

1. City Council Regular Meeting Agenda

Documents:

[FINAL AGENDA 10-6-15.PDF](#)

2. City Council Regular Meeting Packet

Documents:

[REVISED 10-6-15 COUNCIL MEETING PACKET.PDF](#)

3. City Council Regular Meeting Action Minutes

Documents:

[10-6-15 REVISED ACTION MINUTES EDITED DOC.PDF](#)



**CITY OF YPSILANTI
COUNCIL MEETING AGENDA
CITY COUNCIL CHAMBERS – ONE SOUTH HURON ST.
YPSILANTI, MI 48197
TUESDAY, OCTOBER 6, 2015
7:00 P.M.**

I. CALL TO ORDER –

II. ROLL CALL –

Council Member Anne Brown	P A	Council Member Robb	P A
Council Member Nicole Brown	P A	Council Member Vogt	P A
Council Member Murdock	P A	Mayor Edmonds	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 –

VIII. AUDIENCE PARTICIPATION –

IX. REMARKS BY THE MAYOR –

X. MINUTES –

Resolution No. 2015-218, approving minutes of September 14 and September 15, 2015

XI. PUBLIC HEARINGS:

1. Resolution approving the transfer of SDM and Class C liquor license from Wintawat, LLC to Cultivate Community, Inc., (Cultivate Coffee & Tap House) located at 307 N. River St., Ypsilanti, MI 48198.

- A. Resolution No. 2015-219, determination.
- B. Open public hearing.
- C. Resolution No. 2015-220, close public hearing.

2. New Obsolete Property Rehabilitation Act Exemption for 15 S. Washington

- A. Resolution No. 2015-221, determination.
- B. Open the public hearing.
- C. Resolution No. 2015-222, close public hearing.

3. New Obsolete Property Rehabilitation Act Exemption for 13 N. Washington
 - A. Resolution No. 2015-223, determination.
 - B. Open the public hearing.
 - C. Resolution No. 2015-224, close public hearing.

XII. ORDINANCES – FIRST READING:

Motion to reconsider:

Ordinance No. 1257

1. An ordinance to limit and cap the maximum captured taxable value of a Depot Town Tax Increment Financing Plan.
 - A. Resolution No. 2015-209, determination

XIII. RESOLUTIONS/MOTIONS/DISCUSSIONS –

1. Resolution No. 2015-105, approving Ordinance 1244, the adoption, amendment and restatement of the Depot Town Development Plan and Tax Increment Financing Plan. ***(Second Reading)***
2. Resolution No. 2015-225, approving Memorandum of Understanding (MOU) with the Friends of the Ypsilanti Freighthouse for the operation and management of the city-owned facility.
3. Resolution No. 2015-226, approving the purchase of a 2015 Wacker Neuson WL32 HF Wheel Loader for use in Streets and Parks Divisions for winter maintenance of public sidewalks and crosswalks.
4. Resolution No. 2015-227, approving contract with AKT Peerless for environmental and grant administration services for the Blight Elimination Grant.
5. Resolution No. 2015-228, rejecting bids for replacement of the Ypsilanti Fire Department roof.
6. Resolution No. 2015-229, accepting proposal from VJM Design to complete the Ypsilanti Fire Department roof.

XIV. LIASON REPORTS –

- A. SEMCOG Update
- B. Washtenaw Area Transportation Study
- C. Washtenaw Metro Alliance
- D. Urban County
- E. Freight House
- F. Parks and Recreation
- G. Millennial Mayors Conference
- H. Ypsilanti Downtown Development Authority
- I. Eastern Washtenaw Safety Alliance

XV. COUNCIL PROPOSED BUSINESS –

XVI. COMMUNICATIONS FROM THE MAYOR –

Nominations:

Downtown Development Authority

RayVon Williams – new appointment (replacing Kevin Hill) (finishing his term)
215 W. Michigan Ave., Ypsilanti, MI 48197
Ypsilanti, MI 48197
Term: 10/6/2015-7/1/2016

Planning Commission

Briana Mason - new appointment (filling vacant position)
1000 Huron River Dr.
Ypsilanti, MI 48197
Term: 10/6/2015-10/6/2018

XVII. COMMUNICATIONS FROM THE CITY MANAGER –

XVIII. COMMUNICATIONS –

- October 20th Council Meeting at E.M.U. – McKenny Hall Ballroom
- October 27th Council Intragroup Relations Dialogue/Training (6:00-10:00 p.m.) at Marriott Eagle Crest Conference Center
- November 3rd – Working Session on Snow (6:00-7:00 p.m.)
- November/December – Goal Setting (TBD)

XIX. AUDIENCE PARTICIPATION –

XX. REMARKS FROM THE MAYOR -

XXI. ADJOURNMENT –

Resolution No. 2015-230, adjourning the Council meeting.



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Motion to reconsider Resolution No. 2015-209 (Depot Town DDA Ordinance Amendment)

Ordinance No. 1257

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Resolution No. 2015 – 218
October 6, 2015

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the Minutes of September 14 and September 15, 2015 be approved.

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:



Draft

**City of Ypsilanti
City Council Work Session Agenda
Monday, September 14, 2015
City Council Chambers, 1 S. Huron St., Ypsilanti, MI
WORK SESSION: 7:00 p.m.**

I. CALL TO ORDER –

The meeting was called to order at 7:00 p.m.

II. ROLL CALL –

City Council

Council Member Anne Brown	Present	Council Member Robb	Present
Council Member Nicole Brown (7:09)	Present	Council Member Vogt	Present
Council Member Murdock	Present	Mayor Edmonds	Present
Mayor Pro-Tem Richardson	Present		

Human Relations Commission

Commissioner Elmgren	Present	Commissioner Pettit	Present
Commissioner Nordberg	Present	Commissioner Scott	Present
Commissioner Schuler (Chair)	Present	Commissioner Symanns	Present
Commissioner Melke	Present	Commissioner Saunders	Present
Commissioner Valadez (7:05)	Present		

III. INVOCATION –

Mayor Edmonds asked all to stand for a moment of silence.

IV. PLEDGE OF ALLEGIANCE –

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

V. AGENDA APPROVAL –

Mayor Pro-Tem Richardson moved, supported by Council Member Anne Brown to approve the agenda.

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

VI. AUDIENCE PARTICIPATION –

1. Mark Hergott, 111 Miles St., stated everyone in the room wants to do what is best for the community however not everyone agrees what right is and how to accomplish that, which is why the community has meetings such as these. He

said there are issues of distrust, possibly between elected officials and contracted employees. He said executive sessions are for discussing documents that are politically sensitive and explaining why the Police Department does not want to release these documents. He stated he (as a citizen) is okay if a closed session is held to have dialogue so elected officials can learn. He asked that everyone who speaks try to come from a position of good will. He stated he truly loves this community and he believes that everyone present cares for it deeply.

2. Nathan Phillips, 509 N. Washington #2, stated he is a 60 year old Vietnam Veteran and has been sober for over 30 years. He stated his wife of 25 years recently passed away and the reason that he and his family moved to Ypsilanti is for his wife's cancer to be treated at the University of Michigan Hospital. He said he has been in the community for nine years, and he owned a car six of those years. He stated he was routinely stopped by the Ypsilanti Police while driving. He said that each time he was pulled over it was by a different police officer and he thought it was due to curiosity because he was Native American. He said he respects police officer, and he was deputized by the Omaha Nation years ago and he still has the badge. He stated it is discouraging that individuals whom he should be standing shoulder to shoulder with to defend people are disrespecting him, at the very least. He stated he was arrested recently for stealing, which he is innocent of, and he thought that the police did not believe him because the accusers were white.
3. Anthony Morgan, 612 Congress #1, thanked the organizers and his supporters against the false charges issued by the prosecuting attorney and the actions of the Ypsilanti Police Department but it is not his intention to be inflammatory. He said he has been a polarizing figure in the last few months, and there are differences in the benefits people have and their access to resources. He thanked his supporters in word, deed, and action. He thanked the Human Relations Commission for listening to his case, but he is very disappointed in the business owners who have not supported the Black Lives Matter movement. He stated those individuals should be ashamed of themselves for not speaking up for black lives just as they had for gay lives. He stated he has received a backlash for doing what he felt was right and all he needed to do was be quite.
4. Tay Dale, 104 S. Huron, stated she is a youth advocate at Dedicated to Make a Change and is here to inform Council that a procedure has been created when a youth is approached by the police. She stated the procedure is calm voice, hands, attitude, and be polite, C.H.A.P. This procedure was designed because a person cannot enter a situation disrespectfully and expect a positive outcome. She said the police should reciprocate that respect and understand that a youth is nervous when speaking to a police officer. She stated when police pull over a youth they should not have to ask why they are being pulled over, the police should inform them.
5. Dave Hiekinnen, business owner, 133 Michigan Ave, stated the public needs to compliment the police and respect them and the work they do. He stated there have been 25 police officer killed in the line-of-duty this year. He stated the Police Department, City Administration, and Council all do a good job, and said nobody is perfect but the City has a good police force. He said it is important for the community to speak with the police and get to know them, and compliment them on a job well done.

6. Cheryl Farmer, 214 N. Huron, stated she has had a good experience with the police. She stated her home backs into Riverside Park and when there have been issues the police respond very quickly. She stated she lives on Huron, a very busy road, and when there are accidents the police arrive promptly. She added she recognizes other people might have had different experiences and she is interested in hearing those experiences. She stated if there are circumstances of the police motto are not being applied evenly throughout the community the Police Chief should address that issue appropriately. She stated the Ypsilanti Police Department has been in the advance guard on this issue and in the 1990's the Police Department received diversity training. She stated she is not certain that was continued and if not perhaps it is time to reintroduce it. She stated at that time they were told it is easier for the community to get to know the police then the police to get to know the community. She said at one time the City used foot patrol and bike patrol in order to get police into the community and out of the squad car. She added Community Policing Action Council (CoPAC), was formed to keep the community and the police in touch with one another. She said policing is more difficult now than it was in the 90s, because at that time there were more than 50 sworn officers, and now the department is down to 30. She concluded by thanking Council for holding this meeting and for everything they do.
7. Shirley Beckley, 3912 Sparola Dr., Ann Arbor, stated she lives on the border of Ann Arbor and Ypsilanti. She said she has lived in Ann Arbor for 73 years, but her family moved to Ypsilanti in the 1800's. She stated Ann Arbor has been protesting its City Council regarding these same issues and was hoping Ypsilanti and Ann Arbor could meet to address these issues. She added this is not just a problem for Ypsilanti and Ann Arbor, it is a problem in Washtenaw County and the nation. She stated a previous speaker during audience participation mentioned 84 officers being injured, and that is too bad, but there have been quite a few young black men and women murdered by officers and nothing has been done about it. She stated there is a problem of trust and in order to improve that trust the community and the police need to come together and not hate one another. She concluded by saying hopefully there is a way that Ann Arbor and Ypsilanti can find a solution to this problem before any more lives are lost.
8. Darius Simpson, 950 Railroad St., expressed how heartbreaking it is to find out that a group of teenagers have crafted a pamphlet on how to survive when interacting with the police. He stated he is heartbroken, saddened, and scared for the future. He stated he does not feel police officers need their egos stroked because there is enough of that going on currently. He said the scale is not balanced and the police and the community are not on the same level. He stated police officers do a difficult job and should not be on the same level as the community and they should be held to a higher standard. He concluded saying black lives matter, black man down, and the protest will continue indefinitely.
9. D'Real Graham, 3018 Roundtree Boulevard, Ypsilanti Township, stated it is interesting to see a full room of concerned citizens discussing law enforcement and black lives and how there is a minority group in the City that feels marginalized. He stated it is being talked about in person and on social media. but more needs to be done. He said he does not know how many City Council meetings need to be deferred to so Chief DeGiusti can make time to attend. He stated it should matter that there is a group of people in Ypsilanti that are

concerned how local law enforcement agencies provide a service. He stated six months ago Republic and Waste Management were vying to enter a contract with the City for garbage removal. He stated this conversation is still occurring only with lives. He said he does not feel the police should be constantly commended and complimented. He stated he hopes Council does not call these meeting as a formality, and so that it can be documented. He stated if Council continues to not take what is being said seriously people will not want to live in this community.

VII. REMARKS FROM THE MAYOR –

Commissioner Valadez stated there was a lot of commentary made during the last Human Relations Commission meeting and one key point that she would like to make. Ms. Valadez stated the intention of this meeting is to gain information on police procedures and protocols. She stated it is imperative that this conversation is not about making the Police Department as the villain. Ms. Valadez said it is not about targeting if this is, or is not happening in Ypsilanti, this is about taking reactions of how people are feeling in Ypsilanti. She stated she is glad this meeting is taking place, but there will be further meetings that will follow.

- Mayor Edmonds stated this is a launch of a work group formed by Council Members and Commissioners from the HRC.

Mayor Pro-Tem Richardson stated Ms. Beckley, during Audience Participation, said a special meeting be held between Ypsilanti City and Ann Arbor. Mayor Pro-Tem Richardson stated that is something the City might want to consider, which the two cities have done in the past, but since it effects the whole County the Board of Commissioners should be invited.

VIII. WORK SESSION –

- Update on City Administration and Ypsilanti Police Department Operations and Community Outreach Efforts as of September 14, 2015: City Manager, Ralph A. Lange, City Attorney, John Barr, Police Chief, Anthony DeGiusti

City Manager Ralph Lange introduced the topic of the work session. **(See Website)**

City Attorney John Barr provided opening comments for the work session. **(See Website)**

Council Member Anne Brown asked for the clarification of the rules of confidential and procedural police policies. Mr. Barr responded procedural policies are those that regulate the color of a police car and operational rules explain how the police work and within the operational rules there are some that are confidential. He said they are confidential because of State Law and some effect not only Ypsilanti Police, but all other cooperative departments. Mayor Pro-Tem Richardson stated she questions hidden rules because it leads to questions regarding transparency. She understands there must be confidential policies when it is an issue of safety. Mr. Barr said there are rules that regulate that process which need to stay confidential in order to maintain the effectiveness of the department. Mr. Barr stated the confidential rules are in place not to avoid transparency but Council has the right to know that the Police Department is doing.

Mayor Edmonds asked why information shared with insurance companies would affect why a policy would need to be kept secret. Mr. Barr responded if the insurance company finds that the Police Department is disclosing confidential information they might not insure that Police Department. He added Ypsilanti Police, the County Sheriff's Department and the EMU Police share common rules and if the Police Department makes those shared rules public other jurisdictions will not work with Ypsilanti Police. He concluded when officers are on duty they put their lives on the line and generally nothing happens but there need to be rules in place so when something does happen the officer will know how to respond.

Commissioner Shuler asked how separation of powers operates in a local government and asked how each branch answers to the people. Mr. Barr responded City Council is elected and they have legislative power, quasi-judicial power, and very limited executive power. Mr. Barr stated the limited executive power lies in the ability to appoint the City Manager and at that point the City Manager runs the operations of the City. He stated if the City Manager attempted to form law it would be inappropriate as would it be for Council to try and operate outside of its job classification.

