposed amendment shall be as follows:

Shall the first paragraph of Article IX, Section 9.03 of the Ypsilanti City Charter be amended to allow for the discontinuance of City boards and commissions by City Council?

Yes ____ No ____

BE IT FURTHER RESOLVED that the City Clerk shall transmit a certified copy of this resolution to the Governor of the State of Michigan for approval of the proposed amendment (MCL 117.22) and transmit a certified copy of this resolution to the Attorney General of the State of Michigan for approval of the proposed ballot language for the proposed amendment (MCL 117.21).

BE IT FURTHER RESOLVED that the proposed amendment shall be submitted to the qualified electors of the City of Ypsilanti at the general election to be held in the City on November 4, 2014, and the City Clerk is directed to give notice of the election and notice of registration in a manner prescribed by law and to do all things and to provide all supplies necessary to submit the Charter amendment to a vote of the electors as required by law.

BE IT FURTHER RESOLVED that the proposed charter amendment shall be published in full, together with the existing charter provision amended as required by law.

BE IT FURTHER RESOLVED that this proposed charter amendment must be posted, in full, in a conspicuous place in each polling location.

OFFERED BY: Council Member Murdock
SUPPORTED BY: Council Member Jefferson

City Attorney Barr explained this provision provides Council the ability to discontinue a Board or Commission that has failed to achieve its goal or that is no longer necessary.

On a roll call, the vote for Resolution 2014-187 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

7. Resolution No. 2014-188, approving proposed charter amendment to allow ordinances immediate effect upon 2/3 council vote.

IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

WHEREAS, Section 21(1) of the Home Rule City Act (HRCA), MCL 117.21(1), authorizes a city council to adopt a resolution proposing to amend the city charter by a three-fifths vote of its members-elect, and the resolution proposing to amend the city charter must set forth the exact wording of the proposed amendment to be submitted to the city voters for approval at a regular or special election, and;

WHEREAS, The resolution must set forth the ballot language for the proposed charter amendment—with each proposal being limited to a single subject, and if the subject of a proposal includes more than one related proposition, each proposition shall be separately stated as a ballot proposal to afford an opportunity for a separate vote of the city voters for or against each proposition, and

WHEREAS, Section 21(2) of the HRCA, MCL 117.21(2), requires that the ballot language for the submission to the city voters of each proposed amendment shall be limited to 100 words, exclusive of caption, shall be a true and impartial statement of the purpose of the amendment, and shall not create prejudice for or against the proposed amendment,

NOW THEREFORE BE IT RESOLVED that Article II, Section 2.10(c) of the Ypsilanti City Charter shall be amended as follows:

***(c) Effective Date.* Except as otherwise provided in this Charter, every adopted ordinance shall become effective after publication at the expiration of 30 days after adoption or at any later date specified therein. An ordinance may become effective immediately after adoption upon publication if all of the following apply:**

- i. The ordinance does not adopt or amend an administrative code, provide for a fine or other penalty, or establish a rule or**

regulation for violation of which a fine or other penalty is imposed.

ii. A resolution, which is adopted by affirmative vote of 2/3 of the Members of Council present at the meeting at which the ordinance is enacted, provides for the ordinance to have an immediate effect upon adoption.

iii. Such a resolution provides for the reason that the ordinance takes effect immediately upon adoption and publication.

The current charter section(s) being altered by this amendment provides as follows:

2.10. Ordinances in general.

(c) Effective Date. Except as otherwise provided in this Charter, every adopted ordinance shall become effective after publication at the expiration of 30 days after adoption or at any later date specified therein.

BE IT FURTHER RESOLVED that the ballot language for the proposed amendment shall be as follows:

Shall Article II, Section 2.10(c) of the Ypsilanti City Charter be amended to permit City Council to, after a resolution that so declares and provides for the reason is passed by 2/3 of the Members of City Council present, have an ordinance (other than an ordinance that adopts or amends an administrative code, provides for a fine or other penalty, or establishes a rule or regulation for violation of which a fine or penalty is imposed) become effective immediately upon publication?

Yes ____ No ____

BE IT FURTHER RESOLVED that the City Clerk shall transmit a certified copy of this resolution to the Governor of the State of Michigan for approval of the proposed amendment (MCL 117.22) and transmit a certified copy of this resolution to the Attorney General of the State of Michigan for approval of the proposed ballot language for the proposed amendment (MCL 117.21).

BE IT FURTHER RESOLVED that the proposed amendment shall be submitted to the qualified electors of the City of Ypsilanti at the general election to be held in the City on November 4, 2014, and the City Clerk is directed to give notice of the election and notice of registration in a manner prescribed by law and to do all things and to provide all supplies necessary to submit the Charter amendment to a vote of the electors as required by law.

BE IT FURTHER RESOLVED that the proposed charter amendment shall be published in full, together with the existing charter provision amended as required by law.

BE IT FURTHER RESOLVED that this proposed charter amendment must be posted, in full, in a conspicuous place in each polling location.

OFFERED BY: Council Member Murdock

SUPPORTED BY: Council Member Vogt

Council Member Murdock explained that on several occasions Council needed to act quickly on an issue requiring an emergency ordinance. This provision would still require a public hearing, however, if passed by a 2/3rds vote would take effect immediately.

On a roll call, the vote for Resolution 2014-188 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

8. Resolution No. 2014-189, approving proposed charter amendment to provide for council meetings once a month instead of every 30 days.

IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

WHEREAS, Section 21(1) of the Home Rule City Act (HRCA), MCL 117.21(1), authorizes a city council to adopt a resolution proposing to amend the city charter by a three-fifths vote of its members-elect, and the resolution proposing to amend the city charter must set forth the exact wording of the proposed amendment to be submitted to the city voters for approval at a regular or special election, and;

WHEREAS, The resolution must set forth the ballot language for the proposed charter amendment—with each proposal being limited to a single subject, and if the subject of a proposal includes more than one related proposition, each proposition shall be separately stated as a ballot proposal to afford an opportunity for a separate vote of the city voters for or against each proposition, and

WHEREAS, Section 21(2) of the HRCA, MCL 117.21(2), requires that the ballot language for the submission to the city voters of each proposed amendment shall be limited to 100 words, exclusive of caption, shall be a true and impartial statement of the purpose of the amendment, and shall not create prejudice for or against the proposed amendment,

NOW THEREFORE BE IT RESOLVED that the first sentence of Article II, Section 2.08(a) of the Ypsilanti City Charter shall be amended as follows:

(a) Meetings. The Council shall meet regularly one or more times every calendar month, at such times and places as the Council may prescribe by rule.

The current charter section(s) being altered by this amendment provides as follows:

2.08. Procedure.

(a) Meetings. The Council shall meet regularly one or more times every 30 days, at such times and places as the Council may prescribe by rule.

BE IT FURTHER RESOLVED that the ballot language for the proposed amendment shall be as follows:

Shall the first sentence of Article II, Section 2.08(a) of the Ypsilanti City Charter be amended to provide that City Council must meet at least once a month rather than the current requirement that City Council must meet at least once every 30 days?

Yes ____ No ____

BE IT FURTHER RESOLVED that the City Clerk shall transmit a certified copy of this resolution to the Governor of the State of Michigan for approval of the proposed amendment (MCL 117.22) and transmit a certified copy of this resolution to the Attorney General of the State of Michigan for approval of the proposed ballot language for the proposed amendment (MCL 117.21).

BE IT FURTHER RESOLVED that the proposed amendment shall be submitted to the qualified electors of the City of Ypsilanti at the general election to be held in the City on November 4, 2014, and the City Clerk is directed to give notice of the election and notice of registration in a manner prescribed by law and to do all things and to provide all supplies necessary to submit the Charter amendment to a vote of the electors as required by law.

BE IT FURTHER RESOLVED that the proposed charter amendment shall be published in full, together with the existing charter provision amended as required by law.

BE IT FURTHER RESOLVED that this proposed charter amendment must be posted, in full, in a conspicuous place in each polling location.

OFFERED BY: Council Member Murdock
SUPPORTED BY: Council Member Vogt

Council Member Murdock stated this amendment is designed to spread out Council Meetings affording individuals the ability to take vacations without conflicting with meetings.

On a roll call, the vote for Resolution 2014-189 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

9. Resolution No. 2014-190, approving proposed charter amendment to allow city council members to serve on city Boards and Commissions.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

WHEREAS, Section 21(1) of the Home Rule City Act (HRCA), MCL 117.21(1), authorizes a city council to adopt a resolution proposing to amend the city charter by a three-fifths vote of its members-elect, and the resolution proposing to amend the city charter must set forth the exact wording of the proposed amendment to be submitted to the city voters for approval at a regular or special election, and;

WHEREAS, The resolution must set forth the ballot language for the proposed charter amendment—with each proposal being limited to a single subject, and if the subject of a proposal includes more than one related proposition, each proposition shall be separately stated as a ballot proposal to afford an opportunity for a separate vote of the city voters for or against each proposition, and

WHEREAS, Section 21(2) of the HRCA, MCL 117.21(2), requires that the ballot language for the submission to the city voters of each proposed amendment shall be limited to 100 words, exclusive of caption, shall be a true and impartial statement of the purpose of the amendment, and shall not create prejudice for or against the proposed amendment,

NOW THEREFORE BE IT RESOLVED that the second paragraph of Article IX, Section 9.03 of the Ypsilanti City Charter shall be amended as follows:

All members of the City boards and commissions established under this Charter, by statute or otherwise, shall be appointed by the Mayor, subject to the approval and confirmation by a majority vote of the City Council. Council Members may be appointed to serve on a board or commission when permitted by law. Whenever any statute or law requires that the appointment of

members of a board or a commission established under this Charter, by statute or otherwise, be by the chief executive or administrative officer of the City, such chief executive or administrative officer, for the purposes of such appointment, shall be deemed to be the Mayor, and an appointment in such cases shall be subject to the approval and confirmation by a majority vote of the City Council.

The current charter section(s) being altered by this amendment provides as follows:

All members of the City boards and commissions established under this Charter, by statute or otherwise, shall be appointed by the Mayor, subject to the approval and confirmation by a majority vote of the City Council. Council Members may be appointed by the Council to serve on a board or commission only when the service is required by State law. Whenever any statute or law requires that the appointment of members of a board or a commission established under this Charter, by statute or otherwise, be by the chief executive or administrative officer of the City, such chief executive or administrative officer, for the purposes of such appointment, shall be deemed to be the Mayor, and an appointment in such cases shall be subject to the approval and confirmation by a majority vote of the City Council.

BE IT FURTHER RESOLVED that the ballot language for the proposed amendment shall be as follows:

Shall the second paragraph of Article IX, Section 9.03 of the Ypsilanti City Charter be amended to allow members of City Council to serve on City boards and commissions when permitted by law?

Yes ____ No ____

BE IT FURTHER RESOLVED that the City Clerk shall transmit a certified copy of this resolution to the Governor of the State of Michigan for approval of the proposed amendment (MCL 117.22) and transmit a certified copy of this resolution to the Attorney General of the State of Michigan for approval of the proposed ballot language for the proposed amendment (MCL 117.21).

BE IT FURTHER RESOLVED that the proposed amendment shall be submitted to the qualified electors of the City of Ypsilanti at the general election to be held in the City on November 4, 2014, and the City Clerk is directed to give notice of the election and notice of registration in a manner prescribed by law and to do all things and to provide all supplies necessary to submit the Charter amendment to a vote of the electors as required by law.

BE IT FURTHER RESOLVED that the proposed charter amendment shall be published in full, together with the existing charter provision amended as required by law.

BE IT FURTHER RESOLVED that this proposed charter amendment must be posted, in full, in a conspicuous place in each polling location.

OFFERED BY: Council Member Murdock

SUPPORTED BY: Council Member Robb

Council Member Murdock stated the formation of this amendment began in 1996 with the adoption of the last City Charter. Mr. Murdock stated that this issue was discussed at length by the last Charter Commission and was narrowly defeated by a 5 to 4 vote. Mr. Murdock added that this amendment was asked for by the Planning Commission and is supported by staff.

Mayor Pro-Tem Richardson stated that amendment does not say that a Council Member must sit on a board or commission, it only allows it.

Council Member Murdock stated the current charter stated that Council may not sit on Boards or Commissions. Mr. Murdock added that appointments would still be under the discretion of the Mayor.

On a roll call, the vote for Resolution 2014-190 was as follows:

Council Member Jefferson	No	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	No
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 4 No: 2 (Jefferson, Vogt) Absent: 1 (Schreiber) Vote: Failed

10. Resolution No. 2014-191, approving proposed charter amendment to provide that city candidates for office file petitions on the 15th Tuesday before the primary election, or according to state law.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

WHEREAS, Section 21(1) of the Home Rule City Act (HRCA), MCL 117.21(1), authorizes a city council to adopt a resolution proposing to amend the city charter by a three-fifths vote of its members-elect, and the resolution proposing to amend the city charter must set forth the exact wording of the proposed amendment to be submitted to the city voters for approval at a regular or special election, and;

WHEREAS, The resolution must set forth the ballot language for the proposed charter amendment—with each proposal being limited to a single subject, and if the subject of a proposal includes more than one related proposition, each proposition shall be separately stated as a ballot proposal to afford an opportunity for a separate vote of the city voters for or against each proposition, and

WHEREAS, Section 21(2) of the HRCA, MCL 117.21(2), requires that the ballot language for the submission to the city voters of each proposed amendment shall be limited to 100 words, exclusive of caption, shall be a true and impartial statement of the purpose of the amendment, and shall not create prejudice for or against the proposed amendment,

NOW THEREFORE BE IT RESOLVED that the third paragraph of Article III, Section 3.06 of the Ypsilanti City Charter shall be amended as follows:

Nominating petitions shall be filed with the City Clerk not later than 4:00 p.m., local time, on the fifteenth Tuesday preceding the regular City primary election, or as provided by state law. The City shall publish notice of the last day and time for filing nomination petitions at least one (1) week and not more than three (3) weeks before that date.

The current charter section(s) being altered by this amendment provides as follows:

Nominating petitions shall be filed with the City Clerk not later than 4:00 p.m., local time, on the twelfth Tuesday preceding the regular City primary election. The City shall publish notice of the last day and time for filing nomination petitions at least one (1) week and not more than three (3) weeks before that date.

BE IT FURTHER RESOLVED that the ballot language for the proposed amendment shall be as follows:

Shall the third paragraph of Article III, Section 3.06 of the Ypsilanti City Charter be amended to provide that candidates for City office file their petition with the City Clerk on the fifteenth Tuesday before the primary election, as is the current deadline provided by state law, or as state law may otherwise provide in the future?

Yes ____ No ____

BE IT FURTHER RESOLVED that the City Clerk shall transmit a certified copy of this resolution to the Governor of the State of Michigan for approval of the proposed amendment (MCL 117.22) and transmit a certified copy of this resolution to the Attorney General of the State of Michigan for approval of the proposed ballot language for the proposed amendment (MCL 117.21).

BE IT FURTHER RESOLVED that the proposed amendment shall be submitted to the qualified electors of the City of Ypsilanti at the general election to be held in the City on November 4, 2014, and the City Clerk is directed to give notice of the election and notice

of registration in a manner prescribed by law and to do all things and to provide all supplies necessary to submit the Charter amendment to a vote of the electors as required by law.

BE IT FURTHER RESOLVED that the proposed charter amendment shall be published in full, together with the existing charter provision amended as required by law.

BE IT FURTHER RESOLVED that this proposed charter amendment must be posted, in full, in a conspicuous place in each polling location.

OFFERED BY: Council Member Murdock
SUPPORTED BY: Council Member Robb

Mayor Pro-Tem Richardson asked what the amendment means by "15th Tuesday".

Assistant City Attorney DuChene responded the Charter currently states petitions must be filed by the 12th Tuesday prior to the primary election. Mr. DuChene added State law has been changed requiring petitions be filed by the 15th Tuesday before the primary, this amendment changes the Charter to mirror State law.

Mayor Pro-Tem Richardson asked if it was the 15th Tuesday of the year.

Mr. DuChene responded the 15th Tuesday before the election.

Council Member Murdock explained Council, under the current system needs to file in May, the proposed amendment would require an individual file in April.

Mayor Pro-Tem Richardson asked if the language in this amendment can be made clearer.

Mr. DuChene replied it was written to mirror State law and if State law changes the Charter would adjust to the new law, hence the language "...or according to State law".

City Attorney Barr stated if the language of this amendment is changed it would need to be re-submitted to the Attorney General and would not be complete by the election.

Mayor Pro-Tem Richardson stated the language was confusing to her and she worried that it may confuse voters.

On a roll call, the vote for Resolution 2014-191 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

11. Resolution No. 2014-192, approving proposed charter amendment to allow sale of land after a public hearing by resolution.

IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

WHEREAS, Section 21(1) of the Home Rule City Act (HRCA), MCL 117.21(1), authorizes a city council to adopt a resolution proposing to amend the city charter by a three-fifths vote of its members-elect, and the resolution proposing to amend the city charter must set forth the exact wording of the proposed amendment to be submitted to the city voters for approval at a regular or special election, and;

WHEREAS, The resolution must set forth the ballot language for the proposed charter amendment—with each proposal being limited to a single subject, and if the subject of a proposal includes more than one related proposition, each proposition shall be separately stated as a ballot proposal to afford an opportunity for a separate vote of the city voters for or against each proposition, and

WHEREAS, Section 21(2) of the HRCA, MCL 117.21(2), requires that the ballot language for the submission to the city voters of each proposed amendment shall be limited to 100 words, exclusive of caption, shall be a true and impartial statement of the purpose of the amendment, and shall not create prejudice for or against the proposed amendment,

NOW THEREFORE BE IT RESOLVED that Article II, Section 2.09 of the Ypsilanti City Charter shall be amended as follows:

In addition to other acts required by law or by specific provision of this Charter to be done by ordinance, those acts of the City Council shall be by ordinance which:

- (a) Adopt or amend an administrative code or establish, alter, or abolish any City department, office or agency;**
- (b) Provide for a fine or other penalty or establish a rule or regulation for violation of which a fine or other penalty is imposed;**
- (c) Levy taxes;**
- (d) Grant, renew, or extend a franchise;**
- (e) Regulate the rate charged for its services by a public utility;**
- (f) Authorize the borrowing of money;**
- (g) Regulate land use and development; or**
- (h) Amend or repeal any ordinance previously adopted.**

Council may provide for the conveyance or lease of any City land by resolution after a public hearing is held, where notice of such public hearing is published at least seven days prior.

Acts other than those referred to in this Section may be done either by ordinance or by resolution

as long as they conform to the specific provision of this Charter.

The current charter section(s) being altered by this amendment provides as follows:

2.09. Action requiring an ordinance.

In addition to other acts required by law or by specific provision of this Charter to be done by ordinance, those acts of the City Council shall be by ordinance which:

- (a) Adopt or amend an administrative code or establish, alter, or abolish any City department, office or agency;
- (b) Provide for a fine or other penalty or establish a rule or regulation for violation of which a fine or other penalty is imposed;
- (c) Levy taxes;
- (d) Grant, renew, or extend a franchise;
- (e) Regulate the rate charged for its services by a public utility;
- (f) Authorize the borrowing of money;
- (g) Convey or lease or authorize the conveyance or lease of any land of the City;
- (h) Regulate land use and development; or
- (i) Amend or repeal any ordinance previously adopted.

Acts other than those referred to in the preceding sentence may be done either by ordinance or by resolution as long as they conform to the specific provision of this Charter.

BE IT FURTHER RESOLVED that the ballot language for the proposed amendment shall be as follows:

Shall Article II, Section 2.09 of the Ypsilanti City Charter be amended to provide that an action of City Council to convey or lease City-owned land may be by resolution following a public hearing rather than by ordinance, which is currently required?

Yes ____ No ____

BE IT FURTHER RESOLVED that the City Clerk shall transmit a certified copy of this resolution to the Governor of the State of Michigan for approval of the proposed amendment (MCL 117.22) and transmit a certified copy of this resolution to the Attorney General of the State of Michigan for approval of the proposed ballot language for the proposed amendment (MCL 117.21).

BE IT FURTHER RESOLVED that the proposed amendment shall be submitted to the qualified electors of the City of Ypsilanti at the general election to be held in the City on November 4, 2014, and

the City Clerk is directed to give notice of the election and notice of registration in a manner prescribed by law and to do all things and to provide all supplies necessary to submit the Charter amendment to a vote of the electors as required by law.

BE IT FURTHER RESOLVED that the proposed charter amendment shall be published in full, together with the existing charter provision amended as required by law.

BE IT FURTHER RESOLVED that this proposed charter amendment must be posted, in full, in a conspicuous place in each polling location.

OFFERED BY: Council Member Murdock

SUPPORTED BY: Council Member Robb

On a roll call, the vote for Resolution 2014-192 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

12. Resolution No. 2014-193, approving proposed charter amendment to allow city council to remove members of boards and commissions by 2/3 vote.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

WHEREAS, Section 21(1) of the Home Rule City Act (HRCA), MCL 117.21(1), authorizes a city council to adopt a resolution proposing to amend the city charter by a three-fifths vote of its members-elect, and the resolution proposing to amend the city charter must set forth the exact wording of the proposed amendment to be submitted to the city voters for approval at a regular or special election, and;

WHEREAS, The resolution must set forth the ballot language for the proposed charter amendment—with each proposal being limited to a single subject, and if the subject of a proposal includes more than one related proposition, each proposition shall be separately stated as a ballot proposal to afford an opportunity for a separate vote of the city voters for or against each proposition, and

WHEREAS, Section 21(2) of the HRCA, MCL 117.21(2), requires that the ballot language for the submission to the city voters of each proposed amendment shall be limited to 100 words, exclusive of caption, shall be a true and impartial statement of the purpose of the amendment, and shall not create prejudice for or against the proposed amendment,

NOW THEREFORE BE IT RESOLVED that Article IX, Section 9.03 of the Ypsilanti City Charter shall be amended to add a new third paragraph as follows:

In addition to those reasons and limitations set forth in the ordinances creating the board or commission, members of City boards and commissions appointed under this Section may be removed from office upon a 2/3 affirmative vote of City Council for misfeasance, malfeasance, or nonfeasance in office, or as otherwise authorized by statute.

The current charter section(s) being altered by this amendment provides as follows:

Article IX, Section 9.03 of the Ypsilanti City Charter does not currently contain a third paragraph.

BE IT FURTHER RESOLVED that the ballot language for the proposed amendment shall be as follows:

Shall Article IX, Section 9.03 of the Ypsilanti City Charter be amended to add a third paragraph to allow City Council to remove members of City boards and commissions for misfeasance, malfeasance, or nonfeasance in office, or as otherwise authorized by statute with a 2/3 affirmative vote?

Yes ____ No ____

BE IT FURTHER RESOLVED that the City Clerk shall transmit a certified copy of this resolution to the Governor of the State of Michigan for approval of the proposed amendment (MCL 117.22) and transmit a certified copy of this resolution to the Attorney General of the State of Michigan for approval of the proposed ballot language for the proposed amendment (MCL 117.21).

BE IT FURTHER RESOLVED that the proposed amendment shall be submitted to the qualified electors of the City of Ypsilanti at the general election to be held in the City on November 4, 2014, and the City Clerk is directed to give notice of the election and notice of registration in a manner prescribed by law and to do all things and to provide all supplies necessary to submit the Charter amendment to a vote of the electors as required by law.

BE IT FURTHER RESOLVED that the proposed charter amendment shall be published in full, together with the existing charter provision amended as required by law.

BE IT FURTHER RESOLVED that this proposed charter amendment must be posted, in full, in a conspicuous place in each polling location.

OFFERED BY: Council Member Murdock
SUPPORTED BY: Council Member Vogt

On a roll call, the vote for Resolution 2014-193 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

13. Resolution No. 2014-194, approving proposed charter amendment to provide that legislation to confirm a special assessment roll within the City by resolution, when permitted by law.

IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

WHEREAS, Section 21(1) of the Home Rule City Act (HRCA), MCL 117.21(1), authorizes a city council to adopt a resolution proposing to amend the city charter by a three-fifths vote of its members-elect, and the resolution proposing to amend the city charter must set forth the exact wording of the proposed amendment to be submitted to the city voters for approval at a regular or special election, and;

WHEREAS, The resolution must set forth the ballot language for the proposed charter amendment—with each proposal being limited to a single subject, and if the subject of a proposal includes more than one related proposition, each proposition shall be separately stated as a ballot proposal to afford an opportunity for a separate vote of the city voters for or against each proposition, and

WHEREAS, Section 21(2) of the HRCA, MCL 117.21(2), requires that the ballot language for the submission to the city voters of each proposed amendment shall be limited to 100 words, exclusive of caption, shall be a true and impartial statement of the purpose of the amendment, and shall not create prejudice for or against the proposed amendment,

NOW THEREFORE BE IT RESOLVED that Article VIII, Section 8.03(b)(4) of the Ypsilanti City Charter shall be amended as follows:

(4) A final special assessment roll shall be confirmed by the Council only after a public hearing has been held by the Council for the purpose of reviewing such roll and hearing any objections. The meeting shall be held not less than ten (10) days after notice has

been published and sent by first class mail to all property owners in the proposed special district as shown by the current assessment roll of the City. After such hearing the Council may, by resolution, confirm such special assessment roll or may make any corrections necessary and confirm it as corrected; or the Council may refer it for revision or may annul it and direct a new assessment roll to be made. In either case the special assessment procedure set forth in this Section shall be followed as in respect to the previous original assessment. Such action confirming the special assessment roll must be by ordinance only if so required by applicable law. Upon confirmation of a special assessment roll, the special assessments shall be final.

The current charter section(s) being altered by this amendment provides as follows:

(4) A final special assessment roll shall be confirmed by the Council only after a public hearing has been held by the Council for the purpose of reviewing such roll and hearing any objections. The meeting shall be held not less than ten (10) days after notice has been published and sent by first class mail to all property owners in the proposed special district as shown by the current assessment roll of the City. After such hearing the Council may, by ordinance, confirm such special assessment roll or may make any corrections necessary and confirm it as corrected; or the Council may refer it for revision or may annul it and direct a new assessment roll to be made. In either case the special assessment procedure set forth in this Section shall be followed as in respect to the previous original assessment. Upon confirmation of a special assessment roll, the special assessments shall be final.

BE IT FURTHER RESOLVED that the ballot language for the proposed amendment shall be as follows:

Shall Article VIII, Section 8.03(b)(4) of the Ypsilanti City Charter be amended to provide that City Council may confirm a special assessment roll within the City by resolution, when permitted by law, rather than by ordinance as is currently required?

Yes _____ No _____

BE IT FURTHER RESOLVED that the City Clerk shall transmit a certified copy of this resolution to the Governor of the State of Michigan for approval of the proposed amendment (MCL 117.22) and transmit a certified copy of this resolution to the Attorney General of the State of Michigan for approval of the proposed ballot language for the proposed amendment (MCL 117.21).

BE IT FURTHER RESOLVED that the proposed amendment shall be submitted to the qualified electors of the City of Ypsilanti at the general election to be held in the City on November 4, 2014, and the City Clerk is directed to give notice of the election and notice of registration in a manner prescribed by law and to do all things and to provide all supplies necessary to submit the Charter amendment to a vote of the electors as required by law.

BE IT FURTHER RESOLVED that the proposed charter amendment shall be published in full, together with the existing charter provision amended as required by law.

BE IT FURTHER RESOLVED that this proposed charter amendment must be posted, in full, in a conspicuous place in each polling location.

OFFERED BY: Council Member Murdock

SUPPORTED BY: Council Member Vogt

On a roll call, the vote for Resolution 2014-194 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

XIV. LIASON REPORTS –

- A. SEMCOG Update - Discussion of support for the transit millage in Macomb, Oakland, and Wayne Counties which passed in all three counties.
- B. Washtenaw Area Transportation Study - None
- C. Washtenaw Metro Alliance - None
- D. Urban County - None
- E. Freight House - None

XV. COUNCIL PROPOSED BUSINESS –

Robb

- When a citizen submits a ticket online the complaint is given a number which will show up in a report. Mr. Robb stated he asked Assistant to the City Manager Savage to create a column providing length of time the ticket is open and there

are several tickets that have been open for an unacceptable length of time. Mr. Robb asked what the road blocks are so they may be addressed. Mr. Robb added during the mayoral election each candidate described their vision of Ypsilanti and each candidate said they envisioned a clean, pretty, and safe community we need to provide that to citizens. Mr. Robb expressed dissatisfaction that these issues have not been rectified and there must be something done to reduce time to answer a citizen's complaint.

- Stated during the budget session in May it was decided each month the plan to raise 4 million dollars and remove a 1.7 million dollar deficit by May 1, 2016 be reviewed and no review has occurred. Mr. Robb added this is the most important issue facing the community and action must be taken to ensure that these goals are met.
- Stated the link to "Mayor and City Council" and the "Clerk's Department" have been removed from the front page of the website causing several citizens to complain. Mr. Robb asked that the website be restored to its original format.

Jefferson

- Agreed with Mr. Robb regarding the City's response time to citizen complaints. Mr. Jefferson said when he first became a Council Member it would take no longer than two weeks to address issues raised during "Council Proposed Business". Mr. Jefferson added he feels two weeks is ample time to address a problem.
- Stated he has received two requests to change the name of Hawkins St. to S.L. Roberson Blvd. Mr. Jefferson stated S.L. Roberson was a mentor of his and Mr. Roberson never wanted his name to be on a street sign and said he would honor that request.

Richardson

- Stated that Council voted to allow front yard gardens, however there is an ordinance prohibiting grass length over 12 inches. Ms. Richardson stated on her street a front yard garden, growing tomatoes, has become overgrown with weeds. Ms. Richardson asked for Council to revisit this issue.

Council Member Vogt responded there is something in the ordinance restricting noxious weeds, the City just needs to enforce it.

City Attorney Barr asked the address of the offending property.

Mayor Pro-Tem Richardson responded 329 Worden.

Council Member Moeller asked for clarification of the ordinance and how it applies to front yard gardens.

Mr. Barr responded Council passed an urban garden ordinance and Council Member Vogt is correct noxious weeds are not permitted.

Council Member Jefferson stated, per the ordinance gardens must be a certain distance from the sidewalk.

- Stated the shrubs at the corner of Ferris and Hamilton by Town center have been trimmed however the width of the shrubs is the problem not the height. Ms. Richardson stated it is difficult to see oncoming traffic when exiting and asked that the issue be examined.

XVI. COMMUNICATIONS FROM THE MAYOR –

None

XVII. COMMUNICATIONS FROM THE CITY MANAGER –

- Staff will acquire the second dvd of the Eastern Washtenaw Safety Alliance and present it at a later date.
- Announced Herman Kittles was given a partial allocation and is subject to reapplication in October. Staff suggests extending the inspection period until after the allocation in February 2015. Staff will continue to be involved in the process and has a meeting scheduled for next week. MSHDA offered Council a tour of property in Grand Rapids built using tax credits to see the quality of the work.

Council Member Murdock asked if Herman Kittles would have to redo their plan in order to receive full allocation.

Mr. Lange responded this would not be necessary.

Council Member Murdock asked if this would change Herman Kittles eligibility.

Mr. Lange responded Herman Kittles is applying for both 4% and 9% categories, they are aware Council will reject any plan under the 50%-60% average so they would forego the points awarded under the scoring matrix to meet that criteria.

Council Member Jefferson asked if Herman Kittles is going to reapply in October.

Mr. Lange replied yes.

Mayor Pro-Tem Richardson asked if the property in Grand Rapids used tax credits for construction.

Mr. Lange responded yes.

- Stated he spoke with DTE regarding damaged DTE light poles in downtown and DTE will begin repairs in two weeks for poles deemed dangerous. Mr. Lange stated another group of poles requiring paint will occur sometime after that.
- Stated the current contract with DTE does not address the redistribution of light poles, such as on Hewitt and Water streets. Mr. Lange added as soon as the retrofitting has been complete the City will begin that process.
- Stated street lights on Washington will be replaced with LED lights for under \$25,000. Mr. Lange will provide Council with a return on investment once those numbers are available to him.
- DTE began retrofitting the 176 streetlights but no report has been provided. The DTE team will provide a report by Monday.
- Stated the fourth floor of City Hall has had the lenses of the light fixtures replaced and the quality is much better.
- Stated the urgent road repairs have begun throughout the City.
- Informed Council the ground breaking for Water Street will be on August 14 at 4 p.m.
- Stated the City has received the Recreation Center contract from the County.
- Informed there are four officers in the field training program and at least three of the four are doing very well.

- One of the new police officers has recorded 50 drunken driving arrests in less than a year.
- Stated DPS is beginning the hiring process for two employees.
- The Police Department command structure is at 4 Lt. and 2 Rd. Sergeants and the Fire Department has 3 Captains and 2 Lt. as a result overtime hours are decreasing.
- Stated the new MML insurance contract provides a savings of \$50,000.
- The TAP grant is providing the City with \$100,000 worth of savings.
- Staff has been working on closing the 2013-2014 Fiscal Year.

Mayor Pro-Tem Richardson asked Mr. Lange to provide Council with an information letter and provide bullet points during "Communications from the City Manager".

- Stated he and Community Development Director Gillotti attended a brokers event and have several solid leads.
- The Parkridge Center has received 501(c)3 status.
- The New York Times is doing a story on how the City feels about Michigan Leadership in Congress retiring.
- The City Manager's Office Intern, Jessica Teng, has accepted another position and the City Manager's Office is in the process on hiring a new intern.
- The Peninsular Dam inspections have been complete and the City is waiting on a report.

XVIII. AUDIENCE PARTICIPATION –

None

XIX. REMARKS FROM THE MAYOR –

None

XX. ADJOURNMENT –

Resolution No. 2014-195, adjourning the 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 Jefferson

SUPPORTED BY: Council Member Vogt

On a voice vote, the motion carried and the meeting adjourned at 9:25 p.m.



Dedicated to Providing Top Quality, Cost Effective, and
Environmentally Safe Water and Wastewater Services to Our Customers

YPSILANTI COMMUNITY UTILITIES AUTHORITY

2777 STATE ROAD
YPSILANTI, MICHIGAN 48198-9112
TELEPHONE: 734-484-4600
WEBSITE: www.ycua.org

August 12, 2014

VIA EMAIL and USPS

CITY OF YPSILANTI
City Council
One South Huron Street
Ypsilanti, Michigan 48197-5400

Re: **YCUA Water and Sewer Rate Changes**

Dear Council Member:

At the regular meeting of the YCUA Board of Commissioners on August 27, 2014, the Board will consider a recommendation to the Ypsilanti City Council for the following rate adjustments for City Division customers: a water rate increase of 3.5%, a sewer rate increase of 3.5%, and a surcharge decrease of 2%. This would decrease the surcharge to 65%. The combined effect of these rate adjustments, which will be effective October 16, 2014, would be a 2.31% increase in a City Division customer's bimonthly bill.

The three ordinances approving these rate adjustments are included in this correspondence for your consideration. Also included is the document summarizing the budget highlights related to the September 1, 2014 fiscal year budget, which the YCUA Board of Commissioners will also consider at their August 27, 2014 regular meeting. Note that although the Detroit Water and Sewerage Department has increased its rate to YCUA by 5.2% effective July 1, 2014, we are able to limit the water rate increase to YCUA customers to 3.5% due to containment of operating costs.

If you have any questions, please contact me.

Sincerely,

JEFF CASTRO, Director
Ypsilanti Community Utilities Authority

JC/kks

Enclosures

cc w/encl.: YCUA Board of Commissioners

Mr. Ralph Lange

Ms. Frances McMullan

Mr. Thomas E. Daniels

cc: Mr. Dwayne Harrigan

Ms. Venita Terry

YCUA
2014-15 Budget Highlights
Item A.

Water Sales

City Division: The budget projects that water sales in the city will remain about the same as the last two years. The city division is overwhelmingly domestic and institutional with little industry; domestic and institutional use is staying level.

Township Division: The budget projects water sales in the Township to be remain about the same as the last fiscal years. Due to the wet summer, usage is down around 5% from FY 2012.

Sewer Sales

City Division: The budget projects sewer sales from within the city to remain about the same as the current year for the same reason as stated above. We are projecting WTUA sales to be at about 9.8 million gallons per day, the same as the 2013 budget.

Township Division: The budget projects sewer sales from within the Township to remain about the same as the current year. The Township has had a decrease of about 3% in sales since FY 2012. As mentioned above, we are projecting WTUA sales to be at flat.

Revenue

Operating Income is projected to increase by 2.1%. This is necessary to cover operational costs, debt principle, required capital costs, and debt requirements.

Operating Expense Changes

Purchased Water	\$ 600,000	5.20% DWSD rate increase
Depreciation	\$ 600,000	
Debt/interest	\$ 200,000	
Other operating Exp.	(\$200,000)	

City Customers- 2.26% Increase

Minimum Bill (\$77.36)	2.26% increase on bill	\$1.71/bill or \$.86/mth
Average Bill (\$151.12)	2.31% increase on bill	\$3.41/bill or \$1.71/mth
(Comprised of 3.5% increase water/3.5% increase sewer/ 2% decrease in surcharge)		

Township Customers- 3.50% Increase

Minimum Bill (\$50.71)	3.50% increase on bill	\$1.71/bill or \$.86/mth
Average User (\$101.23)	3.50% increase on bill	\$3.42/bill or \$1.71/mth
(Comprised of 3.5% increase water/ 3.5% increase sewer/ 0% change in surcharge)		

YCUA City Division

Current Charges:

Minimum User residential

	6 units(4488 gallons) per 2 month billing cycle		
	water	sewer	Total
6 units	\$23.66	\$21.64	\$45.30
surcharge (67%)	\$16.09	\$14.50	\$30.35
Total	\$39.51	\$36.14	\$75.65

Average User residential

	16 units(11,968 gallons) per 2 month billing cycle		
	water	sewer	Total
6 units	\$23.66	\$21.64	\$45.30
10 units	\$22.26	\$20.89	\$43.15
surcharge (68%)	\$30.77	\$28.50	\$59.26
Total	\$76.69	\$71.03	\$147.71

PROPOSED:

10/16/14

Water rate	3.50%
Sewer rate	3.50%
surcharge	65.00%

Effect on a minimum and average city customer with a proposed 3.50% water rate increase, a sewer rate increase of 3.5%. Surcharge decrease to 65%.