City Manager Lange stated Council-Manager form of government is most similar to the parliamentary form of government in which the executive is appointed by a majority vote of parliament.

Commissioner Elmgren thanked City Manager Lange, City Attorney Barr, and Chief DeGiusti for their time, and stated Mr. Barr mentioned he could not remember a time when the Michigan Civil Rights Commission (MCRC) found misconduct or negligence from an Ypsilanti Police Officer as a pertains to a civil rights complaint. Mr. Elmgren stated if the MCRC is always on the side of the police, it is a problem. Mr. Elmgren stated that information does not have any bearing on the information requested by City Council. Mr. Elmgren stated Council was looking for profiling statistics and there is no reason those policies could not be shared on the public record. Mr. Elmgren stated it is disturbing to him that an insurance adjuster is entitled to view these policies but elected officials are not. Mr. Barr responded it is possible that the MCRC may have ruled against the Police Department, but he does not recall any such occurrences at this time. Mr. Barr added the MCRC is very thorough in their investigations.

Council Member Murdock stated he has heard the City Attorney's speech regarding separation of powers for many years. Mr. Murdock stated Council has always been told it is the legislative branch of government, it makes policy and the administration implements the policy. Mr. Murdock stated Council does make policies and these are policies it should be making. Mr. Murdock stated in the 1980's Council made these policies for the Police Department. Mr. Murdock stated there was a wide variety of a discussion on how to deal with complaints. Mr. Murdock stated if Council wanted to have a policy on high-speed chases it should not be confidential. Mr. Barr respectfully disagreed and said City Council has the power by resolution to make changes. Mr. Barr said legally policies are found within the executive branch of the City but if there is a policy Council does not approve of there are ways to alter that policy. Mr. Barr stated in the 1980's new members of the Police Department came to Council with resolutions to change policy. Mr. Barr stated Council has the ability to look at policy and have input through resolution and ordinances. Mr. Barr stated for the Police Department to operate there has to be a command structure with a single person in charge who forms policy and disciplines if policies are not followed. Mr. Murdock stated the operational policies are what Council asked for and what Council expected. Mr. Barr agreed and stated once

Council hears the Chief's presentation it can decide whether the policies they asked for are presented.

Police Chief Tony DeGiusti provided a presentation on Ypsilanti Police Department Operations. **(See Website)**

Mayor Edmonds asked the Chief to explain the Eastern Washtenaw County Safety Alliance. Chief DeGiusti replied the Eastern Washtenaw Safety Alliance is comprised of the Ypsilanti Police Department, Washtenaw County Sheriff's Office, Eastern Michigan University Police, Ann Arbor Area Transit Authority, and some other groups. Chief DeGiusti stated the alliance was formed a year and a half to two years ago, in order to provide a force multiplier. Chief DeGiusti stated Eastern Michigan University officers are sworn in at City Hall. Chief DeGiusti stated the purpose is to allow officers to cross jurisdictional boundaries or borderless policing. Chief DeGiusti stated the alliance allows the force to operate effectively with limited resources.

Council Member Anne Brown asked if the "gun buy-back" could be down at the local level or is it best suited for the County. Chief DeGiusti responded the County produced a low total of guns turned in, so it is unlikely the City would be more effective but he would be willing to try. Chief DeGiusti added it is difficult convincing individuals that have illegal guns if they turn them no questions would be asked. Mayor Pro-Tem Richardson asked if that was the result from the first or the second gun buy-back. Chief DeGiusti responded those results were from the one that was just held.

Council Member Murdock asked if there are any other tactics to remove guns from the streets. Chief DeGiusti responded the department is engaging with the ATF, but he is not able to divulge information regarding the investigation due to operational security. Mr. Murdock stated he read a story out of Detroit that Police Departments were investigating felons to make certain that they did not possess firearms. Mr. Murdock asked if there is anything else that the department can do to remove illegal guns from the street. Chief DeGiusti replied there are a lot of guns everywhere and the department is paying close attention to that fact and officers are following up as best they can.

Mayor Edmonds asked what a consent search is. Chief DeGiusti responded it is when the police have permission to search an individual's home.

Mayor Edmonds asked if there are two openings for detectives. Chief DeGiusti responded there are actually three openings for police officers, and the officers would be moved around from within the department. Chief DeGiusti responded it is not necessarily that an officer would be hired in as a detective instead an officer on the force that already has experience would fill that position.

Mayor Edmonds asked for clarification of the FTO program. Chief DeGiusti responded the Field Training Program (FTO) is sixteen weeks of training following the academy and there is an entire checklist and tasks which the officer needs to meet, and some officers are not able to fill that requirement.

Commissioner Shuler asked for the demographic make-up of the command structure. Chief DeGiusti responded there is one female detective, and minorities have retired from the command staff, but at this time there are none.

Commissioner Valadez asked what parts of the interview process for police officers include cultural competency. Chief DeGiusti responded the interview questions are

designed to provide evidence in the applicant's character and they are judged by their answers. Chief DeGiusti added the interview is not a typical interview and many of the responses that are heard are not appropriate and the applicant is not hired. Council Member Anne Brown asked if the process is a national process. Chief DeGiusti responded in the affirmative, however, some questions are very specific to the agency. Council Member Anne Brown asked if Council would be able to see the interview questions. Chief DeGiusti responded in the affirmative.

Commissioner Shuler asked if promotions are done strictly from within the department. Chief DeGiusti responded he was hired from the outside, however by contract the remainder of the department is filled from within. Mr. Lange added he hires the Chief and the Deputy Chief but the union contract requires promotions to come from within the department.

Mayor Edmonds asked for demographics of the police academy itself. Chief DeGiusti responded only 3% of graduates from the academy are minorities. Chief DeGiusti stated it makes it difficult to create a diverse precinct but when the community trust improves perhaps more minorities will attend the academy.

Commissioner Valadez asked who performed the Cultural Awareness Training and when last time it was updated. Chief DeGiusti responded this past one was the first he had attended while employed by Ypsilanti and he is uncertain what organization performed the training. Ms. Valadez asked if the Chief was aware of how often the training occurs. City Manager Lange responded the Fire Department received training a few years ago, and the Police Department received training in the most recent session.

Commissioner Melke asked if defensive tactics include de-escalation. Chief DeGiusti responded it does include de-escalation and the proper use of force. Ms. Melke asked what percentage of training involves de-escalation tactics. Chief DeGiusti responded the whole point of tactics in the force continuum is de-escalation. Chief DeGiusti asked what Commissioner Melke means by de-escalation. Commissioner Symanns added she used to be a defensive tactics instructor and the goal of defensive tactics is de-escalation. Ms. Symanns stated it is difficult to quantify a percentage. Ms. Melke stated her question was based on her understanding that there is training specifically toward de-escalation. Ms. Melke asked how often officers receive defensive tactics training. Lieutenant Derek Gress responded each officer receives defensive tactics once a year. Chief DeGiusti added each officer has to be recertified once a year.

Council Member Robb asked how the department keeps track of what training an officer has had, and if it can't be listed when the last time the department received cultural training it means it hasn't. Chief DeGiusti responded because he doesn't know does not mean it didn't happen, but he could provide that information to Council. Lt. Gress added he has a schedule from his 18 years with Ypsilanti Police Department that lists all the training he has received. Commissioner Valadez asked if the department could provide a copy of the training schedule to Council and the Commission so that the quality of the training can be assessed. Chief DeGiusti responded the Human Resources will have all the information that you have requested.

Commissioner Elmgren asked if the Police Department has a codified policy regarding the frequency and quality of cultural training officers receive and if so is City Council privy to that information. Chief DeGiusti responded Council has access to that information. Chief DeGiusti added no person in the department ever said that it would withhold policies from the City Council that is not the intent. Chief DeGiusti said there are certain policies

that are in the best interest of the public to be confidential. Mr. Elmgren responded his concern comes from the City Memorandum from the City Manager's Office and from the Office of the City Attorney. Chief DeGiusti stated there are certain aspects of department policies that are not transparent, such as the active shooter policy. Chief DeGiusti added that information is not something the department wants the public to be aware of and it is not just the department's policy because the tactics were developed Countywide. Chief DeGiusti stated the department's code of conduct is available to the public and the department has nothing to hide but the department is trying to safeguard things that shouldn't be available to the public.

Commissioner Symanns asked if the department is willing to share its training policies. Chief DeGiusti responded in the affirmative.

Mayor Edmonds stated Commissioner Elmgren's question was asking if the department has a policy for the frequency and quality of cultural diversity training, and asked if there is a policy. Chief DeGiusti responded the department does not have a policy in place but the reality is this is a small department and he knows when people in his department have an issue. Chief DeGiusti said it depends on an officer's background and performance if they would require cultural training.

Commissioner Symanns stated training is probably going to be something that is focused in on but this is a small department and it is probably running call to call. Commissioner Symanns stated training takes time and every time an officer is pulled off the road it is an issue. Chief DeGiusti agreed.

Council Member Vogt asked if any part of the training being discussed is a part of the training officers receive at the academy. Chief DeGiusti responded some of it is and some of it is a continuation of training.

Commissioner Melke stated at one point there was an alliance between the police and mental health professionals, and asked if that is still occurring. Chief DeGiusti responded when the police go out to a scene and there is an individual that requires that type of assistance the Department of Community Health will be contacted. Ms. Melke asked if there is enough training for officers to assess those situations. Chief DeGiusti stated until an officer speaks with the individual it is difficult to assess the individual's mental state. Ms. Melke stated often a family member of an individual in metal health crisis will call the police and too often you hear that person would end up being killed. Ms. Melke stated there must be a better way, to deal with situations such as these, and asked what the City is doing to avoid that. Chief DeGiusti responded the officer does not know the situation until they arrive at the scene, once the officer is there they have the opportunity to assess what is needed for the situation. Ms. Melke stated she would be interested in seeing policies regulating how an officer reacts to an individual with a mental health issue. Chief DeGiusti responded the department does not have a specific policy for that scenario.

Commissioner Shuler asked if there is any specialized training for command staff. Chief DeGiusti responded in the affirmative and explained command staff goes through a series of three one week classes, revolving around management and leadership. Chief DeGiusti said once an officer reaches the rank of lieutenant they are sent to EMU for Police Staff and Command where they receive administrative training such as budgeting and policy formation. Commissioner Shuler asked if the Chief involves himself in any training. Chief DeGiusti responded he has a Master's Degree from EMU in Public Administration, attended the FBI National Academy, attended the Northwestern School of

Police Staff and Command, and he has been on the job for 28 years, and learns every single day on the force, but as far as formal training, no, other than update training.

Mayor Pro-Tem Richardson stated it did not seem like Chief DeGiusti understood the question of Commissioner Melke's question. Ms. Richardson stated she understands the officer will not know if there is a mental health issue until they arrive at the scene, but what does the officer do once they realize there is a mental health issue. Ms. Richardson stated she understands there is not a policy in place, but feels like one should be developed. Chief DeGiusti responded to have a specific procedure is difficult because mental health issues are very different and sometimes the only thing that is required is simply getting the individual to the hospital. Ms. Richardson responded there are steps taken before getting the person in the car and taking them to the hospital. Ms. Richardson added there needs to be policy in place, so officers know the proper protocol, and a public health professional should be contacted. Chief DeGiusti responded much of the time the public health professional is contacting the department for its assistance in transporting the individual. Ms. Richardson responded she is certain there are times that the police should contact a health professional. Chief DeGiusti responded that is definitely something the department can examine.

Commissioner Anne Brown stated there is \$23,000 allocated in the budget for officer training, and asked if there could be collaboration with the County for additional training. Chief DeGiusti responded the department has leveraged all the free training it can get.

Commissioner Valadez stated she read samples of local police departments that work with social workers to perform a multi-disciplinary approach to both response and training practices for mental health issues. Commissioner Valadez asked if that has been discussed in the department. Chief DeGiusti stated EMU would be the most likely partner in that scenario, but at this time it is not being discussed, and he is not certain either agency has the resources to create that partnership. Council Member Nicole Brown added she works in the mental health in Wayne County and there are modes that work in conjunction with the police department. Ms. Nicole Brown said she knows EMU professors and students who would devote time to a program if it were developed. Ms. Nicole Brown added she is not certain of the funding mechanism but the possibility is there. Chief DeGiusti asked if what is being referenced is a mental health professional and the police always going to the scene together. Ms. Valadez responded there are several scenarios Campaign Zero has developed. Ms. Nicole Brown added her organization employs a co-responder where a mental health professional will be contacted while on route or while the police are on scene.

Mayor Edmonds stated she spoke to an individual this summer that works on a Countywide Coalition on human trafficking. Mayor Edmonds stated the coalition provides training to local police forces regarding the topic, and asked if that is on the list of training the department has completed. Chief DeGiusti responded no, and said the department would love to get more training but the issues is if an officer is sent to training another officer has to be in their place.

City Manager Lange asked how many times a police officer has discharged a weapon on duty. Chief DeGiusti responded it has not happened since he has been Chief. Council Member Nicole Brown responded it is wonderful that a weapon has not been discharged, but it does not negate the fact that these issues need to be discussed. Commissioner Elmgren stated the issue is not only violence it is the use of policies and ordinances to take aggressive legal action against people in a biased way. Mr. Elmgren stated it doesn't necessarily have to be physical violence but violence in other ways.

Commissioner Shuler asked if the budget for training is adequate. Chief DeGiusti responded he would love to have the funds available for more training, but the issue is more the amount of officers on the force, which limits the opportunity that an officer can be trained.

Mayor Pro-Tem Richardson stated when she became a Council Member in 2000 or 2001 she attended a number of trainings on community policing and she never heard of it described as enforcement. Ms. Richardson stated the department needs to build relationships with community members in order to build trust. Ms. Richardson said when Ypsilanti was involved in community policing the community knew the officers and were willing to call if there was an issue. Commissioner Symanns stated as a former community policing officer she was hired on a federal grant, and just like training community policing takes extra time and effort, and as budgets shrink it makes it more difficult. Ms. Symanns stated she hopes the City will get to the point that it is able to utilize community policing, but it is the luxury of resources. Chief DeGiusti responded it is a balance of the priorities the department has to do opposed to the things it would like to do. Ms. Richardson replied the emergency call should take priority but there are times when officers are not taking calls that they could engage the community.

Commissioner Valadez stated Interrupters is the most recent program in the community, and asked how it operates, and said her immigrant's rights youth group is not listed. Ms. Valadez asked what the policy is for undocumented individuals. Chief DeGiusti responded Interrupters is basically not a police program at all and it is purely a community driven group that the police simply assist.

Mayor Edmonds asked for clarification of the school resource officer in the middle school. Chief DeGiusti responded before the school did not have an officer onsite and there were some serious disciplinary and criminal issues. Chief DeGiusti stated Officer Elizabeth Hunt was assigned to the Middle School and had such an effect that the school invited her to be year round. Chief DeGiusti stated her function is to aid the school and restore a proper learning environment. Chief DeGiusti stated the County places a deputy at the high school and the two work in conjunction.