Minimum User residential (proposed)

	6 units(4488 gallons) per 2 month billing cycle		
	water	sewer	Total
6 units	\$24.49	\$22.40	\$46.89
surcharge (65%)	\$15.92	\$14.56	\$30.48
Total	\$40.40	\$36.96	\$77.36
increase	\$0.89	\$0.82	\$1.71
increase/mo	\$0.45	\$0.41	\$0.86
cumulative rate increase			2.26%

Average User residential (proposed)

	16 units(11,968 gallons) per 2 month billing cycle		
	water	sewer	Total
6 units	\$24.49	\$22.40	\$46.89
10 units	\$23.08	\$21.62	\$44.70
surcharge (67%)	\$30.92	\$28.61	\$59.53
Total	\$78.49	\$72.63	\$151.12
increase	\$1.80	\$1.61	\$3.41
increase/mo	\$0.90	\$0.80	\$1.70
cumulative rate increase			2.31%



Resolution No. 2014 – 197
September 2, 2014

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the proposed ordinance to amend Chapter 106, Article V, Section 106-454(b) of the Code of Ordinances to increase water rates by 3.5% within the City of Ypsilanti, be approved on First Reading.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:



Resolution No. 2014 – 198
September 2, 2014

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the public hearing on the proposed ordinance to amend Chapter 106, Article V, Section 106-454(b) of the Code of Ordinances to increase water rates by 3.5% within the City of Ypsilanti, be officially closed.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:

ORDINANCE NO. 1227

An Ordinance to amend Chapter 106, Article V, Section 106-454(b) of the Code of Ordinances to increase water rates within the City of Ypsilanti.

BE IT ORDAINED BY THE CITY OF YPSILANTI:

That Chapter 106, Article V, Section 106-454(b) of the Code of Ordinances shall be amended as follows:

(b) For all billings rendered prior to October 16, 2014, existing rates shall prevail. For all billings rendered from October 16, 2014, water charges shall be as follows for each bi-monthly (two month) period:

(1) Minimum bi-monthly readiness-to-serve rates based upon size of meter and use of up to the allowed usage of water:

<u>Meter Size/Inch</u>	<u>Allowed Usage Cubic Feet</u>	<u>Water Rate</u>
5/8 - 3/4	600	\$ 24.49
1	1,000	44.48
1-1/2	2,100	115.31
2	4,000	253.21
3	9,000	520.06
4	16,200	985.03
6	36,000	2,044.99
8	66,000	3,729.79
10	102,000	5,671.43
12	150,000	9,386.64

(2) Bimonthly consumption rates in excess of allowed usage:

Rate per 100 C.F. <u>Bi-monthly Water</u>	After <u>10/16/14</u>
All consumption in excess of allowed usage per 100 cf	<u>\$2.31</u>

* * * * *

This Ordinance shall take effect and be in full force upon publication in the *Washtenaw Now* (formerly Ypsilanti Courier).

MADE, PASSED AND ADOPTED BY THE YPSILANTI CITY COUNCIL THIS ____ DAY OF _____, 2014.

Paul T. Schreiber, Mayor

Frances McMullan, City Clerk

ATTEST

I do hereby confirm that the above Ordinance No. 1227 was published in the *Washtenaw Now* (formerly Ypsilanti Courier) on the ____ day of _____, 2014.



Resolution No. 2014 – 199
September 2, 2014

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the proposed ordinance to amend Chapter 106, Article V, Section 106-455(a) of the Code of Ordinances to increase sewage disposal service rates by 3.5% within the City of Ypsilanti, be approved on First Reading.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:



Resolution No. 2014 – 200
September 2, 2014

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That public hearing on the proposed ordinance to amend Chapter 106, Article V, Section 106-455(a) of the Code of Ordinances to increase sewage disposal service rates by 3.5% within the City of Ypsilanti, be officially closed.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:

ORDINANCE NO. 1228

An ordinance to amend Chapter 106, Article V, Section 106-455(a) of the Code of Ordinances, City of Ypsilanti, to increase sewage disposal service rates.

BE IT ORDERED BY THE CITY OF YPSILANTI, that:

That Section 106-455(a) of Chapter 106, Article V of the Code of Ordinances shall be revised as follows:

(a) For all billings rendered prior to October 16, 2014, existing rates for sewage disposal services shall prevail. For all billings rendered from October 16, 2014, rates for sewage disposal services shall be as shown in Schedule A:

Schedule A:

Meter Size (inch)	Allowed Usage Cubic Feet	CAPITAL CHARGE		OM&R		TOTAL	
		Contract Community	All Others	Contract Communities	All Others	Contract Community	All Others
5/8-3/4	600	\$1.28	\$1.28	\$17.07	\$21.12	\$18.34	\$22.40
1	1000	\$2.15	\$2.15	\$28.53	\$35.96	\$30.68	\$38.11
1-1/2	2100	\$4.70	\$4.70	\$58.53	\$73.94	\$63.24	\$78.64
2	4000	\$8.54	\$8.54	\$112.92	\$142.12	\$121.46	\$150.66
3	9000	\$19.24	\$19.24	\$246.43	\$317.99	\$265.67	\$337.24
4	16200	\$34.63	\$34.63	\$470.07	\$573.12	\$504.71	\$607.75
6	36000	\$76.96	\$76.96	\$1,013.52	\$1,275.47	\$1,090.49	\$1,352.43
8	66000	\$141.06	\$141.06	\$1,849.80	\$2,329.84	\$1,990.86	\$2,470.90
10	102000	\$214.79	\$214.79	\$2,863.34	\$3,605.31	\$3,078.13	\$3,820.10
12	150000	\$320.61	\$320.61	\$4,214.71	\$5,305.87	\$4,535.33	\$5,626.48

For all usage in excess of allowed usage the rate per 100 cubic feet shall be as follows:

	CAPITAL CHARGE	OM&R	TOTAL
Contract Communities	\$0.215	\$1.847	\$2.063
All Others	\$0.215	\$1.947	\$2.162

* * * * *

This Ordinance shall take effect and be in full force upon local publication in Washtenaw Now (formerly Ypsilanti Courier).

MADE, PASSED AND ADOPTED BY THE YPSILANTI CITY COUNCIL THIS
_____ DAY OF _____, 2014.

Paul T. Schreiber, Mayor

Frances McMullan, City Clerk

ATTEST

I do hereby confirm that the above Ordinance No. 1228 was published in the
Washtenaw Now (formerly Ypsilanti Courier) on the _____ day of _____,
2014.



Resolution No. 2014 – 201
September 2, 2014

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the proposed ordinance to amend Chapter 106, Article V, Section 106-499 of the Code of Ordinances to decrease the restricted debt retirement and capital improvement fund surcharge on water and sewer bills within the City of Ypsilanti by adding a surcharge of 65% to each water and sewage bill for billings to be deposited in a restricted debt retirement and capital improvements fund, be approved on First Reading.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:



Resolution No. 2014 – 202
September 2, 2014

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the public hearing on the proposed ordinance to amend Chapter 106, Article V, Section 106-499 of the Code of Ordinances to decrease the restricted debt retirement and capital improvement fund surcharge on water and sewer bills within the City of Ypsilanti by adding a surcharge of 65% to each water and sewage bill for billings to be deposited in a restricted debt retirement and capital improvements fund, be officially closed.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:

ORDINANCE NO. 1229

An Ordinance to amend Chapter 106, Article V, Section 106-499 of the Code of Ordinances to decrease the restricted debt retirement and capital improvement fund surcharge on water and sewer service bills.

BE IT ORDAINED BY THE CITY OF YPSILANTI:

That, effective October 16, 2014, and not before, Chapter 106, Article V, Section 106-499 of the Code of Ordinances be amended to read as follows:

A surcharge of sixty-five percent (65%) is hereby added to each water and sewage bill for billings rendered on or after October 16, 2014. The proceeds of sixty-five percent (65%) of gross billings shall be deposited in a restricted debt retirement and capital improvements fund. The funds in this account shall be used for debt retirement on authority of the YCUA Board and for capital improvements on approval of City Council.

* * * * *

This Ordinance shall take effect and be in full force upon local publication in Washtenaw Now (formerly Ypsilanti Courier).

MADE, PASSED AND ADOPTED BY THE YPSILANTI CITY COUNCIL THIS _____ DAY OF _____, 2014.

Paul T. Schreiber, Mayor

Frances McMullan, City Clerk

ATTEST

I do hereby confirm that the above Ordinance No. 1229 was published in the Washtenaw Now (formerly Ypsilanti Courier) on the _____ day of _____, 2014.



Resolution No. 2014-203
September 2, 2014

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI: that an ordinance entitled "An ordinance to vacate a certain 14 foot wide, 130 foot long alley from Ninde Street heading east to N. River Street to the extent of the southerly parcel boundaries of 11-11-09-131-005 (46-50 E. Cross) and 11-11-09-131-043 (52-56 E. Cross) and the northerly parcel boundaries of 11-11-09-131-021 and 11-11-09-131-022 in the City of Ypsilanti, Michigan" be approved on Second and Final Reading.

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:



Resolution No. 2014-204
September 2, 2014

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that the public hearing on an ordinance entitled "An ordinance to vacate a certain 14 foot wide, 130 foot long alley from Ninde Street heading east to N. River Street to the extent of the southerly parcel boundaries of 11-11-09-131-005 (46-50 E. Cross) and 11-11-09-131-043 (52-56 E. Cross) and the northerly parcel boundaries of 11-11-09-131-021 and 11-11-09-131-022 in the City of Ypsilanti, Michigan" be officially closed.

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:



CITY OF YPSILANTI

Ordinance No. 1230

An ordinance to vacate a certain 14 foot wide, 130 foot long alley from Ninde Street heading east to N. River Street to the extent of the southerly parcel boundaries of 11-11-09-131-005 (46-50 E. Cross) and 11-11-09-131-043 (52-56 E. Cross) and the northerly parcel boundaries of 11-11-09-131-021 and 11-11-09-131-022 in the City of Ypsilanti, Michigan

1. THE CITY OF YPSILANTI ORDAINS That:

a. Pursuant to the Ypsilanti City Code Section 94-271, et al, any alley that may be owned by the city of Ypsilanti in the property described below be and the same hereby is vacated:

A strip of land commencing at the southwestern corner of parcel 11-11-09-131-005 (legally described as: W 50 FT OF LOTS 313 & 314 EXC N 16.50 FT FOR STREET SHOWERMAN & COMPTON'S ALLOTMENT OF PART OF FRAC'L SECTION 9, T 3 SOUTH OF RANGE 7 EAST), thence easterly 130 feet running along southern boundary of said lot to the southeastern corner of parcel 11-11-09-131-043 (legally described as: E 82 FT OF LOTS 313 & 314 EXC N 16.50FT FOR STREET, SHOWERMAN & COMPTON'S ALLOTMENT OF PART OF FRAC'L SEC 9, T3S-R7E. COMBINES ON 2/07/2013 FROM 11-11-09-131-004 & 11-11-09-131-042), thence southerly 14 feet to the northeastern corner of parcel 11-11-09-131-022 (legally described as: THE EAST 1/2 OF LOTS 315 & 316, EXC N 14 FT THEREOF, SHOWERMAN & COMPTON'S ADD'N), thence westerly 130 feet running along the northern boundary of said lot to the northwestern corner of parcel 11-11-09-131-021 (legally described as: THE WEST 1/2 OF LOTS 315 & 316, EXC N 14 FT THEREOF, SHOWERMAN & COMPTON'S ADD'N), thence northerly to the point of beginning.

b. The city reserves all rights and an easement for installation and maintenance of utilities within the entire former right-of-way.

c. The Ypsilanti City Clerk shall record a certified copy of such resolution of vacation and this ordinance with the Washtenaw County Register of Deeds and send a copy to the State Treasurer.

d. No further City action or expense to transfer title to the alley and amend the plat is authorized. The affected property owners may institute such legal action as may be necessary to properly obtain title and amend the plat.

2. Severability. If any clause, sentence, section, paragraph, or part of this ordinance, or the application thereof to any person, firm, corporation, legal entity, or circumstances, shall be for any reason adjudged by a court of competent jurisdiction to be unconstitutional or invalid, such judgment shall not effect, impair, or invalidate the remainder of this Ordinance and the application of such provision to other persons, firms, corporations, legal entities, or circumstances by such judgment shall be confined in its operation to the clause, sentence, section, paragraph, or part of this Ordinance thereof directly involved in the case or controversy in which such judgment shall have been rendered and to the person, firm, corporation, legal entity, or circumstances then and there involved. It is hereby declared to be the legislative intent of this body that the Ordinance would have been adopted had such invalid or unconstitutional provisions not have been included in this Ordinance.

3. Repeal. All other Ordinances inconsistent with the provisions of this Ordinance are, to the extent of such inconsistencies, hereby repealed.

4. Savings Clause. The balance of the Code of Ordinances, City of Ypsilanti, Michigan, except as herein or previously amended, shall remain in full force and effect. The repeal provided herein shall not abrogate or affect any offense or act committed or done, or any penalty or forfeiture incurred, or any pending fee, assessments, litigation, or prosecution of any right established, occurring prior to the effective date hereof.

5. 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 office hours. A complete copy of the ordinance is also available for inspection on the City's website, www.cityofypsilanti.com.

6. 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 publication of record. 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 _____ DAY OF _____, 2014.

Frances McMullan, City Clerk

Attest

I do hereby confirm that the above Ordinance No. ____ was published in The Washtenaw Now (formerly Ypsilanti Courier) on the _____ day of _____, 2014.

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 _____ day of _____, 2014.

Frances McMullan, City Clerk

Notice Published: July 31 and August 7, 2014

First Reading: July 8, 2014

Second Reading: September 2, 2014

Published: _____

Effective Date: _____



Resolution No. 2014 –205
September 2, 2014

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the following items be approved:

1. Resolution No. 2014-206, approving Ordinance No. 1226, an ordinance to adopt the International Property Maintenance Code, to amend Chapter 50 entitled, "Fire Prevention and Protection" by amending Article II, "Fire Prevention Code", Section 50-33, "Additions, Insertions, and Changes to update the rules regarding "Open Source Fires and Open Burnings". ***(Second Reading)***
2. Resolution No. 2014-207, renewing agreement with Michigan Department of Transportation (MDOT) to maintain all state trunk lines and bridges within the City's jurisdiction.
3. Resolution No. 2014-208, designating official representative and alternate for the Michigan Municipal League (MML) Annual Convention.
4. Resolution No. 2014-209, approving DDA Streetscape Agreement.

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:



**Barr,
Anhut &
Associates, P.C.**
ATTORNEYS AT LAW

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John M. Barr
Karl A. Barr
Daniel J. DuChene

Jesse O'Jack ~ Of Counsel
William F. Anhut ~ Of Counsel – Retired
Jennifer A. Healy ~ Legal Assistant

REQUEST FOR LEGISLATION

DATE: July 18, 2014

FROM: Jesse O'Jack, Assistant Ypsilanti City Attorney

SUBJECT: Adoption of ordinance to amend Chapter 50 of the Ypsilanti City Code by amending Article II, "Fire Prevention Code," Section 10.1.5 "Open source fires or open burnings," to include the use of outdoor fireplaces, prohibit sky lanterns, and reflect the requirements of NFPA 1, Uniform Fire Code

SUMMARY/BACKGROUND

The City of Ypsilanti has adopted by reference and enforces NFPA 1, Uniform Fire Code, 2006 Edition, as amended by Section 50-33 "Additions, insertions, and changes." The current NFPA edition is the 2012 edition. The current amendments regarding open source fires or open burnings do not include the use of outdoor fireplaces or sky lanterns and is based on the 1996 edition of BOCA. However, rather than update the entire NFPA code to the current edition, the recommendation is to wait until the NFPA 2015 edition is released and then do a complete adoption at that time. However, as a temporary measure until the adoption of the NFPA 2015 edition, it is recommended that Section 10.1.5 "Open sources fires or open burnings" of Section 50-33 of the Ypsilanti City Code be updated separately without waiting until the 2015 NFPA edition is released to include regulating the use of outdoor fireplaces, prohibiting sky lanterns, and to reflect the requirements of NFPA 1, Uniform Fire Code.

ATTACHMENTS: Proposed Ordinance

RECOMMENDED ACTION: Adoption of the ordinance

DATE RECEIVED: 7/18/14 AGENDA ITEM NO. 2014-173

CITY MANAGER COMMENTS:

FOR AGENDA OF: 8/7/14 FINANCE DIR. APPROVAL
SECOND READING: 9/2/14

COUNCIL ACTION TAKEN:



Resolution No. 2014-206
September 2, 2014

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That a ordinance to adopt the International Property Maintenance Code, entitled "AN ORDINANCE TO AMEND CHAPTER 50 OF THE YPSILANTI CITY CODE, ENTITLED "FIRE PREVENTION AND PROTECTION," BY AMENDING ARTICLE II, "FIRE PREVENTION CODE," SECTION 50-33 "ADDITIONS, INSERTIONS, AND CHANGES TO UPDATE THE RULES REGARDING OPEN SOURCE FIRES AND OPEN BURNINGS" be approved on Second and Final Reading.

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:

City of Ypsilanti

Ordinance No. 1226

AN ORDINANCE TO AMEND CHAPTER 50 OF THE YPSILANTI CITY CODE, ENTITLED "FIRE PREVENTION AND PROTECTION," BY AMENDING ARTICLE II, "FIRE PREVENTION CODE," SECTION 50-33 "ADDITIONS, INSERTIONS, AND CHANGES TO UPDATE THE RULES REGARDING OPEN SOURCE FIRES AND OPEN BURNINGS.

THE CITY OF YPSILANTI HEREBY ORDAINS:

Section 1: Amendments, additions, and deletions to Chapter 50, "Fire Prevention and Protection," Article II "Fire Prevention Code," of the Code of Ordinances, City of Ypsilanti, Michigan.

That Chapter 50, "Fire Prevention and Protection," of the Ypsilanti City Code, Article II, "Fire Prevention Code," Section 50-33, "Additions, insertions, and changes," is hereby amended as follows:

Sec. 50-33. Additions, insertions, and changes.

That the NFPA 1, Uniform Fire Code, 2006 Edition is amended and changed in the following respects:

Section 1.13 Certificates of Fitness, page 1-22, line 1. Change "Certificates of Fitness" to read "Certificates of Occupancy" in the title and all further references to "Certificate of Fitness" found in sections 1.13.1, 1.13.2, 1.13.3, 1.13.4, 1.13.5.1, 1.13.5.2, 1.13.5.3, 1.13.5.4, 1.13.6, 1.13.7, 1.13.8, 1.13.9, 1.13.10 and (1), (3), (4), 1.13.11, 1.13.12.1, and 1.13.12.3 change to "Certificate of Occupancy."

Section 10.1.5, page 1-54. Delete section and replace with: "~~Open source fires or open burnings are prohibited within the city so that:~~

Section 10.1.5 Open source fires or open Burnings. Open source fires or open burnings are prohibited within the city except where specifically permitted as follows:

- A. No person ~~shall~~ may kindle, authorize or maintain a rubbish fire or bonfire on public or private land or on any street or alleyway ~~within the city.~~
- B. ~~No~~ The burning of leaves, trees, logs, brush or stumps is prohibited ~~will be allowed within the city.~~
- C. Cooking fires using solid fuel such as charcoal, wood and wood the like materials, shall are prohibited ~~not be allowed~~ on balconies or covered patios or within 10 feet of any structure in

~~multiple family buildings or in any business districts. Gas fired cooking units such as propane grills are permitted will be allowed.~~

D. Use of an outdoor fireplace equipped with a spark arrester is permitted if it complies with the following:

1. The outdoor fireplace must be used in accordance with the manufacturer's recommendations;
2. The fireplace is not located within 25 feet of any structure; and
3. The fireplace is maintained in good condition.

E. Barbecues, outdoor fireplaces, and grills may not be used for the disposal of rubbish, trash, or combustibles.

F. Burning that is offensive or objectionable because of smoke or odor emission must be extinguished immediately. The Fire Department is authorized to order the extinguishment of illegal open burning or fires and any burning or fires creating a hazard.

G. The use of sky lanterns is prohibited. For the purposes of this subsection, a sky lantern means any airborne paper lantern, also known as Kongming Lantern or Chinese lantern, sky candle, or fire balloon which is constructed from oiled rice paper on a bamboo frame, and contains a small candle or fuel cell composed of a waxy flammable material, which when lit, the flame heats up the air inside the lantern, thus lowering its density and causing the lantern to rise into the air, or any similar device.

H. The following fires are approved:

1. Small cooking fire contained in a vessel designed for that use so long as it complies with the subsections above.

2. Outdoor fireplaces that comply with the subsections above.

3. Salamanders or other devices used for heating construction or other workers so long as no nuisance is created.

4. Controlled wild fire burns may be allowed by the Fire Marshall when this action is necessary to protect rare plants dependent on fire for seed production.

5. Open fire for recognized ceremonial purpose only may be permitted after obtaining approval from the Fire Official subject to the following:

- a. The fire must be constantly attended; and
- b. A garden hose, fire extinguisher or other approved fire extinguishing equipment must be available for immediate use.

6. Small fires used by municipal firefighters for training purposes.

Excepted fires-

- ~~1. Small cooking fires contain in a vessel designed for that use so long as there is no conflict with article "C" of this section.~~
- ~~2. Salamanders or other devices used for heating construction or other workers so long as no nuisance is created.~~
- ~~3. Controlled wild fire burns may be allowed by the fire marshal when this action is necessary to protect rare plants dependent on fire for seed production.~~
- ~~4. Small fires used by public firefighters for training purposes."~~

I. Fees. Persons who cause the fire department to respond due to a violation of this section are responsible for the Fire Department's costs and expenses as set forth in Chapter 38 "Emergency Services," Article III "Recovery of certain emergency response costs," Division 4 "Incidents involving the response of the Fire Department."

Section 10.13 Vacant Buildings and Premises, page 1-58. Delete sections 10.13.1 through 10.13.3 and replace with a reference stating "See Ypsilanti City Code, Chapter 18, Article VI, Division 5 Vacant Buildings."

Section 2. Severability.

If any clause, sentence, section, paragraph, or part of this ordinance, or the application thereof to any person, firm, corporation, legal entity, or circumstances, is for any reason adjudged by a court of competent jurisdiction to be unconstitutional or invalid, such judgment will not affect, impair, or invalidate the remainder of this Ordinance and the application of such provision to other persons, firms, corporations, legal entities, or circumstances by such judgment will be confined in its operation to the clause, sentence, section, paragraph, or part of this Ordinance thereof directly involved in the case or controversy in which such judgment has been rendered and to the person, firm, corporation, legal entity, or circumstances then and there involved. It is hereby declared to be the legislative intent of this body that the Ordinance would have been adopted had such invalid or unconstitutional provisions not have been included in this Ordinance.

Section 3. Repeal.

All other Ordinances inconsistent with the provisions of this Ordinance are, to the extent of such inconsistencies, hereby repealed.

Section 4. Savings Clause.

The balance of the Code of Ordinances, City of Ypsilanti, Michigan, except as herein or heretofore amended, shall remain in full force and effect. The repeal provided herein will not abrogate or affect any offense or act committed or done, or any penalty or forfeiture incurred, or any pending fee, assessments, litigation, or prosecution of any right established, occurring prior to the effective date hereof.

Section 5. 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 office hours.

Section 6. 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 Now (formerly Ypsilanti Courier). 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 ____ DAY OF _____, 2014.

Paul Schreiber, Mayor

Frances McMullan, City Clerk

Attest

I do hereby confirm that the above Ordinance No. ____ was published in the Washtenaw Now (formerly Ypsilanti Courier) on the ____ day of _____, 2014.

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 ____ day of _____, 2014.

Frances McMullan, City Clerk

Notice Published: July 24, 2014

First Reading: August 7, 2014

Second Reading: September 2, 2014

Published: _____

Effective Date: _____



REQUEST FOR LEGISLATION

From: Stan Kirton, DPS Director

Date: September 2, 2014

Subject: MDOT Contract No. 2014-0435 for State Trunk Line Maintenance Contract

Summary and Background:

This is a request for City Council to approve MDOT Contract No. 2014-0435 which renews the agreement with Michigan Department of Transportation and the City of Ypsilanti for the City of Ypsilanti to maintain all state trunk lines and bridges within the City's jurisdiction. The contract term is from October 1, 2014 to September 30, 2019.

The contract documents submitted for signatures have been reviewed by the City Attorney's office.

Attachments: MDOT Contract No. 2014-0435, Copy of AFSCME Contract

Recommended Action: Approval

Date Received: August 19, 2014 Agenda Item No.: 2014-

City Manager Comments: _____

For Agenda of September 2, 2014

Finance Director Approval _____

Council Action Taken: _____



Resolution No. 2014-207
September 2, 2014

RESOLUTION APPROVING MDOT STATE TRUNK LINE MAINTENANCE CONTRACT

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS a State Trunk Line Maintenance Contract (MDOT NO. 2014-0435) is made and entered into by and between the Michigan Department of Transportation and the City of Ypsilanti; and

WHEREAS MDOT has found that contracting with the City of Ypsilanti for the maintenance of state trunk lines and bridges within its jurisdiction is in the best public interest; and

WHEREAS the term of the contract is October 1, 2014 to September 30, 2019; and

NOW, THEREFORE, BE IT RESOLVED THAT the City Council approves the MDOT Contract NO. 2014-0435 State Trunk Line Maintenance Contract; and

FURTHER, that the Mayor and City Clerk are authorized to sign the necessary contract documents, and that the City Manager is authorized to sign any change orders, subject to approval by the City Attorney.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:

**MICHIGAN DEPARTMENT OF TRANSPORTATION
STATE TRUNKLINE MAINTENANCE CONTRACT**

CITY OF YPSILANTI

THIS CONTRACT is made and entered into this date of _____ by and between the Michigan Department of Transportation, hereinafter referred to as "MDOT," and the City of Ypsilanti, a Michigan municipal corporation, hereinafter referred to as the "MUNICIPALITY."

RECITALS:

MDOT has affirmatively found that contracting with this MUNICIPALITY for the maintenance of state trunklines and bridges within its jurisdiction is in the best public interest; and

1925 PA 17 Section 2, MCL 250.61 et seq; authorizes MDOT to contract with the MUNICIPALITY for the construction, improvement, and/or maintenance of state trunkline highways. MDOT, subject to the approval of State Administrative Board, will do all acts or things necessary to carry out the purpose of 1925 PA 17 supra; and

MDOT has so advised the State Transportation Commission and the Appropriations Committee of the Senate and House of Representatives in accordance with 1951 PA 51 Section 11(c), MCL 247.661(c).

It is agreed as follows:

Section 1. ORGANIZATION, EQUIPMENT, AND FACILITIES

The MUNICIPALITY will provide personnel, equipment, and facilities to maintain the state trunkline highways and provide the services required under the terms of this Contract. The MUNICIPALITY will furnish MDOT, upon request, with an organizational chart showing garage locations, names of supervisory personnel, and any other information incidental to the performance under this Contract.

Section 2. SCOPE OF WORK

- a. The MUNICIPALITY will perform maintenance work at the direction of MDOT'S Region Engineer or a designee of the REGION ENGINEER

hereinafter referred to as the "REGION ENGINEER" or, acting under the general direction of the ENGINEER OF OPERATIONS FIELD SERVICES DIVISION, hereinafter referred to as the "ENGINEER OF OPERATIONS". Work for the Operations Division, including permit issuance and inspection, under this Contract will be performed in accordance with accepted maintenance practices on those sections of state trunkline highway as identified in a written Letter of Understanding.

- i. A written Letter of Understanding shall be drafted by MDOT and signed by both MDOT and the designated representative of the MUNICIPALITY. The letter shall remain in effect until either replaced or modified by the REGION ENGINEER and approved by the MUNICIPALITY. The letter will outline the number and type of maintenance activities to be performed under this Contract (A sample Letter of Understanding is attached as Appendix F). The Letter of Understanding shall provide sufficient detail of the work activities to be performed, expectations or outcomes from the performance of this work, and identification of budget line items for budgeting and billing purposes.
 - ii. The executed Letter of Understanding and all subsequent approved revisions thereto, is incorporated herein by reference as if the same were repeated in full herein.
 - iii. If the MUNICIPALITY is unable to perform any of the services outlined in the Letter of Understanding on a twenty-four (24) hour, seven (7) day-a-week basis, the MUNICIPALITY will immediately notify MDOT. MDOT will work with the MUNICIPALITY to ensure that the services defined in the Letter of Understanding are performed.
- b. Whenever the MUNICIPALITY performs permit assistance and inspection on behalf of MDOT:
- i. MDOT will require as a condition of the issuance of all permits as to which the MUNICIPALITY will perform services for MDOT, pursuant to this Contract, that the Permittee save harmless the State of Michigan, the Transportation Commission, the Department of Transportation and all officers, agents and employees thereof and the MUNICIPALITY, its officials, agents and employees against any and all claims for damages arising from operations covered by the permit.
 - ii. MDOT, for all permit activities for which it wishes the MUNICIPALITY to perform permit services for the DEPARTMENT pursuant to this Contract, will further require that

the Permittee, except as to permits issued to governmental entities and public utilities or unless specifically waived by the MUNICIPALITY in writing, provide comprehensive general liability insurance, including coverage for contractual liability, completed operations, and/or product liability, X, C, & U, and contractor's protective liability with a blasting endorsement when blasting is involved or commercial general liability insurance that includes all the above, naming as additional parties insured on all such policies the State of Michigan, the Michigan Transportation Commission, MDOT and all offices, agents and employees thereof, the MUNICIPALITY, its officials, agents and employees and that the Permittee provide to MDOT written proof of said insurance.

- iii. The amounts of such insurance will be no less than the following:

Comprehensive General Liability:

Bodily Injury	--	\$500,000 each occurrence
	---	\$500,000 each aggregate
Property Damage	--	\$250,000 each occurrence
	--	\$250,000 each aggregate

Commercial General Liability Insurance:

\$500,000 each occurrence and aggregate

- c. Special maintenance work, work not covered by the Line Item Budget, and work for any other Division of MDOT (non-maintenance work) may be performed under the terms of this Contract only upon written authorization approved by the REGION ENGINEER. Emergency work may be performed based on verbal approval given by the REGION ENGINEER and subsequently supported in writing. Work performed by the MUNICIPALITY for any Division other than the Maintenance Division will be supervised by the Division issuing a state Transportation Work Authorization (TWA).

Transportation Work Authorizations (TWA's) may be issued by the REGION ENGINEER for special maintenance work (work not covered by the Line Item Budget) and non-maintenance work. This work may be performed by the MUNICIPALITY or a subcontractor as set forth in Section 9. TWA's will be performed in accordance with MDOT'S accepted maintenance practices and specifications as specified on the TWA. The MUNICIPALITY will provide the necessary supervision or inspection to assure that the work is performed in accordance with the TWA.

The MUNICIPALITY and MDOT may agree to include additional maintenance items to be covered under this Contract. Such items may include, but are not limited to, maintenance of traffic control devices (signals), freeway lighting and intelligent traffic system (ITS). All such work will be listed in the Letter of Understanding, included in the line item budget and defined in a supplemental scope which will become an attachment to this contract.

The MUNICIPALITY shall be responsible for providing all traffic control necessary to complete the work as outlined in this Contract unless otherwise agreed to by MDOT.

The MUNICIPALITY and MDOT may also enter into separate agreements for the shared payment of installation, maintenance, and energy costs for traffic control devices.

- d. The REGION ENGINEER is authorized to issue written orders, as are necessary, for the performance of maintenance work under the provisions of this Contract.

Section 3. INTEGRATION OF STATE AND MUNICIPAL WORK

The MUNICIPALITY will furnish sufficient personnel, equipment, and approved material as needed to perform maintenance on state trunkline highways. Personnel and equipment will be used on municipal streets and state trunkline highways as conditions warrant.

Section 4. CONTRACT ADMINISTRATOR

The MUNICIPALITY hereby designates Stan Kirton as Contract Administrator on state trunkline highways, who will be responsible for budget and the administration of the contract. In the event the MUNICIPALITY desires to replace the Contract Administrator, the MUNICIPALITY will notify MDOT in writing.

Section 5. MAINTENANCE SUPERINTENDENTS AND CONTACTS

The MUNICIPALITY hereby designates, where applicable, the following:

Maintenance Superintendent (Streets): Bradford Holman (734) 368-7684
bholman@cityofypsilanti.com
horton-jim@yahoo.com

Signal/electrical Superintendent: Jim Horton (734) 323-8044

Storm Sewer Superintendent: Gary Burchwell (734) 368-7687
gburchwell@cityofypsilanti.com

Other (Specify): Janice Beckett jbeckett@cityofpsilanti.com
(734) 483-1421

who will supervise all work covered by this contract. In the event the MUNICIPALITY desires to replace the designated contacts, the MUNICIPALITY will notify MDOT in writing.

Section 6. WAGE SCHEDULE

Wages paid by the MUNICIPALITY for work on state trunkline highways will be the same as on street work for the MUNICIPALITY.

Premium Pay and Overtime Pay (specify under what conditions and percentage of regular rate paid if not specified in the attached labor agreement).

Please see attached AFSCME Contract

Pay for "show-up time" (Specify under what conditions and number of hours, if a minimum number is used and is not specified in the attached labor agreement).

Please see attached AFSCME Contract

No "stand by at home" pay will be included in charges for work on state trunkline highways.

MDOT will reimburse the MUNICIPALITY for Direct Labor Overhead costs on all labor costs properly chargeable to MDOT, including but not limited to, vacation, sick leave, holiday pay, workers' compensation, retirement, social security, group life insurance, hospitalization, longevity, unemployment insurance, and military leave, hereinafter referred to as "EMPLOYEE BENEFITS," in accordance with Section 16.

Section 7. MATERIALS TO BE ACQUIRED AND MATERIAL SPECIFICATIONS

Material necessary for the performance of this Contract may, at the option of the MUNICIPALITY, be purchased by the MUNICIPALITY unless otherwise directed by the REGION ENGINEER. The MUNICIPALITY shall advertise and receive competitive bids when such purchases exceed Ten Thousand Dollars (\$10,000.00) or if required by federal or state law.

The MUNICIPALITY shall retain documentation that such bids were taken for at least three (3) years following final payment made for such purchases. Failure to retain documentation that such bids were taken may result in denial of reimbursement of the costs of such materials.

The following materials: bituminous pre-mixed materials, bituminous materials, aggregates (except ice control sand), and traffic control devices used on state trunkline highways by the MUNICIPALITY will conform to current or supplemental specifications approved by MDOT, unless otherwise approved in advance by the REGION ENGINEER. The REGION ENGINEER may require approval by MDOT'S Construction Field Services Division or by a laboratory approved by that MUNICIPALITY and the REGION ENGINEER. If MDOT-owned materials are stored jointly with MUNICIPALITY-owned materials, proper and adequate inventory records must be maintained by the MUNICIPALITY, clearly indicating the portion that is MDOT-owned.

Section 8. PRICE SCHEDULE OF MATERIALS AND SERVICES

Materials supplied by the MUNICIPALITY, including aggregates and bituminous materials using raw materials either partially or wholly obtained from municipally-owned property, municipally-leased (in writing) property, or by written permit from state or privately-owned property, may be furnished at a firm unit price, subject to approval of source and price by the REGION ENGINEER. Firm unit prices are not subject to unit price adjustment by audit.

MDOT may audit all records necessary to confirm accuracy of quantities for which reimbursement is requested. Reimbursement for all materials supplied by the MUNICIPALITY that are not included in the firm unit price schedule will be in accordance with Subsection 16(d). Firm unit prices may be changed, added, or deleted upon written request by the MUNICIPALITY and approval by the REGION ENGINEER at least sixty (60) days prior to the effective date of the change, addition, or deletion.

FIRM UNIT PRICES

ITEM KIND	ITEM LOCATION	PRICE UNIT	PRICE INCLUDES*	PER UNIT
	N/A			

Insert above, the following applicable number(s):

*Firm Unit Price Includes:

<u>Item Kind</u>	<u>Item Locations</u>
1. Processing/or Mixing Costs	1. Pit Site
2. Stockpiling/or Hauling to Stockpile Costs	2. Yard
3. Royalty Costs	3. Other (Describe)
4. Municipal Supplied Salt or Calcium Chloride (when used in a winter salt/sand mixture)	
5. Winter Sand	
6. Bituminous Costs	
7. Other (Describe)	

MDOT may audit all records necessary to confirm the accuracy of the material quantities for all materials on the Firm Unit Price List for which the MUNICIPALITY requests reimbursement.

Listed items purchased from a vendor source or vendor stockpile for direct use on the trunklines are not eligible for firm unit price consideration and should be billed at vendor cost.

Section 9. SUBCONTRACTS

The MUNICIPALITY may subcontract any portion of the work to be performed under this contract. Bid/price solicitation and subcontracts will be in conformance with the MUNICIPALITY's contracting process, and applicable state laws, except as modified herein. All subcontracted work will require the MUNICIPALITY to submit a Quotation Request for Services or Equipment (Form 426) along with relevant bid and contract documents, and bid or quote tabulation.

All subcontracted work will be performed in accordance with the established Scope of Work outlined on Form 426 and any specifications developed by the MUNICIPALITY and/or MDOT for said subcontracted work. The scope of work and specifications (if any) must be approved by the REGION ENGINEER. The MUNICIPALITY will provide the necessary supervision or inspection to assure the subcontracted work is performed in accordance with the scope of work and specifications. At no time will the MUNICIPALITY pay for subcontracted work until the work has been inspected and approved for compliance with the scope of work and specifications.

Emergency work will be subcontracted based on a verbal approval given by the REGION ENGINEER. The work must be supported by the subsequent submission of Form 426 upon completion of work. State Administrative Board approval is required within thirty

(30) days of completion of emergency work for contracts of \$250,000 or greater. Work will be completed according to MDOT Emergency Guidelines.

It is the intent of the parties to extend the terms of the Contract if the subcontract work is in progress at the conclusion of the Contract term. This provision shall not apply if this Contract is terminated by the MUNICIPALITY or MDOT.

Failure to obtain the necessary approvals or to retain the documentation that the bids, prices, or rate quotations were solicited as required under this Section, may result in a denial of the reimbursement of the costs.

For subcontracts involving the items of Cleaning Drainage Structures, Roadway Sweeping and Flushing or Grass and Weed Control, the MUNICIPALITY will include a cancellation clause that will allow the MUNICIPALITY to cancel the subcontract if funds are not made available by MDOT.

County and/or Municipality-based advantage programs (CBA Process) or any type of preference program that awards contracts based on criteria other than low bid through the competitive bidding process, will not be used for MDOT-funded projects.

The term of the subcontract will not exceed five (5) years, said term will include any time extensions.