Mayor Edmonds asked if different venues are chosen each month for coffee with a cop. Chief DeGiusti responded in the affirmative.

Council Member Anne Brown asked how many officers are on the street per shift. Chief DeGiusti responded three to four. Mayor Edmonds asked how many officers will there be once at full capacity. Chief DeGiusti responded when at full capacity there would be an officer from 3:00 p.m. to 3:00 a.m. Mr. Lange stated the structural overtime has a problem in the department which is beginning to be solved. Council Member Anne Brown asked if the three to four officers per shift would cross jurisdictional borders for increased patrols in terms of the Safety Alliance. Chief DeGiusti responded if that is where the investigation leads but not active patrolling.

Commissioner Melke asked if the DDA officer only works during the day. Chief DeGiusti responded yes, mostly during the day. Ms. Melke asked if there would be a benefit to scheduling the DDA officer at night. Chief DeGiusti responded most of the duties that officer has and the people he needs to keep contact with, are around during the day. Ms. Melke stated she was under the impression that the DDA officer was supposed to be in contact with citizens. Chief DeGiusti responded no, he is the Downtown Development

Authority Officer, and is involved with the business community, and he performs the citizen police academy.

Council Member Murdock asked if the three or four officers on a shift include the lieutenant and sergeant. Chief DeGiusti responded it includes the sergeant, and there is always a lieutenant at the station. Mayor Edmonds asked if there were always three or four officers on the road. Chief DeGiusti responded in the affirmative.

Council Member Anne Brown asked how many people does the parole meet and greet affect. Chief DeGiusti responded Ypsilanti is there every third month, but it is held monthly by other communities. Ms. Anne Brown asked how many people are reentering the community. Chief DeGiusti responded anywhere from eight to sixteen.

Mayor Edmonds stated from the picture of the Citizen Police Academy it appeared that mostly white individuals in attendance, and asked if a better cross-section of the community could be recruited, or was it just the photo that was shared had mostly white people in it. Chief DeGiusti responded he does not believe that was the case. Mayor Edmonds stated she wants the opportunity for people to learn and build relationships to remain open.

Commissioner Melke asked where the Police Open House has been advertised and that she hasn't seen any advertisements. Chief DeGiusti responded signs have been given to businesses around town, Officer Hunt has been talking to people at the school, and there is information at the Police Department. Council Member Anne Brown asked if Commissioner Melke has seen a hardcopy of a flier. Ms. Melke responded no, she hasn't seen a flier or anything on Facebook. Chief DeGiusti responded the Police Department does not have a presence on Facebook.

Council Member Anne Brown asked if the survey to help identify the strategic plan will be available online or in hardcopy. Rasheed Atwater responded it can be but it is still being decided what the best medium would be for the survey.

Council Member Nicole Brown stated there is not a reason why Ypsilanti Police should not have a presence on Facebook. Chief DeGiusti responded he agrees but he does not have staff available to administer the Facebook page. Council Member Robb stated he feels the City should have one place to access information about Ypsilanti. Mr. Robb stated Council should discuss this and form a policy. Mr. Robb stated as far as not hearing about the Police Open House, Commissioner Melke should speak with her CoPAC representative, and that fliers were distributed on Saturday, September 12th in his neighborhood.

Council Member Murdock asked if policies that are not confidential will be provided to Council. Chief DeGiusti responded the department is currently transforming the policy manual into general orders which provide more information.

Commissioner Melke asked when Council requested this information why did the department not provide a list of what information could not be given to Council and the Commission. Chief DeGiusti responded it was probably a miscommunication, but he prepared the presentation based on the questions listed in the Mayor's email, and he was unaware that all police policies were requested. Chief DeGiusti apologized for not providing the information, and will do so in the future. Mayor Edmonds stated this meeting was put together quickly, and it is only the beginning, and more information will be available in the future.

Mayor Edmonds asked if a list of policies that are confidential could be provided. Chief DeGiusti responded it could not be easily completed because all policies would need to be reviewed. Mayor Edmonds asked what the timeline is for the completion of the general orders. Chief DeGiusti responded it should take around a year.

Council Member Anne Brown asked if the search and seizure policy would be able to be viewed by Council. Chief DeGiusti responded in the affirmative, however search and seizure is not something the department has a policy on, it is regulated by case law. Mayor Edmonds stated as a next step is to provide information on what is regulated by case law and what is regulated by policy.

Council Member Robb stated this has been a frustrating process for everyone. Mr. Robb stated it is not his intention to change policies he simply wants to be able to articulate questions well to help understand policy. Mr. Robb requested a list of policies held by the Police Department so he is able to ask questions. Chief DeGiusti responded if Council wants the table of contents he can provide that to them. Mr. Robb stated the general orders that were provided to Council need to include the number order that supersedes it.

Commissioner Shuler asked if the policies have a hierarchy to them. Chief DeGiusti responded it is all incorporated into the general order. Mayor Edmonds asked if a complaint was filed against the department for being biased how the policy would be used in that process. Chief DeGiusti responded the investigation would be independent of what the general order states. Chief DeGiusti stated the behavior would be examined and it would be dependent to what the circumstances are. Chief DeGiusti stated when an officer is disciplined the general order that was violated would be cited in the disciplinary action. Council Member Anne Brown asked who would perform the investigation. Chief DeGiusti responded for the most part the investigation is performed at the shift level. Chief DeGiusti stated if it is a formal complaint, the majority of those are performed by Lt. Gress. Ms. Anne Brown asked if there are only two levels of investigation. Chief DeGiusti responded depending on the seriousness complaint he would review it. Chief DeGiusti stated if there is a criminal element to the complaint an outside agency would perform the investigation. Ms. Anne Brown asked if there is a citizen review of complaints. Chief DeGiusti responded Mr. Lange reviews the complaints. Ms. Anne Brown asked if there was a non-employee citizen that reviewed the complaints. Chief DeGiusti responded no.

Council Member Murdock asked if information regarding the hierarchy of complaints, and what the formal complaint process is. Chief DeGiusti responded yes. Commissioner Shuler stated the HRC met with the former police chief to improve the complaint process making it more transparent. Mayor Edmonds stated the complaint form is available at both the Police Department and the Clerk Department, and can be turned in at either of those departments or the City Manager's Office.

Council Member Vogt moved, supported by Council Member Nicole Brown, to extend the meeting by one hour.

On a voice vote, the motion carried and the meeting was extended.

Council Member Anne Brown stated the force continuum allows the officer to apply a level of force one higher than the perpetrator. Chief DeGiusti responded it depends on the situation if an officer of a smaller physical stature needs to arrest a mixed martial arts

fighter that officer would need to increase force by more than one level. Chief DeGiusti stated generally the one plus one policy is applied when using force, however, there are exceptions. Ms. Anne Brown asked if that information is available to the public. Chief DeGiusti responded this information is on the internet.

Mayor Edmonds asked what the policy is regarding record keeping and the use of force, and how is that data used. Chief DeGiusti responded Council Member Murdock shared a piece put out by the Department of Justice called emerging use of force issues. Chief DeGiusti stated the article states force was used in 1.9% of the 40 million police calls. Chief DeGiusti stated every use of force is documented by the department in the police report and a separate use of force form. Chief DeGiusti stated the shift commander reviews the report, then Lt. Gress, and then by himself. Chief DeGiusti added the same protocol is employed when reviewing pursuits. Chief DeGiusti stated all deployments of Tasers are reviewed by the shift commander, Lt. Gress, and himself and are downloaded periodically to ensure that each time that Taser has been discharged. Chief DeGiusti said the shift commander will periodically check the patrol car video and write a report each month and submit it to the Chief. Chief DeGiusti said all injuries to prisoners are documented by the shift supervisor, forward to Lt. Gress, and then the Chief.

Mayor Edmonds asked if video of prisoners is recorded or is it a live feed. Chief DeGiusti responded it is recorded but he is not certain of how long it is stored. Mayor Edmonds asked if prisoners are given water. Chief DeGiusti responded there is water in the holding cell.

Commissioner Melke asked if prisoners are given medication. Chief DeGiusti responded if they have the medication with them and it is properly labeled they are allowed to take it, or if someone can bring the medication to them. Chief added being that prisoners are not held for longer than 12 hours rarely does the department run into these situations. Ms. Melke asked what the policy is if a diabetic person is in police custody. Lt. Gress responded the Fire Department will monitor until Huron Valley Ambulance arrives.

Council Member Anne Brown asked if video recording retention is done in case there is an investigation. Chief DeGiusti responded in the affirmative. Lt. Gress added for the department's protection as well, in case a prisoner hurts themselves and attempts to blame it on the police.

Mayor Edmonds asked how the department judges if a person is intoxicated or not. Chief DeGiusti responded the department uses a personal breath test (PBT). Mayor Edmonds asked if that is used for everyone. Chief DeGiusti responded no, only if the person is visibly intoxicated. Lt. Gress responded if a prisoner blows .30 they are immediately transported to the hospital. Mayor Edmonds asked what the protocol is for an individual being high on a drug. Chief DeGiusti responded it depends on the kind of drug. Lt. Gress responded many times they will be transported to the hospital.

Council Member Anne Brown asked if a minor is arrested are they not allowed a phone call. Chief DeGiusti responded there are a different set of rules for minors, and the officer will call the minors parent, or guardian.

Commissioner Melke asked if a person is in custody and they begin to incriminate themselves should they not have been told their rights even if they are not being interrogated. Chief DeGiusti responded no. Mayor Pro-Tem Richardson asked why Miranda Rights was developed. Chief DeGiusti responded Miranda was developed as a result of extreme police interrogation tactics.

Mayor Edmonds asked if a prisoner does not have an attorney, and they are being detained what are their options. Chief DeGiusti responded generally at arraignment they receive a court appointed lawyer.

Council Member Anne Brown asked how many people can be detained at one time. Chief DeGiusti responded it depends, there is one cell that can either hold one prisoner, or three, not two. Chief DeGiusti explained the reason why is if there are two prisoners they are more likely to get into a fight. Chief DeGiusti added it also depends on the gender of the prisoner on where they can be placed. Chief DeGiusti stated there are not that many people detained at the department.

Mayor Edmonds asked when a person is detained are they always called a prisoner. Chief DeGiusti responded in the affirmative.

Mayor Edmonds asked what are the legalities involved in sharing information with the public when someone has been detained. Chief DeGiusti responded people have a right to their own confidentiality and the police will not share with the public. Mayor Edmonds asked if people know why they are being detained. Chief DeGiusti responded prisoners absolutely know what they are being detained for. Mayor Edmonds stated when a person is arrested they are informed of the charge. Chief DeGiusti responded in the affirmative, and said the police do not charge an individual the prosecutor sets the charges. Lt. Gress said the prosecutor also must prove the charge beyond a reasonable doubt the police only require probable cause to make an arrest.

Commissioner Melke asked what the policy for civil disobedience is. Chief DeGiusti responded there have been a lot of demonstrations in Ypsilanti and accept for one incident there have been no problems. Chief DeGiusti said generally demonstrators contact the department to inform the police that they will be demonstrating and the police inform them of the rules, which are: stay on the sidewalk, don't block traffic, don't be on private property, and don't disturb the public. Chief DeGiusti stated at that point the officers leave, and the department does not station officers on scene to monitor the protest. Ms. Melke asked if there is a written policy that illustrates what the Chief has just said. Chief DeGiusti responded in the affirmative. Chief DeGiusti added when problems arise as a result of a demonstration it is when one person feels their rights supersede the rights of someone else. Mayor Edmonds stated she was reading the ACLU's policy regarding protesting and the Ypsilanti Police follow those same standards. Chief DeGiusti stated while he was Deputy Chief for the City of Wayne there was a strike at the Ford Plant every other year. Ms. Melke stated there is a strong difference in perception of striking auto work and the Black Lives Matter movement. Lt. Gress responded there is no difference when it is based on behavior. Council Member Murdock added there is a difference between civil disobedience and demonstrating and civil disobedience implies someone is trying to get arrested.

Commissioner Symanns stated without getting into a debate about the first amendment it does not allow a person to say whatever they want any place at any time.

City Manager Lange stated he has a very close working relationship with the police department and he understands their tactics, and they include not engaging or escalating a situation if it is not required.

Council Member Anne Brown asked if the LAWNET investigations are linked to the distribution of narcotics. Chief DeGiusti responded some are.

Mayor Edmonds asked if the heroin issue is across age range. Council Member Anne Brown stated most overdoses were white males from 18 to 40 years old.

Council Member Murdock stated a few years ago a charter amendment was passed that basically places low priority on marijuana. Mr. Murdock stated the charter amendment requires an annual report from the Police Department. Chief DeGiusti responded he is still trying to find that report, and he has spoken with past Chiefs who were unaware that a report needs to be written. Chief DeGiusti added he will need to examine the charter amendment to see exactly what the report needs to include. Mr. Murdock stated the charter simply states a report is required it does not dictate what it looks like. Chief DeGiusti responded he will need to create a report to satisfy the charter requirement.

Council Member Murdock asked if the complaints that are being listed are formal. Chief DeGiusti responded in the affirmative.

Mayor Edmonds stated the field testing for the body cameras needs to be completed in order to create a policy. Chief DeGiusti responded in the affirmative and said the goal is to create a usable policy.

Council Member Murdock asked if Council will be able to see the body camera policy before it goes into practice. Chief DeGiusti responded he is willing to sit and take suggestions from anyone willing to make them.

Mayor Edmonds asked if each agency involved will adopt the same body camera policy. Chief DeGiusti responded the policies will not be identical.

Commissioner Symanns asked how the officers feel about the body cameras. Chief DeGiusti responded the department has had a very positive response to the cameras.

Commissioner Shuler asked if there are dash cameras on the police cruisers. Chief DeGiusti responded in the affirmative. Mr. Shuler asked if the retention policies for body cameras would be any different than the policy for dash cameras. Chief DeGiusti responded no because the amount of memory needed is roughly the same. Council Member Murdock stated dash cameras are unlikely to be turned off. Chief DeGiusti responded body cameras are denser when it comes to memory. Mr. Murdock responded he was referencing the policy formation. Chief DeGiusti responded he has been speaking with vendors who informed him that they are attempting to tap into the microphone on the dash camera.

Council Member Murdock stated when people are charged with a crime and the property is seized if the charges are dropped, it is very difficult to get your property back. Chief DeGiusti responded there was a recent situation that a person had \$1,600 seized and once that person produced two paystubs they were returned their money. Lt. Gress stated the paperwork involved with property seizures is extreme, and the department would rather not seize property. Council Member Vogt asked for an example of when the department kept property. Chief DeGiusti responded the department recovered \$30,000 that was found in the trunk of a car with drugs and both people involved claimed not to know what it was. Council Member Murdock stated on average the department seizes \$10,000 a year. Chief DeGiusti responded in the affirmative.