The subcontract solicitation and approval process will be as follows:

- a. **Subcontracts \$24,999 or less:** The MUNICIPALITY will solicit either a bid price, or rate quotation from three or more qualified sources. Documentation of solicitation from all qualified sources must be retained for at least three (3) years following final payment made for each subcontract. REGION ENGINEER approval of Form 426 is required.
- b. **Subcontracts \$25,000 or greater:** The MUNICIPALITY will advertise and award by competitive bid. Advertisements must clearly define contract term and location of work. Documentation of the solicitation from all qualified sources must be retained for at least three (3) years following final payment made for each subcontract. REGION ENGINEER approval of Form 426 is required.

State Administrative Board approval is required prior to the execution of contracts that are \$250,000 or greater.

State Administrative Board requirements for Amendments (previously referred to as overruns, extra work and adjustments), are outlined in Appendix E, attached hereto and made a part hereof.

Section 10. NON-DISCRIMINATION

- a. In connection with the performance of maintenance work under this Contract, the MUNICIPALITY (hereinafter in Appendix C referred to as the "contractor") agrees to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts," as set forth in Appendix C, dated June 2011, attached hereto and made a part hereof. This provision will be included in all subcontracts related to this Contract.
- b. During the performance of this Contract, the MUNICIPALITY, for itself, its assignees, and its successors in interest (hereinafter in Appendix G referred to as the "contractor") agrees to comply with the Civil Rights Act of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 U.S.C. Sections 1971, 1975a-1975d, and 2000a-2000h-6, and the Regulations of the Department of Transportation (49 CFR Part 21) issued pursuant to said Act, including Appendix G, dated June 2011, attached hereto and made a part hereof. This provision will be included in all subcontracts relating to this Contract.
- c. The MUNICIPALITY will carry out the applicable requirements of MDOT's Disadvantaged Business Enterprise (DBE) program and 49 CFR Part 26, including, but not limited to, those requirements set forth in Appendix H, dated October 1, 2005, attached hereto and made a part hereof.

Section 11. ANTI-KICKBACK

No official or employee of the MUNICIPALITY or of the State of Michigan will receive direct or indirect remuneration from purchases of materials, supplies, equipment, or subcontracts required for trunkline highway maintenance purposes.

Section 12. JURISDICTION OF STATE TRUNKLINE HIGHWAY

It is declared that the work performed under this Contract is a governmental function that the MUNICIPALITY performs for MDOT. This Contract does not confer jurisdiction upon the MUNICIPALITY over the state trunkline highways encompassed by this contract or over any other state trunkline highways. This Contract may not be construed to confer temporary or concurrent jurisdiction in the MUNICIPALITY over a state trunkline highway. Nothing inconsistent with the underlying statutory jurisdiction, duties, prerogatives, and obligations of MDOT is herein intended. The parties hereto further declare that this Contract is not made for the benefit of any third party.

Section 13. INSURANCE

- a. The MUNICIPALITY will furnish MDOT with a certificate of automobile liability insurance, which complies with the No-Fault Automobile Insurance laws of the State of Michigan. Insurance coverage shall include owned, non-owned, and hired motor vehicles. Such insurance shall be not less than Two Hundred

Fifty Thousand Dollars (\$250,000.00) for bodily injury or death of any one person. Coverage for public liability, property damage, and combined single limit shall also comply with Michigan No-Fault Automobile Insurance laws. The MUNICIPALITY shall also provide thirty (30) days notice to MDOT prior to cancellation, termination, or material change of the policy. The certificate of said insurance shall be submitted to MDOT on DEPARTMENT Form 428 (Certificate of Insurance for State Highway Maintenance Contract) covering public liability and property damage, indicating thereon the policy number, and the aforesaid thirty (30) days notice provisions and the limits of liability.

In the event the MUNICIPALITY is self-insured, a copy of the Secretary of State's certificate of self-insurance shall be submitted to MDOT.

- b. In the event that the MUNICIPALITY receives a Notice of Intent to File Claim and/or any complaint filed by a person seeking to recover damages from the MUNICIPALITY for its alleged acts or omissions on a state trunkline highway, the MUNICIPALITY shall provide a copy of such notice within fifteen (15) days of receipt of said notice or complaint to the Assistant Attorney General in Charge, hereinafter referred to as the "ASSISTANT ATTORNEY GENERAL," Van Wagoner Building, 4th Floor, 425 West Ottawa Street, Lansing, Michigan, 48909. Thereafter, the MUNICIPALITY shall provide copies of pleadings and other information regarding the claims or lawsuits when requested by the ASSISTANT ATTORNEY GENERAL and shall comply with all the obligations, duties and requirements of the general liability policy provided herein.

Section 14. WORKERS' DISABILITY COMPENSATION

The MUNICIPALITY will comply with the Michigan Workers' Disability Compensation Law as to all employees performing work under this Contract.

Section 15. BUDGET MANAGEMENT FOR MUNICIPALITIES WITH A BUDGET OF \$200,000 OR MORE (OPTIONAL FOR OTHER MUNICIPALITIES)

Each MDOT fiscal year, for Municipalities with a budget of \$200,000 or more, a winter and non-winter maintenance budget will be prepared separately. These budgets will be established by the Region Engineer within guidelines established by MDOT.

Prior to the development of an annual budget by the REGION ENGINEER, the MUNICIPALITY and REGION ENGINEER will meet and develop a proposed work plan which will include a schedule for routine maintenance and the associated cost of the work plan for the coming year. This proposed work plan will be broken down by month, and form the basis of the non-winter maintenance budget for the MUNICIPALITY for the next fiscal year. The non-winter budget will be balanced over all twelve months of the fiscal year. The budget will be adjusted each month to address budget overruns and under-runs to ensure that total MUNICIPALITY budget is not exceeded. The REGION ENGINEER will work with the MUNICIPALITY to reach agreement on the components

of this annual work plan, taking into consideration the features and conditions of the state trunkline system within the MUNICIPALITY's contract area, as well as the size of the MUNICIPALITY's staff that is available for state trunkline Highway maintenance. The REGION ENGINEER and the MUNICIPALITY will identify maintenance activities that can be performed in the winter months when not performing winter maintenance.

The MUNICIPALITY will work with the REGION ENGINEER to develop an annual priority plan for scheduling work over the term of this Contract consistent with MDOT'S road preservation objectives.

MDOT will establish the winter maintenance budget based on a five (5)-year average of winter expenditures which includes the costs for labor, fringe benefits, equipment, State Salt Stores, MUNICIPALITY-supplied road salt, winter sand, other de-icing chemicals and overhead.

The REGION ENGINEER and the MUNICIPALITY will review the non-winter maintenance budget together at least every other month. This review will cover work planned and conducted, work planned and not conducted, and the current status of the non-winter maintenance budget. Any adjustments to the proposed work plan to curtail or expand operations to meet budget limitations will be covered in this budget review. During winter operations, the winter budget will be reviewed monthly by the REGION ENGINEER and the MUNICIPALITY.

The REGION ENGINEER and MUNICIPALITY will meet between March 1 and May 15 of each budget year to discuss a supplemental non winter program. The supplemental non winter program will be funded by the remainder of the winter budget. During this meeting, participants will estimate the remainder of the winter budget; review the status of current and future bills for winter maintenance and propose a supplemental non winter program. The proposed work activities will be prioritized to support MDOT'S preservation strategy (APPENDIX I).

Section 16. REQUEST FOR REIMBURSEMENT

MDOT will reimburse the MUNICIPALITY for the following costs incurred in the performance of routine maintenance, non-maintenance, and all other work covered by this Contract, except as set forth in Sections 18, 19, 20, and 21. To be eligible for reimbursement under this Section, costs must be submitted to MDOT prior to the start of the audit for each respective year of the Contract period.

- a. MDOT'S share of the actual cost of all direct labor employed in the performance of this Contract, including the expense of permit inspection, field and office engineering, and including audit expenses in connection with projects on force account work by subcontractors.
- b. MDOT'S share of the cost of EMPLOYEE BENEFITS as referred to in Section 6 as a percentage of payroll. The percentage shall be developed

using MDOT Form 455M (Report of Employee Benefit Costs for the Municipality) and shall conform with the general accounts of the MUNICIPALITY on the MUNICIPALITY'S previous fiscal years' experience. These charges are subject to audit in accordance with Section 25.

- c. MDOT'S share of the actual cost of MUNICIPALITY owned or purchased energy.
- d. MDOT will reimburse the MUNICIPALITY for the cost of purchased bulk (measured by volume or weight) materials and Non-Bulk (measured by area or count) material used in the performance of this contract. The MUNICIPALITY shall deduct all discounts or rebates in excess of two percent (2%), to establish the reimbursed cost.
- e. MDOT will reimburse the MUNICIPALITY for the cost of handling materials furnished by the MUNICIPALITY and materials furnished by MDOT as follows:
 - i. **Bulk Items (measured by volume or weight):**
The direct expenses of handling, such as unloading, processing, stockpiling, heating or loading of materials measured by volume or weight in bulk, bags or drums such as aggregates, bituminous materials and chemicals, on condition that reimbursement of such expenses is not provided elsewhere herein, provided that these costs can be identified within the records of the MUNICIPALITY.
 - ii. **Non-Bulk Items (measured by area or count):**
A five percent (5%) handling and storage charge may be added to the purchase price of all materials measured by area or count provided such materials are stocked in and distributed from approved storage facilities. When reported by the MUNICIPALITY, charges for handling and storage in excess of five percent (5%) will be reimbursed to the MUNICIPALITY upon audit, provided that these charges can be identified and supported within the records of the MUNICIPALITY.
- f. Equipment owned by the MUNICIPALITY will be reimbursed at the established rental rates found in Schedule C, Report 375 Equipment Rental Rates, issued annually by MDOT. Rented equipment will be reimbursed at actual cost for the equipment rental.
- g. The amounts paid by the MUNICIPALITY to a subcontractor, as provided for in Section 9.

- h. The cost to the MUNICIPALITY for labor, materials, and equipment rental incurred in connection with engineering, supervision, and inspection of subcontract work.

- i. Overhead in Accordance with Attached Overhead Schedule.

MDOT will reimburse the MUNICIPALITY for overhead costs at the appropriate percentage rate as indicated in Appendix B. The overhead rate shall be based upon the original annual budget established for the MUNICIPALITY and shall not change.

The overhead amount payable under Section 16(i) is reimbursement to the MUNICIPALITY for all costs and expenses arising out of the performance of this Contract not specifically described in other sections of this Contract. This reimbursement includes salary and expenses (including transportation) of the Maintenance Superintendent (except as noted in Section 16(k)), salaries of clerical assistants, including radio communication staff, office expense, storage rentals on MUNICIPALITY owned property, and the cost of small road tools. Work tools without a power assist and used in a road or a bridge maintenance activity, are considered small road tools. Small road tools do not have an equipment rental rate listed in Schedule C, Report 375, Equipment Rental Rates. Small road tools are reimbursed as an overhead cost.

- j. MDOT will reimburse the MUNICIPALITY for MDOT'S pro-rata share of the cost to maintain chemical storage facilities as provided for in the chemical storage facility contracts between the MUNICIPALITY and MDOT.

- k. Requests for reimbursement to be made quarterly on the basis of certified statement of charges prepared and submitted by the MUNICIPALITY within thirty (30) days from the end of each quarter on forms furnished by MDOT or using an equivalent approved alternative format. Costs submitted beyond sixty (60) days from the end of each quarter will include written justification for the delay and will be paid only upon approval of the REGION ENGINEER. Upon written request to the REGION ENGINEER, payment may be made to the MUNICIPALITY on a monthly basis, after submission to MDOT of certified statements of costs for each monthly payment period. MUNICIPALITIES with a line item budget contract of \$200,000 or greater shall submit request for reimbursement on a monthly basis through MDOT'S Local Agency Payment System (LAPS).

- l. The MUNICIPALITY will be reimbursed as a direct cost for work performed by the Maintenance Superintendent making regular inspections

of state trunkline highways in accordance with written instructions from the REGION ENGINEER. This time shall be specifically recorded on daily time sheets and reported as a direct labor charge.

It is further agreed that in smaller municipalities, the Maintenance Superintendent designated above may at times be engaged in tasks other than those of a strictly supervisory nature, such as operator of a truck or other highway equipment. The MUNICIPALITY may be reimbursed for this time worked on state trunklines, provided that all such time for non-supervisory work is specifically recorded on the daily time sheet and reported on the Maintenance Payroll Report Form 410A. The exact dates on which the Maintenance Superintendent so worked, the number of hours worked, and the number of hours worked under each classification shall be indicated on the Maintenance Payroll Report Form 410A.

Section 17. ELECTRONIC FUNDS TRANSFER

Public Act 533 of 2004 requires that payments under this contract be processed by electronic funds transfer (EFT). The MUNICIPALITY is required to register to receive payments of EFT at the Contract & Payment Express website (www.cpexpress.state.mi.us).

Section 18. WINTER MAINTENANCE

The MUNICIPALITY will be compensated for winter maintenance on the basis of actual expenditures only. MDOT will share in the cost of snow hauling when each snow hauling effort is approved by the REGION ENGINEER. MDOT'S share of snow hauling will be determined based on the ratio of area designated for traffic movement to the total area of the state trunkline highway right-of-way within the agreed upon area of snowhaul. MDOT will subtract the area of parking lanes and sidewalks from the total area of the state trunkline highway right-of-way to determine the area designated for traffic movement. MDOT'S reimbursement for snow hauling from state trunkline highways, based upon this calculation, is paid at the rate of 40% percent (%) of actual charges supported by proper documentation. The frequency (annually, each storm, etc.) will be at the discretion of the REGION ENGINEER. The MUNICIPALITY should denote snow hauling charges as Activity 149, Other Winter Maintenance, on Trunk Line Maintenance Reports. A prior written authorization for each snow haul event from the REGION ENGINEER shall be required and kept on file for audit purposes.

The MUNICIPALITY agrees that it will prohibit additional snow from being deposited on the highway right-of-way from side streets.

Section 19. PAVEMENT MARKING

Compensation for the item of Pavement Marking will be made on the basis of actual expenditure only, except in no case will the MUNICIPALITY be compensated for a total

expenditure in excess of the amount designated for pavement marking in the Line Item Budget for the appropriate MDOT fiscal year. Compensation for Pavement Marking is limited to only painting authorized by the REGION ENGINEER. The MUNICIPALITY shall not include charges for curb painting in the routine maintenance cost for state trunkline maintenance.

Section 20. COMPENSATION FOR AESTHETIC WORK ITEMS

Compensation for the items of Sweeping and Flushing (activity 132), Grass and Weed Control (activity 126) and Roadside Clean up (activity 124) will be made on the basis of actual expenditures only, except that in no case will the MUNICIPALITY be compensated for a total expenditure in excess of the budget amount designated each of these three work activities on the Summary of the Field Activity Budget for the appropriate MDOT fiscal year.

The number of work operations for each of these three activities will be agreed upon between the MUNICIPALITY and REGION ENGINEER; and reflected in each line activity budget amount.

Section 21. TREES AND SHRUBS

Except for emergency work, the MUNICIPALITY will request MDOT'S written approval to remove dead trees and/or trim trees prior to the start of work. MDOT will pay all costs to remove dead trees. MDOT and MUNICIPALITY shall equally share costs when state and local forces combine efforts to trim trees within the trunkline right-of-way as approved by the REGION ENGINEER.

Section 22. EQUIPMENT LIST

The MUNICIPALITY will furnish MDOT a list of the equipment it uses during performance under this Contract, on MDOT form 471 (Equipment Specifications and Rentals.) This form shall be furnished to MDOT no later than February 28 of each year.

Section 23. RECORDS TO BE KEPT

The MUNICIPALITY will:

- a. Establish and maintain accurate records, in accordance with generally accepted accounting principals, of all expenses incurred for which payment is sought or made under this Contract, said records to be hereinafter referred to as the "RECORDS." Separate accounts will be established and maintained for all costs incurred under this Contract. The RECORDS include, but are not limited to:
 - i. Daily time cards for employees and equipment signed by the employee and his immediate supervisor or by a timekeeper and the supervisor when a timekeeper is employed. The daily time cards shall also indicate the

distribution to route sections and work items. Those MUNICIPALITIES using crew day cards may, if they prefer, retain crew day cards backed by a time record for the pay period signed as above in lieu of daily time cards detailing the distribution.

- ii. Properly signed material requisitions (daily distribution slips) showing type of material, quantity, units, date issued, and indicating distribution thereof to route sections and work items.
 - iii. Additional cost records as needed to support and develop unit cost charges and percentages applied to invoice cost. No such cost records are necessary in support of the overhead percentage or the five percent (5%) handling charge.
- b. Maintain the RECORDS for at least three (3) years from the date of MDOT'S receipt of the statement of charges for the quarter ending September 30 of each year of this contract period. In the event of a dispute with regard to the allowable expenses or any other issue under this Contract, the MUNICIPALITY will thereafter continue to maintain the RECORDS at least until that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.
- c. Allow MDOT or its representative to inspect, copy, scan, or audit the RECORDS at any mutually acceptable time. However, the MUNICIPALITY cannot unreasonably delay the timely performance of the audit.

Section 24. CERTIFIED STATEMENT OF CHARGES

The MUNICIPALITY hereby certifies that, to the best of the MUNICIPALITY'S knowledge, the costs reported to MDOT under this Contract will represent only those items that are properly chargeable in accordance with the Contract. The MUNICIPALITY also hereby certifies that it has read the contract terms and is aware of the applicable laws, regulations, and terms of this Contract.

Section 25. AUDIT

The MUNICIPALITY's records will be subject to audit. Charges by the MUNICIPALITY for maintenance of state trunkline highways and authorized non-maintenance work performed under this Contract will not be adjusted (increased or decreased) by audit after twenty-four (24) months subsequent to the date of MDOT'S receipt of certified statement of charges for the quarter ending September 30 of each year of this contract period. This limitation will not apply in case of fraud or misrepresentation of material fact or if mutually agreed to in writing.

The firm unit prices for aggregates and bituminous materials that are processed and furnished by the MUNICIPALITY will not be subject to adjustment.

If any adjustments are to be made, the MUNICIPALITY will be notified of the tentative exceptions and adjustments within the above twenty-four (24) month period. The twenty-four (24) month period is intended only as a limitation of time for making adjustments and does not limit the time for payment of such amounts. In the event that an audit performed by or on behalf of MDOT indicates an adjustment to the costs reported under this Contract or questions the allowability of an item of expense, MDOT will promptly submit to the MUNICIPALITY a Notice of Audit Results and a copy of the audit report, which may supplement or modify any tentative findings communicated to the MUNICIPALITY at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the MUNICIPALITY will:

- a. Respond in writing to the responsible Bureau of MDOT indicating whether or not it concurs with the audit report;
- b. Clearly explain the nature and basis for any disagreement as to a disallowed item of expense; and
- c. Submit to MDOT a written explanation as to any questioned or no opinion expressed item of expense, hereinafter referred to as the "RESPONSE." The RESPONSE will be clearly stated and will provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the MUNICIPALITY may supply appropriate excerpts and make alternate arrangements to conveniently and reasonably make that documentation available for review by MDOT. The RESPONSE will refer to and apply the language of the Contract.
- d. The MUNICIPALITY agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes MDOT to make a final decision to either allow or disallow any items of questioned cost, or no opinion expressed cost.

Upon review of the RESPONSE, if MDOT'S Dispute Audit Review Team (DART) does not agree with the RESPONSE, MDOT will provide the MUNICIPALITY an opportunity to appear before DART to explain and support its RESPONSE. This will occur within ninety (90) days of receipt of the RESPONSE, unless the time has been extended by MDOT. MDOT will make its decision regarding any disallowed or questioned cost items within 30 days after DART considers the appeal.

If after a DART decision MDOT determines that an overpayment has been made to the MUNICIPALITY, the MUNICIPALITY shall repay that amount to MDOT or notify MDOT of the MUNICIPALITY'S intent to appeal to the three member panel, which is described in this section of the contract or file a lawsuit in the court of proper jurisdiction to contest MDOT'S decision. MDOT shall not withhold or offset funds in dispute if the

MUNICIPALITY appeals to the three member panel or files a lawsuit in the court of proper jurisdiction. The appeal to the three member panel or the filing of a lawsuit in the court of proper jurisdiction shall be initiated by the MUNICIPALITY within thirty (30) days of the receipt of MDOT'S written notice that an overpayment has been made. If the MUNICIPALITY fails to repay the overpayment or reach an agreement with MDOT on a repayment schedule within the thirty (30) day period, the MUNICIPALITY agrees that MDOT will deduct all or a portion of the overpayment from any funds due the MUNICIPALITY by MDOT under the terms of any maintenance contract. The MUNICIPALITY expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to appeal to the three member panel or to file a lawsuit in the court of proper jurisdiction to contest MDOT'S decision only as to any item of expense the disallowance of which was disputed by the MUNICIPALITY in a timely filed RESPONSE. The MUNICIPALITY may ask the court of proper jurisdiction to bar MDOT from withholding or offsetting funds until the court finally decides the dispute.

The individuals on the three member panel shall be selected from state agencies not directly associated with MDOT. The MUNICIPALITY will appoint one (1) member and MDOT will appoint one (1) member. The third member of the panel will be selected by the two (2) appointed panel members. The decision of the panel shall be binding unless appealed to the proper court by either party within one hundred twenty (120) days after the decision of the panel has been issued.

Section 26. TERM OF CONTRACT

This Contract will be in effect from October 1, 2014 through September 30, 2019.

Section 27. TERMINATION OF CONTRACT

Either party may terminate this Contract. Termination may occur in any year, but only in the months of April, May, or June. Written notice of intent to terminate this Contract shall be provided to the other party at least ninety (90) days prior to the date of termination.

Section 28. STATE ADMINISTRATIVE BOARD RESOLUTION

The provisions of the State Administrative Board Resolution 2011-2 of August 30, 2011, as set forth in Appendix D, attached hereto and made a part hereof.

Section 29. CONTRACT CONTENT

In case of any discrepancies between the body of this Contract and any exhibits hereto, the body of this Contract will govern.

Section 30. AUTHORIZED SIGNATURE(S)

This Contract will become binding on the parties and of full force and effect upon signing by the duly authorized official(s) of the MUNICIPALITY and of MDOT and upon adoption of a resolution approving said Contract and authorizing the signature(s) thereto of the respective official(s) of the MUNICIPALITY, a certified copy of which resolution will be sent to MDOT with this CONTRACT, as applicable.

CITY OF YPSILANTI

BY: _____
TITLE:

BY: _____
TITLE:

MICHIGAN DEPARTMENT OF TRANSPORTATION

BY: _____
TITLE: MDOT Director

APPENDIX A
MICHIGAN DEPARTMENT OF TRANSPORTATION
MUNICIPALITY CONTRACT
DEFINITIONS

Annual Work Plan: A schedule developed by the Municipality, and a Region Engineer designee, of the routine maintenance work to be performed annually on state trunklines by the Municipality.

Budget/Field Activity Budget: Both items are defined as the budgeted amount distributed to the Municipality at the beginning of the fiscal year (October 1).

Chemical Storage Facilities: Bulk salt storage buildings.

Components of an Annual Work Plan: An outline of agreed upon maintenance activities to be performed to meet the needs of the trunkline. The components of this plan shall be a list of prioritized maintenance needs and a general break-down of how the Municipality's budget will be applied to the standard maintenance activity groups to facilitate work on the maintenance needs.

DEPARTMENT: Means the Michigan Department of Transportation.

Dispute Audit Resolution Team (DART): Is a team comprised of the Deputy Director for the Bureau of Finance and Administration as the chairperson, the Commission Auditor, the Deputy Director for the bureau involved, and the Assistant Attorney General in Charge of the Transportation Division, as the legal advisor.

Equipment Specifications and Rentals: An annual list of equipment proposed to be used on the state trunkline system by the Municipality forwarded to the Department with the hourly rates of each piece of equipment, for which rates may be modified by the Municipality based on their equipment experience.

Equipment Questionnaire: A report prepared by the Municipality and forwarded to the Department to substantiate the previous year's actual equipment costs.

Michigan State Transportation Commission: The policy-making body for all state transportation programs. The Commission establishes policy for the Michigan Department of Transportation in relation to transportation programs and facilities and other such works as related to transportation development as provided by law. Responsibilities of the Commission include the development and implementation of comprehensive transportation plans for the entire state, including aeronautics, bus and rail transit, providing professional and technical

assistance, and overseeing the administration of state and federal funds allocated for these programs.

Office of Commission Audit (OCA): The Office of Commission Audit reports directly to the Michigan State Transportation Commission. The Office of Commission Audits is charged with the overall responsibility to supervise and conduct auditing activities for the Department of Transportation. The auditor submits to the Commission reports of financial and operational audits and investigations performed by staff for acceptance.

Region Engineer: The Department's designated chief engineer (or designee) responsible for the oversight of each MDOT region.

Schedule C Equipment Rental Rates: The Department's annual list of statewide hourly equipment rental rates that shall be charged for the use of road equipment calculated from the average costs submitted by each agency in the Equipment Questionnaire.

Small Hand Tools: Hand tools which do not have power assist (non-powered) used for general road and bridge maintenance such as rakes, shovels, brooms, etc.

State Administrative Board: The State Administrative Board consists of the Governor, Lieutenant Governor, Secretary of State, Attorney General, State Treasurer, and the Superintendent of Public Instruction. The State Administrative Board has general supervisory control over the administrative activities of all state departments and agencies, including but not limited to, the approval of contracts and leases, oversight of the state capitol outlay process, and the settlement of small claims against the state.

State Trunkline Highway: A road, highway, or freeway under the jurisdiction of the Department, and usually designated with an M, US, or I preceding the route number.

Winter maintenance: Maintenance operations centered on the process to remove snow and ice from the trunkline to provide a reasonably clear and safe driving surface under winter conditions. The work codes (PCA codes) that define the budget line items for winter maintenance are:

14100: Winter maintenance

14400: Winter road patrol (*See winter maintenance patrol above*)

14900: Other winter maintenance (*Shall include maintenance items resulting from winter maintenance, but not actual winter maintenance, i.e. sweeping and flushing immediately after winter ends*)

This work includes all material costs required to conduct work under the above PCA codes.

APPENDIX B

MICHIGAN DEPARTMENT OF TRANSPORTATION

MUNICIPALITY CONTRACT

OVERHEAD SCHEDULE

Effective October 1, 2014, through September 30, 2019

Set forth below is the table of allowable percentages for Overhead, Supervision, and Expense of Small Tools paid by the Michigan Department of Transportation in connection with state trunkline highways maintenance contracts. Small tool expense includes tarpaulin, barricades, hand sanders, torches, flags, picks, shovels, saws, axes, wheelbarrows and other tools up to seventy five dollars in value for each tool, except for those units presently classified in the Equipment Rental Rate Book.

Original Annual Budget Amount	Percent Allowed for Overhead	Percent Allowed for Small Tools	Total Percent Allowed
Up to \$25,000 _____	10.50 _____	.50 _____	11.00
\$25,001 to \$50,000 _____	9.65 _____	.50 _____	10.15
\$50,001 to \$75,000 _____	8.75 _____	.50 _____	9.25
\$75,001 to \$100,000 _____	7.85 _____	.50 _____	8.35
\$100,001 and over _____	7.00 _____	.50 _____	7.50

APPENDIX C

PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants will be regarded as a material breach of this contract.
2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.
3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.
5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of the contractor's commitments under this Appendix.
6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.

7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.
8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.
9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

Revised June 2011

APPENDIX D

STATE ADMINISTRATIVE BOARD

RESOLUTION 2011-2

PROCEDURES APPLICABLE TO MDOT CONTRACTS AND GRANTS AND RESCISSION OF RESOLUTIONS 2003-2 and 2005-2

WHEREAS, the State Administrative Board ("Board") exercises general supervisory control over the functions and activities of all administrative departments, boards, commissioners, and officers of this State, and of all State institutions pursuant to Section 3 of 1921 PA 2, MCL 17.3;

WHEREAS, the Board may adopt rules governing its procedures and providing for the general conduct of its business and affairs pursuant to Section 2 of 1921 PA 2, MCL 17.2;

WHEREAS, exercising its power to adopt rules, the Board adopted Resolution 2003-1 on March 4, 2003, lowering the threshold for Board approval of all new contracts, grants and amendments to \$25,000 or more for the purchase of materials or services unless specifically approved by the Governor, and simultaneously adopted Resolution 2003-2 setting forth certain exceptions to Resolution 2003-1;

WHEREAS, the Board has adopted Resolution 2011-1, raising the threshold for Board approval of all new contracts and grants to \$250,000 or more and of all amendments to \$125,000 or more, and rescinding Resolution 2003-1;

WHEREAS, the Michigan Department of Transportation ("MDOT") is a party to a considerable number of contracts, the majority of which are funded via grants administered by federal agencies including the U.S. Department of Transportation's Federal Highway Administration, Federal Transit Administration, Federal Railroad Administration and Federal Aviation Administration, which oversee MDOT's administration of such contracts and amendments thereto;

WHEREAS, MDOT has implemented internal procedures to assure the proper expenditure of state and federal funds and is subject to financial and performance audits by the Office of Commission Audits pursuant to 1982 PA 438, MCL 247.667a;

WHEREAS, MDOT is a party to a significant number of contracts which by their nature involve substantial consideration and often require amendments arising out of changes in scope, differing field conditions and design errors and omissions;

WHEREAS, delays in the approval of amendments to contracts can result in: postponement of payments to subcontractors and suppliers; work slow downs and stoppages; delays in the completion of projects; exposure to additional costs; and exposure to litigation arising out of contractor claims; and

WHEREAS, recognizing the Board's duty to promote the efficiency of State Government, the Board resolves as follows:

1. Resolution 2003-2 is rescinded.
2. Resolution 2005-2 is rescinded.
3. A contract for professional design, engineering or consulting services requiring MDOT prequalification in connection with the construction or physical improvement of a street, road, highway, bridge, transit or rail system, airport or other structure congruous with transportation ("Professional Engineering Consultant Contract") or a contract for the construction or physical improvement of a street, road, highway, bridge, transit or rail system, airport or other structure congruous with transportation ("Construction Contract") must be approved by the Board prior to execution by MDOT if the amount of the contract is \$500,000 or more. MDOT may obtain approval of the solicitation of a Professional Engineering Consultant Contract or a Construction Contract which, based on the estimate prepared by an engineer employed by the State of Michigan, is estimated to be \$500,000 or more. A contract arising out of such solicitation must be approved by the Board prior to execution by MDOT if the amount of the contract exceeds 110% of the State engineer's estimate.
4. An amendment to a Professional Engineering Consultant Contract or a Construction Contract must be approved by the Board prior to execution by MDOT if the amount of the amendment and the sum of all previous amendments exceeds 10% of the original contract, except that an amendment to a Professional Engineering Consultant Contract or a Construction Contract need not be approved by the Board if: a) approved in accordance with applicable federal law or procedure by a representative of a federal agency contributing funds to the project that is the subject of the contract; or b) approved in accordance with MDOT's internal procedures provided the procedures include approval by at least one MDOT employee who has managerial responsibility and is neither the project manager nor directly involved in the administration of the project.
5. A contract for services not requiring MDOT prequalification ("Service Contract") in the amount of \$250,000 or more must be approved by the Board prior to execution by MDOT. A Service Contract does not include a Professional Engineering Consultant Contract or a Construction Contract.
6. An amendment to a Service Contract must be approved by the Board prior to execution by MDOT if the amount of the amendment and the sum of all previous amendments total \$125,000 or more. Thereafter, an amendment to a Service Contract must be approved by the Board if the amount of the amendment and the sum of all amendments executed after the most recent Board approval total \$125,000 or more.
7. A contract involving the conveyance of any real property interest under the jurisdiction of MDOT must be approved by the Board prior to execution by MDOT if the fair market value of the interest is \$250,000 or more. Fair market value must be determined in accordance with procedures approved by the State Transportation Commission.

8. MDOT may enter into a contract with a sub-recipient without approval of the Board if: a) the purpose of the contract is to provide federal or state matching funds for a project; b) MDOT has been authorized by an agency administering any federal funds to award them to the sub-recipient; and c) the sub-recipient has agreed to fully reimburse the State in the event the sub-recipient does not use the funds in accordance with the purpose of the funding. A sub-recipient includes, but is not limited to, a local unit of government, a governmental authority, a private non-profit entity, a railroad or a rail service provider.

9. MDOT may enter into a cost participation contract with a local unit of government without approval of the Board if: a) the contract involves the construction or physical improvement of a street, road, highway, bridge or other structure congruous with transportation; b) the construction or improvement is funded by federal, state or local funds; and c) the contract is approved by each entity providing funds or in accordance with applicable law.

10. MDOT may enter into a contract in connection with the award of a grant, including state matching funds, to a local unit of government, a governmental authority, a private non-profit entity, a railroad or a rail service provider, without approval of the Board if the contract provides that the recipient will fully reimburse the State in the event grant funds are not used in accordance with the terms of the grant.

11. MDOT may enter into a contract with an airport sponsor without approval of the Board if the contract has been approved by the Michigan Aeronautics Commission.

12. MDOT may enter into a contract or award a grant without approval of the Board in situations where emergency action is required. For all emergency contracts or grants of \$250,000 or more, MDOT must transmit to the Board a written report setting forth the nature of the emergency and the key terms of the contract or grant within 30 days of executing the contract or awarding the grant.

13. Notwithstanding any provision of this resolution, the Board may require MDOT to report the status of any project and may require MDOT to obtain Board approval of any contract, grant or any amendment to a contract.

This Resolution is effective _____, 2011.



APPENDIX E

SUBCONTRACT REQUIREMENTS

SUMMARY OF STATE ADMINISTRATIVE BOARD REQUIREMENTS FOR AMENDMENTS (PREVIOUSLY REFERRED TO AS OVERRUNS, EXTRA'S AND ADJUSTMENTS)

Administrative Board Resolution (2011-2, August 30, 2011)

Amendments

Amendment Amount	Subcontract Requirements:	State Administrative Board Approval
\$124,999 or less	• Prior to start of work, Region Engineer verbal approval required. • Documentation of amendment is required by the Municipality. A revised Form 426 must be completed and signed by the Region Engineer. • A copy of the approved Form 426 is sent to the Operations Field Services Division Contract Administrator.	Not required
\$125,000 or greater	• Documentation of amendment is required by the Municipality A revised Form 426 must be completed and signed by the Region Engineer. • When amendment amount and sum of all previous amendments total \$125,000 or greater, the Form 426 packet is sent to the Operations Field Services Division Contract Administrator. 2.State Administrative Board (SAB) approval is required prior to the start of work.	Required

Definition of Term: Amendment includes situations where the original contract quantity or contract cost is exceeded. It also includes situations where quantities or work are added to the original contract as extra's or adjustments.



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

KIRK T. STEUDLE
DIRECTOR

APPENDIX F

SAMPLE: Letter of Understanding

Date

Contract Agency Name
Address
Contact Person, Title

**RE: Clarification of State Trunkline Maintenance Contract between Michigan
Department of Transportation (MDOT) and the (insert name of contract agency)**

Dear _____:

This Letter of Understanding is in follow up to our recent meeting held on _____ and will serve as a reference to clarify the Scope of Work set forth in Section 2, of the State Trunkline Maintenance Contract.

The Scope of Work will be limited to (insert type of work activities and frequency of work to be performed) on the state trunkline (indicate routes) in the City of _____. The work activities are to be conducted by the City as a part of the Contract with MDOT.

The Scope of Work shall include traffic control to perform the work.

Request for reimbursement of the Scope of Work activities identified herein shall be in accordance with Section 16 of the Contract.

Subcontracting of any work activities shall be in accordance with Section 9 of the Contract.

Please sign each of the two original letters enclosed. Please keep one copy for your records and return the other copy to my attention.

Sincerely,

Name
Maintenance Engineer
MDOT ____TSC

APPROVED BY:

City of _____ agrees to the terms and conditions stated in this agreement.

Dated this _____ day of _____, 2014

Name, Title

APPROVED BY:

Region Engineer
Michigan Department of Transportation

Date _____

APPENDIX G
TITLE VI ASSURANCE

During the performance of this contract, the contractor, for itself, its assignees, and its successors in interest (hereinafter referred to as the "contractor"), agrees as follows:

1. **Compliance with Regulations:** For all federally assisted programs, the contractor shall comply with the nondiscrimination regulations set forth in 49 CFR Part 21, as may be amended from time to time (hereinafter referred to as the Regulations). Such Regulations are incorporated herein by reference and made a part of this contract.
2. **Nondiscrimination:** The contractor, with regard to the work performed under the contract, shall not discriminate on the grounds of race, color, sex, or national origin in the selection, retention, and treatment of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices, when the contractor covers a program set forth in Appendix B of the Regulations.
3. **Solicitation for Subcontracts, Including Procurements of Materials and Equipment:** All solicitations made by the contractor, either by competitive bidding or by negotiation for subcontract work, including procurement of materials or leases of equipment, must include a notification to each potential subcontractor or supplier of the contractor's obligations under the contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and facilities as may be determined to be pertinent by the Department or the United States Department of Transportation (USDOT) in order to ascertain compliance with such Regulations or directives. If required information concerning the contractor is in the exclusive possession of another who fails or refuses to furnish the required information, the contractor shall certify to the Department or the USDOT, as appropriate, and shall set forth the efforts that it made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Department shall impose such contract sanctions as it or the USDOT may determine to be appropriate, including, but not limited to, the following:
 - a. Withholding payments to the contractor until the contractor complies; and/or
 - b. Canceling, terminating, or suspending the contract, in whole or in part.

6. **Incorporation of Provisions:** The contractor shall include the provisions of Sections (1) through (6) in every subcontract, including procurement of material and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the Department or the USDOT may direct as a means of enforcing such provisions, including sanctions for non-compliance, provided, however, that in the event a contractor becomes involved in or is threatened with litigation from a subcontractor or supplier as a result of such direction, the contractor may request the Department to enter into such litigation to protect the interests of the state. In addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Revised June 2011

(Revised October 1, 2005)

APPENDIX H

Assurances that Recipients and Contractors Must Make (Excerpts from US DOT Regulation 49 CFR § 26.13)

- A. Each financial assistance agreement signed with a DOT operating administration (or a primary recipient) must include the following assurance:

The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any US DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26 and as approved by US DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

- B. Each contract MDOT signs with a contractor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance:

The contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of US DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.