City Manager Lange provided a conclusion to the presentation. **(See Website)**

IX. AUDIENCE PARTICIPATION –

1. Mark Hergott, 111 Miles, stated he is a white male landowner whose family has been in this country over 150 years. He said he does not have to care, but he does care, and there are many like him that do care, but they are not that good at expressing themselves. He said the public needs meetings like this one in order to listen and be more humble.
2. Nathan Phillips, 509 N. Washington St., thanked Council and the HRC, and said the reason why these meetings are important is because the white man does not need to care. He said he feels very offended by what was said by the previous speaker, and apologized to the Police Department for what he said. He said everyone must care in this town and it shouldn't matter what color they are. He said it seems like the Native Americans are the least of the community and it seems like Native Americans are treated very poorly, but they still care. He said the form of government in the United States was given by the Native Americans it wasn't the Magna Carta. He said this form of government was created by the Iroquois Confederacy. He stated he would like to make a complaint about the Police Department supporting a football team called the Huron Braves.
3. Dave Hiekkinen, 133 W. Michigan, stated he has a close friend who is a professor in sport business management in Central Florida and is an African American. He said they were at Pub 13, while it was open, and his friend was stopped by the police while walking back to his shop. He said the scariest person he has ever met in the City was a gentleman who came in his store wearing a sport coat and asked if he would print KKK and Neo-Nazi stuff. Mr. Hiekkinen responded he would not, and he wasn't sure what would happen, but that was what got him to want to get to know the police. He concluded saying the police are here for us and they should be thanked.

X. REMARKS FROM THE MAYOR –

- Asked the HRC Chair Commissioner Shuler to get in touch with the joint taskforce to schedule the work group meeting.

XI. ADJOURNMENT –

Council Vogt moved, supported by Council Member Nicole Brown to adjourn the meeting.

On a voice vote, the motion carried and the meeting was adjourned at 11:02 p.m.



**CITY OF YPSILANTI
COUNCIL MEETING MINUTES
CITY COUNCIL CHAMBERS – ONE SOUTH HURON ST.
YPSILANTI, MI 48197
TUESDAY, SEPTEMBER 15, 2015
6:00 P.M. – WORK SESSION
7:00 P.M. – REGULAR SESSION**

I. CALL TO ORDER –

The meeting was called to order at 6:08 p.m.

II. ROLL CALL –

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

Council Member Anne Brown moved, supported by Council Member Vogt, to excuse the absence of Mayor Pro-Tem Richardson.

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

III. INVOCATION –

Mayor Edmonds asked all to stand for a moment of silence.

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 Anne Brown moved, supported by Council Member Vogt, to approve the agenda.

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

VI. WORK SESSION: 6:00 – 7:00 p.m.

Health Care –Ralph Lange, City Manager

City Manager Lange introduced the following: General Accountant Rheagan Basabica II, Fiscal Services Director Marilou Uy, new Human Resources Manager Kevin Welch, Blue Cross and Blue Shield Representative Michelle Bolzer, Assistant to the City Manager Ericka Savage, and Human Resources Director Judi Smith who will be retiring after fifteen years of service to the City. Mr. Lange thanked Mrs. Smith for her years of dedicated service and wished her well in retirement.

Mr. Lange provided a presentation on the topic of Health Care for retirees and current employees. **(See Website)**

Mayor Edmonds asked for clarification on the data provided in the presentation.

Michelle Bolzer responded in 2007 the City was on a Community Blue One Plan which meant there was a zero deductible and that plan no longer exists. Ms. Bolzer explained as a result of contracts in place at that time, the City was required to continue providing the zero deductible to those employees, but wanted to achieve some savings. Ms. Bolzer stated if the City stayed with a plan that style costs would become astronomical. Ms. Bolzer stated the City has gradually gotten to \$4,000 or \$8,000 network deductible plan titled Community Blue fifteen and by doing so have lowered the fixed cost premium. Ms. Bolzer stated the City was still required to offer the zero deductible plan and to do so, in 2008, a partnership was formed with a third party administrator called EHIM. Ms. Bolzer stated when EHIM gets a bill from Blue Cross Blue Shield they see that the member has a zero deductible plan with the City of Ypsilanti and pays the provider directly, then the City receives a bill for that deductible expense. Ms. Bolzer stated this 80/20 plan helps to mitigate increases in healthcare for the City. Ms. Bolzer said a second part of this plan is the City removed its prescription drug plan and now self-funds and the savings have been significant. Ms. Bolzer concluded those deductibles are what are represented in that chart.

Mayor Edmonds asked for an explanation for the 2% of base salary deductions. Mr. Lange responded at one point employees paid 2% of their salary to their insurance instead of 20% of the cost of the premium. Mayor Edmonds asked if there was overlap between these two plans. Mr. Lange responded in the affirmative.

Mayor Edmonds asked if the per capita cost includes the average of the self-insured. Mr. Lange responded in the affirmative.

Mayor Edmonds presented a scenario where an employee accepts insurance, but that employee's spouse and child refuse the insurance, and asked if the spouse and child are reflected in the numbers. Mr. Lange responded in the affirmative. Mayor Edmonds asked if they would be eligible for the waiver. Council Member Robb responded that is not possible, and explained the waiver would be for the entire family.

Council Member Nicole Brown stated where she works she can insure herself and if her spouse has his own insurance he can insure himself. She asked if she is automatically two people simply because she is married. Mr. Lange responded in that scenario you would be considered a two person unit.

Mayor Edmonds asked how many people are eligible to be insured by the City, and explained that number would help estimate the City's liability for employee insurance. Mr. Lange responded it would be inappropriate to ask an employee those questions.

Mayor Edmonds asked if the Blue Cross plan includes vision and dental. Mr. Lange responded no, and said tier two employees do not have vision coverage, but they do have dental coverage. HR Manager Judi Smith added the City does not pay for the employee's vision, but they do have the option to purchase coverage through payroll deduction.

Mr. Lange added Council Member Robb submitted an alternative plan and that will be taken under advisement. Council Member Robb asked if retiring HR Manager Judi Smith will receive healthcare from the City upon retirement. Mr. Lange responded in the affirmative, and said as a tier one employee she is a defined benefit. Council Member Robb asked if she still will be eligible after Medicare Part B is available. Ms. Smith stated once eligible she would switch to the Medicare Advantage. Mr. Lange stated there is a large population of retirees that are not 65 years old because police and fire contracts.

Council Member Robb stated the way the world is moving retiree healthcare is no longer provided once that retiree is Medicare Part B eligible. Mr. Robb stated that employee will also be given \$1,800 to find supplemental coverage. Mr. Robb asked if the City will begin to move in that direction. Mr. Lange responded that was accomplished when the City went to the tier one and tier two models. Council Member Robb stated as a non-bargaining employee that plan can be changed at any time. Mr. Lange responded it can be changed at any time, but he would be greatly opposed to that. Mr. Robb responded can staff investigate what the savings would be if all non-union retirees were converted to Medicare Part B once eligible, and given a stipend to supplement. Mr. Lange responded staff can look into that possibility if the majority of Council agrees. Mayor Edmonds asked if the majority of Council would like to examine that possibility. Council responded in the affirmative.

Council Member Robb stated it was his intention that Council would have the opportunity to give direction to what employee health plans should be when completed in October. Mr. Robb added his employer requires an employee to pay \$100 if that employees spouse refuses the insurance offered by their employer. Mr. Robb stated this will be a disincentive of using the City's insurance. Mr. Robb asked if that possibility is something that is being examined.

Council Member Anne Brown stated the City's employee population is mixed between incoming young people and an aging out population, and asked what would be the advantage, as employer, to not offering employees a benefit package. Council Member Robb responded that is not his intention, his intention is to incentivize an employee's spouse to use the insurance offered by the company that they are employed.

Council Member Robb asked if wellness plans are being examined and explained that each employee is to get a physical each year but if they do not they are required to pay a higher deductible. Mr. Lange responded in the affirmative, however at this point it is not really an option. Mayor Edmonds added she supports a wellness plan and said it falls in line with Council goals regarding wellness and cost savings. Mayor Edmonds added that possibility should be examined for retirees where the City is able. Ms. Bolzer added she and staff have had lengthy conversations regarding that possibility. Mr. Lange added both brokers were directed to look into wellness plans.

The meeting recessed at 6:52 p.m.

The meeting was called to order at 7:07 p.m.

VII. INTRODUCTIONS –

Mayor Edmonds introduced the following individuals: Assistant City Attorney Jesse O'Jack, DPS Director Stan Kirton, Community Development Intern Rasheed Atwater, City Planner Bonnie Wessler, and Economic Development Director Beth Ernat.

VIII. AUDIENCE PARTICIPATION –

1. Victoria Johnson, 218 W. Michigan Ave Apt #B-5, stated she would like to address residential parking in the Adams Lot across from the EMU College of Business. She stated she resides at Black Hawk Apartments and has been having issues with students parking in the Adams lot after enforcement hours, making it difficult to find parking when she returns home from work. She stated she, and others, have paid for parking and now are forced to park either down the street, or in the lot in front of the Déjà vu, which is unsafe, especially for a single woman. She suggested expanding enforcement time in the Adams Lot, or designate specific spots for residential parking.

2. David Conrad, 218 W. Michigan Ave Apt #B-9, asked his business partner, Laurie Jurden, to join him if Council approves, stated he is an owner and resident of Black Hawk Apartments for 28 years, and parking has always been an issue in the Adams Lot. He said he understands the City metered that lot in hopes that would solve the problem but it has not. He stated there are several open parking spaces during the day and during night classes at the College of Business the parking lot is completely full. He said this is a safety and security issue for tenants and he hopes something can be done. He said he watched the debate at the library where Mayor Edmonds spoke about improving coordination with the university. He stated the College of Business students are commuters and are not purchasing Eastern Michigan passes because they do not have to and the issue has been increasing over the last two to three years. He said Victoria has suggested a couple of good ideas, and he is hoping the City and the University can find a solution. Laurie Jurden suggested a section of the Adams Street Lot be designated for residential parking to avoid students parking in those spots.

IX. REMARKS BY THE MAYOR –

- Asked for clarification of what downtown lot is being discussed. Mr. Conrad responded the North Adams Lot, the only City parking lot with meters. Mayor Edmonds responded there are meters in the Washington St. Lot. Mayor Edmonds asked City Manager Lange to investigate the issue. Mayor Edmonds suggested the City perform a parking survey in order to better understand volume for peak hours in the downtown lots. She stated the question that needs to be addressed is if there are enough parking spots for permits issued.

Council Member Murdock stated one of the recommendations of the 2012 DDA parking study is to look at extending enforcement hours. Mr. Murdock added that recommendation was lost as a result of the reshuffling of parking enforcement.

X. MINUTES –

Resolution No. 2015-208, approving minutes of September 1, 2015.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the Minutes of September 1, 2015 be approved.

OFFERED BY: Council Member Anne Brown

SUPPORTED BY: Council Member Nicole Brown

On a voice vote, the motion carried, and the minutes were approved

XI. ORDINANCES – FIRST READING:

Ordinance No. 1257

An ordinance to limit and cap the maximum captured taxable value of a Depot Town Tax Increment Financing Plan.

- A. Resolution No. 2015-209, determination

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT an Ordinance to limit and cap the maximum captured taxable value of a Depot town Tax Increment Financing Plan be approved on First

Reading.

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

- B. Open public hearing
None
- C. Resolution No. 2015-210, close public hearing.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT a public hearing for an Ordinance to limit and cap the maximum captured taxable value of a Depot town Tax Increment Financing Plan be officially closed.

OFFERED BY: Council Member Murdock
SUPPORTED BY: Council Member Nicole Brown

On a voice vote, the motion carried and the public hearing was closed.

Council Member Murdock stated this ordinance amends the Depot Town Downtown Development Authority TIF Renewal Ordinance. Mr. Murdock stated this amendment would reestablish the base amount and limit future growth in the tax increment financing authority (TIFA). Mr. Murdock stated his proposal is not tied to a specific TIF plan and future TIF plans would have to meet these criteria. Mr. Murdock stated this proposes to reset the base with a reduction of 25% and limit the growth to 1% annually. Mr. Murdock stated the City of Ann Arbor has limited the growth of its Tax Increment Financing Plan similarly to this proposal.

Council Member Vogt asked Council if this proposal is passed tonight would there be possibility to amend the numbers presented. City Attorney Barr responded the ordinance can be amended.

Mayor Edmonds stated she will not be supporting this proposal and said a memo was sent to the City Council from the DDA Board this afternoon which outlined a different proposal which will come before Council during the next regular meeting.

Council Member Robb stated this proposal is a classic form of sharing in the success of Depot Town, which the City has invested a great deal resources. Mr. Murdock stated the point of a TIF is to increase the tax base, and municipalities and taxing jurisdictions should share in that increase, which is the framework of the proposal. Mr. Robb stated resetting the base year is common, and Ann Arbor went through a similar process. Mr. Robb stated if the original ordinance is passed that district will maintain 1992 tax levels for 50 years. Council Member Vogt agreed with Council Member Robb, however, if the DDA has a different proposal and Council wants to reconsider, he wants to be certain Council can do so. Mr. Vogt suggested this proposal be passed in order to get something on the books even if there is a possible change. Council Member Anne Brown asked what a possible change might look like. Mr. Vogt responded the Mayor informed Council the DDA has a proposal and will be bringing it to the October 6 meeting. Mr. Vogt added he would not want the DDA to think Council will not examine their proposal in good faith.

On a roll call, the vote to approve Resolution No. 2015-210 was as follows:

Council Member N. Brown	No	Council Member Robb	No
Council Member Murdock	No	Mayor Edmonds	No
Mayor Pro-Tem Richardson	Absent	Council Member Vogt	Yes
Council Member A. Brown	No		

VOTE:

YES: 1 NO: 5 (Robb, Murdock, Anne Brown, Nicole Brown, Edmonds) ABSENT: 1
(Richardson) VOTE: Failed

XII. RESOLUTIONS/MOTIONS/DISCUSSIONS –

- ~~1. Resolution No. 2015-105, approving Ordinance 1244, the adoption, amendment and restatement of the Depot Town Development Plan and Tax Increment Financing Plan. **(Second Reading)**~~
2. Resolution No. 2015-211, approving Ordinance No. 1256, an ordinance to amend Ypsilanti City Code Chapter 102 "Traffic and Vehicles," Article III "Stopping, Standing and Parking, "Division 2, By Amending Division 2 To Be Titled "Parking Violations Bureau and Enforcement," and to Amend Division 2 To Create A Parking Violations Bureau, to set forth Rules and Procedures for the Parking Violations Bureau, and to have Fees set by Resolution of City Council. **(Second Reading)**

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That an ordinance entitled "AN ORDINANCE TO AMEND YPSILANTI CITY CODE CHAPTER 102 "TRAFFIC AND VEHICLES," ARTICLE III "STOPPING, STANDING AND PARKING, "DIVISION 2, BY AMENDING DIVISION 2 TO BE TITLED "PARKING VIOLATIONS BUREAU AND ENFORCEMENT," AND TO AMEND DIVISION 2 TO CREATE A PARKING VIOLATIONS BUREAU, TO SET FORTH RULES AND PROCEDURES FOR THE PARKING VIOLATIONS BUREAU, AND TO HAVE FEES SET BY RESOLUTION OF CITY COUNCIL" be approved on Second and Final Reading.

OFFERED BY: Council Member Nicole Brown
SUPPORTED BY: Council Member Anne Brown

Assistant City Attorney Jesse O'Jack stated he would like to clarify concerns brought up during First Reading. Mr. O' Jack said when the City was using the services of Duncan Solutions all contested tickets would go to district court. Mr. O'Jack stated that was one of the many issues the City had with Duncan Solutions. Mr. O'Jack stated the Parking Enforcement Committee wanted to have some type of local hearings, similar to Ann Arbor.

On a roll call, the vote to approve Resolution No. 2015-211 was as follows:

Council Member N. Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Yes	Mayor Edmonds	Yes
Mayor Pro-Tem Richardson	Absent	Council Member Vogt	Yes
Council Member A. Brown	Yes		

VOTE:

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

3. Resolution No. 2015-212, approving Capital Improvement Plan.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the Charter of the City of Ypsilanti requires that Council adopt a Capital Improvements program on an annual basis; and

WHEREAS, the Planning Enabling Act requires that Council adopt a Capital Improvements program on an annual basis; and

WHEREAS, the City of Ypsilanti is pursuing Redevelopment Ready Certification from the Michigan Economic Development Corporation; and

WHEREAS, the City of Ypsilanti is pursuing Redevelopment Ready Certification through the Michigan Economic Development Corporation; and

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council hereby adopt the Capital Improvement Plan for FY2016/2017 through FY2022/2023.

OFFERED BY: Council Member Vogt

SUPPORTED BY: Council Member Nicole Brown

Council Member Robb asked for staff to walk Council through the plan and highlight what was changed. City Planner Bonnie Wessler responded the only item changed was the addition of Council setting the prioritization during goal setting. Ms. Wessler informed Council a draft plan will still be presented for input but the final prioritization of projects and project justification will be set by Council.

Mayor Edmonds stated this is the last piece before Ypsilanti is deemed a Redevelopment Ready City, she said that designation will open up funding and support possibilities for the City. She added the Michigan Economic Development Corporation (MEDC) has been very eager for the City to complete this process, and it has taken a lot of work from staff. Economic Development Director Beth Ernat added the designation should be awarded by the end of October. Mayor Edmonds stated during the award ceremony there is a ribbon cutting attended by the Governor and it is a great time to promote the City to developers.

On a roll call, the vote to approve Resolution No. 2015-212 was as follows:

Council Member N. Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Yes	Mayor Edmonds	Yes
Mayor Pro-Tem Richardson	Absent	Council Member Vogt	Yes
Council Member A. Brown	Yes		

VOTE:

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

4. Resolution No. 2015-213, approving the Michigan Department of Transportation Contract No. 15-5376 for the 2015 Mid- Block Crossing at Washtenaw Ave. and Oakwood Project.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, Federal Transportation Fund –Transportation Alternatives Program (TAP) funding has been programmed to improve the pedestrian refuge island and install a mast arm pedestrian hybrid beacon on Highway M-17 (Washtenaw Avenue) between Oakwood and West Cross Streets in the year 2015 construction season; and

WHEREAS, it is necessary to enter into a contract with the Michigan Department of Transportation for the implementation of this project;

NOW, THEREFORE, BE IT RESOLVED THAT the City Council approves the Michigan Department of Transportation Contract No. 15-5376; and

THAT the Mayor and City Clerk are authorized to sign this contract and the City Manager is authorized to sign any change orders, subject to approval by the City Attorney, to facilitate the completion of this work.

OFFERED BY: Council Member Robb

SUPPORTED BY: Council Member Murdock

DPS Director Stan Kirton stated this has been in the planning stages for awhile and it is the first step in beginning the project.

Economic Development Director Beth Ernat stated this is collaboration between the City and Eastern Michigan University.

Council Member Anne Brown asked where exactly the crossing would be on Washtenaw and Oakwood. Mr. Kirton replied there is an island there now and the island will be widened and a crosswalk with beacon lights will be installed.

Council Member Murdock asked if EMU was contributing to the project. City Planner Bonnie Wessler responded Eastern is contributing to this project but they have a separate contract. Ms. Wessler added the Ann Arbor Area Transit Authority will also be contributing.

Council Member Murdock asked when the crosswalk will be completed. Mr. Kirton replied his understanding is the project will be completed during this construction season. Mr. Murdock asked if this fall is the presumed start to construction. Mr. Kirton responded in the affirmative.

City Manager Lange asked if this was a federal aid project. Mr. Kirton responded in the affirmative, and added it is mainly funded by the Transportation Alternative Program (TAP) grant.

On a roll call, the vote to approve Resolution No. 2015-213 was as follows:

Council Member N. Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Yes	Mayor Edmonds	Yes
Mayor Pro-Tem Richardson	Absent	Council Member Vogt	Yes
Council Member A. Brown	Yes		

VOTE:

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

5. Resolution No. 2015-214, approving purchase of one (1) 2016 GMC Sierra 3500HD 4WD dump truck with front plow attachment.

A RESOLUTION OF THE CITY OF YPSILANTI:

WHEREAS, a purchase proposal was received from Red Holman Pontiac - GMC, Westland, Michigan for the purchase of a 2016 GMC Sierra 3500HD 4WD Dump Truck with front plow attachment for use in the Department of Public Works- Streets Division for surface maintenance, winter surface maintenance and park maintenance activities for a total amount of \$42,436.00; and

WHEREAS, the state purchase price of \$42,436.00 is very favorable and in the best interest of the city to purchase this vehicle; and

NOW THEREFORE, BE IT RESOLVED THAT, the Ypsilanti City Council approves the purchase of one 2016 GMC Sierra 3500HD 4WD dump truck with front plow attachment.

FURTHER, that the \$42,436.00 to purchase this vehicle be expended from the \$42,436 budgeted in account 641-7-9320-987-10;

THAT the City Manager is authorized to sign the purchase proposal and any change orders, subject to approval by the City Attorney, to complete the purchase of this vehicle.

OFFERED BY: Council Member Anne Brown

SUPPORTED BY: Council Member Nicole Brown

DPS Director Stan Kirton stated this is a part of the Motor Pool Plan to cycle out equipment while it stills has value.

Council Member Murdock stated this vehicle is not an alternative fuel vehicle. Mr. Kirton responded no, it is not. Mr. Murdock asked if DPS has alternative fuel vehicles. Mr. Kirton responded the department has three. Mayor Edmonds asked which vehicles are alternative fuel. Mr. Kirton responded DPS has a stake truck, new signal lift truck, and the third he cannot think of at this moment. Mayor Edmonds asked if they are all propane. Mr. Kirton responded in the affirmative. Mr. Lange added there are several vehicles in the City's Motor Pool that can make the transition to alternative fuel however; there are things holding up the conversions, such as the change in the price of gas. Mr. Lange added another reason is there is not a refueling station close to the DPS Yard. Mr. Lange stated there was an effort to partner with EMU to install an alternative fuel station but it was not economically viable. Mr. Lange said there has been discussion on natural gas versus propane, and once it makes economic sense the research will have been already completed, and the City will be able to move forward with purchase.

Council Member Robb stated the L-96 is an obsolete engine, and has been replaced by the Eco-Tech engine and asked why the Echo-Tech engine was not examined. Mr. Kirton responded more than likely because of the cost. Mayor Edmonds asked if Mr. Kirton felt like there is a risk to using an obsolete engine. Mr. Kirton responded no and said DPS has been successful with the previous purchase.

On a roll call, the vote to approve Resolution No. 2015-214 was as follows:

Council Member N. Brown	Yes	Council Member Robb	Yes
Council Member Murdock	No	Mayor Edmonds	Yes
Mayor Pro-Tem Richardson	Absent	Council Member Vogt	Yes
Council Member A. Brown	Yes		

VOTE:

YES: 5 NO: 1 (Murdock) ABSENT: 1 (Richardson) VOTE: Carried

6. Resolution No. 2015-215, approving the bid for Freighthouse upgrades.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, The City of Ypsilanti seeks to improve the Freighthouse, a city owned building, to allow for year round use of the building; and

WHEREAS, the City let bids and received 5 qualified bids for the work required to upgrade the Freighthouse and the bids are within the project budget; and

WHEREAS, the City seeks to reject the lowest bid by Cross Renovation Inc. based on failure to respond to supplemental questions in a timely manner and having an irregular low bid and seeks to accept the second lowest bidder, Envision Builders, Inc., due to price and experience.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council awards the Freighthouse Update bid to the second lowest bidder, Envision Buildings, Inc., and seeks to have Its Mayor and Clerk enter into a contract to be approved by City Attorney for the amount of \$242,800.00 and allow change orders to be signed by the City Manager.

OFFERED BY: Council Member Murdock

SUPPORTED BY: Council member Anne Brown

Economic Development Director Beth Ernat stated this project has been a long time coming. Ms. Ernat stated the Friends of the Freighthouse have been excellent in this process, and construction is ready to begin which will be monitored by OHM and the City. Ms. Ernat stated a Memorandum of Understanding (MOU) will be brought to Council in the near future. Ms. Ernat added Envision Building Inc. performed the roof repair and have an excellent reputation.

Council Member Anne Brown asked what the timeline is for this project. Ms. Ernat responded if this is approved tonight a pre-bid meeting will be held next week and it is anticipated that the work will be complete by December.

Mayor Edmonds asked if this is the last piece that needs to be completed. Ms. Ernat responded this piece will be the last piece before the building can be open, but there will be other work required. Council Member Anne Brown asked if by open Ms. Ernat means the building would have a certificate of occupancy. Ms. Ernat responded in the affirmative.

Council Member Anne Brown asked if the MOU is forthcoming. Ms. Ernat responded in the affirmative. Ms. Anne Brown asked if it would be similar to the MOU from Friends of Rutherford Pool.

On a roll call, the vote to approve Resolution No. 2015-215 was as follows:

Council Member N. Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Yes	Mayor Edmonds	Yes
Mayor Pro-Tem Richardson	Absent	Council Member Vogt	Yes
Council Member A. Brown	Yes		

VOTE:

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

Council Member Anne Brown asked if the MOU will be consistent with the other Friend's Groups. Ms. Ernat responded recently there was a meeting with the City Attorney and it was discussed that the

situation must be looked at uniquely, however, she said she is making sure that insurance is the same throughout the City's MOU.

Mayor Edmonds asked that the Parks and Recreation Commission be included in the development of the MOU. Ms. Ernat asked if the building was considered a Parks and Recreation structure. Mayor Edmonds responded in the affirmative.

7. Resolution No. 2015-216, approving contract with Carr's Outdoor Services, Inc. for the City of Ypsilanti Pavement Maintenance Program.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

Whereas, bids were duly advertised for The City of Ypsilanti Pavement Maintenance Program; and

Whereas, two (2) bids was publicly opened on Thursday, September 3, 2015 at 2:00 p.m. and reviewed for compliance with bidding qualifications and project specifications; and

WHEREAS, the bid submitted by Carr's Outdoor Services, Inc., 48910 Ford Road, Canton, MI 48187 best meets the project specifications and qualifications and is in the best interests of the City; and

Now Therefore Be It Resolved That the City Council awards the bid to Carr's Outdoor Services Inc. in the amount of \$1.20 per pound for crack sealing services throughout the City during the 2015 construction season; and

THAT the Mayor and City Clerk are authorized to sign the necessary contract documents, subject to approval by the City Attorney, to facilitate the completion of this work.

FURTHER, that the City Manager is authorized to sign change orders subject to the approval by the City Attorney.

OFFERED BY: Council Member Nicole Brown

SUPPORTED BY: Council Member Vogt

Council Member Anne Brown asked if there were any local businesses that bid on this project. Mr. Kirton responded no, nothing local. Mr. Kirton added there are not many companies that perform this kind of work in Washtenaw County.

Mr. Kirton stated this is just a continued effort to maintain the roads. Mr. Kirton stated this year the project will be east of Cornell including some eastside neighborhoods.

Council Member Murdock asked if Mr. Kirton had seen the hairline crack on N. Adams. Mr. Kirton replied he had not but he will investigate. Mr. Murdock added the sewer on the corner of Adams and Michigan is beginning to collapse.

Mayor Edmonds asked if the existing road is ground-up to use as material for the new road. Mr. Kirton stated that is not a practice of the City for the subgrade because of the need for a higher quality road. Mr. Lange added at the County level if there is a road in need of repair it can be grinded up and emulsion added to it for the repair, in an urban area it is more difficult.

On a roll call, the vote to approve Resolution No. 2015-216 was as follows:

Council Member N. Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Yes	Mayor Edmonds	Yes
Mayor Pro-Tem Richardson	Absent	Council Member Vogt	Yes
Council Member A. Brown	Yes		

VOTE:

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

XIII. LIASON REPORTS –

- A. SEMCOG Update – Council Member Murdock stated there will be an economic development meeting held in October at the County Library.
- B. Washtenaw Area Transportation Study - None
- C. Washtenaw Metro Alliance - None
- D. Urban County - None
- E. Freight House - None
- F. Parks and Recreation – Stated there was some destruction to an Inside Out DIA display but it has since been repaired. She added that the Ypsilanti Huron River Day is scheduled for Sunday, October 11th in conjunction with Ann Arbor, and a van service will return participants back to their vehicles.
- G. Millennial Mayors Conference – No meeting
- H. Ypsilanti Downtown Development Authority – Stated the next regular meeting will be held Thursday, September 17th.
- I. Eastern Washtenaw Safety Alliance – Stated the meeting is scheduled for September 28th at 9:30 a.m. at the EMU Student Center, room 300.

XIV. COUNCIL PROPOSED BUSINESS –

Nicole Brown

- Stated she will be attending her first Michigan Municipal League (MML) Convention and will update Council at the next regular meeting.

Mayor Edmonds stated she had a meeting with a constituent of Ward 1 who inquired about speed calming methods on Ferris St., and it was great to be able to point that individual to a process recently adopted by Council.

Murdock

- Stated Family Dollar's weeds are out of control and asked if they have ever trimmed the weeds themselves.

Mr. Lange responded they have not and staff will follow-up with the business. Mr. Murdock stated the weeds are not quite 10 inches but it is only weeds and no grass.

- Asked what the status is of tree removal, including notifications, and asked for an updated report on what trees need attention. He stated the tree nursery has trees that are relatively a good size and asked if the trees that are removed will be able to be replanted. He asked if a work day should be scheduled for the tree nursery. He asked if there are any other trees that need to be replanted this year.

Mr. Lange replied not that he is aware of, and said there is a specific plan of what tree need to be trimmed and what trees need to be removed. Mr. Lange added the report includes reasons why a tree needs to be trimmed or removed. Mr. Murdock stated at one time if a resident wanted to purchase a tree the City would plant it and asked if that is still the practice of the City. Mr. Kirton responded he does not believe so but the City does send instructions on how to plant the tree. Mr. Kirton added the DPS would need a larger staff and a Forestry Division in order to maintain that service. Mr. Murdock asked if the City will be applying for the DTE grant. Mr. Kirton replied in the affirmative. Mr. Lange added the City can apply for that grant every other year.