APPENDIX I

Non-Winter Maintenance Activity & Level of Service Priority

For the purposes of defining priority levels, the following guidance is suggested:

"Critical" work activities are those which address conditions in the infrastructure that pose an imminent threat to public health and safety. This would include instances in which defects or damage currently exist and must be repaired to restore the infrastructure to a safe operating condition. Examples may include filling existing potholes, repairing significantly damaged guardrail, grading shoulders with an edge drop in excess of 1 ½ inches or replacing a collapsed culvert.

"High Priority" work activities are those which address serious deficiencies in the condition of the infrastructure which, in the professional judgment of the Region and TSC management, could lead to defects or damage in the near future that would seriously impact public health and safety if they are not addressed now. Examples may include repairing significantly deteriorated pavement joints and cracks or repairing culverts with section loss.

"Routine/Preventive" work activities are those which address the condition of the infrastructure in such a way as to maintain or prevent the condition from deteriorating to serious condition. Examples may include sealing pavement cracks, grading shoulders, cleaning culverts and ditches, and brushing.

Priority Group 1:

Traffic Signal Energy
Facility Utilities
Freeway Lighting Energy
Operation of Pump Houses
Operation of Movable Bridges
Auto Liability Insurance (county contracts)
Supervision (county contracts)
Roadway Inspection (minimum acceptable level- county contracts)
Billable Construction Permits
Equipment Repair and Servicing
Fuel
Critical Surface Maintenance
Critical Guardrail Repair
Critical Sign Replacement
Critical Drainage Repair
Critical Traffic Signal Repair
Critical Freeway Lighting Repair
Critical Response to Traffic Incidents (to assist in traffic control, facility restoration)

Critical Drainage Area Sweeping (to prevent roadway flooding)
Critical Structural Maintenance on Bridges
Critical Pump House Maintenance
Critical Shoulder Maintenance (to address shoulder drops greater than 1 ½")
Critical Impact Attenuator Repair
Clear Vision Area Mowing
Removal of Large Debris and Dead Animals (from the traveled portion of the roadway)
Rest Area and Roadside Park Maintenance

Priority Group 2:

High Priority Surface Maintenance
High Priority Guardrail Repair
High Priority Sign Replacement
High Priority Drainage Repair
High Priority ROW Fence Repair
High Priority Shoulder Maintenance
High Priority Structural Maintenance
Adopt-A-Highway
Youth Corps in designated urban areas
Mowing (First Cycle)
Freeway Slope Mowing in designated urban areas
Litter Pickup in designated urban areas
Graffiti Removal in designated urban areas
Freeway Lighting Maintenance & Repair

Priority Group 3:

Mowing (Additional Cycles)
Brushing
Sweeping, beyond critical drainage areas
Litter Pickup, outside designated urban areas
Graffiti Removal, outside designated urban areas
Routine/Preventive Surface Maintenance
Routine/Preventive Guardrail Repair
Routine/Preventive Sign Replacement
Routine/Preventive Drainage Repair
Routine/Preventive Shoulder Maintenance
Routine/Preventive Structural Maintenance
Routine/Preventive Pump House Maintenance
Routine/Preventive Traffic Signal Maintenance
Youth Corps outside of designate urban areas
Non-motorized path maintenance



Resolution No. 2014 – 208
September 2, 2014

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT _____ be appointed as Delegate and
_____ be appointed as Alternate for the Annual
Convention of the Michigan Municipal League to be held October 15-17, 2014 in Marquette,
Michigan.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:



michigan municipal league

Better Communities. Better Michigan.

August 6, 2014

Michigan Municipal League Annual Meeting Notice

(Please present at the next Council, Commission or Board Meeting)

Dear Official:

The Michigan Municipal League Annual Convention will be held in Marquette, October 15-17, 2014. The League's "Annual Meeting" is scheduled for 11:15 am on Thursday, October 16 in the Lakes Ballroom at the Northern Michigan University. The meeting will be held for the following purposes:

1. Election of Trustees. To elect six members of the Board of Trustees for terms of three years each (see #1 on page 2).
2. Policy. A) To vote on the Core Legislative Principles document.
In regard to the proposed League Core Legislative Principles, the document is available on the League website at <http://www.mml.org/delegate>. If you would like to receive a copy of the proposed principles by fax, please call Susan Vasher at the League at 800-653-2483.

B) If the League Board of Trustees has presented any resolutions to the membership, they also will be voted on. (See #2 on page 2.)
In regard to resolutions, member municipalities planning on submitting resolutions for consideration by the League Trustees are reminded that under the Bylaws, they must be submitted to the Trustees for their review by September 16, 2014.
3. Other Business. To transact such other business as may properly come before the meeting.

Designation of Voting Delegates

Pursuant to the provisions of the League Bylaws, you are requested to designate by action of your governing body one of your officials who will be in attendance at the Convention as your official representative to cast the vote of the municipality at the Annual Meeting, and, if possible, to designate one other official to serve as alternate. Please submit this information through the League website by visiting <http://www.mml.org/delegate> no later than September 24, 2014.

Regarding the designation of an official representative of the member to the annual meeting, please note the following section of the League Bylaws:

"Section 4.4 - Votes of Members. Each member shall be equally privileged with all other members in its voice and vote in the election of officers and upon any proposition presented for discussion or decision at any meeting of the members. Honorary members shall be entitled to participate in the discussion of any question, but such members shall not be entitled to vote. The vote of each member shall be cast by its official representative attending the meeting at which an election of officers or a decision on any proposition shall take place. Each member shall, by action of its governing body prior to the annual meeting or any special meeting, appoint one official of such member as its principal official representative to cast the vote of the member at such meeting, and may appoint one official as its alternate official representative to serve in the absence or inability to act of the principal representative."

1. Election of Trustees

Regarding election of Trustees, under Section 5.3 of the League Bylaws, six members of the Board of Trustees will be elected at the annual meeting for a term of three years. The regulations of the Board of Trustees require the Nominations Committee to complete its recommendations and post the names of the nominees for the Board of Trustees on a board at the registration desk at least four hours before the hour of the business meeting.

2. Statements of Policy and Resolutions

Regarding consideration of resolutions and statements of policy, under Section 4.5 of the League Bylaws, the Board of Trustees acts as the Resolutions Committee, and "no resolution or motion, except procedural and incidental matters having to do with business properly before the annual meeting or pertaining to the conduct of the meeting, shall be considered at the annual meeting unless it is either (1) submitted to the meeting by the Board of Trustees, or (2) submitted in writing to the Board of Trustees by resolution of the governing body of a member at least thirty (30) days preceding the date of the annual meeting." Thus the deadline this year for the League to receive resolutions is **September 16, 2014**. Please submit resolutions to the attention of Daniel P. Gilmartin, Executive Director/CEO at 1675 Green Rd., Ann Arbor, MI 48105. Any resolution submitted by a member municipality will go to the League Board of Trustees, serving as the resolutions committee under the Bylaws, which may present it to the membership at the Annual Meeting or refer it to the appropriate policy committee for additional action.

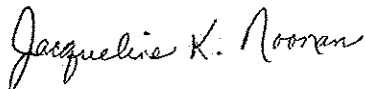
Further, "Every proposed resolution submitted by a member shall be stated in clear and concise language and shall be accompanied by a statement setting forth the reasons for recommending the proposed resolution. The Board shall consider the proposal at a Board meeting prior to the next annual meeting and, after consideration, shall make a recommendation as to the advisability of adopting each such resolution or modification thereof."

3. Posting of Proposed Resolutions and Core Legislative Principles

The proposed Michigan Municipal League Core Legislative Principles and any new proposed Resolutions recommended by the Board of Trustees for adoption by the membership will be available on the League website, or at the League registration desk to permit governing bodies of member communities to have an opportunity to review such proposals and delegate to their voting representative the responsibility for expressing the official point of view of the member at the Annual Meeting.

The Board of Trustees will meet on Wednesday, October 15 in the Lakes Ballroom at Northern Michigan University for the purpose of considering such other matters as may be requested by the membership, in addition to other agenda items.

Sincerely,



Jacqueline Noonan
President
Mayor of Utica



Daniel P. Gilmartin
Executive Director & CEO



**Barr,
Anhut &
Associates, P.C.**
ATTORNEYS AT LAW

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e-mail: jbarr@barrlawfirm.com