- Asked what the plan of action is for snow removal this winter, particularly City owned properties, ADA ramps, and who the City could partner with to help with the task.

Mayor Edmonds stated that topic will be discussed at a future working session, before winter.

- Informed Council he will be reconsidering his DDA Ordinance proposal at the next Regular Council Meeting on October 6th.

Robb

- Stated Lincoln St. Garage has been operating illegally for years and asked when it will cease its illegal operations.

Ms. Wessler responded staff is working with legal to find a solution and will have a report for Council soon.

- Asked the status of Bay Logistics site plan.

Ms. Wessler responded staff has recently met with Bay Logistics who submitted a sketch of the proposed screening. Ms. Wessler added the easement is under review by the surveyors. Council Member Murdock asked staff to inform the property to trim the trees and weeds of the sidewalk on the 700, 800 Block of River St. Ms. Wessler responded she will inform them during her next communication with Bay Logistics.

- Stated there is a lot of excitement regarding streetlight banners, and asked who controls the banners and what the process is. Mr. Robb stated he was asked what the process is for hanging a banner on the streetlight pole and how long are they displayed.

Ms. Wessler responded it is her understanding that the poles are owned by DTE. Mayor Edmonds stated an organization pays for the banner and they are hung by DPS who bills the organization for the service but the CVB does all the programming.

Anne Brown

- Stated on Friday, September 18th several Council Members and City Staff will be participating in the EMU Memorial Ceremony for September 11th.
- Stated there is a communication workshop scheduled for October 27th.

XV. COMMUNICATIONS FROM THE MAYOR –

- Thanked everyone from the community that attended the first day of school to cheer. Mayor Edmonds stated there were around 100 people in attendance at eight different buildings from preschool to high school. Mayor Edmonds stated there was also participation from EMU students, the EMU President, administrators, and faculty. Mayor Edmonds added there was also participation from many of City Staff. Mayor Edmonds concluded that those in attendance were challenged to do the same in February and said that is the goal.

XVI. COMMUNICATIONS FROM THE CITY MANAGER –

- Stated the kindergartners at Perry School were very enjoyable on the first day of school activities.
- Stated the construction signs on Prospect Rd. are being removed and if they are not removed by Thursday, September 1, the City will remove them and bill the company.
- Said the Adams St. construction is progressing.
- Explained that he and Economic Development Director Beth Ernat have been making slow progress with economic development but are anxious to increase efforts.

Council Member Anne Brown asked if the letters of support for the train stop were sent. Ms. Ernat responded in the affirmative. Mayor Edmonds added there were a total of fifteen letters sent. Mr. Lange estimated ten to fifteen letters. Ms. Ernat added there was a great level of support from all levels of government and local and regional partners.

Ms. Ernat introduced Rasheed Atwater the Community Development Intern and the staff is thrilled to have him.

Assistant to the City Manager Ericka Savage stated there have been two meeting to date for See. Click. Fix and it should be fully implemented by October 26th. Ms. Savage stated See. Click. Fix. must be branded, and staff has been voting on the title it has been narrowed down to three and now the top three are being voted on.

Ms. Savage stated the Simple Recycling postcard will be sent to residents this week. Ms. Savage stated staff is being proactive and a press release is being sent to the community to inform them of the service. Ms. Savage stated a month after the beginning of the program a second postcard will be mailed as a reminder. Ms. Savage stated the kick-off for the service will be October 5th. Ms. Savage added if residents want extra bags for textiles they will be available at City Hall and the DPS Yard free of charge.

Ms. Savage stated she received the City Website Layout proposal. Ms. Savage stated it is not complete but she shared the mood board with Council. Ms. Savage stated the mood board is not the website but it shows the color scheme of the site. Council Member Anne Brown stated the pictures all seem to be from Depot Town and asked for more diversity in location. Ms. Savage responded those aren't necessarily the pictures that will be used and the website designer has been given a large amount of photos by staff. Anne Brown stated the color scheme is not very vibrant. Council Member Nicole Brown echoed Council

Member Anne Brown's sentiments. Ms. Savage asked if they would like to see brighter colors. Ms. Anne Brown replied in the affirmative. Ms. Savage explained the mood board colors will mostly be used for accent, or fonts, and there different colors will be used.

Mayor Edmonds stated the primary navigation center is a science in itself and asked that current user data be used to decide what the navigation center should include. Mayor Edmonds stated the goal is that visitors of the site be able to navigate as simply as possible. Mayor Edmonds added many visitors view the City's website and that should be considered in its design. Ms. Savage agreed, and said that most of the information regarding EMU is under the living section of the website and she is not certain where those visiting would search.

Ms. Savage stated the 2015 Heritage Festival bill has been received and only \$5,000 is still owed, which is unprecedented. Ms. Savage stated no DPS charges were accrued and the \$3,000 was removed from the bill as Council approved. Ms. Savage stated the 2014 bill for the festival has been paid in full ahead of schedule.

Council Member Anne Brown thanked Ms. Savage for the information and asked for similar information for the other festivals. Ms. Savage replied in the affirmative.

Council Member Murdock asked how the light pole was knocked over. Ms. Savage responded she was informed by DPS it was not caused by the festival.

Council Member Murdock asked if the gross was \$13,800. Ms. Savage responded in the affirmative.

- Mr. Lange informed there are two other interns recently employed, Lorenzo Sylvertooth, the Manager Assistant, and Heidi Guether, the Marketing Intern. Mr. Lange responded staff really appreciates the interns.
- Stated he was been actively supporting Act 283 for roads. He added an email including the resolution of support by Council.

Council Member Anne Brown asked if the County Commissioners vote regarding the merger of the CVBs is tomorrow. Ms. Ernat responded in the affirmative. Ms. Anne Brown stated the proposal is 25% of funding and board representation will go to Ann Arbor, 25% will go to Ypsilanti, and 25% will go to the remainder of Washtenaw County. Ms. Ernat responded in the affirmative and said she is uncertain where the other 25% goes. Ms. Ernat said the staff level is supposed to stay consistent, as well as finishing the current lease of the Ypsilanti office. Ms. Ernat stated she is very against the merger, and it is unfortunate that the representative for the City on the County Board is not choosing to fight to keep autonomous CVBs. Ms. Ernat compared this issue to the use of Act 88 funds in which the City is guaranteed 25% but it will come down to applying for those funds. Ms. Ernat stated there is a meeting this week with some start up folks to start a sports commission in Ann Arbor and no one from the eastside was invited. Ms. Ernat stated Commissioner Peterson stated that all hinged on the support of the University of Michigan but there is no confirmation or denial. Ms. Ernat stated there are three Commissioners who are supporting Ypsilanti including Commissioner Rabbi. Ms. Ernat concluded the City will need its Downtown Development Authority more than ever.

Mayor Edmonds stated guarantee funds doesn't have guarantee in service, and the Ypsilanti Area CVB already has a strategic plan in place that was the product of input from many stakeholders, the YACVB spearheaded the wayfinding initiative. Mayor Edmonds stated she is fearful that initiatives began by the CVB will pause and the City cannot afford to be set back. Mayor Edmonds concluded she sees this as an irresponsible move, and she has great concern if the CVBs are merged.

Ms. Ernat urged Council to contact all of the County Commissioner. Council Member Murdock stated unless they were all brow beaten which he thinks they did. Mr. Murdock stated he does not feel there are five votes to keep the CVBs separate without Commissioner Peterson. Ms. Ernat stated the count is very interesting, and it depends on who you hear the count from, but she does know that Commissioner Rabbi will stand firm on keeping the CVBs separate.

XVII. COMMUNICATIONS –

- September 29th Work Session (7:00 -8:30 p.m.) – Roads
- October 27th Council Intragroup Relations Dialogue/Training (6:00-10:00 p.m.) at Marriott Eagle Crest Golf Conference Center and Dining Room

XVIII. AUDIENCE PARTICIPATION –

None

XIX. REMARKS FROM THE MAYOR –

None

XX. ADJOURNMENT –

Resolution No. 2015-217, 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 Vogt

SUPPORTED BY: Council Member Nicole Brown

On a voice vote, the motion carried and the meeting adjourned at 8:35 p.m.



REQUEST FOR LEGISLATION
October 1, 2015

TO: Mayor and City Council

FROM: Frances M. McMullan, City Clerk

SUBJECT: Request from Cultivate Coffee and Tap House, LLC for a transfer of a Tavern Liquor License from escrow, and an upgrade to a Class C License for purpose of operations located at 307 N. River, Ypsilanti, MI 48198.

SUMMARY & BACKGROUND:

Cultivate Coffee and Tap House, a newcomer business, will operate at 307 N. River St. This location was formerly occupied by Ted's Electric. The location has approximately 1254 square feet and was built in 1864.

Cultivate Coffee and Tap House will be owned and managed by Cultivate Community Inc., a Michigan Non-Profit Corporation. Cultivate Coffee and Tap House is purchasing a SDM Class C Liquor License from Wintawat, LLC, currently doing business at 2803 Oak Valley, Ann Arbor, MI.

The Purpose of Cultivate Community Inc. is to promote local and global sustainable gardening in order to combat hunger and promote health and education of the local and global community. It is the intent of the applicant that all profits generated by Cultivate Coffee and Tap House will be distributed to its sole member, Cultivate Community Inc., to promote efforts to further its charitable purposes.

Cultivate Coffee and Tap House will be a dining, entertainment, or recreation business and intends to be open five days a week and ten hours a day.

Staff recommends the liquor license transfer be approved contingent on final building permit approval.

RECOMMENDATION: Approval

ATTACHMENTS: Resolution
Application packet

COUNCIL AGENDA DATE: October 6, 2015

CITY MANAGER COMMENTS: _____

CITY MANAGER APPROVAL: _____

FINANCE DIRECTOR APPROVAL: _____



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

105 Pearl Street
Ypsilanti, MI 48197
(734) 481-1234
Fax (734) 483-3871
www.barrlawfirm.com
e-mail: info@barrlawfirm.com

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

Jesse O'Jack ~ Of Counsel
William F. Anhut ~ Of Counsel – Retired

To: Andrew Hellenga, Deputy City Clerk, City of Ypsilanti
From: John M. Barr, Ypsilanti City Attorney
Date: 10/2/2015
Re: Approval of request for transfer of Tavern License

Cultivate Community, Inc., is a Michigan Non-Profit Corporation (Corporation.) It formed a Michigan Limited Liability Company, Cultivate Coffee & Tap House, LLC (LLC). Wintawat, LLC (Wintawat) owns an SDM and Class C liquor license, doing business at 2803 Oak Valley, Ann Arbor, MI 48103.

LLC is purchasing the licenses from Wintawat. LLC is applying to the Michigan Liquor Control Commission to approve the transfer to LLC and to move the licenses to 307 North River Street, Ypsilanti, MI 48198. As part of the approval process, LLC has asked the City of Ypsilanti to approve the transaction.

I have reviewed the documents and the location and this office has no objection to Ypsilanti City Council approving the request.



Resolution No. 2015 -219
October 6, 2015

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, Cultivate Coffee and Tap House, LLC has applied to the City of Ypsilanti requesting a liquor license transfer to 307 N. River St., Ypsilanti, Michigan 48198 in accordance with MCL 436.1531(A)(1)(b); and

WHEREAS, a public hearing to consider the request was duly noticed and held on September 14, 2015; and

WHEREAS, City staff has reviewed the request from Cultivate Coffee and Tap House, LLC and have no objections to the City granting approval.

NOW, THEREFORE, BE IT RESOLVED THAT the request of Cultivate Coffee and Tap House, LLC for a liquor license transfer to be located at 307 N. River St., Ypsilanti, Michigan 48197, be approved.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:

Howard & Howard

law for business

Ann Arbor

Chicago

Detroit

Las Vegas

Peoria

Direct dial: 248.723.0472

J. Patrick Howe

September 3, 2015

email:jph@H2law.com

Ms. Frances McMullan
City Clerk
City of Ypsilanti
City Hall
1 S. Huron
Ypsilanti, MI 48197

VIA HAND DELIVERY

Re: **APPLICATION FOR TRANSFER OF LIQUOR LICENSE**
APPLICATION TO TRANSFER CLASSIFICATION OF LICENSE FROM TAVERN
LICENSE TO CLASS C LICENSE
Applicant: Cultivate Coffee & Tap House, LLC
Address: 307 N. River St., Ypsilanti, Michigan 48198

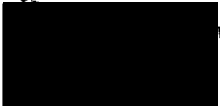
Dear Clerk McMullen:

This firm represents Cultivate Coffee & Tap House, LLC, which is opening a coffee house and tap room at 307 N. River St. The purpose of this letter is to request the City Council's approval of: (i) the transfer of ownership and location of a Tavern liquor license that is currently in escrow with the Michigan Liquor Control Commission ("MLCC"), and (ii) an upgrade of the Tavern License to a Class C License, which would allow the sale and consumption of beer, wine and spirits on the premises.

We have enclosed a copy of the *City of Ypsilanti Application for Transfer of Liquor License*, a copy of the Liquor License Application filed with the MLCC, an approval resolution to approve the upgrade of the Tavern License to a Class C License, and a check payable to the City of Ypsilanti in the amount of \$500.00 to cover the application fee. I look forward to appearing before City Council with representatives from Cultivate Coffee & Tap House, LLC to address any questions or concerns that City staff or Council Members may have.

Should you have any questions or concerns regarding this application, please do not hesitate to contact me. Thank you for your assistance with this matter. We await your response.

Very truly yours,


WARD ATTORNEYS PLLC

Enclosures

cc: Cultivate Coffee & Tap House, LLC (with enclosures)

West Fourth Street, Royal Oak, MI 48067-2557

www.howardandhoward.com

tel 248.645.1483 fax 248.645.1568



City of Ypsilanti
Office of the City Clerk

APPLICATION FOR NEW
OR
TRANSFER LIQUOR LICENSE

Full Name: Cultivate Coffee & Tap House LLC Date of Birth: N/A
Home address: c/o Ryan Wallace, 709 Indianola Dr. Apt.#
City/State/Zip code: Ann Arbor, MI 48105
Home phone: (N/A) Business Phone: [REDACTED]
Email address (optional): [REDACTED]

NAMES OF ALL PARTNERS OF THE APPLICANT, IF ANY:

Cultivate Community Inc.
Sole Member

IF THE APPLICANT IS A CORPORATION: Supply a copy of the Articles of Incorporation, current corporation records disclosing the identity, address of all Directors, Officers, and Shareholders.

Address of place for a Liquor License: 307 N. River St., Ypsilanti, MI 48198
(Attach legal description of the premises)

Name and Address of Premise Owner: 307 Property, LLC
[REDACTED]
Address City/State/Zip code

SUPPLY WRITTEN EVIDENCE: That the Applicant has the right to possess the premises from the property owner.