John M. Barr
Karl A. Barr
~~~~~

Jesse O'Jack ~ Of Counsel  
William F. Anhut ~ Of Counsel – Retired  
Jane A. Slider ~ Legal Assistant

**REQUEST FOR LEGISLATION**

DATE: August 27, 2014

FROM: John M. Barr, Ypsilanti City Attorney

SUBJECT: DDA Streetscape Agreement

**SUMMARY/BACKGROUND**

Staff and the DDA have been working on an agreement to assign responsibility for streetscape maintenance. The parties have been operating under the agreement for some time but I found that the actual written agreement has not been executed. The attached agreement has been approved by the DDA board.

I recommend council approval of the agreement so the city can execute. I have approved the agreement as to form.

ATTACHMENTS: Streetscape Agreement

RECOMMENDED ACTION: Approval of the Agreement

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DATE RECEIVED: 8/27/14 AGENDA ITEM NO.

CITY MANAGER COMMENTS:

FOR AGENDA OF: \_\_\_\_\_ FINANCE DIR. APPROVAL

COUNCIL ACTION TAKEN:



Resolution No. 2014-209  
September 2, 2014

Resolution to approve DDA Streetscape Maintenance Agreement

Whereas, the Ypsilanti Downtown Development Authority (DDA) has made improvements to the Cross Street Area, and

Whereas, the City of Ypsilanti and the DDA desire to provide for maintenance responsibilities of the Cross Street Area improvements, and

Whereas, the DDA board of directors have approved such an agreement that is approved as to form by the city attorney, and

Whereas, staff has approved the agreement.

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

The attached Agreement for Cross Street Streetscape Maintenance is approved and the Mayor and City Clerk are authorized to sign for and on behalf of the City of Ypsilanti.

OFFERED BY: \_\_\_\_\_

SUPPORTED BY: \_\_\_\_\_

YES:            NO:            ABSENT:            VOTE:

AGREEMENT  
FOR CROSS STREET STREETSCAPE MAINTENANCE

This Agreement between the CITY OF YPSILANTI, a Michigan municipal Home-rule corporation of One South Huron Street, Ypsilanti, Michigan 48197, referred to as "CITY", and the YPSILANTI DOWNTOWN DEVELOPMENT AUTHORITY, A Michigan municipal authority, whose address is 1 South Huron Street, Ypsilanti, MI 48197 referred to as "DDA".

DDA and agrees to provide Streetscape maintenance services in the DDA area(s) of the city of Ypsilanti in an area described as:

West Cross Street from Normal to Washington Streets  
East Cross Street from Rice to River Streets  
as shown on attached map marked Exhibit A

Maintenance Services.

DDA will perform the following services:

- A. Care for all plantings in area, including but not limited to rain gardens, islands, grass, plants. Care shall include watering, cutting grass (except as set out herein), plant (but not tree) pruning, leaf and plant waste removal, fertilize as necessary, spraying for insects and disease as necessary, after warranty period.
- B. Furnishing and planting all plants in planters and islands and "bump-outs" as needed by existing containers and per a plan to be agreed upon.

CITY will perform the following services:

- A. Regular street sweeping as required by Michigan Department of Transportation guidelines.
- B. Striping along cross walks, except for State trunk lines.
- C. Tree pruning as required and disposal of tree pruning debris as well as leaf removal, after maintenance period.
- D. Tree replacement, after maintenance period.

BOTH PARTIES will:

- A. Refer any issues or problems with street lights to Detroit Edison Company for solution.
- B. Partner on maintenance, repair or replacement of seat wall fixtures.

Standard of Performance: The DDA shall perform the Contract faithfully and diligently and perform the services in a competent, professional, satisfactory and proper manner and during the Contract term or extensions thereof, use every best effort and endeavor to promote the interests of the CITY and devote such time, attention, skill, knowledge and ability as is necessary to most effectively and efficiently carry out and perform the Contract.

The parties understand and agree that the CITY or the DDA may terminate this Contract at any time with 30 days notice.

This Contract is to be performed in Washtenaw County, Michigan, and all legal venues shall exclusively lie therein.

Independent DDA: The relationship of the DDA to the CITY is and shall continue to be that of an independent contractor and no liability or benefits such as worker's compensation, pension rights, or other rights or liabilities arising out of or related to a contract for hire or employer/employee relationship shall arise or accrue to either party as a result of the performance of this Contract.

Waiver of Liability: The DDA hereby waives any claim against the CITY and agrees not to hold the CITY liable for any personal injury or damage incurred by it, its employees or associates on this project which is not held by a court of competent jurisdiction to be directly attributable to the sole and/or gross negligence or malicious intentional conduct of any employee of the CITY acting within the scope of their employment. It further agrees to hold the CITY harmless from any such claim by its employees or associates.

The City agrees not to hold the DDA liable for any personal injury or damage incurred by it, its employees or associates on this project which is not held by a court of competent jurisdiction to be directly attributable to the sole and/or gross negligence or malicious intentional conduct of any employee of the DDA acting within the scope of their employment. It further agrees to hold the DDA harmless from any such claim by its employees or associates.

For the purpose of the hold harmless indemnity and insurance provisions contained in this Contract, the term "CITY" shall be deemed to include the City of Ypsilanti and all other associated, affiliated, allied or subsidiary entities, or commissions, officers, agents, representatives and employees.

Insurance: The CITY shall maintain insurance and the DDA, prior to commencing work, shall provide at DDA's own cost and expense the following insurance to the CITY in insurance companies licensed and/or approved in the State of Michigan, which insurance shall be evidenced by certificates and/or policies as determined by the CITY. All policies and certificates of insurance shall be approved by the Department of City Manager of the CITY prior to the inception of any work.

Each certificate or policy shall require that, thirty days prior to cancellation or material change in the policies, notice thereof shall be given to the CITY of registered mail, return receipt requested, for all of the following stated insurance policies. All such notices shall name the DDA and identify the contract number.

Worker's Compensation insurance with Michigan statutory limits and employers' liability insurance with minimum limits of \$100,000 each accident.

General Liability insurance with a minimum limit of liability per occurrence of \$1,000,000 Combined Single Limit (Bodily Injury/Property Damage).

This insurance shall indicate on the Certificate of Insurance the following coverages:

- (a) Premises - Operations
- (b) Independent DDA and Sub-DDAs
- (c) Products and Completed Operations
- (d) Broad Form Contractual
- (e) Broad Form Liability Endorsement

Protective Liability Insurance: Owners and DDAs. The DDA shall provide a duplicate of the insurance policy to the City Manager. This insurance contract shall name the CITY as the additional insured and remain in effect until the contract is accepted by the CITY.

The insurance shall provide minimum limits of liability per occurrence of \$300,000. Combined Single Limit: Said insurance shall provide that the term "Owner" or CITY shall be deemed to include all authorities, boards, bureaus, commissions, divisions, departments, districts and offices of the CITY and the individual members, employees and agents thereof in their official capacities.

Conflict of Interest: The DDA covenants that neither said corporation nor any officer, agent or employee of the corporation has any interest nor shall they acquire any interest, directly or indirectly, which would conflict in the manner or degree of performance with the Contract.

Equal Opportunity: The DDA has knowledge of and agrees to comply with the provisions of the Ypsilanti City Ordinance 538, Affirmative Action.

The DDA further agrees to perform this Contract in accord with all federal, state and local laws and will not discriminate against any person on the basis of race, sex, sexual orientation, color, national origin, religion, handicap status, heights, weight, marital status, or other criteria which is not relevant to the particular job.

The DDA further agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, national origin, disability as set forth in the American's With Disability Act, age, height, weight, or marital status (except insofar as it relates to a bonafide or occupational qualification reasonable necessary to the normal operation of the business). Breach of this provision may be regarded as material breach of the Agreement.

Living Wage:

A. (1) Living Wages be paid according to the Ypsilanti Living Wage Ordinance No. 892 (The Ordinance), and  
(2) Suitable notices be posted in the work place; and  
(3) Evidence of compliance including payroll records be provided to the Ypsilanti Personnel Department within 10 days of written request from the Ypsilanti Personnel Department.

B. In the event of violation of the provisions of The Ordinance or this contract this contract may be modified or terminated to comply with the provisions of The Ordinance, including withholding of moneys in amount equal to Living Wages not paid in accordance with The Ordinance and the City may also take action to recover the amount of the contract provided to any person found to have violated The ordinance.

C. Any employee shall have a separate cause of action to enforce the provisions of this contract and The Ordinance and any rights conferred under The Ordinance, in law and or equity, and any court of competent jurisdiction upon proper proof and the prevailing of the employee in such action, shall award actual damages, wage restitution, interest and actual attorney fees.

D. The City shall have the right to enforce this contract and The Ordinance in law or equity by court process including specific performance.

19. Not in Default to City. The DDA hereby certifies that the DDA is not in default to the CITY, and that there are no unpaid taxes, real or personal, owed to the CITY by the DDA, and the DDA has no other unfulfilled obligations to the CITY and is compliance with all Ypsilanti City codes and ordinances. The parties understand that a breach of this provision is a material breach of the contract.

DOWNTOWN DEVELOPMENT AUTHORITY

BY: \_\_\_\_\_

Dated: \_\_\_\_\_

CITY OF YPSILANTI, a Michigan Home-Rule City

BY: \_\_\_\_\_

Paul Schreiber, Mayor

BY: \_\_\_\_\_

Frances McMullan, Clerk

Dated: \_\_\_\_\_

2011

Approved as to form:

\_\_\_\_\_  
JOHN M. BARR P-10475  
Ypsilanti City Attorney



REQUEST FOR LEGISLATION  
Sept 2, 2014

From: Teresa Gillotti, Director Community and Economic Development

Subject: Request to extend purchase agreement with Herman & Kittle LLC, for purchase and development of 1.7 acres for family housing

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**Background**

On January 21, 2014, City Council approved a non-binding Letter of Intent with Herman & Kittle Properties, Inc (HKP). for the purchase and development of a portion of the Water Street Redevelopment area for family housing. On Tuesday, February 25, 2014, City Council held a work session to discuss the proposal changes, site visits to other HKP properties, and other concerns and questions that remained from council, staff, and the public in attendance. On March 4, 2014, City Council held a public hearing on the potential sale, and ultimately approved the purchase agreement for 1.7 acres to be developed as multi-family housing in the southern portion of the Water Street redevelopment area.

The purchase agreement was contingent on Herman and Kittle receiving and accepting an allocation from MSHDA to finance the project. The attached letter from MSHDA provides information on the allocation of HOME funds in the amount of \$2.1 million dollars. HKP did accept this allocation, although it represents about half the requested amount. MSHDA is aware that a second allocation is needed, and based on a series of conversations with MSHDA in the last month or so; MSHDA has invited HKP to apply for the additional funding. HKP is requesting an amendment to the purchase agreement to extend the inspection, governmental approvals and other related sections to accommodate the fall application to MSHDA. With the amendment approved by City Council, HKP will proceed with an application to MSHDA in October of 2014 for the additional funding needed to fully finance the project.

**Previous scoring**

The HOME funds that complement the 4% tax credit bonds had a total allocation of \$18 million last year. The funds are released as part of a competitive scoring process that distributes funding based on ranking projects. Water Street Flats ranked six in the round. One of elements that adversely affected the project scoring was the lack of a Payment in Lieu of Taxes (PILOT). Projects are scored based on a variety of factors including maintaining a low soft debt (HOME funds) to permanent mortgage ratio during the lifetime of the affordability period. MSHDA uses this ratio as a guide due to the fact that HOME funds are a limited resource and wants to ensure the developers are leveraging these funds most efficiently. Use of the Brownfield Tax Increment financing, provides annual reimbursement of eligible brownfield, infrastructure and site preparation costs. An estimated brownfield TIF reimbursement for this project showed reimbursement for about 20-23 years which would finance the roads, sewer, water, cleanup, site prep, geopiers, etc. After that 20-23 year period, a dramatic increase in annual operating expenses for the project after that period, until year 35 of the affordability period. Without a means to stabilize the expenditure after that time frame, the project scored lower than expected due to the fact that MSHDA's debt would be exposed after the TIF expired. This

forced MSHDA to not underwrite the full benefit of the TIF in their underwriting, requiring a lower than expected permanent mortgage.

### What would change with a new application?

Herman and Kittle will be reapplying for tax credits through two simultaneous applications in October. Both rounds have similar timelines (see below), but do differ in some ways. The 4% LIHTC and HOME funds is similar to the round where HKP received the partial allocation this year.

The second application will be in a revised 9% tax credit round. This round would feature some minor but preferred changes to the applications. The 9% round provides significantly more equity into the project, which makes the following items more realistic relative to the bond application. Those listed below are intended to be included in the application in Oct. Confirmation of these items will be available after the HKP investor's meeting prior to Council's meeting on Sept. 2.

- Enterprise Green Certification – Allows additional 10 points. We would revert back to the original plan, no Enterprise Green Certification, but rather the MSHDA Green certification for the 4% bond round.
- 20% Market Rate units, which equates to 16 units (currently modeled with one 50% AMI unit) – Allows additional 5 points. This is subject to approval by HKP senior management team. .
- Increased Equal Employment Opportunity Targets of 18.05% minority contractors and 6.9% female contractors

### Project details:

The project will be nearly a \$12 million investment into the Water Street Redevelopment Area. The investment total includes infrastructure improvements including the extension of River Street south, South Street from River to Park, Lincoln between South and the Ring Road, and the Ring Road from River to Lincoln, as shown below. Additionally, the project will include geopiers to support the 4-story building, as the soil is not compact enough due to the presence of deleterious material in existing fill soil.



at 60% AMI, as previously proposed in March. The only change would be the three items listed above, otherwise no other details change.

**Revised Project Timeline**

- |                                                  |                         |
|--------------------------------------------------|-------------------------|
| • Submit Preliminary Assessment / 9% Application | 10/15/2014 OR 10/1/2015 |
| • Threshold Rankings Released                    | 2/19/2015               |
| • Site Plan Approval                             | May / June of 2015      |
| • Final Board Approval                           | May / June of 2015      |
| • Close on Property                              | 09/2015                 |
| • Commence Construction                          | 09/2015                 |
| • Construction Completion / Cert of Occupancy    | 09/2016                 |

**Amendment details**

The amendment to the purchase agreement does two key things:

- Allows for HKP to apply to MSHDA for additional financing. If the allocation is not received the from MSHDA by March 31, 2014 the agreement will terminate
- Changes other time frames in the agreement to either match or restart from this new date including: governmental approvals period, and closing.

Mike Rodriguez from Herman and Kittle will be attending Tuesday's meeting to answer any additional questions, or you can direct them to Teresa Gillotti at [tgillotti@cityofypsilanti.com](mailto:tgillotti@cityofypsilanti.com) or 734-483-9646.

RECOMMENDED ACTION: Approval.

**ATTACHMENTS:**

- MSHDA HOME Award letter
- Term Sheet
- Fully executed Purchase Agreement
- Resolution

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CITY MANAGER APPROVAL: \_\_\_\_\_ COUNCIL AGENDA DATE: \_\_\_\_\_

CITY MANAGER COMMENTS: \_\_\_\_\_

FISCAL SERVICES DIRECTOR APPROVAL: \_\_\_\_\_

## **FIRST AMENDMENT TO AGREEMENT TO PURCHASE REAL ESTATE**

THIS FIRST AMENDMENT TO AGREEMENT TO PURCHASE REAL ESTATE is made and entered into between the City of Ypsilanti, a Michigan municipal corporation, whose address is One South Huron Street, Ypsilanti, Michigan 48197 ("City") and Herman & Kittle Properties, Inc., an Indiana corporation, whose address is 500 East 96<sup>th</sup> Street, Suite 300, Indianapolis, Indiana 46240 ("Purchaser").

### **RECITALS:**

WHEREAS, Purchaser and City did previously enter in an Agreement to Purchase Real Estate dated March 10, 2014 (the "Original Agreement");

WHEREAS, the Original Agreement provided in Section 6(c) that Purchaser's obligation to proceed was contingent upon it receiving a Required Allocation (as defined in the Original Agreement) and thereafter informing the City that it has received the Required Allocation in such amounts and on such terms and conditions as Purchaser may require; and

WHEREAS, Purchaser received an allocation from MSHDA but it was not of a sufficient amount and MSHDA has invited Purchaser to reapply for the next round of funding; and

WHEREAS, the parties wish to extend the date by which Purchaser must advise City in writing whether it has received the Required Allocation until March 31, 2015 and to otherwise amend the Original Agreement as hereinafter provided.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged and with the intent to be legally bound, the parties hereto agree as follows:

1. Defined Terms/Recitals. The Recitals above-referenced are acknowledged to be true, correct and complete and otherwise incorporated herein by reference. All capitalized terms used herein which are not otherwise defined, shall have the meanings given them in the Original Agreement.

2. Extended Allocation Date. The date by which Purchaser must inform City that Purchaser has received a Required Allocation on terms and conditions acceptable to it is hereby extended from the date stated in Section 6(a) of the Original Agreement to 5:00 p.m. EST on Tuesday, March 31, 2015 ("Extended Allocation Date").

3. Waiver of Certain Contingencies. By execution hereof Purchaser acknowledges that it has satisfied itself with respect to the state and quality of title as set forth in paragraph 5 and otherwise has satisfied itself with respect to the physical inspection contingencies set forth in paragraph 6(a).

4. Required Allocation Notice. On or before the Extended Allocation Date, Purchaser shall provide written notice to City that Purchaser has not received the Required Allocation on terms and conditions satisfactory to it and, if such notice is timely given, this

Agreement shall terminate and each party shall be released of its obligations hereunder, except those which specifically survive such termination. In the absence of such written notice, Purchaser shall be deemed to have received the Required Allocation on the Extended Allocation Date, at which point Purchaser shall be obligated to increase the Deposit as set forth in Paragraph 6(d).

5. Extension of Governmental Approval Period. Expiration of the Governmental Approval Period: The expiration of the Governmental Approval Period, originally being 150 days after the expiration of the Inspection Period is hereby amended such that the Governmental Approval Period shall expire on Aug 31, 2015.

6. Closing. The date of Closing as stated in Section 9 of the Original Agreement is hereby amended such that the closing ("Closing") shall be consummated within one hundred eighty (180) days from the Extended Allocation Date; provided, however, that Purchaser shall have the option to extend Closing by three (3) thirty (30) day extensions by depositing Five Thousand (\$5,000) Dollars of additional earnest money for each thirty (30) day extension (which earnest money shall become part of the Deposit). The Closing shall take place at a time and location that is mutually agreeable to the parties. If the date for Closing falls on a Saturday, Sunday or legal holiday, Closing shall occur on the next immediately following business day.

7. Reaffirmation. All of the terms of the Agreement are hereby reaffirmed and the parties confirm that the Original Agreement is otherwise in full force and effect and unamended except as provided herein.

8. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to constitute an original, but all of which, when taken together, shall constitute one and the same instrument, with the same effect as if all of the parties to this Agreement had executed the same counterpart.

IN WITNESS WHEREOF, the undersigned have caused their signatures to be placed on the day and year set forth below their signatures.

IN THE PRESENCE OF:

CITY OF YPSILANTI, a Michigan municipal corporation

\_\_\_\_\_

BY: \_\_\_\_\_

\_\_\_\_\_

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

Dated: \_\_\_\_\_, 2014

and

\_\_\_\_\_

BY: \_\_\_\_\_

\_\_\_\_\_

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

Dated: \_\_\_\_\_, 2014

HERMAN & KITTLE PROPERTIES, INC., an Indiana corporation

\_\_\_\_\_

BY: \_\_\_\_\_

\_\_\_\_\_

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

Dated: \_\_\_\_\_, 2014

22879462.1\099368-00037



Resolution No. 2014- 210  
September 2, 2014

**RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:**

WHEREAS, The Ypsilanti City Council approved purchase agreement for 1.7 acres of the Water Street Redevelopment Area with Herman and Kittle Properties (HKP) for development of family housing contingent on receipt of a MSHDA allocation by Aug. 15, 2014; and

WHEREAS, Herman and Kittle Properties was awarded and received a \$2.1 million allocation from MSHDA for the Water Street Flats project; and

WHEREAS, MSHDA has invited Herman and Kittle Properties to apply for additional funding in their October funding round and HKP intends to apply; and

WHEREAS, HKP has requested an extension of key dates with in the executed purchase agreement to reapply for funding to fully finance the project; and

NOW, THEREFORE, BE IT RESOLVED THAT the Ypsilanti City Council approve the attached amendment to the Purchase Agreement with Herman & Kittle Properties to sell and develop 1.7 acres of the Water Street Redevelopment Area as presented in the agreement and attachments; and

FURTHER, that the Mayor and City Clerk are authorized to sign the Purchase Agreement extension

OFFERED BY: \_\_\_\_\_

SUPPORTED BY: \_\_\_\_\_

YES:

NO:

ABSENT:

VOTE:



STATE OF MICHIGAN

RICK SNYDER  
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

August 14, 2014

Mr. Michael Rodriguez  
Herman & Kittle Properties  
500 E. 96<sup>th</sup> Street, Suite 300  
Indianapolis, Indiana 46240

Re: MSHDA Development No. 3636  
Water Street Flats

Mr. Rodriguez:

On behalf of the Michigan State Housing Development Authority (the "Authority"), I am pleased to inform you that the Authority has awarded you with HOME funds, subject to the following conditions, provided under National Affordable Housing Act of 1990 in connection with the acquisition and/or rehabilitation/construction of the above Development. The Development to be acquired and/or rehabilitated/constructed is situated on property located in the City of Ypsilanti, Washtenaw County, and is more particularly described on the attached Exhibit A (the "Property"). The Development consists of 80 housing units and related facilities that will be rehabilitated for an estimated Total Development Cost of Eleven Million Seven Hundred Sixty-Seven Thousand Seven Hundred Fifty-Seven Dollars (\$11,767,757).

The conditions to this award are as follows:

**A. Conditional Award.** This award is subject to final approval by the Authority of the Mortgagor's application for a mortgage loan and issuance of a mortgage loan commitment for the proposed transaction. If the Mortgagor fails to meet all the Authority's underwriting guidelines and to obtain the Authority's final approval within six months of the date of this Award Letter, then the award of HOME funds shall be subject to termination at any time thereafter at the option of the Authority.

**B. Effectiveness of Award.** This Award of HOME funds shall become effective only if an original of this document is returned to the Authority before August 15, 2014 with acceptance endorsed on the Award Letter by such signatories as are properly authorized to bind the parties named herein.

**C. Environmental Clearance.** This Award Letter is expressly conditioned on satisfactory completion of the environmental review requirements as provided in 24 CFR Part 58 and the issuance of a validly executed HUD form 7015.16 for the Development. This Award Letter does not constitute site approval by any state or federal authority, nor a commitment of funds. The

D. Mortgagor and Sponsor agree that they shall not commit any funds or undertake any project as prohibited by 24 CFR §58.22 until HUD form 7015.16 is issued.

The general terms of the HOME Loan are as follows:

1. **Amount of Award.** The amount of the HOME award shall not exceed Two Million One Hundred Eighty Thousand Dollars (\$2,180,000). The final amount of the award will be determined by the Authority prior to closing. The award shall be made in the form of a repayable loan to the Mortgagor (the "HOME Loan").
2. **HOME Program Requirements.** The Mortgagor agrees to comply with the requirements of the HOME Program, as contained in Title 24, Part 92, Code of Federal Regulations (24 CFR 92.1, et seq), for the period of affordability for the Development. The period of affordability for the Development shall be twenty (20) years, beginning after "project completion" (the "Period of Affordability"), which is defined by 24 CFR 92.2 as the date upon which all of the following have been satisfied: (a) all requirements necessary for the transfer of title and completion of construction have been performed; (b) the Development complies with all applicable HOME requirements, including the property standards contained in 24 CFR 92.251; (c) the final draw of HOME funds in connection with the construction of the Development has been made; and (d) the Development's completion information has been entered in the disbursement and information system established by HUD.
3. **HOME Specific Activity.** The proceeds of the HOME Loan shall be used solely in connection with the property that has been vacant, in order to sell, rent or redevelop such property.
4. **Low and Moderate Tenants.** The Mortgagor must agree to restrict the occupancy of all units at this Development to individuals and families whose incomes do not exceed 60 percent of area median income. In addition, the units shall be restricted to households whose incomes do not exceed 50 percent of area median income. These income restrictions will be in the form of a covenant running with the land.
5. **HOME Rental Requirements.** For the Period of Affordability, the monthly rents to be paid by the tenants of all HOME-Assisted units at the Development may not exceed the lesser of (i) existing Section 8 Fair Market Rents for comparable units in the area as established by HUD under 24 CFR 888.111, less monthly utility allowances, or (ii) one-twelfth (1/12) of thirty percent (30%) of the adjusted income of a family whose annual income equals 65% of area median gross income, as determined by HUD, adjusted for family size. In addition, the monthly rents to be paid by the tenants of the "Low" HOME-Assisted Units may not exceed the lesser of (i) existing Section 8 Fair Market Rents for comparable units in the area as established by HUD under 24 CFR 888.111, less monthly utility allowances, or (ii) one-twelfth (1/12) of thirty percent (30%) of the adjusted income of a family whose annual income does not exceed 50% of area median gross income, as determined by HUD. The rents for the HOME-Assisted Units will be controlled by the Authority's Office of Asset Management in accordance with these requirements. Pursuant to 24 CFR 92.252(i)(2), existing tenants who no longer qualify as low

income families must pay as rent not less than thirty percent (30%) of the family's adjusted monthly income, as recertified annually, but not to exceed, however, the market rent for comparable, unassisted units in the neighborhood.

6. **Term of Affordability.** The term of affordability for the restrictions shall be Fifteen (15) years from the date of "project completion" as defined in 24 CFR 92.2.

7. **Development Cost Analysis.** Attached as Exhibit B and made a part of this Award Letter is a Development Cost Analysis and Proforma reflecting the Total Development Cost, including a detail of the estimated costs and proposed sources of funding. The Mortgagor and the Authority may agree to adjust these costs and funding sources prior to closing if necessary to facilitate the consummation of the proposed transaction.

8. **Interest Rate.** The HOME Loan shall bear interest at the rate of Three and 00/100 percent (3%) per annum.

9. **Loan Term.** The term of the HOME Loan shall not exceed fifty (50) years after the HOME Loan closing.

10. **Commitment Fee.** A 2% loan commitment fee will be charged.

11. **Relocation.** If the Development is occupied and any tenants will be displaced as a result of the acquisition, construction, or rehabilitation of the Development by the Mortgagor, the Mortgagor agrees to comply with the relocation requirements of 24 CFR Part 42 and 49 CFR Part 24, as well as 24 CFR §570.606.

12. **Other HOME Requirements.** The Mortgagor must agree that it shall not refuse to lease any dwelling unit in the Development to a participant or holder of a voucher or certificate of eligibility under Section 8 of the U.S. Housing Act of 1937 because of the status of the prospective tenant as such a participant or holder. The Mortgagor must also agree to comply with all applicable HOME, Community Development Block Grant (CDBG) and other regulations and requirements applicable to the use of HOME funds and to enter into a regulatory agreement with the Authority prior to closing in the form of a covenant running with the land.

13. **Assignment or Transfer of Award.** This award of HOME funds to the Mortgagor shall not be assignable or transferable by the Mortgagor or the Sponsor without the prior written consent of the Authority.

14. **Survival of Award.** This Award of HOME funds shall not be considered merged upon the closing of the HOME Loan, and all terms and conditions of this Award Letter, whether or not embodied in the documents signed at closing, shall survive the closing of the HOME Loan.

15. **Designation of Subordinate Funds.** The Authority reserves the express right, in its sole discretion, to substitute alternate funding sources to replace some or all of the HOME funds. In

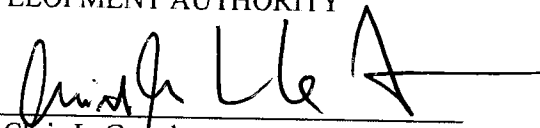
Mr. Michael Rodriguez  
August 14, 2014  
Page 4

the event that the Authority does substitute an alternate source of funds, the Borrower shall comply with all requirements necessary for the Authority to use said alternate source of funds.

**16. Fraud Penalties.** The Sponsor and Mortgagor acknowledge that any false pretense, including any false statement or representation, or the fraudulent obtaining of money, real or personal property, or the fraudulent use of an instrument, facility, article, or other valuable thing or service pursuant to his/her/its participation in any Authority program, is punishable by imprisonment for up to ten years or by a fine up to \$5,000 or both.

Sincerely,

MICHIGAN STATE HOUSING  
DEVELOPMENT AUTHORITY

By: 

Chris LaGrand

Its: Chief Housing Investment Officer

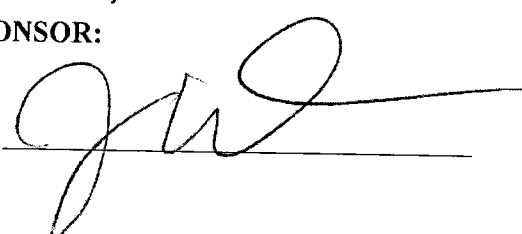
Accepted on 8/15/2014, by:

**MORTGAGOR:**

By: Jeffrey L. Kittle

Its: Manager of the General Partner

**SPONSOR:**

By: 

Its:

Exhibit A

LEGAL DESCRIPTION OF THE PROPERTY

LEGAL DESCRIPTION

Part of Section 9, T3S, R7E, City of Ypsilanti, Washtenaw County, Michigan, described as: Commencing at the East 1/4 corner of said Section; thence  $S1^{\circ}49'34''W$  328.02 feet along the East line of said Section; thence  $N88^{\circ}10'26''W$  1436.81 feet to the Place of Beginning; thence  $S81^{\circ}37'17''W$  321.33 feet; thence  $N2^{\circ}22'02''E$  272.82 feet; thence  $S88^{\circ}03'48''E$  297.91 feet; thence  $S2^{\circ}22'02''W$  96.64 feet; thence Southerly 49.33 feet along a 263.0 foot radius curve to the left, the long chord of which bears  $S3^{\circ}00'20''E$  49.25 feet; thence  $S8^{\circ}22'43''E$  70.70 feet to the Place of Beginning.

EASEMENT DESCRIPTION:

An Easement for ingress, egress and utilities in part of Section 9, T3S, R7E, City of Ypsilanti, Washtenaw County, Michigan, described as: Commencing at the East 1/4 corner of said Section; thence  $S1^{\circ}49'34''W$  328.02 feet along the East line of said Section; thence  $N88^{\circ}10'26''W$  1369.75 feet to the Place of Beginning; thence  $S8^{\circ}22'43''E$  54.12 feet; thence  $S81^{\circ}37'17''W$  467.04 feet; thence  $N2^{\circ}22'02''E$  966.31 feet to the South right of way line of Michigan Street (99 feet wide); thence  $S87^{\circ}58'19''E$  66.0 feet along said South line; thence  $S2^{\circ}22'02''W$  548.18 feet; thence  $S88^{\circ}03'48''E$  580.82 feet to the West line of Park Street (66 feet wide); thence  $S2^{\circ}40'11''W$  66.01 feet along said West line; thence  $N88^{\circ}04'28''W$  216.56 feet; thence  $S2^{\circ}22'02''W$  97.14 feet; thence Southerly 36.95 feet along a 197.0 foot radius curve to the left, the long chord of which bears  $S3^{\circ}00'20''E$  36.89 feet; thence  $S8^{\circ}22'43''E$  82.58 feet to the Place of Beginning. Except that part of Section 9, T3S, R7E, City of Ypsilanti, Washtenaw County, Michigan, described as: Commencing at the East 1/4 corner of said Section; thence  $S1^{\circ}49'34''W$  328.02 feet along the East line of said Section; thence  $N88^{\circ}10'26''W$  1436.81 feet to the Place of Beginning; thence  $S81^{\circ}37'17''W$  321.33 feet; thence  $N2^{\circ}22'02''E$  272.82 feet; thence  $S88^{\circ}03'48''E$  297.91 feet; thence  $S2^{\circ}22'02''W$  96.64 feet; thence Southerly 49.33 feet along a 263.0 foot radius curve to the left, the long chord of which bears  $S3^{\circ}00'20''E$  49.25 feet; thence  $S8^{\circ}22'43''E$  70.70 feet to the Place of Beginning.

## AGREEMENT TO PURCHASE REAL ESTATE

**THIS AGREEMENT TO PURCHASE REAL ESTATE** (this "Agreement") is entered into by and between, **THE CITY OF YPSILANTI**, a Michigan municipal corporation, the address of which is One South Huron Street, Ypsilanti, Michigan 48197 (the "City"), and **HERMAN & KITTLE PROPERTIES, INC.**, an Indiana Corporation, the address of which is 500 E. 96<sup>th</sup> Street, Suite 300, Indianapolis, IN 46240 ("Purchaser").

### **R E C I T A L S:**

A. The City is the owner of certain real property located in the City of Ypsilanti, Washtenaw County, Michigan, which is more particularly described on Exhibit A attached hereto and made a part hereof (the "Property").

B. The Property is part of an overall project known as the Water Street Redevelopment Project ("Water Street Project") located within the real property which is identified on Exhibit B attached hereto ("Overall Property"). The City is requiring that the Water Street Project be developed in accordance with the Commercial Redevelopment District and Residential Redevelopment District of the Water Street Zoning Guidelines, copies of which are attached hereto as Exhibit C ("Zoning Guidelines") and any site plan and PUD rezoning be processed pursuant to the existing Planned Unit Development (PUD) provisions of the City's existing Zoning Ordinance.

C. Purchaser has proposed to construct on the Property an approximately 80-90 unit multifamily residential rental project and, in connection therewith, to install, at its sole cost, certain offsite infrastructure improvements as described herein.

D. The City desires to sell and Purchaser desires to purchase the Property, upon the terms and conditions described below.

**THEREFORE**, in consideration of the mutual covenants and the undertakings described in this Agreement, the parties agree as follows:

1. **Agreement of Purchase And Sale.** The City agrees to sell to Purchaser, and Purchaser agrees to purchase, the Property, subject to and in accordance with the terms and conditions of this Agreement.

2. **Purchase Price.** The purchase price ("Purchase Price") for the Property shall be One Hundred Fifty-Seven Thousand (\$157,000) Dollars. At Closing, as defined in Paragraph 9 below, Purchaser shall pay to the City the Purchase Price, subject to closing adjustments and prorations as provided in this Agreement.

3. **Earnest Money Deposit.** Within five (5) days from the date of Purchaser's receipt of a fully executed copy of this Agreement (the "Effective Date"), Purchaser shall deliver evidence to City that Purchaser has delivered to First American Title Insurance Company, Indianapolis, Indiana (the "Title Company"), an earnest money deposit in the amount of Five Thousand (\$5,000) Dollars (the "Deposit"), together with the Title Company's agreement to hold and/or disburse the Deposit as hereinafter provided. The Deposit shall be returned to Purchaser at Closing. The Deposit shall otherwise be returned to Purchaser or retained by the City in accordance with the terms of this Agreement.

4. **Title; Survey.** Within fifteen (15) days from the Effective Date, the City shall, at Purchaser's cost, cause the Title Company to deliver to Purchaser a commitment for an ALTA Owner's Title Insurance Policy (the "Commitment") in the amount of the Purchase Price, bearing a date later than the Effective Date, and identifying the condition of title to the Property, together with copies of the instruments and documents referenced in the Commitment. In addition, within fifteen (15) days from the Effective Date, the City shall furnish to Purchaser a copy of the City's most-recent existing survey of the Property ("Survey"). Purchaser shall obtain an updated Survey and provide to the City a copy of such updated Survey within sixty (60) days from the Effective Date.

5. **Objections To Title And Survey.** Purchaser shall have a period of ninety (90) days from the Effective Date to object in writing to the condition of title to the Property. If Purchaser does not provide the City with its title objections within such ninety (90) day period, Purchaser shall be deemed to have waived all objections to the condition of title to the Property. The City shall have thirty (30) days from its receipt of any such written objections to cure such objections, but shall have no obligation to do so. The City shall be deemed to have cured a title objection if the City causes such matter to be removed from the Commitment as an exception to coverage or the Title Company agrees to insure Purchaser for such matter. If the City does not cure Purchaser's objections as provided above, Purchaser shall have the right to terminate this Agreement by providing written notice to the City within five (5) days from the expiration of the foregoing thirty (30) day period. If Purchaser terminates this Agreement in accordance with this Paragraph 5, Purchaser shall receive a refund of the Deposit and the parties shall have no further rights or obligations under this Agreement, except for Purchaser's indemnity obligations which shall survive. If Purchaser does not terminate this Agreement within such five (5) day period, Purchaser shall be deemed to have waived its objections to the condition of title to the Property and the exceptions identified in the Commitment shall be deemed accepted by Purchaser and shall be "Permitted Exceptions" to the condition of title.

6. **Inspection of Property/MSHDA Allocation.**

(a) **Inspection Period; Access.** Purchaser shall have until the earlier of ten (10) days after the date that the Michigan State Housing and Development Authority ("MSHDA") announces the allocation of rental housing tax credits for new housing projects in the State of Michigan (the "Allocation Date") or August 15, 2014 (the "Inspection Period") to inspect or cause to be inspected all elements and aspects of the Property, including, but not limited to, the physical and environmental condition of the Property. The City shall provide Purchaser with certain existing information regarding the Property. Such information may be provided on a computer disc. The City does not make any representation or warranty regarding any such information, including, without limitation, any representation or warranty with respect to the completeness or accuracy of any such information. Purchaser, at its cost, shall have the right to inspect additional information regarding the Property which is located within the City's offices and is otherwise available to the public at mutually acceptable times and, if required by the City, with appropriate supervision by City staff. At all times during the term of this Agreement, the City grants to Purchaser, and those persons designated by Purchaser, the right to enter upon the Property in order to inspect the Property and to take soil borings and conduct engineering and environmental tests and studies. Purchaser shall provide to the City, at no cost to the City, copies of all due diligence materials prepared by or on behalf of Purchaser in connection with this transaction promptly following Purchaser's receipt of such due diligence materials, regardless of whether the transaction closes.

(b) **Restoration; Insurance; Indemnity.** Purchaser shall use all reasonable efforts to minimize any damage to the Property and, in the event any portion of the Property is disturbed or altered by virtue of Purchaser's investigations, Purchaser shall promptly, at its sole cost and expense, restore the Property to substantially the same or better condition that existed prior to such disturbance or

alteration. Purchaser shall indemnify, defend and hold harmless the City from and against any and all claims, liabilities, suits, costs, expenses and damages, including reasonable attorneys' fees, arising out of the inspection activities of Purchaser or its agents, employees or contractors, and/or any construction liens filed by any of Purchaser's contractors, subcontractors or suppliers in connection with any such inspection activities. Prior to entering the Property, Purchaser shall provide the City with evidence of liability insurance in the amount of Two Million and 00/100 (\$2,000,000.00) Dollars, which names the City as an additional insured party and provides coverage for all of Purchaser's activities within the Property, including Purchaser's indemnity obligations, and which insurance coverage cannot be cancelled or the amount of coverage reduced prior to Closing.

(c) **MSHDA Allocation.** The parties' obligation to proceed under this Agreement shall be contingent upon Purchaser receiving an allocation from MSHDA of rental housing tax credits on such terms and conditions as may be required by Purchaser for Purchaser's development of the Property (the "Required Allocation") prior to the expiration of the Inspection Period. After the Effective Date, Purchaser shall prepare and file and thereafter diligently pursue the issuance to Purchaser of the Required Allocation and shall keep City advised as to its progress in that regard. Purchaser shall pay all fees and/or costs required in making application for the Required Allocation and shall otherwise comply with all rules and regulations applicable thereto. Purchaser shall advise City in writing within five (5) days after the Allocation Date as to whether Purchaser has received the Required Allocation. In the event Purchaser is not awarded the Required Allocation prior to the expiration of the Inspection Period, then this Agreement shall automatically terminate. If Purchaser does receive a Required Allocation on the Allocation Date, but such allocation is not otherwise acceptable to Purchaser in its sole discretion, then Purchaser shall provide written notice thereof to City within the earlier of ten (10) days of the Allocation Date or the expiration of the Inspection Period, whereupon this Agreement shall terminate and each party shall be released of its obligations hereunder except those which specifically survive such termination. In the absence of the City's receipt of timely written notice from the Purchaser that the allocation awarded to the Purchaser on the Allocation Date is unacceptable, then Purchaser shall be deemed to have received a Required Allocation. If, at any time following the Allocation Date, Purchaser loses the Required Allocation or such Required Allocation is withdrawn by MSHDA then, in that event, Purchaser shall immediately provide written notice of such revocation to City, whereupon this Agreement shall terminate and each of the parties shall thereafter be released of all liabilities or obligations hereunder except those which specifically survive the termination of this Agreement. The application for the Required Allocation shall be based upon the assumption that rents at the project will be calculated at 60% AMI of comparable rents in the Primary Market Area (except for a small percentage of 50% AMI units).

(d) **Expiration of the Inspection Period.** If Purchaser, in its commercially reasonable judgment, determines that the condition of the Property is unsatisfactory, Purchaser may, prior to the expiration of the Inspection Period, elect in writing to terminate this Agreement. If Purchaser elects to terminate this Agreement, the Deposit shall be returned to Purchaser and the parties shall have no further rights or obligations under this Agreement, except for Purchaser's indemnity obligations which shall survive. If Purchaser does not provide the City with notice of termination on or before the expiration of the Inspection Period, Purchaser shall increase the Deposit to the sum of Eight Thousand Five Hundred (\$8,500.00) Dollars (i.e., an increase of \$3,500.00) and upon such tender, the Deposit, as increased, shall become non-refundable, except under Paragraphs 7(c), 15 and 16 below, and the parties shall proceed to perform their respective obligations in accordance with and subject to the terms and conditions of this Agreement.

## **7. Governmental Approvals.**

(a) **Governmental Approval Period.** Assuming Purchaser receives a Required Allocation prior to the expiration of the Inspection Period, Purchaser shall have a period of one hundred

fifty (150) days (the "Governmental Approval Period") after the Allocation Date to seek and obtain all governmental permits and approvals necessary to commence and complete the development of the Property (collectively, the "Governmental Approvals") upon terms and conditions acceptable to Purchaser in its commercially reasonable discretion. Purchaser shall be responsible, at its sole cost and expense, for the preparation of all applications and related plans and instruments and all applicable filing, submission and permit fees related to the Governmental Approvals. Upon request, Purchaser shall provide to the City periodic updates with respect to the status of the Governmental Approvals.

(b) **Approval Of Plans.** Purchaser agrees that the Property shall be developed in accordance with the Zoning Guidelines and that all plans for the Purchaser's development shall be prepared in accordance with the Zoning Guidelines and all permit applications shall be submitted to the City pursuant to the City's existing PUD provisions of the City's existing Zoning Ordinance. Prior to submitting plans to any governmental authority for approval by any other governmental authority, including, but not limited to, Purchaser's grading plans, Purchaser shall first submit such plans to the City for its review and approval. Plans for the Purchaser's project shall provide for the construction of a four story apartment complex, an outdoor entertainment area with interior amenities including a community room with kitchen, exercise room, library/computer center, 10% of all units as full ADA compliant residential units, walk in closets, washer and dryer in each unit, and Energy Star appliances. At Closing, Purchaser and City shall enter into an agreement confirming the undertaking of the Purchaser to develop the Property in accordance with the plans and with the designated amenities and further committing Purchaser or its successors and assigns, to keep the project in compliance with all rules and regulations necessary to maintain the affordability designation thereof pursuant to the MSHDA Guidelines for a period of at least thirty (30) years. Nothing contained in this Agreement shall be deemed to be an approval by the City as to any matter, including, but not limited to an approval with respect the historical designation of any structure or other improvement, and Purchaser shall be required to follow the process for obtaining approvals contained in the applicable City zoning or other ordinances. Purchaser acknowledges that as a condition of the issuance of the approval of the PUD for the subject Property and the City's obligation to close, Purchaser shall agree to undertake the construction, at its sole cost, of the following ("Purchaser's Construction Obligations"): (i) install infrastructure improvements in the areas outlined in Exhibit D1 which include: extension of River Street from Michigan Avenue south to the river's edge, installation of ring road between River and Lincoln Streets, extension of Lincoln Street between ring road and South Street, extension of South Street between River and Park Streets, all to city standards including sidewalk, street trees and on-street parking; (ii) the building will have minimum setbacks and will have a primarily brick exterior façade on all sides which do not face the parking lot and the façade that faces the parking lot shall have a hardy plank façade and (iii) install and operate interior and exterior security cameras throughout the project per the direction of the police department. Purchaser further agrees that it shall convey to City upon demand at any time following completion of Purchaser's Construction Obligations, title to all roads, sidewalks, and other infrastructure improvements described on Exhibit D.

(c) **Expiration of the Governmental Approval Period.** If Purchaser does not obtain the Governmental Approvals prior to the expiration of the Governmental Approval Period, Purchaser may elect in writing to terminate this Agreement by providing written notice to the City prior to the expiration of the Governmental Approval Period. If Purchaser elects to terminate this Agreement, the Deposit shall be returned to Purchaser and the parties shall have no further rights or obligations under this Agreement, except for Purchaser's indemnity obligations which shall survive. If Purchaser does not provide the City with notice of termination on or before the expiration of the Governmental Approval Period, the Deposit shall become non-refundable, except under Paragraphs 15 and 16 below, and the parties shall proceed to perform their respective obligations in accordance with and subject to the terms and conditions of this Agreement.

8. **Restrictive Covenant Agreement.** At Closing, the City and Purchaser shall execute and record a restrictive covenant agreement ("Restrictive Covenant Agreement") that restricts the Property from being utilized for the uses described on the attached Exhibit E [Family Dollar and County Recreation Uses] ("Exclusive Uses"). The Restrictive Covenant Agreement shall provide that the City shall have the right to record additional restrictive covenants against the Property which restrict the Property from being utilized for certain uses for which the City has granted other purchasers of land within the Water Street Project exclusive rights in connection with the initial sale of land by the City to such purchasers, provided that any such restrictions shall not restrict the Property from being utilized for multi-family residential rental apartments. The Restrictive Covenant Agreement shall contain such additional terms and conditions as the parties may agree.

9. **Closing.** The closing ("Closing") shall be consummated within one hundred eighty (180) days after Allocation Date; provided, however, that Purchaser shall have the option to extend Closing by three (3) thirty (30) day extensions by providing written notice of such extension to Purchaser at least five (5) days prior to the scheduled Closing and paying to City with each such extension an extension fee of Five Thousand (\$5,000) Dollars for each thirty (30) day extension, which shall be retained by City, but applied to the Purchase Price at Closing. The Closing shall take place at a time and location that is mutually agreeable to the parties. If the date for Closing falls on a Saturday, Sunday or legal holiday, Closing shall occur on the next immediately following business day.

10. **Closing Documents and Actions.** At Closing, the City shall execute and deliver to Purchaser (as required) and Purchaser shall execute and deliver to the City (as required) the following:

(a) **Payment of Purchase Price.** Purchaser shall deliver to the City the Purchase Price, together with the amount identified in Paragraph 11 below, subject to applicable adjustments and prorations as provided for in this Agreement.

(b) **Covenant Deed.** The City shall deliver to Purchaser a fully executed and recordable covenant deed for the Property, conveying to Purchaser fee simple marketable title to the Property, subject only to the Permitted Exceptions, the Restrictive Covenant Agreement identified in Paragraph 8 above and the easements identified in Paragraph 13(b) below.

(c) **Non-Foreign Person Affidavit.** The City shall furnish Purchaser with an affidavit stating that the City is not a "Foreign Person" within the meaning of IRC Section 1445(f)(3), as amended.

(d) **Closing Statement.** The City and Purchaser shall execute and deliver to each other a Closing Statement showing the amount by which the Purchase Price shall be adjusted as of the Closing date. The City shall pay all real property transfer taxes, all premiums with respect to the owner's title insurance policy, fees to record any instruments necessary to cure Purchaser's title objections and the parties shall pay the fees and charges of their own representatives, agents or contractors. Purchaser shall pay the fees to record the easements identified in Paragraph 13(b) below, the Restrictive Covenant Agreement and all escrow and other fees charged by the Title Company to close this transaction.

(e) **Title Insurance Policy.** The City shall order and pay for a policy of title insurance, without standard exceptions (provided that Purchaser provides the survey required by the Title Company to remove the standard survey exception), with coverage in an amount equal to the Purchase Price, subject only to the Permitted Exceptions, the Restrictive Covenant Agreement identified in Paragraph 8 above and the easements identified in Paragraph 13(b) below. The Purchaser shall be responsible for obtaining any endorsements to such title policy desired by Purchaser, at Purchaser's cost. The City shall deliver to the Title Company an Owners Affidavit and such other documents reasonably

required by the Title Company to enable the Title Company to satisfy its Schedule B-1 requirements and to delete its standard exceptions and to provide a "marked-up" Commitment, dated as of the Closing date. The "marked-up" Commitment shall reflect Purchaser as both fee simple title owner of the Property and the insured under said Commitment.

(f) **Easements.** Purchaser shall execute and deliver to the City all easement agreements required pursuant to Paragraph 13(b) below.

(g) **Restrictive Covenant Agreement.** The City and the Purchaser shall execute and deliver to the other the Restrictive Covenant Agreement identified on Paragraph 8 above.

(h) **Further Assurances.** The City and Purchaser shall execute such additional documents and instruments and take such further actions as may be necessary or desirable to consummate the sale of the Property in accordance with the terms of this Agreement.

11. **Tax Prorations.** The City shall pay in full on or before Closing any and all real estate taxes which are due as of the Closing date. The City shall also pay in full, on or before Closing, all current installments of special and other assessments which were established and constitute a lien against the Property.

12. **Possession; As-Is Condition.** At Closing, the City shall deliver to Purchaser possession of the Property, free and clear of any rights or claims of possession by the City or any third party. Purchaser acknowledges that the City has not made and Purchaser has not relied on any representation or warranty by the City, including, without limitation, any representation or warranty regarding the physical or environmental condition of the Property, the fitness of the Property for any particular purposes or the availability of any permits or approvals. Purchaser acknowledges that Purchaser has relied completely on its own investigations and other due diligence activities to evaluate the condition of the Property and the availability of permits and approvals and that, at Closing, Purchaser will be accepting the Property in its then-current as-is, where-is condition, with all faults.

13. **Post-Closing Obligations.**

(a) **Infrastructure; Special Assessment District.** Following Closing, the City shall have no obligation to construct any improvements to the Overall Project ("Infrastructure Improvements"). Purchaser acknowledges that the Property may be subject to one or more special assessment districts for the costs of any such Infrastructure Improvements, which the City may elect to undertake in the future and Purchaser agrees to fully cooperate with and not object to the creation of any special assessment district.

(b) **Dedication or Easements.** If any roads, sidewalks and other infrastructure improvements existing or to be constructed by Purchaser within the Property or within the overall Property have not been dedicated and accepted as public improvements, at Closing, City shall retain or the Purchaser shall grant to City such easements for same for the benefit of the public. Upon request by the City, Purchaser shall dedicate the roads and other infrastructure improvements within the Property or otherwise installed by Purchaser as public improvements or shall execute an easement agreement granting to the public the right to utilize the roads within the Property, which agreement shall contain such additional terms which are reasonably acceptable to the parties. In addition, upon request by the City, the Purchaser shall grant an easement for ingress and egress over the driveways established within the Property for the benefit of one or more adjacent parcels. Upon request by the City, Purchaser shall execute an easement agreement granting an easement for ingress and egress to and from such adjacent

parcel(s), which agreement shall contain such additional terms which are reasonably acceptable to the parties.

(c) **Covenant to Construct, Open and Operate.**

(i) Purchaser shall construct all improvements to and within the Property in accordance with the plans that have been approved by the City. Purchaser's obligation under this Section 13 shall be reaffirmed at Closing by the execution of a supplemental agreement in form and content acceptable to City. Purchaser shall commence construction of such improvements within six (6) months from the Closing date and shall complete such improvements by December 31, 2016. For purposes of the foregoing, commencement of construction shall mean that Purchaser has obtained all permits and approvals necessary for the construction of such improvements and that all necessary utility improvements and building footings have been installed. Purchaser agrees that Purchaser's business within the Property shall be fully stocked and fully staffed and Purchaser shall commence operation its business from the Property by December 31, 2016.

(ii) In the event that Purchaser does not construct its improvements within the Property as provided in Section 13(c)(i), the City shall have the option to re-purchase the Property from Purchaser for a purchase price equal to the Purchase Price. At the closing for any such re-purchase of the Property by City, Purchaser shall be responsible for the payment of all transfer taxes payable in connection with such transaction and the title insurance premium for a title insurance policy issued by the Title Company, subject only to the Permitted Exceptions and any other matters that have been approved by City prior to such closing.

(d) **Demolition Activities.** Purchaser acknowledges and agrees that the City does not have any obligation to demolish existing improvements and/or structures within the Property and that any such demolition activities are Purchaser's sole obligation. The City shall have the right, but not the obligation, to utilize any structures within the Property that are intended to be demolished by Purchaser in connection with training activities for the City of Ypsilanti Fire Department. Purchaser shall notify the City prior to demolishing any existing structures within the Property.

14. **Real Estate Commission.** The City shall be responsible for the payment of any commission that is payable CBRE in connection with this transaction. Subject to the foregoing, the City and Purchaser each represent and warrant to the other that they have not used the services of any other brokers in connection with this transaction. Each party agrees to indemnify and hold harmless the other party from and against any claim that a commission or fee is due to any broker who dealt with the party from whom indemnification is sought.

15. **Condemnation.** In the event that, prior to Closing, notice of any action, suit or proceeding shall be given for the purpose of condemning all or any portion of the Property, then Purchaser shall have the right to terminate its obligations under this Agreement within ten (10) days from its receipt of such notice of condemnation proceeding, and upon such termination, the proceeds resulting from the condemnation shall be paid to the City, and the Deposit shall promptly be returned to Purchaser and the parties shall have no further rights or obligations under this Agreement, except for Purchaser's indemnity obligations, which shall survive. In the event Purchaser elects not to terminate this Agreement, at Closing, the condemnation proceeds shall be assigned and belong to Purchaser.

16. **Default.** In the event that Purchaser defaults in its obligations under this Agreement, in addition to all other remedies available at law, in equity or under this Agreement, the City shall be entitled to retain the Deposit paid by Purchaser. In the event that the City defaults in its obligations under this Agreement, Purchaser may, as its sole remedy, at its option: (a) receive a refund of the Deposit; or (b)

specifically enforce the terms and conditions of this Agreement, provided that Purchaser has fully performed all of its obligations under this Agreement. Purchaser shall not have the right to seek monetary damages from the City.

17. **Representations, Warranties and Covenants.** Purchaser represents, warrants and covenants to the City as follows:

(i) **Due Organization.** Purchaser is a \_\_\_\_\_ duly organized under the laws of the State of Michigan and has the power to enter into this Agreement and purchase the Property.

(ii) **Power And Capacity.** Purchaser has the full power, capacity, authority and legal right to execute and deliver this Agreement and to perform its obligations under this Agreement.

(iii) **Due Authorization.** This Agreement has been duly authorized, executed and delivered by Purchaser and constitutes the legal, valid and binding obligation of Purchaser, enforceable in accordance with its terms. Prior to or at Closing, any and all documents required by this Agreement to be executed and delivered by Purchaser shall have been duly authorized, executed and delivered by Purchaser and all such documents shall contain legal, valid and binding obligations of Purchaser, enforceable in accordance with their terms.

18. **No Joint Venture.** No party is the agent, partner or joint venture partner of the other. No party has any obligation to the other except as specified in this Agreement.

19. **Non-Waiver.** The failure of a party to complain of any act or omission on the part of another party, no matter how long it may continue, shall not be deemed to be a waiver by any party to any of its rights hereunder except as expressly provided for in this Agreement. No waiver by any party at any time, expressed or implied, of any breach of any provision of this Agreement shall be deemed a waiver of a breach of any other provision. If any action by any party shall require the consent or approval of another party, the consent or approval of the action on any one occasion shall not be deemed a consent to or approval of that action on any subsequent occasion or a consent to or approval of any other action on the same or any subsequent occasion.

20. **Third Party Rights.** No party other than the City and Purchaser and their successors and assigns, shall have any right to enforce or rely upon this Agreement, which is binding upon and made solely for the benefit of the City and Purchaser, and their respective successors or assigns, and not for the benefit of any other party.

21. **Time.** TIME IS OF THE ESSENCE OF AND ALL UNDERTAKINGS AND AGREEMENTS OF THE PARTIES HERETO.

22. **Notices.** Any notice to be given or served upon any party to this Agreement must be in writing and shall be deemed to have been given: (a) upon receipt in the event of personal service by actual delivery (including by telecopy or delivery service); (b) the first business day after posting if deposited in the United States mail with proper postage and dispatched by certified mail, return receipt requested; or (c) upon receipt if notice is given other than by personal service or by certified mail. All notices shall be given to the parties at the following addresses:

**If To the City:** City of Ypsilanti  
One South Huron Street  
Ypsilanti, Michigan 48197  
Attn: \_\_\_\_\_  
Fax No: \_\_\_\_\_

**With A Copy To:** Joseph M. Fazio, Esq.  
Miller, Canfield, Paddock and Stone, P.L.C.  
101 N. Main Street, 7<sup>th</sup> Floor  
Ann Arbor, Michigan 48104  
Fax No: (734) 747-7147

**If To Purchaser:** Herman & Kittle Properties, Inc.  
500 East 96<sup>th</sup> Street, Suite 300  
Indianapolis, IN 46240  
  
Attn: Jeff Kittle  
Fax No.: 317-663-6800

**With A Copy To:** Herman & Kittle Properties, Inc.  
500 East 96<sup>th</sup> Street, Suite 300  
Indianapolis, IN 46240  
Attn: David Thompson, Esq.  
Fax No.: 317-663-6815

Any party to this Agreement may at any time change the address for notices to that party by giving notice in this manner.

23. **Days.** Whenever this Agreement requires that something be done within a specified period of days, that period shall (a) not include the day from which the period commences, (b) include the day upon which the period expires, (c) expire at 5:00 p.m. local time on the day upon which the period expires, and (d) unless otherwise specified in this Agreement, be construed to mean calendar days; provided, that if the final day of the period falls on a Saturday, Sunday or legal holiday, the period shall extend to the first business day thereafter.

24. **Severability.** If one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, that invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if the invalid, illegal or unenforceable provision had never been contained within the body of this Agreement.

25. **Entire Agreement.** This Agreement embodies the entire understanding between the parties with respect to the transaction contemplated herein. All prior or contemporaneous agreements, understandings, representations, warranties and statements, oral or written, are superseded by and merged into this Agreement. Neither this Agreement nor any of its provisions may be waived, modified or amended except by an instrument in writing signed by the party against which enforcement is sought, and then only to the extent set forth in that instrument.

26. **Governing Law.** This Agreement shall be governed by and construed in accordance with the provisions of the laws of the State of Michigan.

27. **Captions.** Captions to paragraphs and sections of this Agreement have been included solely for the sake of convenient reference and are entirely without substantive effect.

(a) **Successors And Assigns.** Purchaser may assign this Agreement to an entity owned and controlled by Purchaser or under common control with Purchaser, provided however, such assignment shall not release Purchaser from any obligations and/or liability hereunder and no such assignment shall be effective unless and until Purchaser provides to City written notice of such assignment, a copy of same and the assignee expressly assumes all obligations hereunder. Other than to an entity owned and controlled by Purchaser, Purchaser shall not assign this Agreement without the City's prior written consent. This Agreement shall be binding upon, and its benefits shall inure to, the parties hereto and their respective heirs, personal representatives, successors and assigns. A to-be-formed limited liability company under common control with Purchaser shall be the general partner (the "General Partner") of the limited partnership which shall own the Property. The General Partner shall not transfer its general partner interest for at least fifteen (15) years after Closing.

28. **Facsimile Signatures; Counterparts.** A facsimile of an original signature to this Agreement shall be deemed an original signature. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one agreement. The signature of any party to any counterpart shall be deemed to be a signature to, and may be appended to, any other counterpart.

29. **Offer Period.** The offer embodied in this Agreement shall remain irrevocable by Purchaser for a period of thirty (30) days from the date that a copy of this Agreement signed by Purchaser has been provided to the City. Purchaser acknowledges and agrees that this Agreement shall not be binding on the City until the City of Ypsilanti City Council has approved this Agreement pursuant to a public meeting and corresponding resolution and this Agreement has been signed by the Mayor of the City of Ypsilanti and any other parties required by the City Council or under applicable ordinances, laws, the Charter of the City of Ypsilanti and such resolution and that the foregoing thirty (30) day period is necessary to seek and obtain such approval.

THIS AGREEMENT has been executed by the parties hereto on the date set forth above.

"PURCHASER"

Herman & Kittle Properties, Inc.,  
an Indiana Corporation

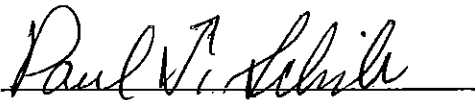
  
By: Michael Rodriguez

Its: Development Director

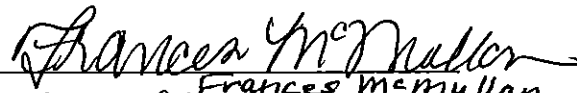
Dated: 3/10/2014

"THE CITY"

CITY OF YPSILANTI,  
a Michigan municipal corporation

By:   
Its: Mayor PAUL T. SCHREIBER

And

By:   
Its: City Clerk Frances McMullan

Dated: 3/5/2014 ("Effective Date")

Exhibit A

LEGAL DESCRIPTION OF THE PROPERTY

LEGAL DESCRIPTION

Part of Section 9, T3S, R7E, City of Ypsilanti, Washtenaw County, Michigan, described as: Commencing at the East 1/4 corner of said Section; thence S1°49'34"W 328.02 feet along the East line of said Section; thence N88°10'26"W 1436.81 feet to the Place of Beginning; thence S81°37'17"W 321.33 feet; thence N2°22'02"E 272.82 feet; thence S88°03'48"E 297.91 feet; thence S2°22'02"W 96.64 feet; thence Southerly 49.33 feet along a 263.0 foot radius curve to the left, the long chord of which bears S3°00'20"E 49.25 feet; thence S8°22'43"E 70.70 feet to the Place of Beginning.

EASEMENT DESCRIPTION:

An Easement for ingress, egress and utilities in part of Section 9, T3S, R7E, City of Ypsilanti, Washtenaw County, Michigan, described as: Commencing at the East 1/4 corner of said Section; thence S1°49'34"W 328.02 feet along the East line of said Section; thence N88°10'26"W 1369.75 feet to the Place of Beginning; thence S8°22'43"E 54.12 feet; thence S81°37'17"W 467.04 feet; thence N2°22'02"E 966.31 feet to the South right of way line of Michigan Street (99 feet wide); thence S87°58'19"E 66.0 feet along said South line; thence S2°22'02"W 548.18 feet; thence S88°03'48"E 580.82 feet to the West line of Park Street (66 feet wide); thence S2°40'11"W 66.01 feet along said West line; thence N88°04'28"W 216.56 feet; thence S2°22'02"W 97.14 feet; thence Southerly 36.95 feet along a 197.0 foot radius curve to the left, the long chord of which bears S3°00'20"E 36.89 feet; thence S8°22'43"E 82.58 feet to the Place of Beginning. Except that part of Section 9, T3S, R7E, City of Ypsilanti, Washtenaw County, Michigan, described as: Commencing at the East 1/4 corner of said Section; thence S1°49'34"W 328.02 feet along the East line of said Section; thence N88°10'26"W 1436.81 feet to the Place of Beginning; thence S81°37'17"W 321.33 feet; thence N2°22'02"E 272.82 feet; thence S88°03'48"E 297.91 feet; thence S2°22'02"W 96.64 feet; thence Southerly 49.33 feet along a 263.0 foot radius curve to the left, the long chord of which bears S3°00'20"E 49.25 feet; thence S8°22'43"E 70.70 feet to the Place of Beginning.

### DIAGRAM OF THE OVERALL PROPERTY



**EXHIBIT C**  
**Zoning Guidelines**

**DIVISION 17. CRD COMMERCIAL REDEVELOPMENT DISTRICT**

**(Revised after March 17, 2009 Council meeting)**

**Sec. 122-522. Description and Purpose.**

The Commercial Redevelopment District is intended to provide for a mixture of residential and commercial uses appropriate in intensity and scale to an urban business district and/or neighborhood. The district is intended to support mixed residential, commercial and office development both within the same structure and on the same parcel. The district is intended to support a high quality of design and a traditional, urban development prototype.

Development in this district shall feature active, commercial uses on the ground floor with flexibility for office and/or residential uses on upper stories. Particular attention will be paid to the impact of commercial uses and their operation in this mixed-use district. Large surface parking lots shall be discouraged in favor of shared parking, shared access, and alternative modes of transportation to serve residents and businesses in this area.

**Sec. 122-523. Permitted uses.**

- (1) Antique, consignment and resale stores
- (2) Apartments or condominiums located above the ground floor of permitted business uses, provided that the apartments meet the minimum floor area requirements of section 122-317. On-site parking shall be provided for all residential uses unless the apartment unit meets the requirements for a fee-in-lieu of parking described in section 122-841.\*
- (3) Bars/lounges, provided that all service occurs within a completely enclosed building, with the exception of outdoor cafes which are subject to the provisions of Section 122-799.
- (4) Body art facilities
- (5) Catering Services
- (6) Churches, synagogues, and other religious buildings, facilities and services customarily incidental thereto, excluding mortuaries, located above the ground floor of permitted business uses, subject to the specific provisions in section 122-780.\*
- (7) Coin-operated amusement arcades, and pool and billiard halls.
- (8) Community garages and community parking lots, as defined in Section 122-2, subject to the provisions of Sections 122-781 and 122-782 respectively.
- (9) Cultural services such as museums, art galleries, libraries, planetariums, and concert halls, ~~when accessory to one of the uses in subsections (2) - (6) of this section, or when publicly owned.~~
- (10) Dance and music studios and schools.\*
- (11) Elementary, junior and senior high schools, public, parochial, and private schools, and post secondary

education, subject to the Specific Provisions in Section 122-805.

- (12) Essential Services
- (13) Financial institutions, including banks, credit unions and savings and loan associations, provided that no drive-through facilities are permitted
- (14) Fine arts studios and schools, and photography studios\*
- (15) Health and physical fitness centers.
- (16) Hospitals and specialty clinics.
- (17) Hotels or motels, Inns, and Bed and Breakfast Lodgings as defined in Section 122-2.\*
- (18) Housing for the elderly, including efficiency units and common services such as central dining rooms, recreation rooms, and central lounges or workshops, subject to the specific provisions in section 122-789.
- (19) Indoor restaurants, as defined in Section 122-2, for sit down, carryout, and delivery, providing there are no drive through facilities.\*
- (20) Laundry and dry cleaning customer outlets (no dry cleaning is permitted on the premises), coin operated Laundromats, self-serve dry cleaning establishments, and similar operations, provided that all services performed on the premises shall be sold at retail on the same premises.
- (21) Massage practitioner office, subject to the specific provisions in section 122-792.
- (22) Medical or dental clinics or counseling centers, subject to the provisions in section 122-793.
- (23) Municipal, county, regional, and state service buildings and uses, subject to the specific provisions in section 122-795.
- (24) Newspaper offices and printing shops.
- (25) Office buildings and uses, including offices for administrative services, accounting, clerical, drafting, education, executive, insurance, tax preparation, professional real estate, research, sales agent, attorney, stock broker, technical training, stenographic, writing, medical and dental offices, and similar professional office uses.
- (26) Offices and showrooms of a plumber, electrician, upholsterer, caterer, decorator or similar trade, subject to the Specific Provisions in Section 122-797.
- (27) Open space areas such as conservation areas, wildlife preserves, forests preserves, arboreta, botanical or zoological gardens. No structure shall be erected on dedicated open space areas which is not clearly incidental to the principal use of the land.
- (28) Outdoor cafes, outdoor fast-food or sit-down restaurants, and beer gardens, subject to the Specific Provision of Section 122-799.
- (29) Personal service shops, such as a tailor, barber, beauty, shoe repair, locksmith, photocopy services, photo processing, or similar personal service shop.
- (30) Printing services, including but not limited to: photocopying, printing, publishing, engraving, photo

engraving, photo development, lithographing, and blueprint production subject to the Specific Provisions of Section 122-810.\*

- (31) Private and community service clubs, lodges, banquet halls, and meeting halls located above the ground floor of permitted business uses.\*
- (32) Private and public museums.
- (33) Public or commercial schools and colleges and other such institutions of learning offering courses in general or technical training, such as dance schools, music and voice schools, business and technical schools, and similar schools, not including dormitories.
- (34) Radio and television studios.
- (35) Refreshment stands.
- (36) Residential services such as mailrooms, meeting rooms, central dining areas, recreation rooms, lounges and workshops intended to serve residents of an integral residential development. Residential units shall not be permitted on the first floor.
- (37) Retail businesses, such as food stores, grocery stores, food cooperatives, meats, dairy products, baked goods, ice cream, personal use items (drugs, health care, dry goods, notions, hardware, books, magazines, periodicals, stationary and school supplies), florists shops, hobby and craft stores, gifts, antiques, jewelry, small household articles, tobacco products, toilet articles, wearing apparel and personal accessories, toys, and similar products.
- (38) Retail stores which offer comparison goods completely within a fully-enclosed building such as home appliances (including service and repair), camera and photography supplies, sporting goods, electronics, furniture, optical items, bicycle sales, home supply centers, paint and wallpaper stores, carpet, rug, and linoleum/tile stores, lawn care products and machinery, building materials, pets and pet supplies (provided that no animals are boarded except for sale and that all animals are boarded inside a building), hobby and craft stores, and similar specialty goods stores. The manufacture of sporting goods, small household items and crafts is permitted provided that 50 percent or more of the products are sold at retail from the same building and all activities and storage occur within a completely enclosed building.\*
- (39) Service and retail establishments: computer sales and repair, electronics repair shops, postal centers, small appliance sales and repair, and similar special retail establishments.
- (40) Studios of artists for the handcrafted production of pottery, glass items, neon sculpture, jewelry, silk screening, needle work, stone and wood work and similar items. The retail sale of work produced on premises shall be permitted. Kilns shall be fired only by electricity or gas.\*
- (41) Supportive Housing, subject to the special provisions in section 122-811.
- (42) Theaters, when completely enclosed.
- (43) Veterinary hospitals and clinics, subject to Specific Provisions of Section 122-809.\*
- (44) Video rental and sales establishments.\*

**Sec. 122-524. Permitted Accessory Uses**

- (1) Accessory uses customarily incidental and clearly ancillary to the above permitted uses when in

accordance with Article XI, Division 2.

**Sec. 122-525. Special uses.**

The following uses may be permitted, subject to the conditions specified for each use, review, and approval of the Planning Commission, the imposition of special conditions which in the opinion of the Planning Commission are necessary to fulfill the purposes of this Ordinance, and the procedures set forth in Article 28.

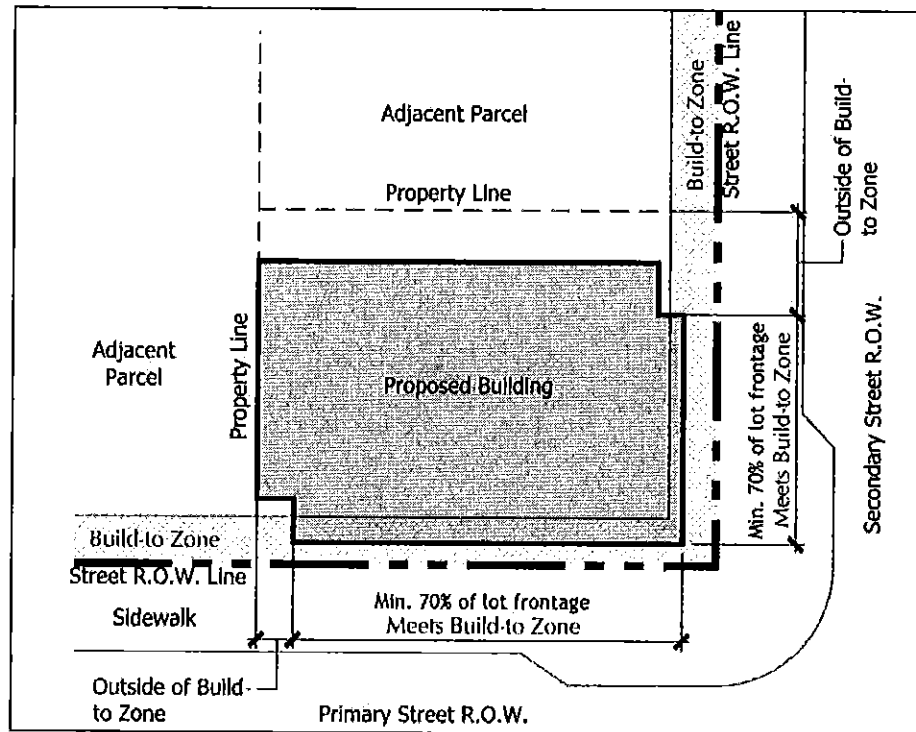
- (1) Any other use which meets the intent of this district.
- (2) Adult drop-in centers.
- (3) Any structure that exceeds an area of ten thousand (10,000) square feet at the ground level.
- (4) Any non-residential establishment intending to operate between 2 a.m. and 6 a.m. during any 24-hour period.
- (5) Child care centers and group day care homes and centers (not including dormitories), when not operated in conjunction with a private or public school or church/synagogue, subject to the specific provisions in section 122-779.\*
- (6) Child drop-off centers, licensed by the State of Michigan, where minor children are not cared for longer periods than four (4) hours.
- (7) Drive-through facilities in combination with drug stores / pharmacies, financial institution, or personal service business, subject to the Specific Provision of Section 122-784.\*
- (8) Express and passenger terminals and express transfer facilities, subject to the Specific Provisions of Section 122-786.
- (9) Nursing homes, convalescent homes, and rest homes, subject to the specific provisions in section 122-796.
- (10) Organized markets such as a farmers' market.

**Sec. 122-526. Area regulations.**

Upon the change of use as defined in Section 122-205, no building or structure nor any enlargement thereof shall be hereafter erected except in conformance with the following lot area, yard, and building coverage requirements:

- (1) *Front Yard.* There shall be a front yard of not greater than ten (10) feet as measured from the front lot line. Buildings shall be oriented so that 70% of the lot frontage shall include building(s) to the front yard setback or property line. (See figure 122-526a).
- (2) Minimum Floor Area Ratio of 1:1.

Figure 122-526a – Front Yard Maximum Setback Example



**Sec. 122-527. Height regulations.**

No building or structure shall be less than three (3) stories in height at street frontage. No building or structure shall be more than six (6) stories or 75 feet in height. See Section 122-640 for height exceptions.

**Sec. 122-528. Development Standards.**

Buildings and uses in the CRD shall be subject to the following standards and all applicable standards and requirements set forth in this Ordinance:

**(1) Access, parking, service**

- a. No parking area is permitted in the front yard setback. Uses allowed within front setback include sidewalk cafes or customer service areas, plazas, patios and landscaping.
- b. No minimum parking standard shall apply to any commercial use within the CRD, however a minimum of 1 parking space and a maximum of 1.5 parking spaces shall be provided for each residential unit and a maximum of 3 spaces per 1,000 square feet of non-residential use. These formulae shall supersede the those specified in 122-836.
- c. Bicycle parking spaces shall be provided for all uses at a ratio of 1 bicycle parking space per 5 automobile parking spaces provided.
- d. Buildings must have pedestrian access and orientation to the major thoroughfare. Vehicular access to individual lots shall not be permitted directly from the major thoroughfare.

- e. A minimum of one improved non-motorized access route must be provided at intervals no less than every 350 feet of CRD development frontage or fraction thereof.
- f. Service areas shall be screened to minimize views from publicly-accessible areas.
- g. Adjoining uses shall share access drives and parking. The Planning Commission may permit individual access drives and parking to serve individual uses in the following cases:
  - i. Additional access points are required for emergency vehicles
  - ii. The use is sufficiently large that shared access points alone are insufficient
  - iii. Topography or other site conditions make shared access point or parking impractical

(2) Building Scale and Articulation

- a. A minimum 50% area of the first floor façade facing a street right-of-way must be comprised of windows and/or doors, openings or other architectural design features to limit the appearance of blank walls, and have a minimum of 75% transparency.
- b. For stories above the 1<sup>st</sup> floor, a minimum fenestration standard of 20% glass area of the total floor façade area.
- c. No blank wall exceeding 10 feet horizontally or vertically along any street frontage shall be permitted on the first or second floors. No blank wall exceeding 25 feet vertically or horizontally is permitted on any street frontage.

(3) Building Materials

- a. All walls visible from any public or private right-of-way shall be finished primarily in a durable hard surface such as brick, glass, stone, wood, ceramic, precast panels, integrally tinted textured masonry block, or concrete siding. These primary materials shall make up a minimum of 60% of the solid wall area, exclusive of windows and doors.
- b. Materials not permissible as primary materials on exterior walls are concrete block, cinder blocks unless burnished fluted or sculpturally textured, residential grade sidings, plastic siding, asphalt, EIFS, stucco, highly reflective or highly color tinted glass. These materials may be used as trim or accent materials, but shall total less than 40% of the surface area of walls, exclusive of windows and doors.
- c. All materials should be used consistently on all sides of the building
- d. Innovative or new environmentally sensitive materials are encouraged provided they are of quality durable material.
- e. Reflective glass or spandrel glass not permitted on first two floors along any street frontage

(4) Landscaping

- a. Where screening of development or parking area is required, landscaped berms shall not be used. Screening shall be provided via solid walls, fences, or evergreen plantings.

- b. Greenbelt and foundation landscaping requirements shall be waived for any portion of a building that has no setback from the property line. At the discretion of the Planning Commission, hardscape materials may be substituted for lawn and plant materials in order to facilitate outdoor dining and similar uses.
- c. Street trees shall be provided along all street right-of-ways, within the right-of-way. A minimum of one street tree shall be provided for each 30 feet of street frontage. Tree selections and installation methods shall comply with standards and unified streetscape plans provided by the City prior to site plan approval.

DRAFT

**DIVISION 18. RRD RESIDENTIAL REDEVELOPMENT DISTRICT**

**(As recommended to Council by Planning Commission, 02/18/09)**

**Sec. 122-529. Description and Purpose.**

The Residential Redevelopment District is intended to provide for a mixture of residential and commercial uses appropriate in intensity and scale to an urban mixed use residential district and/or neighborhood. The district is intended to support mixed residential, commercial and office development both within the same structure and on the same parcel. Only those business and/or office uses which are necessary to satisfy local market needs, and which occur so frequently as to require commercial facilities in proximity to residential areas should be permitted. The district is intended to support a high quality of design and a traditional urban development prototype.

Development in this district shall feature higher density multi-family residential, while encouraging mixed uses through flexibility for active, commercial or office uses on the ground floor. Particular attention will be paid to the impact of commercial uses and their operation in this mixed-use district.

**Sec. 122-530. Permitted uses.**

**Permitted Residential Uses:**

- (1) Multiple family dwellings
- (2) Housing for the elderly, including efficiency units and common services such as central dining rooms, recreation rooms, and central lounges or workshops, subject to the specific provisions in section 122-789.
- (3) Residential services such as mailrooms, meeting rooms, central dining areas, recreation rooms, lounges and workshops intended to serve residents of an integral residential development.
- (4) Supportive Housing, subject to the special provisions in section 122-811

**Permitted Commercial Uses:**

Each commercial use within the district shall be no larger than 5,000 square feet for a single business occupant. Commercial uses within the district shall not operate between 12 a.m. and 6 a.m.

- (1) Antique, consignment and resale stores
- (2) Businesses and professional offices and services, not including manufacturing or warehousing. Such uses may include, but are not limited to: A) Business offices of an advertising, real estate, insurance or travel agency, and other similar business offices B) Offices for legal, engineering, architectural, consulting, accounting, auditing, and bookkeeping services and similar professions C) Government and community service buildings D) Business services such as consumer credit bureaus and office support services E) Administrative offices of nonprofit organizations, such as professional membership organizations, labor unions, civic, social, and fraternal associations, political organizations and religious organizations, not including provision of social services or substance abuse treatment facilities; F) Administrative offices of Health Professionals
- (3) Catering services

- (4) Cultural services such as museums, art galleries, libraries, planetariums, and concert halls.
- (5) Essential services
- (6) Financial institutions, including banks, credit unions and savings and loan associations, provided that no drive-through facilities are permitted.
- (7) Food stores: grocery stores, food cooperatives, meats, dairy products, alcoholic beverages, baked goods, ice cream, and similar food products. The retail sale of poultry, fish, and game is permitted, provided that the slaughtering thereof is not allowed. The manufacture of food products, such as baked goods or ice cream, is permitted provided that 50 percent or more of the products are sold at retail from the same building, and all activities and storage occur on site.
- (8) Health and physical fitness centers
- (9) Indoor restaurants, as defined in Section 122-2, for sit down, carryout, and delivery, providing there are no drive through facilities.
- (10) Inns and Bed and Breakfast lodgings, subject to the specific provisions in section 122-778
- (11) Laundry and dry cleaning customer outlets (no dry cleaning is permitted on the premises), coin operated Laundromats, self-serve dry cleaning establishments, and similar operations, provided that all services performed on the premises shall be sold at retail on the same premises