SUPPLY ZONING PERMIT OR CLEARANCE FROM THE ZONING ADMINISTRATOR: That the location is in compliance with the Zoning Ordinance.

SUPPLY CERTIFICATE OF OCCUPANCY OR SIMILAR CLEARANCE FROM THE BUILDING OFFICIAL: That the structure and premises is in compliance with local code provisions.

SUPPLY WRITTEN EVIDENCE FROM THE CITY TREASURER: That all real and personal property taxes and City utility bills associated with the premises are paid and that all real and personal property taxes and City utility bills in the name of the applicant are paid.

SUPPLY A WRITTEN STATEMENT: That the applicant will not violate any laws of the State of Michigan or the ordinances of the City of Ypsilanti in conducting the business where the liquor license will be used and that a violation on the premises may be caused for the City objecting to renewal of the license or requesting revocation of the license.

SUPPLY A WRITTEN STATEMENT: That the applicant understands that the City of Ypsilanti has an ordinance prohibiting public nudity, and a violation of the ordinance on the premises where the liquor license is used will be caused for objecting to renewal of the license, or for requesting revocation of the license.

SUPPLY DOCUMENTATION (REDEVELOPMENT APPLICANTS ONLY): That the applicant has invested at least \$75,000 for the rehabilitation or restoration of the building over a period of the preceding five years, or documentation that the applicant has or will commit a capital investment of at least \$75,000 that will be expended for rehabilitation or restoration of the building before the license is issued.

My signature acknowledges the following:

- I have read the above application and am submitting this completed application for consideration of a new or transfer liquor license in the City of Ypsilanti.
- I have (either in hardcopy or on line) received a copy of ordinance number 926, (as amended and codified in section 6-31 et sec) and have read and understand the City's ability to request revocation of the license upon violation of the ordinance terms, and/or breach of any agreement with the City.
- Council Approval **DOES NOT** take the place of or avoid any permitting process of the City, including, but not limited to Building, Zoning, Fire, ADA, etc. Significant issues with regards to non-conforming uses may arise after applicant properly submits detailed plans for such construction and/or use permits.
- Redevelopment Applicants: ***Not Applicable***
 - I affirm that I have attempted to purchase an available on-premise escrowed license or quota license within the city, and that one was not readily available as defined in the Liquor Control Code (MCL 436.1521a).
 - I affirm that the premises described above will be a dining, entertainment, or recreation business open at least 5 days per week and open to the general public at least 10 hours a day.
 - I affirm that I have invested \$75,000 in the real property within the last 5 years, or I will invest \$75,000 prior to issuance of the license. This provision may be enforced by the City as a breach of contract. In the event I fail to make the required investment and the City is required to enforce this provision, I agree to pay the City's actual attorney fees arising from the breach of contract.

⁹
N/A I affirm that at least \$75,000 was invested or will be invested in the property by _____, and that the liquor license may issue on or after that date. _____

Cultivate Coffee & Tap House LLC

Signature of Applicant: _____

By: Ryan Wallace, President

Signature of Applicant: _____

Signature of Applicant: _____

IF THIS IS A LIQUOR LICENSE TRANSFER REQUEST, THE SIGNATURE OF THE CURRENT LICENSE HOLDER IS REQUIRED.

Signature of Current License Holder: See Enclosed Liquor License Purchase Agreement
Date: _____

.....
For the City Clerk's Office Staff only:

Date application submitted: _____ Staff's Initials: _____

Routed for approval by the following departments: _____ Date: _____

For Department Approval:

_____ Building _____ Zoning _____ Fire Dept. _____ Police Dept.
_____ Assessor _____ Treasurer _____ City Attorney _____ DDA/DTDDA

Departments: Please conduct the appropriate review to ensure that the applicant does not have any outstanding issues within your department area. When you have completed your review, please report your findings to the City Clerk's Office, and initial on the line provided for your department.



Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
Constitution Hall - 525 W. Allegan, Lansing, MI 48933
Mailing Address: PO Box 30005, Lansing, MI 48909
Toll Free (866) 813-0011 • www.michigan.gov/lcc

Business ID: _____
Request ID: _____
(For MLCC use only)

Local Government Approval
(Authorized by MCL 436.1501)

Instructions for Applicants:

- You must obtain a recommendation from the local legislative body for a new license application and/or a new banquet facility permit.

Instructions for Local Legislative Body:

- Complete this resolution, or provide a resolution, along with certification from the clerk, or adopted minutes from the meeting at which this request was considered.

At a _____ meeting of the _____ Ypsilanti City Council _____ council/board
(regular or special) (township, city, village)
called to order by _____ on _____ at _____
(date) (time)
the following resolution was offered:

Moved by _____ and supported by _____
that the application from _____ Cultivate Coffee & Tap House, LLC
(name of applicant)
for the following license(s): Upgrade Tavern License to Class C License

to be located at 307 N. River Street, Ypsilanti, Michigan 48198

and the following permit, if applied for:

☐ Banquet Facility Permit Address of Banquet Facility: _____

It is the consensus of this body that it _____ this application be considered for
(recommends/does not recommend)
approval by the Michigan Liquor Control Commission.

If disapproved, the reasons for disapproval are _____

Vote

Yeas: _____

Nays: _____

Absent: _____

I hereby certify that the foregoing is true and is a complete copy of the resolution offered and adopted by the _____
council/board at a _____ meeting held on _____ (township, city, village)
(regular or special) (date)

Name and title of authorized clerk (please print): _____

Signature of authorized clerk and date: _____

Phone number and e-mail of authorized officer: _____

Under Article IV, Section 40, of the Constitution of Michigan (1963), the Commission shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof, subject to statutory limitations. Further, the Commission shall have the sole right, power, and duty to control the alcoholic beverage traffic and traffic in other alcoholic liquor within this state, including the licensure of businesses and individuals.

Howard & Howard

law for business

Ann Arbor

Chicago

Detroit

Las Vegas

Peoria

Direct dial: 248.723.0472

J. Patrick Howe

email:jph@H2law.com

June 23, 2015

Ms. Sharon Martin
Licensing Director
Michigan Liquor Control Commission
PO Box 30005
Lansing, MI 48909

VIA EMAIL & US MAIL

**Re: Application to Transfer Ownership and Location of Class C Liquor License,
Application for new SDM Liquor License**
Applicant: Cultivate Coffee & Tap House, LLC
Licensee: Wintawat, LLC (Business ID No. 149526)
Address: 307 N River Street, Ypsilanti, Michigan 48198

Dear Ms. Martin:

On behalf of Cultivate Coffee & Tap House, LLC we hereby apply to transfer ownership and location of the Class C liquor license currently held in escrow by Wintawat, LLC under Business ID No. 149526. Our client would also like to hold a new SDM liquor license. A Sunday Sales Permit has not been requested, as the establishment will initially be closed on Sundays.

Cultivate Coffee & Tap House, LLC is owned by Cultivate Community, Inc., a Michigan non-profit corporation, and the company is managed by its sole member. The purpose of Cultivate Community, Inc. is to "promote local and global sustainable gardening in order to combat hunger and promote the health and education of the local and global community." It is the intent of the Applicant that all profits generated by Cultivate Coffee & Tap House, LLC will be distributed to its sole member, Cultivate Community, Inc., to promote efforts to further its charitable purpose. Based on our review of the MLCC licensing records, we believe that this ownership structure is being used by various other church groups and non-profit entities in Michigan (see BID No. 135435, 236285, 150172). Cultivate Community, Inc. does not have any stockholders, and therefore fingerprinting is required for this application. Cultivate Community, Inc. is operated by a board of directors, who will be available to answer any questions or concerns that the Commission may have regarding this application.

In connection with our application, we hereby enclose the following documents for your review:

1. LCC-3011 Form on behalf of Cultivate Coffee & Tap House, LLC;
2. LCC-3010 Form on behalf of Cultivate Coffee & Tap House, LLC;

www.howardandhoward.com

450 West Fourth Street, Royal Oak, MI 48067-2557

tel 248.645.1483 fax 248.645.1568

Ms. Sharon Martin
June 23, 2015
Page 2

3. Articles of Organization for Cultivate Coffee & Tap House, LLC;
4. Operating Agreement for Cultivate Coffee & Tap House, LLC;
5. LCC-3010 Form on behalf of Cultivate Community, Inc., a Michigan non-profit corporation;
6. Articles of Incorporation for Cultivate Community, Inc., a Michigan non-profit corporation;
7. Bylaws of Cultivate Community, Inc., a Michigan non-profit corporation;
8. Lease Agreement for the proposed licensed premises;
9. Liquor License Purchase Agreement;
10. Credit Card Authorization Form for the payment of \$840.00 to cover the \$140 application fee, \$600 Class C license fee, and \$100 SDM license fee (signed copy has been faxed to secure fax number).

We trust that the enclosed documents will satisfy the Commission's application requirements. Should you have any questions or need additional documents or information in order to authorize this application for investigation, please do not hesitate to contact me. We look forward to working with you on this application. Thank you for your assistance.

Very truly yours,

HOWARD & HOWARD ATTORNEYS, PLLC

J. E. 

Enclosures

cc: Cultivate Coffee & Tap House, LLC

4834-2606-4165, v. 1



Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
Constitution Hall - 525 W. Allegan, Lansing, MI 48933
Mailing Address: PO Box 30005, Lansing, MI 48909
Toll Free (866) 813-0011 • www.michigan.gov/lcc

Business ID: _____
Request ID: _____
(For MLCC use only)

Application for New Licenses, Permits, or Transfer of Ownership or Interest in License

(Retail License Applicants)

PLEASE READ! Complete this form in its entirety and return it, along with corresponding documents and fees, to the address listed at the top of this form. You may provide a copy of this application to your local municipal board for review, if applicable.

Part 1 - If you are requesting a license as a part of your application please answer the questions below:

- Are you requesting a new license as a part of your application? ☐ Yes ☒ No
- Are you buying an existing license as a part of your application? ☒ Yes ☐ No
- Is this license being transferred as a result of a default or court action? ☐ Yes ☒ No
- Do you intend to actively use this license or hold it in escrow? ☒ Active Operation ☐ Escrow

Part 2 - Transaction Information: Check boxes applicable to your application ☐ New license ☒ New permit

- ☒ Transfer ownership ☐ Add space ☐ Change status (self incorporation) ☐ Transfer stock/Interest
- ☒ Transfer location ☐ Drop space ☐ Transfer classification type of license ☐ Transfer limited partnership interest

Name(s) of current licensee: Wintawat, LLC

Current licensed address: _____

Part 3 - Application Information

Name of entity/person that will hold the license: Cultivate Coffee & Tap House, LLC

- Corporations/Limited Liability Company(s) - State the name as it is filed with the State of Michigan Corporation Division and provide a copy of your articles.
- Corporations/Limited Liability Company(s) must provide a list of stockholders/members in Part 8 of this form.
- If your company has not filed with the State of Michigan, you must submit a copy of a filed certificate of authority to transact business in Michigan along with your application.

What is the physical address of the premises where the license will be located? (Street address, city/village/township and zip code)

307 N. River Street, Ypsilanti, Michigan 48198

What city, township or village is this business located? Ypsilanti

Part 4 - Definitions

Off-premise licenses - Licenses that are issued for the type of business where alcoholic beverages are sold for consumption elsewhere, and where consumption on the premises is not allowed. There are two main types; SDD (spirits and mixed drink spirits) and SDM (beer and wine). Please check the appropriate box for your request. Note: Any additional transfer or license fees may be calculated and collected at a later date.

On-premise licenses - Licenses that are issued to allow alcoholic beverages to be sold, served and consumed on the premises. Note: Any additional transfer or license fees may be calculated and collected at a later date.

Part 5 - Inspection Fees: Check box applicable to your application

- ☒ Inspection fee for one license type - inspection fee is \$70.00
- ☐ Inspection fee for two license types - inspection fee is \$140.00
- ☐ Inspection fee for three license types - inspection fee is \$210.00



Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
Constitution Hall - 525 W. Allegan, Lansing, MI 48933
Mailing Address: PO Box 30005, Lansing, MI 48909
Toll Free (866) 813-0011 • www.michigan.gov/lcc

Business ID: _____
Request ID: _____
(For MLCC use only)

Application for New Licenses, Permits, or Transfer of Ownership or Interest in License
(Retail License Applicants)

Part 6 - Licenses and Permits: Check the type of license and permits that you need to complete your request

MCL 436.1525(1) provides that license fees shall be paid at the time of filing applications. (All checks/money orders should be made payable to the State of Michigan)

Off Premise License Type:	Base Fee:
☒ SDM License	\$100.00
☐ SDD License	\$150.00
☐ Resort SDD License	Upon Licensure
☐ Transfer Resort SDD license	\$150.00

On Premise License Type:	Base Fee:
☐ B-Hotel License	\$600.00
☐ A-Hotel License	\$250.00
☐ Brewpub license	\$100.00
☒ Class C License	\$600.00
☐ Club License	\$300.00
☐ Resort License	Upon Licensure
☐ Redevelopment License	Upon Licensure
☐ Tavern License	\$250.00
☐ G-1 License	\$1,000.00
☐ G-2 License	\$500.00
☐ Aircraft License	\$600.00
☐ Watercraft License	\$100.00
☐ Train	\$100.00
☐ Continuing Care License	\$600.00

On/Off Premise Permission Type:	Base Fee:
☐ Off-premise Storage	No charge
☐ Direct Connection(s)	No charge
☐ Gas Pumps	No charge

*Note: MCL 436.1529(5)(b) provides that an inspection fee shall not be required for the issuance of a new permit, or the transfer of an existing permit, if the permit is issued or transferred simultaneously with the issuance or transfer of a license or an interest in a license.

**Note: \$350.00 is due for each additional bar requested. This fee must also be included when calculating the total amount due for Sunday Sales Permit (PM).

Off Premise Permits:	Base Fee:
☐ Sunday Sales Permit (AM)	\$160.00
☐ Sunday Sales Permit (PM) (Held with SDD license)	\$22.50
☐ Catering Permit	\$100.00
☐ Beer and Wine Sampling	No charge *
☐ Living Quarters	No charge *

*Note: MCL 436.1529(5)(b) provides that an inspection fee shall not be required for the issuance of a new permit, or the transfer of an existing permit, if the permit is issued or transferred simultaneously with the issuance or transfer of a license or an interest in a license.

On Premise Permit Type:	Base Fee:
☐ Sunday Sales Permit (AM)	\$160.00
☐ Sunday Sales Permit (PM)	15% of license fee
☐ Catering Permit	\$100.00
☐ Outdoor Service	No charge *
☐ Entertainment Permit	No charge *
☐ Dance Permit	No charge *
☐ Topless Activity Permit	No charge *
☐ Living Quarters	No charge *

☐ Specific Purpose Permit (list activity below):

Hours requested: _____

☐ Extended Hours Permit (check type below): No charge *

☐ Dance ☐ Entertainment

Hours requested: _____

☐ New Additional Bar Permit (s)** Indicate #: _____ \$350.00

☐ New Banquet Facility Permit \$600.00

Address of proposed banquet facility: _____

A Banquet facility permit is an extension of your license and is different from a banquet room in your facility.



Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
Constitution Hall - 525 W. Allegan, Lansing, MI 48933
Mailing Address: PO Box 30005, Lansing, MI 48909
Toll Free (866) 813-0011 • www.michigan.gov/lcc

Business ID: _____
Request ID: _____
(For MLCC use only)

Application for New Licenses, Permits, or Transfer of Ownership or Interest in License
(Retail License Applicants)

Part 7a - Name and Address of stockholder/member/limited partner

- Each stockholder/member/partner must complete Part 7b of the application.
(For companies with multiple stockholders/members/partners, please make copies of this section for each person/entity to complete)
- Administrative rule R 436.1115 provides that an applicant for a license shall submit fingerprints and undergo investigation by the Commission. Fingerprints are not required for an applicant previously fingerprinted for a license with the Commission.
- Follow instructions for completing and submitting fingerprint information for Michigan and out of state applicants.

Name: Cultivate Community, Inc., a Michigan non-profit corporation
Home address: [REDACTED]
Business Phone: NA Cell Phone: [REDACTED] E-mail address: [REDACTED]

Part 7b - Personal Information (Individuals)

Date of Birth: _____ Social Security Number: _____ Drivers License Number: _____

Are you a citizen of the United States of America? ☐ Yes ☐ No

Have you ever legally changed your name? ☐ Yes ☐ No List maiden names, or name changes due to naturalization or court order

If you answered yes, please state your prior name(s) (including maiden): _____

Have you ever been arrested? ☐ Yes ☐ No If yes, list below (attach additional pages if necessary)

Date	City/State	Charge	Disposition
_____	_____	_____	_____

Have you ever been licensed by the Michigan Liquor Control Commission? ☐ Yes ☐ No

If you are currently married, what is your spouse's full name? _____
(first, middle, last)

Spouse's date of birth: _____
Is your spouse a citizen of the United States of America? ☐ Yes ☐ No (If you answered "no", you will be asked to provide documentation to verify your spouse's legal status)

Has your spouse ever been arrested? ☐ Yes ☐ No If yes, list below (attach additional pages if necessary)

Date	City/State	Charge	Disposition
_____	_____	_____	_____

Do you or your spouse hold any position, either by appointment or election, which involves the duty to enforce any penal law of the United States of America, or the penal laws of the State of Michigan, or any penal ordinance or resolution of any municipal subdivisions of the State of Michigan (civil defense volunteer policeman, mayors, village presidents, and members of city councils are not considered to be law enforcement officers).

☐ Yes ☐ No

Do you or your spouse hold a manufacturer or wholesale license in Michigan?

☐ Yes ☐ No

I certify that the information contained in this form is true and accurate to the best of my knowledge and belief. I agree to comply with all requirements of the Michigan Liquor Control Code and Administrative Rules. I also understand that providing false or fraudulent information is a violation of the Liquor Control Code pursuant to MCL 436.2003.

Date: 6/23/15 Individual, print name and title: J. Patrick Howe, Authorized Agent Ind: [REDACTED]



Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
Constitution Hall - 525 W. Allegan, Lansing, MI 48933
Mailing Address: PO Box 30005, Lansing, MI 48909
Toll Free (866) 813-0011 • www.michigan.gov/lcc

Business ID: _____
Request ID: _____
(For MLCC use only)

Application for New Licenses, Permits, or Transfer of Ownership or Interest in License
(Retail License Applicants)

Part 8 - Report of Stockholders/Members/Limited Partners

Complete this section and attach more copies of this page if more room is needed.

Name and Address of stockholder/member:

Number of Shares/Percentage Held:

Cultivate Community, Inc., a Michigan non-profit corporation

100%

709 Indianola Drive, Ann Arbor, Michigan 48105

Name and address of Corporate Officers and Directors, pursuant to administrative rule R 436.1109

Name and address of Managers and Assignees, pursuant to administrative rule R 436.1110

The Company is managed by the Sole Member

What is the total number of shares that the corporation has issued to its stockholders? None - Non-Profit Corporation

Limited Partnerships

Name and address of General Partner(s) - Attach additional pages if necessary

Name and address of Limited Partner(s) - Attach additional pages if necessary



Michigan Department of Licensing and Regulatory Affairs
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Mailing Address: PO Box 30005, Lansing, MI 48909
Toll Free (866) 813-0011 • www.michigan.gov/lcc

Business ID: _____
Request ID: _____
(For MLCC use only)

Application for New Licenses, Permits, or Transfer of Ownership or Interest in License
(Retail License Applicants)

Part 9 - Contact Information

Once the Commission has rendered a decision on your request there will be additional information that you will be required to provide. Complete this section so we know where to send your Commission Order and any closing packages.

What is your preferred method of receipt? ☐ Mail ☒ E-Mail ☐ In office pick-up
(If you choose to pick this package up in the office our staff will contact you when it is ready)

Contact Name: Ryan Wallace

Mailing Address: 709 Indianola Drive, Ann Arbor, Michigan 48105

Business Phone: Cell Phone: NA E-mail address:

Part 10 - Attorney Information

Do you have an attorney representing you in this matter? ☒ Yes ☐ No

Attorney Name: J. Patrick Howe Member Number: P-68634

Street Address, City, State, Zip Code: 450 W. Fourth St., Royal Oak, Michigan 48067

Business Phone: Cell Phone: NA E-mail address:

Would you prefer that we contact your attorney for all licensing matters related to your request? ☐ Yes ☐ No

Would you prefer any closing packages or notices be sent directly to your attorney? ☐ Yes ☐ No

Be advised that the information contained in this application will only be used for this request. This section will need to be completed for each subsequent request you make with this office.

Signature of Applicant:

Notice: When purchasing a license, a buyer can be held liable for tax debts incurred by the previous owner. Prior to committing to the purchase of any license or establishment, the buyer should request a tax clearance certificate from the seller that indicates that all taxes have been paid up to the date of issuance. Obtaining sound professional assistance from an attorney or accountant can be helpful to identify and avoid any pitfalls and hidden liabilities when buying even a portion of a business. Sellers can make a request for the tax clearance certificate through the Michigan Department of Treasury.

Under administrative rule R 436.1003, the licensee shall comply with all state and local building, plumbing, zoning, sanitation, and health laws, rules, and ordinances as determined by the state and local law enforcements officials who have jurisdiction over the licensee. Approval of this permit by the Michigan Liquor Control Commission does not waive any of these requirements. The licensee must obtain all other required state and local licenses, permits, and approvals for this business before using this license for the sale of alcoholic liquor on the licensed premises.

I certify that the information contained in this form is true and accurate to the best of my knowledge and belief. I agree to comply with all requirements of the Michigan Liquor Control Code and Administrative Rules. I also understand that providing **false** or **fraudulent** information is a violation of the Liquor Control Code pursuant to MCL 436.2003.

June 23, 2015 J. Patrick Howe, Authorized Agent
Date Print name of applicant/licensee and title Sign t/licensee

To check the status of your request, visit www.michigan.gov/lcc and click on "Online Services." Scroll down to Liquor Control Commission and click on "Online Status Check." Enter your request id number (RID) to check on your application 24 hours a day.



Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
Constitution Hall - 525 W. Allegan, Lansing, MI 48933
Mailing Address: PO Box 30005, Lansing, MI 48909
Toll Free (866) 813-0011 • www.michigan.gov/lcc

Business ID: _____

Request ID: _____

(For MLCC use only)

Report of Stockholders/Members/Partners

(Authorized by MCL 436.1529(1); R 436.1051 and R 436.1110)

Name and Registered Address of Entity

Name of entity: Cultivate Coffee & Tap House, LLC

Address: 709 Indianola Drive

City, State, Zip Ann Arbor, Michigan 48105

Corporations - Please complete this section and attach more copies of this page if more room is needed.

Name and address of all stockholders:	Certificate Numbers:	Shares Issued:	Date Issued/Acquired:

Name and address of Corporate Officers and Directors, pursuant to administrative rule R 436.1109:

Limited Liability Companies - Please complete this section and attach more copies of this page if more room is needed.

Name and address of all members:	Percent % Issued:	Date Issued/Acquired:
Cultivate Community, Inc. a Michigan non-profit corporation	100%	Jun 19, 2015
709 Indianola Drive, Ann Arbor, Michigan 48105		

Name and address of Managers and Assignees, pursuant to administrative rule R 436.1110:

The Company is managed by the Sole Member



Michigan Department of Licensing and Regulatory Affairs
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Business ID: _____

Request ID: _____

(For MLCC use only)

Report of Stockholders/Members/Partners

(Authorized by MCL 436.1529(1); R 436.1051 and R 436.1110)

Limited Partnerships - Please complete this section and attach more copies of this page if more room is needed.

Name and address of all partners: _____ Percent % Issued: _____ Date Issued/Acquired: _____

Name and address of Managers, pursuant to administrative rule R 436.1111:

Signature of Applicant:

I certify that the information contained in this form is true and accurate to the best of my knowledge and belief. I agree to comply with all requirements of the Michigan Liquor Control Code and Administrative Rules. I also understand that providing false or fraudulent information is a violation of the Liquor Control Code pursuant to MCL 436.2003.

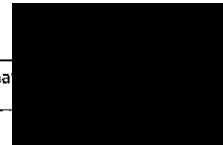
6/23/15

J. Patrick Howe, Authorized Agent

Date

Print name of applicant/licensee and title

Signature



MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
FILING ENDORSEMENT

This is to Certify that the ARTICLES OF ORGANIZATION (DOMESTIC L.L.C.)

for

CULTIVATE COFFEE & TAP HOUSE, LLC

ID NUMBER: E60661

received by facsimile transmission on March 2, 2015 is hereby endorsed.

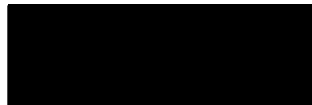
Filed on March 3, 2015 by the Administrator.

This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.



Sent by Facsimile Transmission

In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 3rd day of March, 2015.



Alan J. Schefke, Director
Corporations, Securities & Commercial Licensing Bureau

CSOL/GD-700 (Rev. 01/14)

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU		
Date Received	(FOR BUREAU USE ONLY)	
	This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.	
Name J. Patrick Howe		
Address 450 W Fourth St.		
City Royal Oak	State MI	ZIP Code 48067
EFFECTIVE DATE:		

Document will be returned to the name and address you enter above.
If left blank, document will be returned to the registered office.

ARTICLES OF ORGANIZATION
For use by Domestic Limited Liability Companies
(Please read information and instructions on reverse side)

Pursuant to the provisions of Act 23, Public Acts of 1993, the undersigned executes the following Articles:

ARTICLE I

The name of the limited liability company is: Cultivate Coffee & Tap House, LLC

ARTICLE II

The purpose or purposes for which the limited liability company is formed is to engage in any activity within the purposes for which a limited liability company may be formed under the Limited Liability Company Act of Michigan.

ARTICLE III

The duration of the limited liability company if other than perpetual is: _____

ARTICLE IV

- The name of the resident agent at the registered office is: J. Patrick Howe
- The street address of the location of the registered office is:
450 W. Fourth St. Royal Oak, Michigan 48067
(Street Address) (City) (Zip Code)
- The mailing address of the registered office if different than above:
_____, Michigan _____
(P.O. Box or Street Address) (City) (Zip Code)

ARTICLE V (Insert any desired additional provision authorized by the Act; attach additional pages if needed.)

The organizer of the limited liability company shall not be a member of the limited liability company unless he or she expressly agrees to become a member. The organizer shall not be liable or responsible for any of the limited liability company's debts or obligations, and the organizer shall not have any liability to the limited liability company or its members for any action taken or failure to take any action as an organizer of the limited liability company.

Signed this 2nd day of March, 2015

By _____
J. Pat
(Type or Print Name)

15 3:40PM (GMT-05:00)

OPERATING AGREEMENT
Cultivate Coffee & Tap House, LLC

THIS OPERATING AGREEMENT ("Agreement") is made and entered into effective as of the 14th day of June 2015, by Cultivate Community, a Michigan Non-Profit Corporation (the "Sole Member"), the sole member of Cultivate Coffee & Tap House, LLC, a Michigan limited liability company (the "Company").

RECITALS

A. The Sole Member desires to set forth certain matters with respect to the Company in this Agreement which will constitute the "Operating Agreement" of the Company within the meaning of the Act (as hereinafter defined).

B. This Agreement may be relied upon by any party seeking to do business with the Company with respect to the matters set forth herein.

THEREFORE, the Sole Member and the Company hereby agree and state as follows:

ARTICLE 1. ORGANIZATION

1.1. Formation.

The Company was organized as a Michigan limited liability company pursuant to the Michigan Limited Liability Company Act (the "Act") by the filing of Articles of Organization (the "Articles") on December 11, 2014.

1.2. Name.

The name of the Company is "Cultivate Coffee & Tap House, LLC."

1.3. Purposes.

The purpose or purposes for which the Company was formed is to engage in any activity within the purposes for which a limited liability company may be formed under the Act.

1.4. Duration.

The Company shall continue in existence perpetually or until the Company is dissolved and its affairs wound up in accordance with the Act or this Agreement.

1.5. Offices and Resident Agent.

The principal office of the Company shall be at such office within or without the State of Michigan as the Sole Member may from time to time determine. The Resident Agent and

Registered Office of the Company shall be as designated in the Articles or any amendment thereof.

1.6. Definitions.

The terms set forth below shall have the following meanings when used in this Agreement:

- (A) "Act" has the meaning set forth in Section 1.1 above.
- (B) "Agreement" has the meaning set forth in the introductory paragraph of this Agreement.
- (C) "Articles" has the meaning set forth in Section 1.1 above.
- (D) "Company" has the meaning set forth in the introductory paragraph of this Agreement.
- (E) "Sole Member" has the meaning set forth in the introductory paragraph of this Agreement.

ARTICLE 2. BOOKS, RECORDS AND ACCOUNTING

2.1. Books and Records.

The Company shall maintain complete and accurate books and records of its business and affairs as required by the Act and such books and records shall be kept at Company's principal office.

2.2. Fiscal Year; Accounting.

The Company's fiscal year shall end on December 31. The particular accounting methods and principles to be followed by the Company shall be chosen by the Sole Member.

ARTICLE 3. CAPITAL CONTRIBUTIONS

3.1. Capital Contributions.

The Sole Member may contribute to the capital of the Company such amounts as the Sole Member may determine to be necessary or appropriate to conduct the business or carry out the purposes of the Company.

3.2. Loans.

In the event that the Company requires additional funds to meet its obligations the Company may borrow such funds from any party.

3.3. Distributions.

Distributions of cash or other assets of the Company may be made at such times and in such amounts as the Sole Member may determine in his sole discretion.

ARTICLE 4. MANAGEMENT

4.1. Management of Company.

- (A) The business and affairs of the Company will be managed, to the fullest extent allowed by law, by the Sole Member.
- (B) The Sole Member may appoint such officers, who may but need not be members, to such terms and to