- (12) Massage practitioner office, subject to the specific provisions in section 122-792
- (13) Office buildings and uses, including offices for administration services, accounting, clerical, drafting, education, executive, insurance, tax preparation, professional real estate, research, sales agent, attorney, stock broker, technical training, stenographic, writing, medical and dental offices, and similar professional office uses.
- (14) Open space areas such as conservation areas, wildlife preserves, forests preserves, arboreta, botanical or zoological gardens. No structure shall be erected on dedicated open space areas which is not clearly incidental to the principal use of the land.
- (15) Person service shops, such as a tailor, barber, beauty, shoe repair, locksmith, photocopy services, photo processing, or similar personal services shop.
- (16) Photography studios
- (17) Retail businesses, such as food stores, grocery stores, food cooperatives, meats, dairy products, baked goods, ice cream, personal use items (Drugs, health care, dry goods, notions, hardware, books, magazines, periodicals, stationery and school supplies), florists shops, hobby and craft stores, gifts, antiques, jewelry, small household articles, tobacco products, toilet articles, wearing apparel and personal accessories, toys, and similar products.
- (18) Service and retail establishments: computer sales and repair, electronics repair shops, postal centers, small appliance sales and repair, and similar special retail establishments.
- (19) Studios of artists or photographers; and the handcrafted production of pottery, glass items, neon sculpture, jewelry, silk screening, needle work, stone and wood work and similar items. The retail sale of work produced on premises shall be permitted. Kilns shall be fired only by electricity or gas.

(20) Theaters, when completely enclosed

**Sec. 122-531. Permitted Accessory Uses**

- (1) Accessory uses customarily incidental and clearly ancillary to the above permitted uses when in accordance with Article XI, Division 2.

**Sec. 122-532. Special uses.**

The following uses may be permitted, subject to the conditions specified for each use, review, and approval of the Planning Commission, the imposition of special conditions which in the opinion of the Planning Commission are necessary to fulfill the purposes of this Ordinance, and the procedures set forth in Article 28.

- (1) Any use which may meet the intent of this district and is similar to the uses in this section.
- (2) Child care centers and group day care homes and centers (not including dormitories), when not operated in connection with a private or public school or church/synagogue, subject to the specific provisions in section 122-779.
- (3) Child drop-off centers, licensed by the State of Michigan, where minor children are not cared for longer periods than four (4) hours.
- (4) Nursing homes, convalescent homes, and rest homes, subject to the specific provisions in section 122-796.
- (5) Organized markets such as a farmers' market
- (6) All permitted uses of greater than five thousand (5,000) square feet for single business occupant.

**Sec. 122-533. Area regulations.**

Upon the change of use as defined in Section 122-205, no building or structure nor any enlargement thereof shall be hereafter erected except in conformance with the following lot area, yard, and building coverage requirements:

- (1) *Front Yard.* There shall be a front yard of not greater than twenty (20) feet as measured from the front lot line.
- (2) New developments shall achieve a minimum floor area ratio (FAR) of 1:1.

**Sec. 122-534. Height regulations.**

No building or structure shall be less than two (2) stories in height at street frontage.

**Sec. 122-535. Development Standards.**

Buildings and uses in the RRD District shall be subject to the following standards and all applicable standards and requirements set forth in this Ordinance:

(1) Access, Parking, Service

- a. No parking area is permitted in the front yard setback. Garage openings must be in rear or side of buildings. Uses allowed within front setback include, sidewalk cafes or customer service areas, and patios, porches and gardens.
- b. No minimum parking standard shall apply to any commercial use within the RRD, however a minimum of 1.5 parking spaces shall be provided for each residential unit. This calculation shall supersede the formulae specified in section 122-836.
- c. Bicycle parking spaces shall be provided for all uses at a ratio of 1 bicycle parking space per 5 automobile parking spaces provided.
- d. Buildings must have pedestrian access and have connectivity to an overall non-motorized system.

(2) Building Scale and Articulation

- a. Buildings must have orientation to the street frontage, or publically accessible pedestrian way or park.
- b. Facades facing a street right-of-way or other publicly accessible right of way shall not consist of a blank wall and shall incorporate window and/or door openings or other architectural design features to limit the appearance of blank walls.
- c. For commercial uses, a minimum 50% area of the first floor façade must be comprised of windows, doors, openings or other architectural design features to limit the appearance of blank walls.
- d. Buildings exceeding fifty (50) feet in width shall utilize at least three (3) of the following design features to provide visual relief and variation along any façade facing public streets or private drives:
  - i. Vertical offset in ridge line;
  - ii. Gables;
  - iii. Exaggerated cornices or bracketed eaves;
  - iv. Dormers; or
  - v. Covered entries;
  - vi. Cupolas;
  - vii. Pillars or posts;
  - viii. Varied width;
  - ix. Balconies;
  - x. Bay or bow windows (minimum 12 inch projection);
  - xi. Off-sets in building facade (minimum 16 inches); or
  - xii. Other architectural feature that achieves the intent of this paragraph.

(3) Materials.

All walls visible from any public or private right-of-way shall be finished primarily in a durable hard surface such as brick, stone, wood, or cement-based siding products. These primary

materials shall make up a minimum of 60% of the solid wall area, exclusive of windows and doors. Vinyl products and aluminum siding do not satisfy this requirement.

(4) Landscaping

- a. Where screening of development or parking area is required, landscaped berms shall not be used. Screening shall be provided via solid walls, fences, or evergreen plantings.
- b. Greenbelt and foundation landscaping requirements shall be waived for any portion of a building that has no setback from the property line. At the discretion of the Planning Commission, hardscape materials may be substituted for lawn and plant materials in order to facilitate outdoor dining and similar uses.
- c. Street trees shall be provided along all street right-of-ways, within the right-of-way. A minimum of one street tree shall be provided for each 30 feet of street frontage. Tree selections and installation methods shall comply with standards and unified streetscape plans provided by the City prior to site plan approval.
- d. Public open space shall not count toward FAR calculations. Such open space must be contiguous with public parkland or right-of-way, must be deeded to the City or subject to a public access and use easement, and must be usable space, such as plazas or recreational space. Parking area landscaping, screening, and other required landscaping shall not be considered public open space.

|                                              |
|----------------------------------------------|
| <b>CRD / RRD DISTRICT SIGNAGE AMENDMENTS</b> |
|----------------------------------------------|

|                                                                     |
|---------------------------------------------------------------------|
| <b>(As recommended to Council by Planning Commission, 02/18/09)</b> |
|---------------------------------------------------------------------|

**Sec. 122-875. Number of signs permitted.**

- (a) The number of signs which may be erected on each lot pursuant to this article, shall be determined by reference to the zoning district in which the sign is located.

| District       | Number of Signs |
|----------------|-----------------|
| R1             | 1               |
| R2             | 2               |
| R3, R4         | 2               |
| RO, RC, RRD    | 2               |
| B1, B2         | 2               |
| B3, B4, CRD    | 3               |
| WS, M1, M2, CI | 3               |

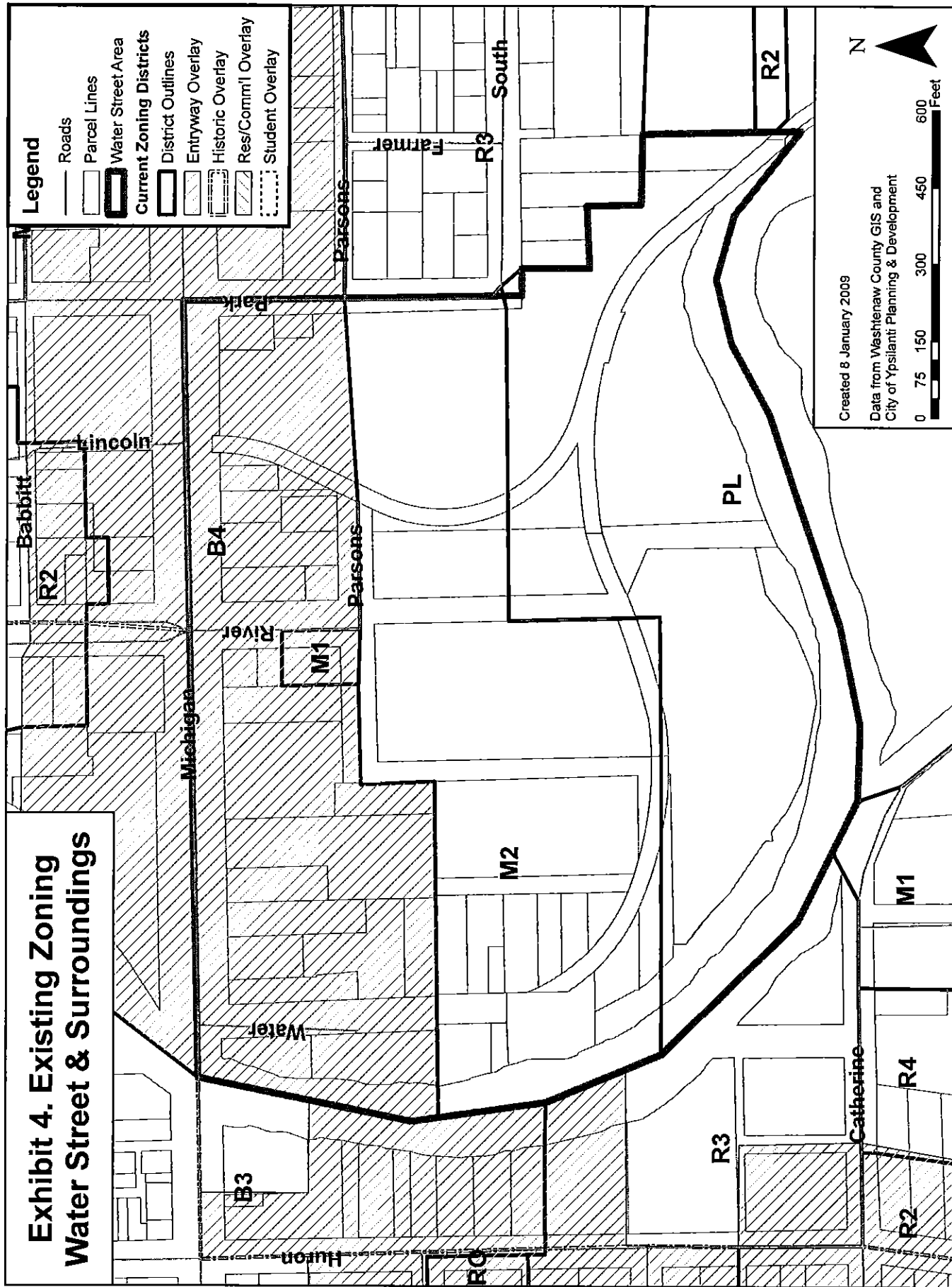
**Sec. 122-880. Schedule A--Area, height and placement regulations for permanent signs.**

| Zoning District | Categories of Signs Allowed                              | Maximum Square Footage of Ground or Pole Signs (Square Feet) | Maximum Height of Ground or Pole Signs (Feet) | Sign Placement Requirements                   |
|-----------------|----------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| R1              | Any 1 of following 3 categories: #1, #3, #5              | 6                                                            | 6                                             | Within front, side and rear of property lines |
| R2              | Any 2 of following 3 categories: #1, #3, #5              | 6                                                            | 8                                             | Within front, side and rear of property lines |
| R3, R4          | Any 2 of following 3 categories: #1, #3, #5              | 16, 32                                                       | 8                                             | Within front side, and rear property lines    |
| RO, RRD         | Any 2 of following 3 categories: #1, #3, #5              | 30                                                           | 8                                             | Within front, side and rear property lines    |
| B1, B2          | Any 2 of following 3 categories: #1, #2, or #3           | 40                                                           | 10                                            | Within front, side and rear property lines    |
| CRD             | Any 3 of following categories: #1, #3, #4, #5, #6        | 40                                                           | 10                                            | Within front, side and rear property lines    |
| B3, B4          | Any 3 of following categories: #1, or #2, #3, #4, #5, #6 | 150                                                          | 35                                            | Within front, side and rear property lines    |
| WS, M1, M2, CI  | Any 3 of following categories: #1 or #2, #3, #4, #5, #6  | 150                                                          | 35                                            | Within front, side and rear property lines    |

**Categories:**

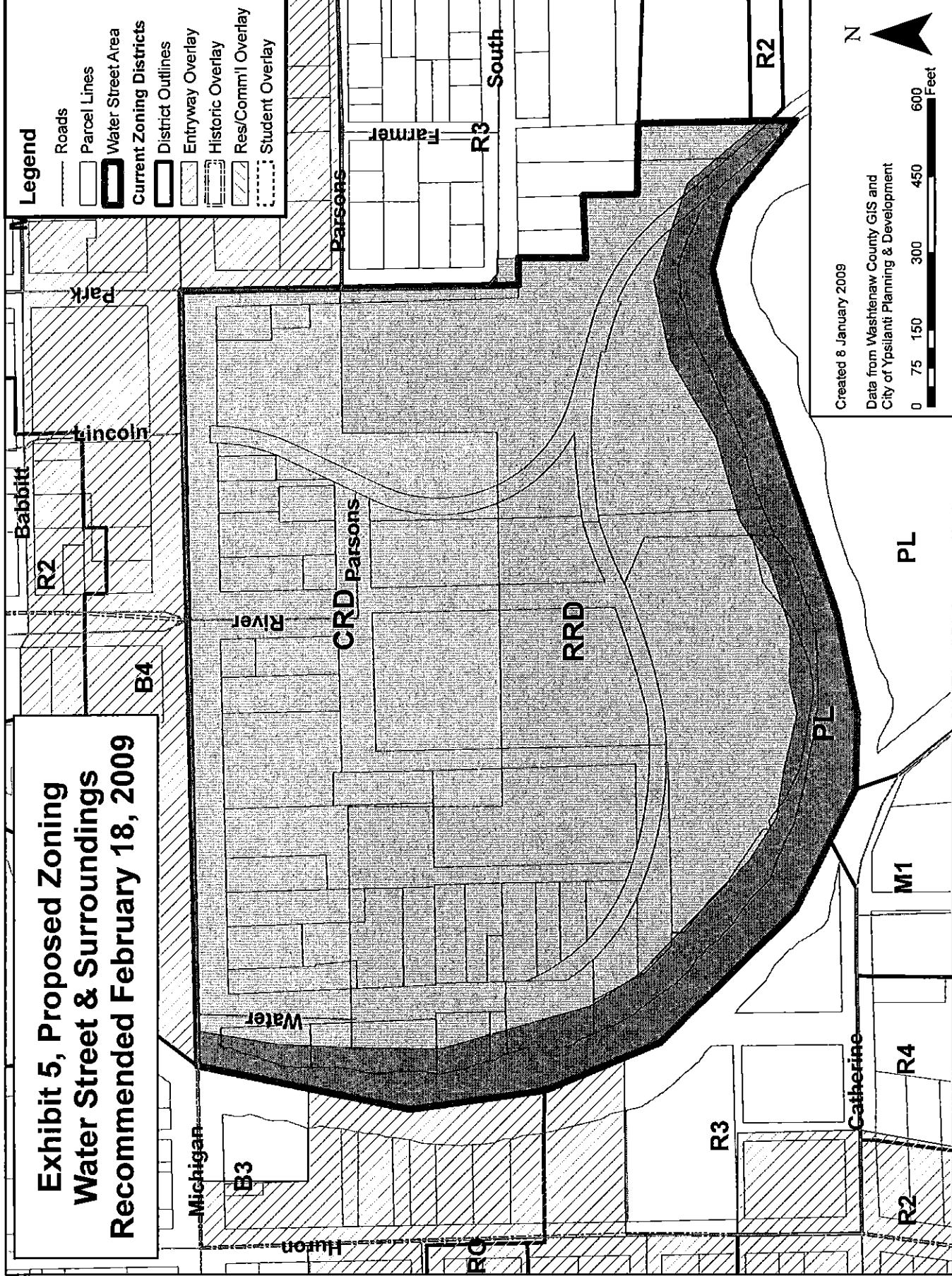
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|----------------|---------------|
| #1 Ground sign | #4 Roof sign  |
| #2 Pole sign   | #5 Marquee    |
| #3 Wall sign   | #6 Projecting |

# Exhibit 4. Existing Zoning Water Street & Surroundings



# **Exhibit 5, Proposed Zoning Water Street & Surroundings Recommended February 18, 2009**

- Legend**
- Roads
  - Parcel Lines
  - Water Street Area
  - Current Zoning Districts
  - District Outlines
  - Entryway Overlay
  - Historic Overlay
  - Res/Comm'l Overlay
  - Student Overlay



Created 8 January 2009  
Data from Washtenaw County GIS and  
City of Ypsilanti Planning & Development

**Exhibit 6. – Planned Unit Development text amendments for CRD/RRD districts**

**ARTICLE IX. PLANNED UNIT DEVELOPMENT\***

\*State law reference(s)--Planned unit development, MCL 125.584b, MSA 5.2934(2).

**Sec. 122-571. Description and purpose.**

- (a) It is the purpose of this article to provide guidelines for development or redevelopment which is planned as a unit. Toward this end, it is the intent of these regulations to allow flexibility in the regulation of land development; encourage innovation in land use and variety in design, layout, and type of structures constructed; achieve economy and efficiency in the use of land, energy, public services, and utilities; encourage useful open space; provide better housing, employment, shopping opportunities, compatibility of design, and use between neighboring properties; facilitate the preservation and reuse of historic structures; and encourage development that is consistent with the city's master land use plan.
- (b) The approval of a planned unit development application shall require an amendment to this chapter to revise the zoning map and designate the subject property as "PUD, planned unit development." An approval granted under this article, including all aspects of the final site development plan and conditions imposed on it, shall constitute an inseparable part of this chapter.
- (c) The provisions of this article are not intended as a device for ignoring this chapter, the specific standards set forth in this chapter, or the planning upon which it has been based. Provisions of this article are intended to result in land development substantially consistent with the zoning standards generally applied to the proposed uses, allowing for modifications and departures from generally applicable standards in accordance with the guidelines of this article to insure appropriate, fair, and consistent decision-making.

(Ord. No. 626A, § 5.144, 7-15-1994; Ord. No. 1087, 2-3-2009)

**Sec. 122-572. Permitted uses.**

In a planned unit development, the principal uses which shall be permitted shall be based on the underlying zoning district. City Council may also consider, upon Planning Commission recommendation, the City of

Ypsilanti Master Plan as a basis for principal uses permitted in a planned unit development.

| <i>Underlying Zoning District</i> | <i>Permitted Uses under Planned Unit Development</i>                                                                                                                                                                                                                                                   |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| R1, R2                            | Planned unit developments shall not be permitted in these districts.                                                                                                                                                                                                                                   |
| R3, R4                            | Any combination of uses permitted in the R3 and R4 zoning districts. Limited commercial, service, and office uses shall be permitted if in combination with and related to residential uses.                                                                                                           |
| RO, B1, B2, B3 or RC              | Any combination of uses permitted in the RO, B1, B2, B3 or RC (Ord. No. 918, 8-4-2000) zoning districts. Residential uses shall be permitted only if in combination with such commercial or office uses.                                                                                               |
| B4, WS or CI                      | All commercial, service, and office uses or any combination of such uses shall be permitted. Limited light industrial uses shall be permitted if in combination with such commercial or office uses. However, the CI district shall permit a standalone light industrial use. (Ord. No. 918, 8-4-2000) |
| M1, M2                            | All industrial and office uses and any combination of such uses. Limited commercial and service uses shall be permitted if in combination with industrial uses. Residential uses shall not be permitted.                                                                                               |
| <u>CRD, RRD</u>                   | <u>Any combination of uses permitted in the CRD or RRD zoning districts, or other uses consistent with the Master Plan.</u>                                                                                                                                                                            |

(Ord. No. 626A, § 5.145, 7-15-1994; Ord. No. 970 1-2-03)

**Sec. 122-573. Requirements for planned unit developments.**

The following requirements shall apply to all planned unit developments:

- (1) *Unified control.* The proposed development shall be under single ownership or control such that there is a single person or entity having responsibility for completing the project in conformity with this chapter. The applicant shall provide legal documentation of a single

Exhibit 6. – Planned Unit Development text amendments for CRD/RRD districts

ownership or control in the form of agreements, contracts, covenants, and deed restrictions which indicate that the development can be completed as shown on the plans, and further, that all portions of the development that are not to be maintained or operated at public expense will continue to be operated and maintained by the developers or their successors.

- (2) *Minimum size.* The minimum size of a planned unit development shall be 43,560 square feet (one acre) of contiguous land. The city council may approve a planned unit development for a parcel as small as 21,780 square feet (one-half acre) if the proposal involves the preservation and/or adaptive reuse of a historically significant structure. The historical significance shall be determined by the city historic district commission.

- (3) *Applicable base regulations.* Unless waived or modified in accordance with the procedures and standards set forth in this article, the yard, bulk, parking, loading, landscaping, lighting, general provisions, and all other standards set forth in this chapter for the uses listed below shall be applicable for uses proposed as part of a planned unit development:

- a. Multiple-family residential uses shall comply with the regulations applicable in the R4 multiple-family residential district.
- b. Commercial and office uses shall comply with the regulations applicable in the B3 central business district.
- c. Manufacturing uses shall comply with the regulations applicable in the M2 light manufacturing district.
- d. Mixed uses shall comply with the regulations applicable for each individual use, as outlined above, except that if conflicts exist between provisions, the regulations applicable to the most dominant use shall apply.

e. Regardless of use, planned unit development with an underlying zoning district of CRD or RRD shall comply with the regulations applicable in that underlying district.

- f. To encourage flexibility and creativity in development consistent with the planned development concept, departures from compliance with the base regulations may be granted by the city council, upon recommendation of the planning

commission, as a part of the approval of the planned development. For example, such departures may include modifications of lot dimensional standards, setback requirements, density standards, parking and landscaping requirements, and similar requirements. Such departures may be approved only on the condition that they will result in a higher quality of development than would be possible using conventional zoning standards.

- (4) *Street access.* Each lot, main building, and principal use within a planned development district shall have vehicular access to a public street. Adequate provision shall be made for dedications of land for streets and essential services.

- (5) *Usable open space.* The proposed development shall contain at least as much open space as would otherwise be required by the existing underlying zoning.

- (6) *Landscaping and maintenance of common areas.* All required yards and common areas shall be landscaped and adequately and permanently maintained by the property owner, tenant, or organization responsible for maintaining common areas. Through an irrevocable conveyance, such as deed restrictions or covenants that run with the land, the developer shall assure that all yards and common areas will be developed in accordance to the site plan and not changed to another use.

- (7) *Additional considerations.* During review of a proposed planned development, the planning commission shall take into account the following considerations which may be relevant to a particular project: perimeter setbacks and screening; thoroughfares, drainage, as provided for in best management practices as appropriate, and utility design; underground installation of utilities; insulating pedestrian circulation from vehicular thoroughfares and ways; achievement of an integrated development with respect to signage, lighting, landscaping and building materials; and noise reduction mechanisms, particularly in cases where nonresidential uses adjoin off-site residentially-zoned property.

(Ord. No. 626A, § 5.146, 7-15-1994)

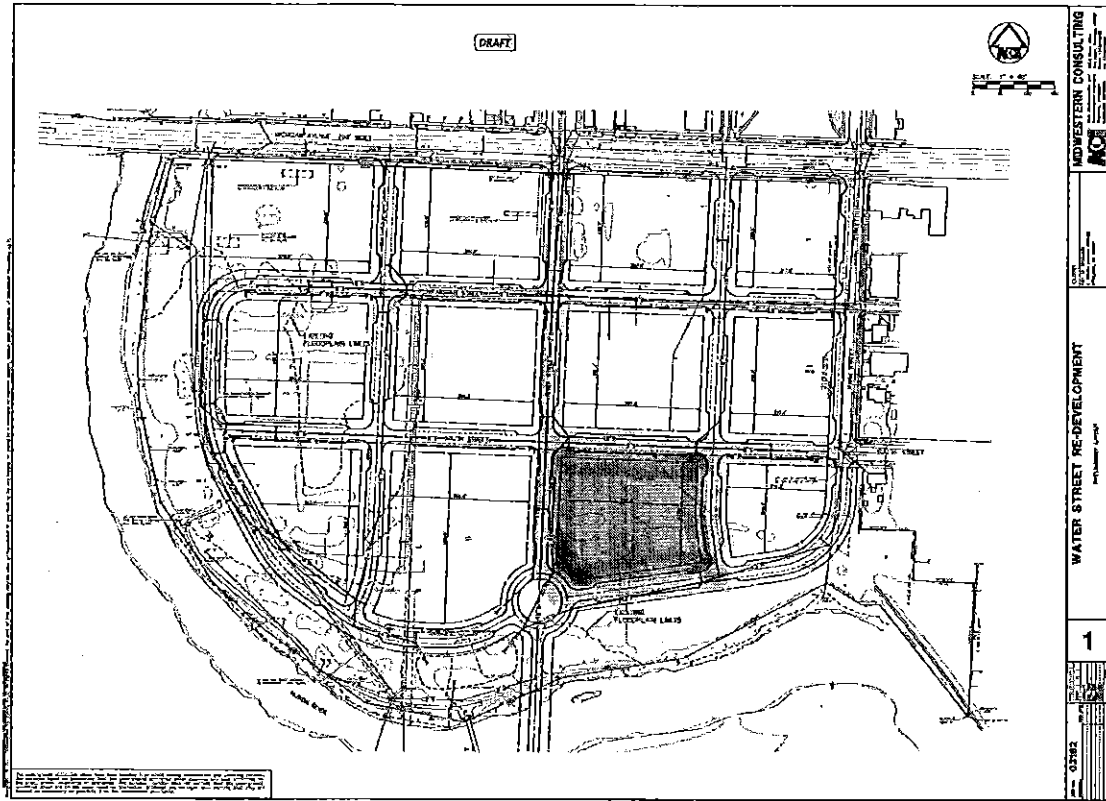
## **EXHIBIT D**

### **INFRASTRUCTURE IMPROVEMENTS**

Herman & Kittle Properties to install all road infrastructure, including utilities, street trees, and sidewalks in the following locations.

- Extend River Street South from Michigan Avenue to a terminating ring road as depicted in Exhibit D1.
- Extend South Street from South Park Street West to River Street as depicted in Exhibit D1.
- Extend Lincoln Street from South Street South as depicted in Exhibit D1
- Extend Ring Road from River to Lincoln Streets as depicted in Exhibit D1

Exhibit D1



**EXHIBIT E**  
**RESTRICTED USES**  
**TO BE PROVIDED**

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2/26/14

EXHIBIT F TO AGREEMENT TO PURCHASE REAL ESTATE BETWEEN  
THE CITY OF YPSILANTI (THE "CITY") AND  
HERMAN & KITTLE PROPERTIES, INC. ("PURCHASER")

Basic Terms of a Restrictive Covenant Agreement Pursuant to Section 8 of the Agreement. At closing, the parties shall execute and record such documents confirming Purchaser's acceptance of the use restrictions which City shall impose upon the Overall Property (and the Property) required by the terms of the City's agreement with Ninety Nine 90, LLC (the "Family Dollar Agreement") for the property described therein (the "Family Dollar Parcel"). The Exclusive Use Restrictions (as defined below) shall be imposed upon the closing under the Family Dollar Agreement and which shall benefit the Family Dollar Parcel shall provide that for so long as Family Dollar, its successors or assigns, is open and operating a fully staffed and inventoried variety store, variety discount store, discount department store, dollar store, liquidation or close-out store on the Family Dollar Parcel, no other part of the Overall Property shall be used as any variety store, variety discount store, discount department store, dollar store, liquidation or close-out store, or any store similar to a Family Dollar store in operation or merchandise including, but not limited to, Dollar General, Bonus Dollar, dd's Discounts, Deal\$, Only Deals, 99 Cents Only, Dollar Tree, Fred's, or Marc's (the "Exclusive Use Restriction"); provided, however, the Exclusive Use Restriction shall not prohibit any portion of the Overall Property from being used as (a) a big box discount department store (the term "big box discount department store" shall not include those stores listed above) which exceeds Thirty Thousand (30,000) square feet (like a Target, Meijer, Wal-Mart or Kmart), (b) a drug store, (c) a grocery store, (d) a toy store, (e) a hobby store, (f) a sporting goods store, (g) a card and gift store, (h) a hardware store, (i) a home improvement store, (j) an auto supply store, (k) an electronics store, (l) an office supply store, or (m) any other store selling a single category of merchandise, even though the category may be a broad one such as toys or hardware. The Exclusive Use Restriction shall remain in full force and effect while Family Dollar is constructing a dollar store on the Family Dollar Parcel, but shall automatically terminate in the event Family Dollar does not open within the period required by the Family Dollar Agreement. Once Family Dollar has opened, the Exclusive Use Restriction on the Overall Property (including the Property) shall automatically terminate when Family Dollar, its successors or assigns, fails to operate a fully staffed variety store, variety discount store, discount department store, dollar store, liquidation or close-out store on the Family Dollar Parcel for period of six (6) consecutive months or more, other than in connection with a renovation or restoration in connection with a casualty. The Restrictions will not terminate in connection with a renovation or restoration so long as Family Dollar is diligently pursuing such renovation or restoration.

The Restrictive Covenant Agreement shall further provide that the City shall have the right to impose and record additional restrictive covenants against the Property after closing which restrict the Property from being utilized for certain uses for which the City may grant other purchasers of land within the Water Street project, provided however, such restrictions shall not restrict the Property from being utilized as a multi-family residential rental apartments. Such additional restrictions may include restrictions on the Property from being used as a recreation center and/or facility, a gym, with or without pools, provided however, such restrictions shall not preclude Purchaser, or any successors, from operating as an amenity to the residents of the Property, workout or exercise facilities provided that such workout facilities do not include a running track, a swimming pool, or otherwise exceeds 3,000 square feet. The exact terms and conditions of the Restrictive Covenant Agreement shall be negotiated and finalized by the parties prior to the expiration of the Inspection Period. A remedy for a violation or the breach of the restriction shall include a right to proceed at law or in equity to compel compliance with the Restrictions or to prevent their violation or breach.



## WATER STREET FLATS –PURCHASE AGREEMENT EXTENSION REQUEST

Ypsilanti City Council – September 2, 2014

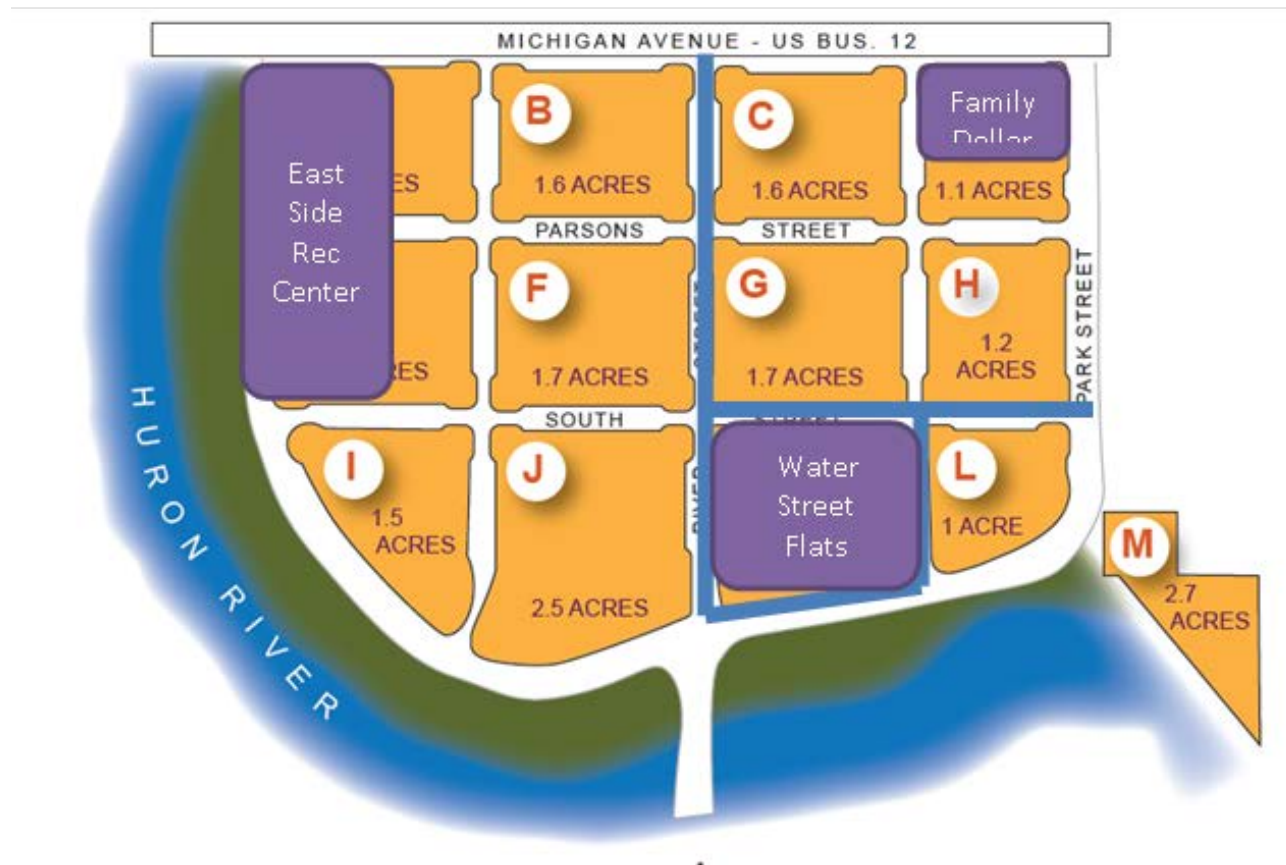


## Tonight's presentation

- Review of project details
- Review previous purchase agreement
- Summarize partial allocation/previous scoring
- What would change in a new application?
- Timeline for development
- Impact on future development
- Comments & questions

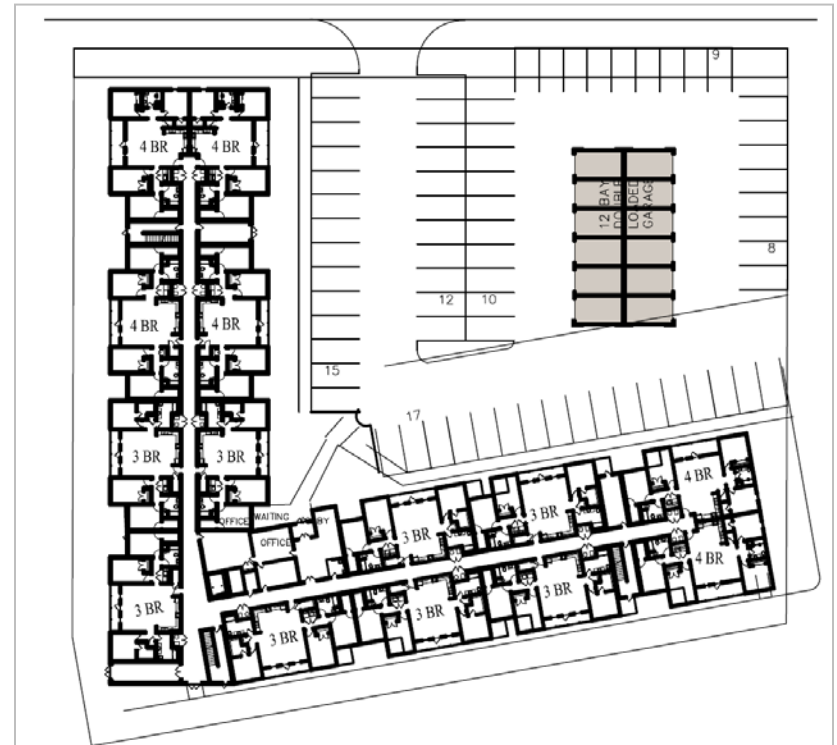
## Review of Project details

- January 21, 2014 – City Council approves Letter of Intent
- Feb. 25, 2014 – City Council holds a work session on Water Street Flats
- March 4, 2014 – City Council holds a public hearing and approves purchase agreement to develop 1.7 acres into Water Street Flats



## Review of Project details

|                        |                                                                                                                |
|------------------------|----------------------------------------------------------------------------------------------------------------|
| <b>Location:</b>       | SE block of proposed River and South Street                                                                    |
| <b>Use:</b>            | Family apartment units ranging from 1-4 bedrooms                                                               |
| <b>Taxes:</b>          | This is a taxable property.                                                                                    |
| <b>Orientation:</b>    | Building fronts on River Street and the Huron River                                                            |
| <b>Access:</b>         | From proposed River and South Streets, with portions of Lincoln and ring road to be built by Developer to City |
| <b>Utilities:</b>      | Oversized water and sewer lines expected to pull from Michigan Ave. to the interior, built by Developer.       |
| <b>Investment:</b>     | Approximately \$12.5 million.                                                                                  |
| <b>Parcel Size:</b>    | 1.7 acres                                                                                                      |
| <b>Purchase Price:</b> | \$157,000 or \$92,350/acre                                                                                     |
| <b>Unit count:</b>     | 80 units                                                                                                       |
| <b>Building Size</b>   | Approx 130,212 sf                                                                                              |



## Existing Purchase agreement

- Purchase agreement contingent on MSHDA allocation
- MSHDA awarded the project \$2.1 million in state HOME funds
- Project still needs about \$2 million in additional funds





## How does the allotment and scoring work?

- HOME funds are a pot of money distributed per competitive grant
- \$18 million allotted, distributed based on ranking of projects and their requested amounts
- Water Street Flats scored 6 – received partial allocation

How could it have scored better?

- Payment in Lieu of Taxes ensures better scoring
  - City wanted a taxable property
  - Brownfield tax increment financing needed to address contamination, need for geopiers in fill soil, and for additional site infrastructure
- MSHDA requires 35-50 year proforma – so there can be no “bubble”
  - Brownfield TIF reimbursement estimated at 20-23 years
  - Bump in operating expenses when brownfield TIF expires



## How can the project score better?

Two bites at the apple in October

A. Status quo – 4% tax credits + HOME funds

Project will be identical to previous application. Funding will depend on scoring in comparison to other applicants

B. Enhanced – 9% credit – more equity up front to allow for amenities

- Enterprise Green certification
- 20% market rate units (18 units)
- Increased Equal Employment Opportunity Targets of 18.05% minority contractors and 6.9% female contractors



## Revised Project Timeline

|                                                |                         |
|------------------------------------------------|-------------------------|
| Submit Preliminary Assessment / 9% Application | 10/15/2014 OR 10/1/2015 |
| Threshold Rankings Released                    | 2/19/2015               |
| Site Plan Approval                             | May / June of 2015      |
| Final Board Approval                           | May / June of 2015      |
| Close on Property                              | 09/2015                 |
| Commence Construction                          | 09/2015                 |
| Construction Completion / Cert of Occupancy    | 09/2016                 |

Summary – previous construction start pushed back one calendar year



## Amendment details

The amendment to the purchase agreement does two key things:

- Allows for HKP to apply to MSHDA for additional financing. If the allocation is not received the from MSHDA by March 31, 2014 the agreement will terminate
- Changes other time frames in the agreement to either match or restart from this new date including: governmental approvals period, and closing.

## Impact on Future Development

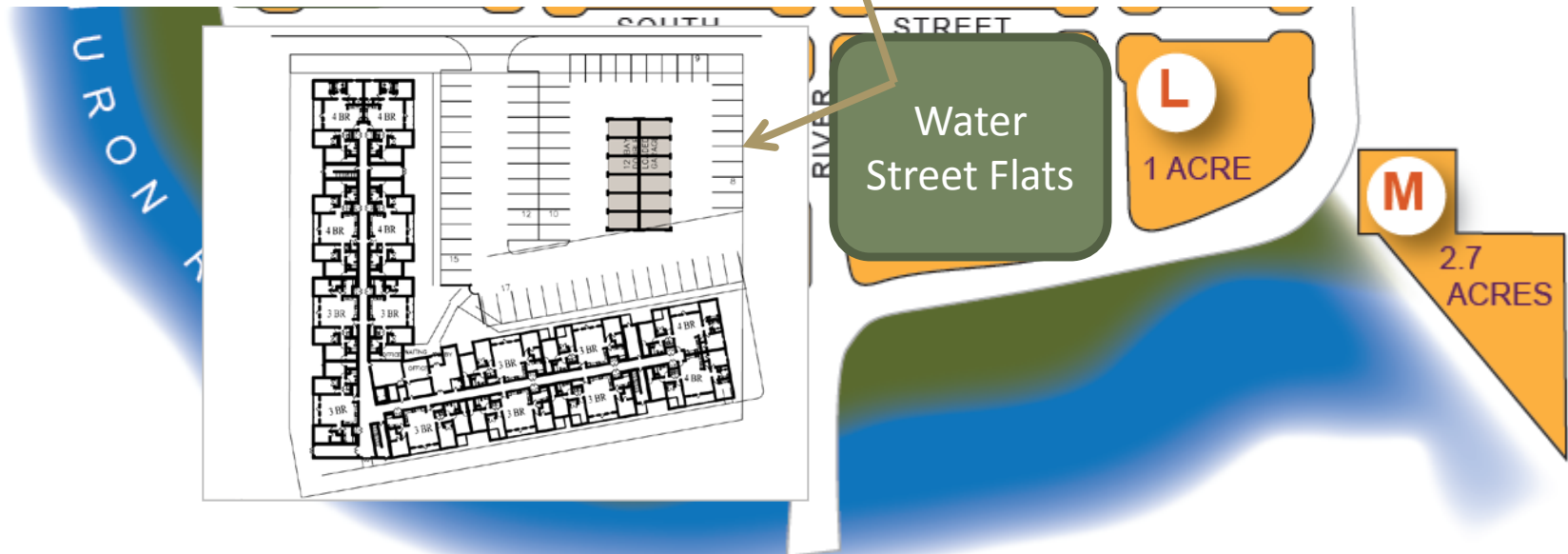


## Construction has started!

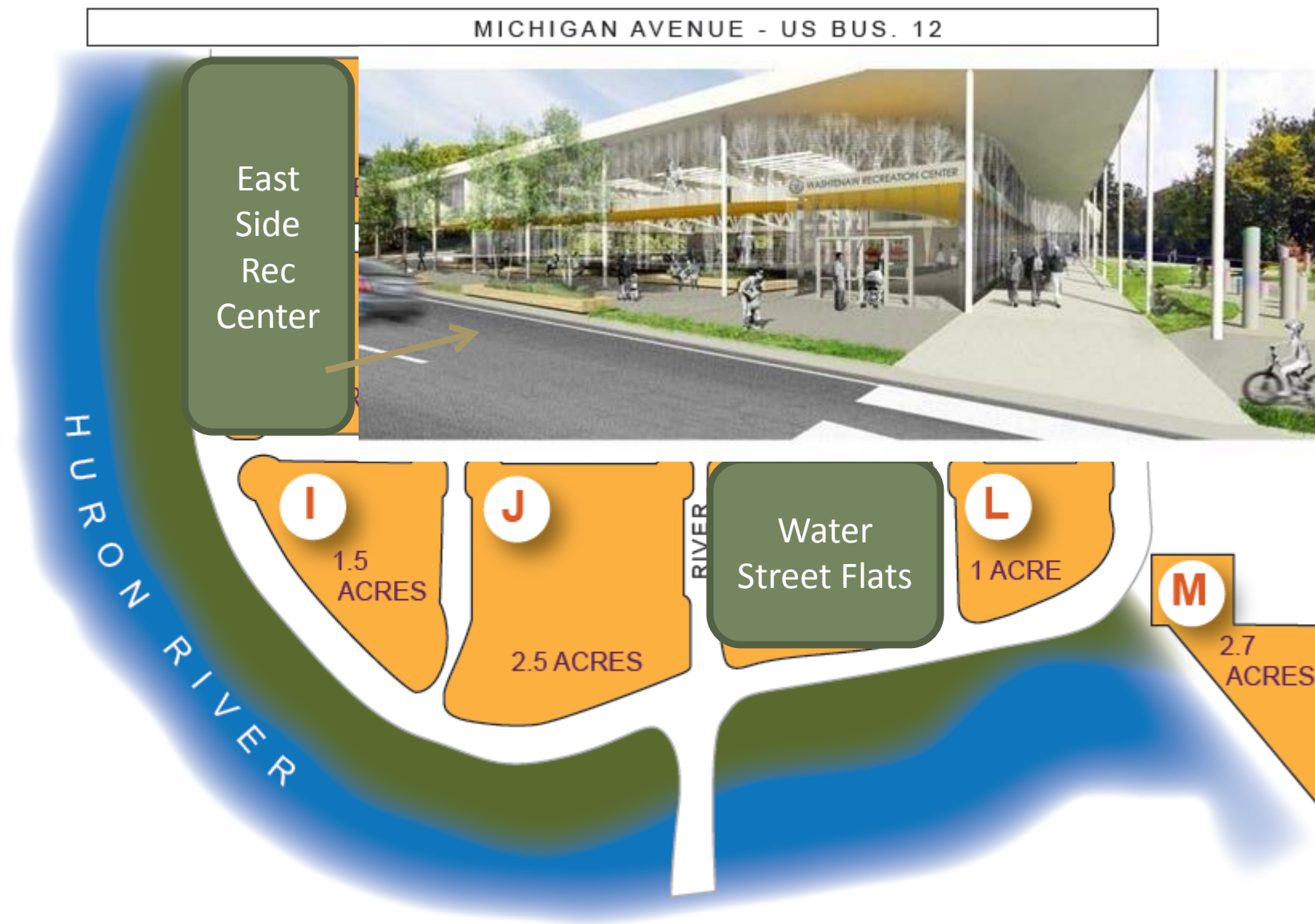


80 units of family housing – 2015 expected start

MICHIGAN AVENUE - US BUS. 12



## East Side Recreation Center – Expected 2016 start



## Bridge and linear trail and park – construction start Oct. 2014

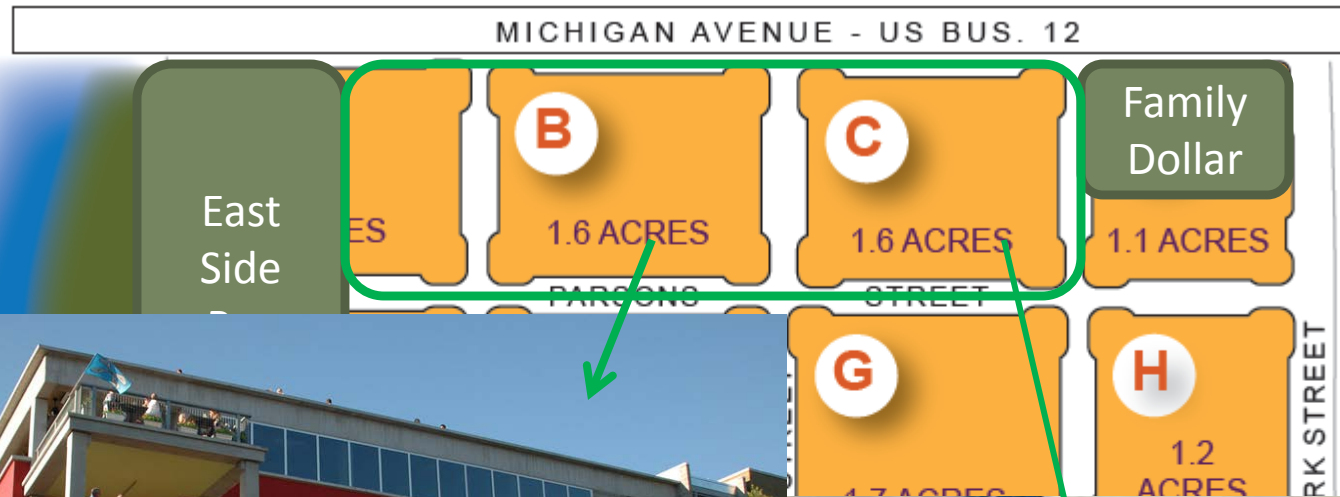
### Site Plan Overview



## What do committed projects mean for infrastructure build out?



# What is the vision for the rest of the site?



## Variety of Housing product



QUESTIONS AND COMMENTS



REQUEST FOR LEGISLATION  
September 2, 2014

From: Stan Kirton, Public Services Director

Subject: Approval of OHM Proposal for Construction Engineering for Phase I Prospect Road PRIP Project

---

SUMMARY & BACKGROUND:

Priority Road Improvement Project (PRIP) funds have been programmed for road improvements to Prospect Road in the 2014 and 2015 construction seasons. Phase I slated for the 2014 construction season includes 2.5 inch cold milling of the existing asphalt surface, hot mix asphalt overlay, select curb and gutter repairs, select sidewalk repairs, sidewalk ramp improvements and select subgrade repairs to South Prospect between Michigan Avenue and Grove Road. Bids were solicited and opened on August 21, 2014. Cadillac Asphalt, LLC had the low bid of \$348,537.21. Staff is recommending acceptance of this bid to council.

To keep this project on schedule for the 2014 construction season it is necessary to secure construction engineering services. OHM has submitted a proposal for construction engineering and geotechnical testing for an amount not to exceed \$53,300.

The construction engineering services costs will be expended from account No. 202-7-9041-975-02.

Staff recommends council accept the proposal submitted by OHM for construction engineering services.

RECOMMENDED ACTION: Approval

ATTACHMENTS: OHM Proposal, Resolution

---

CITY MANAGER APPROVAL: \_\_\_\_\_ COUNCIL AGENDA DATE: Sept. 2, 2014

CITY MANAGER COMMENTS: \_\_\_\_\_

FISCAL SERVICES DIRECTOR APPROVAL: \_\_\_\_\_



Resolution No. 2014-211  
September 2, 2014

**RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:**

WHEREAS, Priority Road Improvement Program Funds has been programmed for road improvements including; 2.5 inch cold milling of existing asphalt surface, hot mix asphalt overlay of the milled areas, select subgrade repairs, select sidewalk repairs, sidewalk ramp improvements, and select repairs to the curb and gutter for South Prospect Road in the 2014 construction season; and

WHEREAS, the low bid for this project was submitted by Cadillac Asphalt, LLC in the amount of \$348,537.21; and

WHEREAS, Orchard Hiltz and McCliment has submitted a proposal to provide construction engineering services and geotechnical testing for a not exceed amount of \$53,300; and

WHEREAS, the construction engineering services will be expended from account number 202-7-9041-975-02 in the FY 2014-15 budget; and

NOW, THEREFORE, BE IT RESOLVED THAT the City Council approves the proposal submitted by OHM for construction engineering and materials testing services to comply with regulations and directives mandated for the use of Priority Road Improvement Program Funds; and

THAT the Mayor and City Clerk are authorized to sign this contract, subject to review and approval by the City Attorney; and

THAT the City Manager is authorized to sign any change orders that may be needed to maintain the project's schedule, subject to review and approval by the City Attorney.

OFFERED BY: \_\_\_\_\_

SUPPORTED BY: \_\_\_\_\_

YES:                      NO:                      ABSENT:                      VOTE:



ARCHITECTS. ENGINEERS. PLANNERS.

August 26, 2014

City of Ypsilanti  
One South Huron St.  
Ypsilanti, Michigan 48197

Attention: Mr. Stan Kirton  
Department of Public Services Director

Regarding: Prospect – Grove to Michigan  
City of Ypsilanti  
Construction Phase Services

Dear Mr. Kirton:

Orchard, Hiltz & McClimment, Inc. (OHM) is pleased to submit this proposal for engineering services for the Prospect – Grove to Michigan repaving project in the City of Ypsilanti.

### **PROJECT UNDERSTANDING**

We understand that this will be a road repair project on Prospect Street between Grove Street and Michigan Avenue. The project will consist of milling the existing HMA pavement, undercutting and base repair where needed, and resurfacing with 2.5" of HMA pavement. The project also includes as-needed sidewalk and driveway repairs and ADA improvements at all side streets. The project is scheduled to be complete this construction season. This project does not include improvements at the Michigan, Factory, or Grove Street intersection. These areas will be addressed separately with other construction contracts.

### **SCOPE OF CONSTRUCTION SERVICES**

#### **Construction Layout**

OHM will provide construction survey layout services for the project. Staking will be provided for the paving limits, curbs, and ADA ramps. This will include one placement of the stakes.

#### **Construction Observation**

OHM will provide full time on-site construction observation services for all paving activities and restoration. Observation will be provided for all work, such as identifying removal limits, base inspection prior to paving, form inspection, and final inspection. The construction observation will include measurement and logging of all work performed by the contractor.

Coordinating materials testing services will also be included under construction observation. Material testing is shown as a separate line item below.

#### **Construction Engineering**

OHM will provide construction engineering services for this project. Construction engineering services will include, but are not necessarily limited to, reviewing shop drawings and materials certifications provided by the contractor, attending a preconstruction meeting, answering requests for information (RFIs) from the contractor, and resolving construction conflicts (i.e., mismarked utilities, interpretation of the contract documents, etc.).

### **Contract Administration**

OHM will provide necessary contract administration services for the project. Contract administration services will include preparation of any necessary change orders and correspondence needed for clarification, preparation and processing of partial and final payment estimates as well as final walk through and project close out.

### **FEE SCHEDULE**

OHM proposes to provide the above outlined professional services on an Hourly - not to exceed basis.

|                                     |                                          |
|-------------------------------------|------------------------------------------|
| <b>Construction Services -</b>      | <b>\$43,800</b>                          |
| <b><u>Geotechnical Testing-</u></b> | <b><u>\$9,500</u></b>                    |
| <b>TOTAL</b>                        | <b>\$53,300 (Hourly – Not to Exceed)</b> |

This is an hourly estimate (not to exceed if there are no scope changes). If it appears during the project that this estimate will be exceeded OHM will notify the City in a timely manner and indicate the reasons that the budget will not be met (e.g. the contractor's productivity and field conditions). OHM will invoice the City once a month for the hourly – not to exceed amount in accordance with the continuing services agreement between OHM and the City of Ypsilanti.

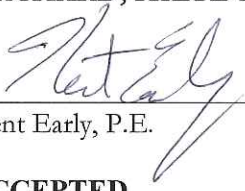
### **ADDITIONAL SERVICES**

OHM will be pleased to provide not specifically described in the scope of work on a time and material basis. A separate proposal would be provided for such services.

We thank you for this opportunity to provide professional engineering services. Should there be any questions, please contact us.

Sincerely,

**ORCHARD, HILTZ & McCLIMENT, INC.**

  
\_\_\_\_\_  
Kent Early, P.E.

**ACCEPTED**

By: \_\_\_\_\_  
Printed Name  
  
\_\_\_\_\_  
Signature  
  
\_\_\_\_\_  
Title  
  
\_\_\_\_\_  
Date



ARCHITECTS. ENGINEERS. PLANNERS.

August 26, 2014

City of Ypsilanti  
One Huron Street  
Ypsilanti MI 48197

Attention: Stan Kirton  
Director of Public Services  
City of Ypsilanti

Regarding: Recommendation for Award  
Prospect – Grove to Michigan

Dear Mr. Kirton:

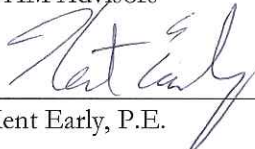
Sealed bids for Prospect – Grove to Michigan were received and publicly read aloud at 2:00 pm on Thursday, August 21, 2014 in the City of Ypsilanti Council Chambers. Eight (8) prospective contractors obtained plans and specifications for the project. Proposals were received from five (5) bidders with as-checked results ranging from \$348,537.21 to \$513,732.56.

Cadillac Asphalt, LLC was the low bidder on the project. In reviewing their bid, all required information, including bond surety, statement of qualifications, and subcontractors listing, has been provided.

It is felt that Cadillac Asphalt, LLC and their subcontractors are capable of performing the work based on past experiences, referenced projects, and information provided with the statement of qualifications in the bid package. **Based on the submitted information, it is recommended that the City of Ypsilanti, Prospect – Grove to Michigan contract be awarded to Cadillac Asphalt, LLC, of Belleville, Michigan in the amount of \$348,537.21.**

Should there be any questions, please contact this office at (734) 522-6711.

Sincerely,  
OHM Advisors

  
\_\_\_\_\_  
Kent Early, P.E.

CC: Ralph A. Lange, City Manager

P:\0000\_0100\0094130040\_Prospect\\_CONST\CA\Recommendation of Award.docx\

Attachment: Bid Tab



REQUEST FOR LEGISLATION  
September 2, 2014

From: Stan Kirton, Public Services Director

Subject: Contract with Cadillac Asphalt for Phase I of the Prospect Road PRIP Project

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SUMMARY & BACKGROUND:

Priority Road Improvement Program Funds in the amount of \$1.9 million have been programmed for road improvements to Prospect Road in the 2014 (Phase I) and 2015 (Phase II) construction seasons. The project limits for Phase I of this project, which is slated for the 2014 construction season, are South Prospect Road between Michigan Avenue and Grove Road. The scope of work for this project includes but not limited to, 2.5 inch cold milling of the existing asphalt, hot mix asphalt paving of the milled surface, select subgrade repairs, select curb and gutter repairs, select sidewalk repairs, and sidewalk ramp improvements.

Bids were solicited through MITN (Michigan Inter-governmental Trade Network) and five (5) sealed bids were received and opened on Thursday, August 21<sup>st</sup>, at 2:00 pm. The bids ranged from \$513,732.56 to \$348,537.21. Ajax Paving Industries, Troy, MI, submitted a bid in the amount of \$513,732.56; Barrett Paving Materials, Inc., Ypsilanti, MI, submitted a bid in the amount of \$449,950.11; Pavex Corporation, Trenton, MI, submitted a bid in the amount of \$438,907.87; Florence Cement Company, Shelby Township, MI, submitted a bid in the amount of \$428,129.11; and Cadillac Asphalt, LLC, Belleville, MI, submitted a bid in the amount of \$348,537.21.

The engineers' estimate for Phase I of this project was \$382,140.00. Staff recommends council accept the bid submitted by Cadillac Asphalt in the Amount of \$348,537.21.

RECOMMENDED ACTION: Approval

ATTACHMENTS: Bid Tabulation, Resolution, Engineers' estimate

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CITY MANAGER APPROVAL: \_\_\_\_\_ COUNCIL AGENDA DATE: Sept. 2, 2014

CITY MANAGER COMMENTS: \_\_\_\_\_

FISCAL SERVICES DIRECTOR APPROVAL: \_\_\_\_\_



Resolution No. 2014 - 212  
September 2, 2014

**RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:**

WHEREAS, Priority Road Improvement Program (PRIP) Funds has been programmed for road improvements to Prospect Road in the 2014 and 2015 construction seasons; and

WHEREAS, Phase I of this project slated for the 2014 construction season includes cold milling 2.5 inches of the existing pavement, Hot Mix Asphalt (HMA) paving of the milled areas, select subgrade repairs, select curb and gutter repairs, select sidewalk repairs and sidewalk ramp improvements to South Prospect Road between Michigan Avenue and Grove Road; and

WHEREAS, bids were solicited for Phase I on MITN (Michigan Inter-governmental Trade Network), and five (5) bids were received and opened on August 12, 2014, bids ranged from \$513,732.56 to \$348,537.21; and

WHEREAS, the engineers' (OHM) estimated the cost of Phase I at \$382,140.00; and

WHEREAS, Cadillac Asphalt, LLC , 1785 Rawsonville Road, Bellelville, MI, submitted the low bid in the amount of \$348,537.21; and

NOW, THEREFORE, BE IT RESOLVED THAT the City Council approves the execution of this contract with Cadillac Asphalt, LLC for the amount of \$348,537.21; and

THAT the Mayor and City Clerk are authorized to sign this contract, subject to review and approval by the City Attorney; and

THAT the City Manager is authorized to sign any change orders that may be needed to maintain the project's schedule, subject to review and approval by the City Attorney.

OFFERED BY: \_\_\_\_\_

SUPPORTED BY: \_\_\_\_\_

YES:                      NO:                      ABSENT:                      VOTE:

Tabulation for Bids Received on 8/21/14  
**Prospect - Grove to Michigan**  
City of Ypsilanti, Washtenaw County, State of Michigan  
OHM Job No.: 0094-13-0040

Cadillac Asphalt, LLC  
1785 Rawsonville Rd.  
Belleville, MI 48111

Florence Cement Company  
12585 23 Mile Rd.  
Shelby Twp., MI 48315

Pavex Corporation  
2654 Van Horn Rd.  
Trenton, MI 48183

Barrett Paving Materials, Inc.  
5800 Cherry Hill  
Ypsilanti, MI 48198

Ajax Paving Industries, Inc.  
830 Kirts Blvd, Suite 100  
Troy, MI 48084

| Item No.         | Description                                      | Estimated Quantity | Phone:734-485-3176 |                     | Phone: 586-997-2666 |                     | Phone: 734-676-6220 |                     | Phone: 734-483-4775 |                     | Phone: 248-244-3300 |                     |
|------------------|--------------------------------------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                  |                                                  |                    | Unit Price         | Amount              | Unit Price          | Amount              | Unit Price          | Amount              | Unit Price          | Amount              | Unit Price          | Amount              |
| 1)               | Mobilization, Max. 10%                           | 1 LS               | \$10,690.00        | \$10,690.00         | \$38,000.00         | \$38,000.00         | \$23,260.00         | \$23,260.00         | \$28,000.00         | \$28,000.00         | \$63,000.00         | \$63,000.00 *       |
| 2)               | _Audio-Video Route Survey                        | 1 LS               | \$1,875.00         | \$1,875.00          | \$1,500.00          | \$1,500.00          | \$1,045.00          | \$1,045.00          | \$1,270.00          | \$1,270.00          | \$1,100.00          | \$1,100.00          |
| 3)               | Curb and Gutter, Rem                             | 320 Ft             | \$11.50            | \$3,680.00          | \$18.00             | \$5,760.00          | \$10.00             | \$3,200.00          | \$11.50             | \$3,680.00          | \$10.00             | \$3,200.00          |
| 4)               | Pavt, Rem                                        | 1042 Syd           | \$10.00            | \$10,420.00         | \$11.00             | \$11,462.00         | \$10.70             | \$11,149.40         | \$13.00             | \$13,546.00         | \$20.00             | \$20,840.00         |
| 5)               | Sidewalk, Rem                                    | 378 Syd            | \$9.00             | \$3,402.00          | \$14.00             | \$5,292.00          | \$15.00             | \$5,670.00          | \$9.00              | \$3,402.00          | \$18.00             | \$6,804.00          |
| 6)               | Excavation, Earth                                | 9 Cyd              | \$25.00            | \$225.00            | \$50.00             | \$450.00            | \$50.00             | \$450.00            | \$25.00             | \$225.00            | \$100.00            | \$900.00            |
| 7)               | _Subgrade Undercut and Refill, 1 inch x 3 inch   | 881 Cyd            | \$39.38            | \$34,693.78         | \$40.00             | \$35,240.00         | \$53.62             | \$47,239.22         | \$52.00             | \$45,812.00         | \$35.00             | \$30,835.00         |
| 8)               | _Aggregate Base, 8 inch, Mod                     | 902 Syd            | \$11.22            | \$10,120.44         | \$14.00             | \$12,628.00         | \$10.22             | \$9,218.44          | \$28.00             | \$25,256.00         | \$10.00             | \$9,020.00          |
| 9)               | _Maintenance Aggregate, 21AA                     | 168 Ton            | \$23.01            | \$3,865.68          | \$20.00             | \$3,360.00          | \$25.00             | \$4,200.00          | \$10.00             | \$1,680.00          | \$35.00             | \$5,880.00          |
| 10)              | Dr Structure Cover, Adj, Case 1                  | 22 Ea              | \$495.00           | \$10,890.00         | \$670.00            | \$14,740.00         | \$700.00            | \$15,400.00         | \$495.00            | \$10,890.00         | \$650.00            | \$14,300.00         |
| 11)              | _Inside Structure, Pointing Up                   | 15 Ea              | \$170.00           | \$2,550.00          | \$125.00            | \$1,875.00          | \$500.00            | \$7,500.00          | \$170.00            | \$2,550.00          | \$250.00            | \$3,750.00          |
| 12)              | _San Structure Cover, Adj, Case 1                | 8 Ea               | \$575.00           | \$4,600.00          | \$980.00            | \$7,840.00          | \$950.00            | \$7,600.00          | \$575.00            | \$4,600.00          | \$850.00            | \$6,800.00          |
| 13)              | Monument Box                                     | 1 Ea               | \$350.00           | \$350.00            | \$1,500.00          | \$1,500.00          | \$500.00            | \$500.00            | \$350.00            | \$350.00            | \$1,000.00          | \$1,000.00          |
| 14)              | Gate Box, Adj, Case 1                            | 13 Ea              | \$395.00           | \$5,135.00          | \$165.00            | \$2,145.00          | \$400.00            | \$5,200.00          | \$395.00            | \$5,135.00          | \$650.00            | \$8,450.00          |
| 15)              | Cold Milling HMA Surface                         | 10960 Syd          | \$1.57             | \$17,207.20         | \$2.60              | \$28,496.00         | \$1.82              | \$19,947.20         | \$3.25              | \$35,620.00         | \$1.75              | \$19,180.00         |
| 16)              | Hand Patching                                    | 2 Ton              | \$500.00           | \$1,000.00          | \$385.00            | \$770.00            | \$400.00            | \$800.00            | \$150.00            | \$300.00            | \$1,000.00          | \$2,000.00          |
| 17)              | HMA, 2C                                          | 230 Ton            | \$88.40            | \$20,332.00         | \$104.00            | \$23,920.00         | \$92.50             | \$21,275.00         | \$92.00             | \$21,160.00         | \$150.21            | \$34,548.30         |
| 18)              | HMA, 3C                                          | 180 Ton            | \$96.97            | \$17,454.60         | \$111.00            | \$19,980.00         | \$93.50             | \$16,830.00         | \$94.00             | \$16,920.00         | \$184.03            | \$33,125.40         |
| 19)              | _HMA, 13A, Mod                                   | 1600 Ton           | \$71.31            | \$114,096.00        | \$81.00             | \$129,600.00        | \$96.00             | \$153,600.00        | \$92.00             | \$147,200.00        | \$69.83             | \$111,728.00        |
| 20)              | Driveway, Nonreinf Conc, 6 inch                  | 160 Syd            | \$31.05            | \$4,968.00          | \$41.40             | \$6,624.00          | \$45.00             | \$7,200.00          | \$31.05             | \$4,968.00          | \$41.40             | \$6,624.00          |
| 21)              | Curb and Gutter, Conc, Det F2                    | 320 Ft             | \$20.85            | \$6,672.00          | \$39.00             | \$12,480.00         | \$35.00             | \$11,200.00         | \$20.85             | \$6,672.00          | \$29.95             | \$9,584.00          |
| 22)              | Sidewalk Ramp, Conc, 6 inch                      | 200 Sft            | \$5.45             | \$1,090.00          | \$7.40              | \$1,480.00          | \$6.70              | \$1,340.00          | \$5.45              | \$1,090.00          | \$7.40              | \$1,480.00          |
| 23)              | Sidewalk, Conc, 4 inch                           | 2343 Sft           | \$3.75             | \$8,786.25          | \$4.40              | \$10,309.20         | \$4.25              | \$9,957.75          | \$3.75              | \$8,786.25          | \$4.40              | \$10,309.20         |
| 24)              | Sidewalk, Conc, 6 inch                           | 732 Sft            | \$3.95             | \$2,891.40          | \$5.15              | \$3,769.80          | \$5.25              | \$3,843.00          | \$3.75              | \$2,745.00          | \$5.15              | \$3,769.80          |
| 25)              | _Detectable Warning, Mod                         | 40 Ft              | \$30.00            | \$1,200.00          | \$43.10             | \$1,724.00          | \$35.00             | \$1,400.00          | \$30.00             | \$1,200.00          | \$43.10             | \$1,724.00          |
| 26)              | Pavt Mrkg, Ovly Cold Plastic, 6 inch, Crosswalk  | 175 Ft             | \$2.55             | \$446.25            | \$2.50              | \$437.50            | \$2.55              | \$446.25            | \$2.55              | \$446.25            | \$2.55              | \$446.25            |
| 27)              | Pavt Mrkg, Ovly Cold Plastic, 12 inch, Crosswalk | 650 Ft             | \$5.20             | \$3,380.00          | \$5.20              | \$3,380.00          | \$5.20              | \$3,380.00          | \$5.20              | \$3,380.00          | \$5.20              | \$3,380.00          |
| 28)              | Pavt Mrkg, Ovly Cold Plastic, 24 inch, Stop Bar  | 135 Ft             | \$9.95             | \$1,343.25          | \$9.95              | \$1,343.25          | \$9.95              | \$1,343.25          | \$9.95              | \$1,343.25          | \$9.95              | \$1,343.25          |
| 29)              | Pavt Mrkg, Ovly Cold Plastic, Lt Turn Arrow Sym  | 3 Ea               | \$145.00           | \$435.00            | \$145.00            | \$435.00            | \$145.00            | \$435.00            | \$145.00            | \$435.00            | \$145.00            | \$435.00            |
| 30)              | Pavt Mrkg, Ovly Cold Plastic, Only               | 3 Ea               | \$155.00           | \$465.00            | \$155.00            | \$465.00            | \$155.00            | \$465.00            | \$155.00            | \$465.00            | \$155.00            | \$465.00            |
| 31)              | Pavt Mrkg, Sprayable Thermopl, 4 inch, White     | 950 Ft             | \$0.59             | \$560.50            | \$0.59              | \$560.50            | \$0.59              | \$560.50            | \$0.59              | \$560.50            | \$0.59              | \$560.50            |
| 32)              | Pavt Mrkg, Sprayable Thermopl, 4 inch, Yellow    | 5775 Ft            | \$0.59             | \$3,407.25          | \$0.59              | \$3,407.25          | \$0.59              | \$3,407.25          | \$0.59              | \$3,407.25          | \$0.59              | \$3,407.25          |
| 33)              | Barricade, Type III, Hi Int., DS, Lighted, Furn  | 15 Ea              | \$85.00            | \$1,275.00          | \$85.00             | \$1,275.00          | \$85.00             | \$1,275.00          | \$85.00             | \$1,275.00          | \$85.00             | \$1,275.00          |
| 34)              | Barricade, Type III, Hi Int., DS, Lighted, Oper  | 15 Ea              | \$0.01             | \$0.15              | \$0.01              | \$0.15              | \$0.01              | \$0.15              | \$0.01              | \$0.15              | \$0.01              | \$0.15              |
| 35)              | Minor Traf Devices                               | 1 LS               | \$6,150.00         | \$6,150.00          | \$2,000.00          | \$2,000.00          | \$4,150.00          | \$4,150.00          | \$8,500.00          | \$8,500.00          | \$20,789.00         | \$20,789.00         |
| 36)              | Traffic Regulator Control                        | 1 LS               | \$1,000.00         | \$1,000.00          | \$2,000.00          | \$2,000.00          | \$3,340.00          | \$3,340.00          | \$2,000.00          | \$2,000.00          | \$35,798.00         | \$35,798.00         |
| 37)              | Pavt Mrkg, Longit, 6 inch or Less Width, Rem     | 100 Ft             | \$0.95             | \$95.00             | \$0.95              | \$95.00             | \$0.95              | \$95.00             | \$0.95              | \$95.00             | \$0.96              | \$96.00             |
| 38)              | Pavt Mrkg, Type R, 4 inch, White, Temp           | 2900 Ft            | \$1.50             | \$4,350.00          | \$1.50              | \$4,350.00          | \$1.50              | \$4,350.00          | \$1.50              | \$4,350.00          | \$1.50              | \$4,350.00          |
| 39)              | Pavt Mrkg, Type R, 4 inch, Yellow, Temp          | 3900 Ft            | \$1.50             | \$5,850.00          | \$1.50              | \$5,850.00          | \$1.50              | \$5,850.00          | \$1.50              | \$5,850.00          | \$1.50              | \$5,850.00          |
| 40)              | _Pavt Mrkg, Type R, 24 inch, Stop Bar            | 30 Ft              | \$12.00            | \$360.00            | \$12.00             | \$360.00            | \$12.00             | \$360.00            | \$12.00             | \$360.00            | \$12.00             | \$360.00            |
| 41)              | Plastic Drum, High Intensity, Furn               | 200 Ea             | \$18.00            | \$3,600.00          | \$18.00             | \$3,600.00          | \$18.00             | \$3,600.00          | \$18.00             | \$3,600.00          | \$18.00             | \$3,600.00          |
| 42)              | Plastic Drum, High Intensity, Oper               | 200 Ea             | \$0.01             | \$2.00              | \$0.01              | \$2.00              | \$0.01              | \$2.00              | \$0.01              | \$2.00              | \$0.01              | \$2.00              |
| 43)              | Sign Cover                                       | 15 Ea              | \$35.00            | \$525.00            | \$35.00             | \$525.00            | \$35.00             | \$525.00            | \$35.00             | \$525.00            | \$35.00             | \$525.00            |
| 44)              | Sign, Type A, Temp, Prismatic, Furn              | 36 Sft             | \$6.00             | \$216.00            | \$6.00              | \$216.00            | \$6.00              | \$216.00            | \$6.00              | \$216.00            | \$6.00              | \$216.00            |
| 45)              | Sign, Type A, Temp, Prismatic, Oper              | 36 Sft             | \$0.01             | \$0.36              | \$0.01              | \$0.36              | \$0.01              | \$0.36              | \$0.01              | \$0.36              | \$0.01              | \$0.36              |
| 46)              | Sign, Type B, Temp, Prismatic, Furn              | 870 Sft            | \$5.00             | \$4,350.00          | \$5.00              | \$4,350.00          | \$5.00              | \$4,350.00          | \$5.00              | \$4,350.00          | \$5.00              | \$4,350.00          |
| 47)              | Sign, Type B, Temp, Prismatic, Oper              | 870 Sft            | \$0.01             | \$8.70              | \$0.01              | \$8.70              | \$0.01              | \$8.70              | \$0.01              | \$8.70              | \$0.01              | \$8.70              |
| 48)              | Sign, Type B, Temp, Prismatic, Special, Furn     | 340 Sft            | \$8.00             | \$2,720.00          | \$8.00              | \$2,720.00          | \$8.00              | \$2,720.00          | \$8.00              | \$2,720.00          | \$8.00              | \$2,720.00          |
| 49)              | Sign, Type B, Temp, Prismatic, Special, Oper     | 340 Sft            | \$0.01             | \$3.40              | \$0.01              | \$3.40              | \$0.01              | \$3.40              | \$0.01              | \$3.40              | \$0.01              | \$3.40              |
| 50)              | Traf Loop                                        | 2 Ea               | \$2,500.00         | \$5,000.00          | \$2,500.00          | \$5,000.00          | \$2,500.00          | \$5,000.00          | \$2,500.00          | \$5,000.00          | \$2,500.00          | \$5,000.00          |
| 51)              | _Surface Restoration, Seed                       | 800 Syd            | \$6.00             | \$4,800.00          | \$6.00              | \$4,800.00          | \$5.00              | \$4,000.00          | \$10.00             | \$8,000.00          | \$11.00             | \$8,800.00          |
| TOTAL BID AMOUNT |                                                  |                    |                    | <u>\$348,537.21</u> |                     | <u>\$428,129.11</u> |                     | <u>\$438,907.87</u> |                     | <u>\$449,950.11</u> |                     | <u>\$513,732.56</u> |
| CORRECTIONS      |                                                  |                    |                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |

\* Bidder's price exceeds max.

H:\Municipal\_Group Operations\Bid Tabs\Ypsi City\[bidtab 0094-13-0040.xls]Sheet1



**Barr,  
Anhut &  
Associates, P.C.**  
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Jennifer A. Healy ~ Legal Assistant

**REQUEST FOR LEGISLATION**

**DATE: August 29, 2014**

**FROM: John M. Barr**

**SUBJECT: 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**

**SUMMARY/BACKGROUND**

On June 3, 2014, Council adopted a resolution (No. 2014-135), which affirmed the continuing public purpose of the Ann Arbor/Ypsilanti SmartZone LDFA to facilitate the development and support of new and existing technology-led businesses. Council also expressed support for an application to the MEDC for an extension of 5 and/or 15 years. In doing so, Council indicated it would:

1. Work with the LDFA and City of Ann Arbor 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;
2. 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; and
3. Work cooperatively with the City of Ann Arbor to amend the existing LDFA TIF and Development Plans to include, among other things, regional collaboration as determined by the MEDC.

On June 2, the City Council for the City of Ann Arbor adopted a resolution affirming the continuing public purpose of the LDFA and similarly expressing its support for application to the MEDC for an extension of 5 and/or 15 years and its intent to work with the City of Ypsilanti and the LDFA to accomplish the necessary actions for approval of an extension.

Since the adoption of this resolution, the LDFA has worked with a variety of parties to find, assess, and recommend a Satellite SmartZone for Council consideration. On August 21, 2014, the LDFA met and selected the Adrian/Tecumseh SmartZone as

the recommended satellite (see attached LDFA resolution). The recommendation was unanimously approved by the LDFA Board.

The LDFA's selection was based on several criteria:

1. Level and likelihood of funding;
2. Strategic advantage (complimentary to Ann Arbor/Ypsilanti);
3. Attractive to the State of Michigan;
4. Preparedness to move forward in the Satellite approval process; and
5. History of entrepreneurship activity.

The Cities of Adrian and Tecumseh have already established their LDFA. The proposed Satellite LDFA is multi-jurisdictional and includes both college/university communities as well as technology-focused businesses within its district, providing the potential for regional partnerships as well as cross-development of entrepreneur-driven technology programming. In addition, Adrian/Tecumseh's technology focus includes agricultural technology, which is a new area of focus for the State of Michigan. Adrian/Tecumseh's level of potential of funding meets the MEDC requirements.

Attached for Council consideration is a resolution to enter into an agreement with the Adrian/Tecumseh SmartZone, which upon signing would officially recognize the host/satellite relationship.

The MEDC has indicated that there are other host SmartZones interested in seeking approval for a 15-year extension, but there are only three 15-year extensions permitted by the legislation. Marquette/Houghton have already met the criteria, so there are only two remaining. Approval of the attached agreement by the city councils of Ann Arbor and Ypsilanti would be sufficient for the Ann Arbor/Ypsilanti SmartZone to qualify for the second. Since there are numerous communities interested in being selected for the limited number of 15-year extensions, time is of the essence for Council's consideration.

To assist Council in its consideration and continue the application process, the LDFA Board has also contemporarily worked on amending its existing LDFA TIF and Development Plans. The final document must be submitted to the MEDC no later than June 2015. To put the approval of the Satellite Agreement in context and as a point of reference as Council considers the Satellite Agreement, a working draft of proposed amendments to the current TIF and Development Plan is attached



(amendments in tracked changes). The focus of the amendments can be summarized as follows:

- Extending the life of the Plan by 15 years.
- Clarifying terms within the document and providing consistent references throughout.
- Clarifying that funds may be expended anywhere within the cities of Ann Arbor or Ypsilanti consistent with the stated purposes of the Development Plan.
- Modifying uses of TIF proceeds to include:
  - Payments for installation of technology-related infrastructure.
  - Talent recruitment and retention programs.
  - Utilization of grants and donations for collaborative opportunities.
- Modifying bonding language to permit agreements with the city

The LDFA Board also discussed potential to expand the existing TIF capture district in order to capture additional funds in support of the amended Plan's authorized uses, but has not included it yet in the draft amendments.

While the items relating to amending the existing LDFA TIF and Development Plans are not part of the agreement being considered with the attached agreement, the LDFA is interested in obtaining Council's input on these items, since all amendments need to be negotiated with the MEDC and Treasury. Members of the LDFA Board will be available for Council input on the Plan amendments on the evening of the September 2, 2014 Council Meeting.

ATTACHMENTS:      -SmartZone LDFA Resolution selecting Adrian/Tecumseh satellite  
                             -Adrian/Tecumseh Satellite SmartZone Plan  
                             -Draft of proposed amendments to the TIF and Development Plan  
                             -Resolution to enter into agreement with the Adrian/Tecumseh  
                             SmartZone  
                             -Proposed Agreement

RECOMMENDED ACTION: Review and adoption

---

DATE RECEIVED: \_\_\_\_\_ AGENDA ITEM NO.

CITY MANAGER COMMENTS:



FOR AGENDA OF: \_\_\_\_\_ FINANCE DIR. APPROVAL

COUNCIL ACTION TAKEN:



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: \_\_\_\_\_

SUPPORTED BY: \_\_\_\_\_

YES:            NO:            ABSENT:            VOTE:

## **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 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 Hieftje  
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

## 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 side, 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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**RESOLUTION APPROVING ADRIAN-TECUMSEH SATELLITE SMARTZONE  
AGREEMENT AND DESIGNATION OF ADRIAN-TECUMSEH LDFA AS  
CERTIFIED TECHNOLOGY PARK (SMARTZONE)**

WHEREAS, the Cities of Ann Arbor and Ypsilanti have heretofore created a Local Development Finance Authority (hereinafter “the Ann Arbor-Ypsilanti LDFA”) pursuant to Act 281 of 1986, as amended, and

WHEREAS, the Ann Arbor-Ypsilanti LDFA has been designated a certified technology park, or Smart Zone, under Act 281, thereby authorizing the Ann Arbor-Ypsilanti LDFA to capture certain tax increment revenues under Act 281, and

WHEREAS, under Act 281, an agreement may be made between the host municipalities of an LDFA and another LDFA (hereinafter “the satellite LDFA”) designating a geographic area within the satellite LDFA as a certified technology park, and thereby, with appropriate State approval, enabling the satellite LDFA to capture certain tax increment revenues as well as enabling the host LDFA to extend the period for its capture of such revenues, and

WHEREAS, the Cities of Adrian and Tecumseh have created an LDFA and have negotiated a Satellite Smartzone Agreement, as attached hereto as Exhibit A, with the Cities of Ann Arbor and Ypsilanti, for purposes of designating the area of the Adrian-Tecumseh LDFA as a certified technology park meeting the criteria of Act 281 for such designation, and

WHEREAS, the Ann Arbor-Ypsilanti LDFA has reviewed said Satellite Smartzone Agreement and agrees with its provisions,

NOW, THEREFORE, the Ann Arbor-Ypsilanti LDFA approves the Satellite Smartzone Agreement attached hereto as Exhibit A and requests that the Cities of Ann Arbor and Ypsilanti approve Exhibit A.

## **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

**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**

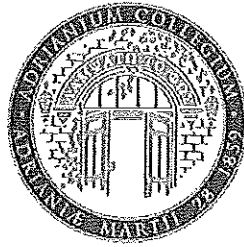
The estimation of jobs in the high technology sector and under the program outlined by this plan is a speculative venture contingent upon many factors outside the control of the ATSZ. However, we estimate that 400 jobs may be created as a direct and indirect result of these activities. Based on the recent 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.

Adrian Tecumseh SmartZone DRAFT Budget

| Projected Revenues                          | 2015      | 2016        | 2017        | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         | 2026         | 2027         | 2028         | 2029         | 2030         |
|---------------------------------------------|-----------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Projected SEV of Real Property (Cumulative) | \$0       | \$2,125,000 | \$9,625,000 | \$12,875,000 | \$12,875,000 | \$18,375,000 | \$18,375,000 | \$20,375,000 | \$22,750,000 | \$24,750,000 | \$24,750,000 | \$24,750,000 | \$24,750,000 | \$24,750,000 | \$24,750,000 | \$24,750,000 |
| Projected Annual LDFA Revenue               | \$0       | \$29,587    | \$134,306   | \$181,839    | \$183,658    | \$263,951    | \$266,591    | \$298,043    | \$334,091    | \$366,218    | \$369,880    | \$373,579    | \$377,315    | \$381,088    | \$384,899    | \$388,748    |
| Projected Annual SZ Revenue                 | \$0       | \$25,500    | \$115,755   | \$155,913    | \$157,472    | \$225,046    | \$227,297    | \$253,570    | \$284,606    | \$311,452    | \$314,566    | \$317,712    | \$320,889    | \$324,098    | \$327,338    | \$330,612    |
| In-Kind Income                              | \$200,000 | \$200,000   | \$200,000   | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          |
| Total Income                                | \$200,000 | \$255,087   | \$430,061   | \$337,752    | \$341,129    | \$488,998    | \$493,888    | \$551,613    | \$618,697    | \$677,670    | \$684,446    | \$691,291    | \$698,204    | \$705,186    | \$712,238    | \$719,360    |
| Projected Expenses                          |           |             |             |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Infrastructure Expenses                     | \$0       | \$29,587    | \$134,306   | \$181,839    | \$183,658    | \$263,951    | \$266,591    | \$298,043    | \$334,091    | \$366,218    | \$369,880    | \$373,579    | \$377,315    | \$381,088    | \$384,899    | \$388,748    |
| Center Director                             | \$50,000  | \$50,000    | \$50,000    | \$55,000     | \$55,000     | \$55,000     | \$60,000     | \$60,000     | \$60,000     | \$65,000     | \$65,000     | \$65,000     | \$70,000     | \$70,000     | \$70,000     | \$70,000     |
| Incubator Operating Expenses                | \$25,000  | \$25,000    | \$25,000    | \$25,000     | \$25,000     | \$25,000     | \$25,000     | \$25,000     | \$25,000     | \$25,000     | \$25,000     | \$25,000     | \$25,000     | \$25,000     | \$25,000     | \$25,000     |
| Business Support                            | \$125,000 | \$125,000   | \$125,000   | \$99,000     | \$99,000     | \$125,000    | \$125,000    | \$150,000    | \$175,000    | \$190,000    | \$200,000    | \$200,000    | \$200,000    | \$200,000    | \$215,000    | \$215,000    |
| Marketing                                   | \$0       | \$10,000    | \$10,000    | \$10,000     | \$10,000     | \$20,000     | \$25,000     | \$25,000     | \$25,000     | \$25,000     | \$25,000     | \$25,000     | \$25,000     | \$25,000     | \$25,000     | \$25,000     |
| Total Projected Expenses                    | \$200,000 | \$239,587   | \$344,306   | \$370,839    | \$372,658    | \$488,951    | \$501,591    | \$558,043    | \$619,091    | \$671,218    | \$684,380    | \$688,579    | \$697,315    | \$701,088    | \$719,899    | \$723,748    |
| Surplus                                     | \$0       | \$15,500    | \$121,255   | \$88,108     | \$68,471     | \$96,666     | \$94,892     | \$92,552     | \$92,158     | \$96,609     | \$94,175     | \$90,887     | \$91,776     | \$95,874     | \$98,213     | \$98,825     |



*Adrian College*

OFFICE OF THE PRESIDENT

August 15, 2014

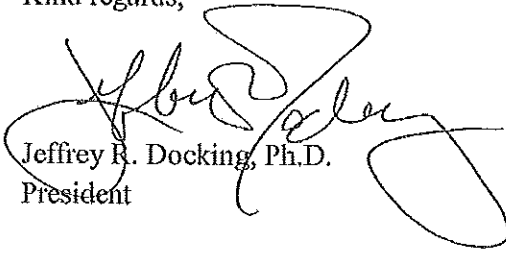
Michael A. Finney, President and CEO  
The Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Dear Mr. Finney

Adrian College is excited to be part of the Satellite SmartZone Plan submitted by the communities of Adrian and Tecumseh for consideration by the Michigan Economic Development Corporation.

In support this initiative Adrian College is willing to commit, for the first three years, an annual support of \$200,000 gift-in-kind in the form of incubator space "Adrian College Innovation Center," computer and other IT equipment and services, part salaries for the Director and support personnel, business support services and other forms in-kind gifts including funding for various incubator activities geared to promote entrepreneurial activities.

Kind regards,

  
Jeffrey R. Docking, Ph.D.  
President

|                                                                                             |                   |
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**LOCAL DEVELOPMENT FINANCE AUTHORITY**

**CITIES OF ANN ARBOR AND YPSILANTI**

**COUNTY OF WASHTENAW**

**STATE OF MICHIGAN**

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

***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, 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 requires 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 proposed SmartZone LDFA is attached as **Appendix A**.

~~The schedule for adoption of the resolutions establishing the LDFA follows:~~

|                                            |                           |  |
|--------------------------------------------|---------------------------|--|
| <del>Public Hearing on Establishment</del> |                           |  |
| <del>City of Ann Arbor</del>               | <del>April 29, 2002</del> |  |
| <del>City of Ypsilanti</del>               | <del>April 23, 2002</del> |  |
| <del>Adoption of Resolution Creating</del> |                           |  |
| <del>Ann Arbor/Ypsilanti LDFA</del>        |                           |  |
| <del>City of Ann Arbor</del>               | <del>June 27, 2002</del>  |  |
| <del>City of Ypsilanti</del>               | <del>June 27, 2002</del>  |  |
| <del>County of Washtenaw</del>             | <del>July 17, 2002</del>  |  |

~~These resolutions are included as **Appendix B**.~~

~~PA 248 of 2000 was amended in 2012 to allow existing SmartZone LDFAs to extend the life of the LDFA and the tax capture another 5 or 15 years. City of Ann Arbor on June 2, 2014 and City of Ypsilanti on June 3, 2014 passed a resolution supporting the application for such extension.~~

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## **Section II: Tax Increment Financing Plan Under PA 281 of 1986**

This plan 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 within such a Plan. [The plan includes all the purposes allowed under the statute.](#)

### **1. Boundaries of the Ann Arbor/Ypsilanti SmartZone and Properties Subject to the Plan**

~~Upon final designation~~[As previously 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 LDFA District is included as **Appendix A**. As a designated SmartZone and pursuant to the terms of the Development Agreement, public facilities may be developed for any eligible property within the SmartZone, and a business incubator or its equivalent may be located anywhere within these boundaries.

It is anticipated that these boundaries may be amended from time-to-time, and may, at the recommendation of the ‘SmartZone Board’, and as approved by the member municipalities, be extended to other municipalities. In that event, the terms of this plan shall apply to new members in their entirety.

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’.

## 2. Estimates of Captured Taxable Value and Tax Increment Revenue

Beginning in 2003, the LDFA will capture ad valorem and specific tax levies on all new and incremental growth from the initial assessed value of Captured Property determined on the basis of assessments as of December 31, 2000. The initial taxable value of the LDFA District is \$261,776,313. The LDFA will capture tax dollars for fifteen (15) years, commencing with levies imposed in ~~2003~~2019 through the levies imposed in ~~2018~~2034.

The LDFA 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.

Under this Plan, tax increment revenues subject to capture by the LDFA shall include, to the maximum extent permitted by Act 281 of 1986, as amended, the following: Ann Arbor portion of the district – 50% of operating millage of local school districts and 50% of the State Education Tax levied upon the Captured Property. Ypsilanti: no revenue shall be captured at the present time. The LDFA shall not capture tax revenues attributable to the levies of any other taxing jurisdiction.

## 3. Anticipated Captured Revenue Stream

Chart 1 estimates the amount of tax increment revenue available for disbursement to the LDFA and the impact of this Plan upon the local school districts and the State. Based on current state law, this Plan shall have no 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. The impact to the State School Aide Fund will be approximately \$~~2445~~2,445,000,000 over the 15 years of the LDFA plan. This translates to approximately \$~~1,6003,000~~1,600,000,000 annually, or \$0.79/student ~~statewide~~.

## 4. Explanation of Procedure

**Comment [SS1]:** Tom asks what does this mean? Should we say Treasury is reimbursing School Aid Fund?

Tax increment financing for a SmartZone, or ‘certified technology park’ permits the LDFA to capture tax revenues attributable to increases in the value 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). 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.

Upon adoption of this plan by the Cities, the initial taxable value of the captured Property was established as of December 31, 2001. In each year the Plan is in effect, the “Current Taxable Value” of Captured Property is determined.

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. As discussed above, the LDFA District overlaps a DDA created in both Ann Arbor and Ypsilanti. In Ann Arbor, the DDA captures tax increment revenues attributable to other than local school districts, intermediate school districts and the State Education Tax. The Ypsilanti DDA captures these taxes, plus the taxes attributable to local school district operating millages, intermediate school district and the State Education Tax. These captures of tax increment revenues by the DDA’s 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 Aide Fund.

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.

Tax Increment Revenues in excess of the estimates set forth in this Plan, or 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 to further implementation of the Development Plan set forth in Section III pursuant to a resolution of the Authority, surplus tax increment revenues must revert proportionately to the respective taxing jurisdictions from which collected.

## **5. Operating and Administrative 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 cities for payment from tax increment financing revenues.

It is anticipated that the LDFA will contract with the City of Ann Arbor and ~~the Washtenaw Development Council~~ [Ann Arbor Spark, or successor organization](#) to support the operation of the LDFA. The City will provide financial management, audit and required reporting. ~~The WDC~~ [Ann Arbor SPARK and the City](#) will provide secretarial services, including preparation and follow up from all LDFA meetings, meeting posting 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 Smart Zone, 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 Authority 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.

## 6. Notes 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 City Council as the occasion arises. ~~The LDFA does not anticipate issuing any bonded indebtedness. A decision to do so would require an amendment to this Plan.~~

## 7. Use of Tax Increment Revenue

The LDFA adopts by reference the Development Plan contained in Section IV 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:

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.](#)
- [Payments for installation of technology related infrastructure assets.](#)
- [Investment to non-bankable, seed stage technology companies.](#)
- [Talent recruitment and retention programs.](#)

- [Leverage grants and donations for collaboration with other communities and programs.](#)

## 8. Sources of Revenue

The LDFA, by its statutory authority, may issue revenue bonds, 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.

It is not anticipated that costs related to the purposes of the Development Plan will be funded or financed by advances from or indebtedness incurred by either City. ~~Any such action would require an amendment to this plan.~~

## 9. Excess Revenue

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.

## 10. Duration of Plan; Dissolution

Tax increment revenues shall continue to be captured by the LDFA from levies in 2003 through levies in ~~2018~~2034. The Development Plan portion of this Plan shall remain in effect until the end of the LDFA fiscal year commencing in ~~2018~~2034, or until the ~~purposes of the Development Plan~~ TIF funds have been fully expended as contemplated by the Plan ~~has been fulfilled~~, whichever is ~~the earlier date~~ greater.

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.

## 11. Job/Business Creation **Estimates**

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 writers of this plan estimate that 700 jobs may be created as a direct and indirect result of these activities. This estimate is based upon the ~~following~~

**Comment [SS2]:** SPARK to update and compare to original goals. Recognize growth of served companies.

~~assumptions: A survey conducted in 1998 by the Washtenaw Development Council and the Ann Arbor Software Council determined that the average technology company in the area employed 57 individuals after approximately 10 years of operation. Based on the establishment and/or location of two new businesses each year within either the Ann Arbor or Ypsilanti portions of the SmartZone, this would result in the creation of just over 700 jobs during the 15 year life of the LDFA.~~

~~We believe that businesses of this scale can find appropriate facilities within the areas encompassed by the SmartZone.~~current track record of the programs funded by the LDFA from 2002 to 2014.

## 12. Summary

The ~~adoption of this amended~~ Plan will continue to provide capital needed for the facilitation of the commercialization of research products being developed at University of Michigan and 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 opportunity and increasing property values to taxing jurisdictions in the region.

## Section III: The Development Plan

### Introduction

The following Development Plan adheres to the required statutory provisions of PA 281 of 1986, as amended, being Section 15 specifically, and assumes final designation of the LDFA district as a “certified technology park.”

The LDFA anticipates implementation of the Development Plan as a collaborative effort between the LDFA, the Cities, ~~the Ann Arbor IT Zone, the Washtenaw Development Council (WDC),~~ University of Michigan and Eastern Michigan University, the Small Business Development Center, various private venture and service providers, and ~~a to-be-developed business accelerator~~ Ann Arbor SPARK (SPARK). ~~The WDC, and the Ann Arbor IT Zone~~ SPARK, through the business accelerator partners are anticipated to 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.

~~The WDCSpark~~ is the lead economic development organization for Washtenaw County, with one of its missions the encouragement of emerging industries. ~~The IT Zone is a membership organization, charged with encouraging the technology industry in Washtenaw County, including establishment of new business enterprises in technology fields. Both organizations have as a subsidiary goal the retention of technology graduates from area colleges and Universities. The third, key, party to the plan is a technology accelerator. This program is currently being developed under the guidance of volunteers from the Ann Arbor IT Zone, the University of Michigan, Eastern Michigan University, and a variety of business and private volunteers. The exact operation of this accelerator will be determined based on the final configuration, and subject to approval by the LDFA. Currently, accelerator proponents anticipate a relationship with the Ann Arbor IT Zone, which uses the Zone to compliment the work of the accelerator, but assure the accelerator of independent status.~~

Entrepreneurs and companies served through programs like the Entrepreneur Boot Camp, Accelerator Grants, Micro loans, and incubator facilities, more than 500 companies have benefited. These companies today employ more than 1,400 people, about 500 more than when they were first provided assistance.

## 1. Description(s) of Property to which Development Plan Applies

The Development Plan applies to the LDFA District, which encompasses all or part of the Downtown Development Districts of Ann Arbor and Ypsilanti. A map of the LDFA District is attached as **Attachment A**. For purposes of this plan, ‘eligible property’ is deemed to be the facilities known as ~~the “Ann Arbor IT Zone” and the Ann Arbor Ypsilanti Area Smart Zone Business Accelerator~~ 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 ~~occupied by the accelerator and/or the IT Zone within the city limits of Ann Arbor and Ypsilanti where there can be accelerator services.~~ .

## 2. Boundaries of Property to which the Development Plan Applies

The Map in **Attachment B** shows the boundaries of the LDFA District, all of which is subject to this Development Plan. The Eligible Property within the LDFA District to which this Development Plan will initially apply is the ~~ground floor of a three-story~~ building owned by First Martin Corporation, and located at 330 E. Liberty, Ann Arbor, Michigan. ~~This facility is the “Ann Arbor IT Zone”, and~~ At this location is provided networking and educational services and incubator office space for the technology community in Washtenaw County. ~~The IT Zone, in turn, has entered into SPARK collaborations~~ collaborates with MichBio, the University of Michigan’s Zell-Lurie Entrepreneurial Institute, ~~and the University of Michigan~~ Office of Technology Transfer and Center for Entrepreneurship, Tech Start program ~~the SBDC, New Enterprise Forum and other organizations~~ to expand its reach beyond ~~its initial interest in 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.

## 3. Public Infrastructure within the District to which the Plan Applies

The LDFA District is fully developed with roads, sidewalks, lighting and subsurface utilities. The infrastructure is publicly financed and maintained. ~~The Development Plan does not anticipate large scale improvements to or expansions of this infrastructure. In the event sufficient revenues become available through this plan, i~~Investment may be made to facilitate the expansion of the technology infrastructure, such as high-speed telecommunications ~~infrastructure throughout the District service area, or expansion of the incubator facilities.~~ Alternatively 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 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.**

#### 4. Public Facilities and Improvement Anticipated

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 in its efforts to provide services to emerging and growing companies in technology sectors. The ownership of the 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's SBDC@ITZone program~~, and the Business Assistance Team and such other public, non-profit and private entities as may be determined. This facility 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.

~~All projects are anticipated to begin by fourth quarter, 2002, and be carried forward through the life of the LDFA.~~ LDFA revenues will be budgeted for items as approved in the LDFA plan on an annual basis, and expenditures attributable to these items shall not exceed available LDFA revenues.

In addition to support of the accelerator, the LDFA anticipates using tax increment revenues received under this Plan for funding the costs related to providing administrative services to the LDFA. It is anticipated that the City of Ann Arbor and ~~the Washtenaw Development Council~~ SPARK will provide these services to the SmartZone. The City 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 ~~WDC~~ City of Ann Arbor and SPARK shall be compensated for actual out-of-pocket costs of meeting publication 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.

#### 5. Staging/Timelines

~~The Ann Arbor ITZone has been designated by the MEDC as a business accelerator, and funding for the initial two years is in place. Other projects are staged for implementation, beginning in 2003 and beyond.~~

## **6. Property Sales/Transfers to or from Ann Arbor or Ypsilanti**

The LDFA does not currently own any property in the LDFA District subject to this 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.

## **7. Zoning/Utility Changes**

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

## **8. Overall Cost Estimates and Financing**

It is estimated that the overall cost to the LDFA of implementing this Development plan from ~~2003-2019~~ – ~~2018-2034~~ will be approximately \$~~2550~~,000,000. These cost estimates include the operation of the, the costs of operation of the LDFA, and the costs of extending publicly owned ~~conduit~~ technology 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, rather than LDFA operations.

## **9. Persons to Whom Public Facilities will be Conveyed and Persons Receiving Benefit**

As previously indicated in this Plan, ~~the Ann Arbor ITZone~~ SPARK 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 ~~the Ann Arbor ITZone~~ SPARK will continue to be a tenant in a privately owned facility, and not a building owner. ~~The IT Zone~~ SPARK will provide the physical home for the business accelerator. ~~The Ann Arbor ITZone~~ SPARK will maintain its qualification as a provider of business incubator services under Act 281 of 1986, as amended, for the term of this Plan. Failure of ~~the Ann Arbor ITZone~~ SPARK to maintain its qualification under the Act shall result in withdrawal of LDFA funding.

Beneficiaries of ~~the Ann Arbor ITZone~~ SPARK will be the small and emerging businesses establishing operations in the SmartZone.

## **10. Procedures for Leasing, Purchasing and Conveying Public Facilities**

No actual conveyance of public facilities is anticipated under this Plan. It is anticipated that the technology business accelerator will share space with ~~the Ann Arbor IT Zone~~SPARK, due to ~~the IT Zone~~SPARK's current role as a lead organization for the ~~information~~ 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 ~~information all type~~ technology businesses within the community. The LDFA believes this can best be accomplished through the enhancement of an existing program.

## **11. Residences and Resident Relocation Assistance**

There will be no need to remove or relocate any residents or homesteads.

## **12. Amendments**

This Development Plan is adopted in accordance with PA 281 of 1986, as amended, and may be hanged from time-to-time by resolution of the LDFA and the Cities.

ADOPTED THIS ~~2nd~~ \_\_\_\_ DAY OF ~~OCTOBER~~\_\_\_\_\_, ~~2002~~201\_.

|                     |                                               |
|---------------------|-----------------------------------------------|
| <b>Appendix A</b>   | <b>Map of Proposed SmartZone</b>              |
| <b>Appendix B</b>   | <b>Resolutions of Adoption</b>                |
| <b>Table 1</b>      | <b>Assumptions</b>                            |
| <b>Table 2</b>      | <b>Anticipated Tax Increment Revenue</b>      |
| <b>Table 3</b>      | <b>Anticipated Tax Increment Expenditures</b> |
| <b>Attachment 1</b> | <b>Agreement Between Cities</b>               |





Resolution No. 2014-214  
September 2, 2014

**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: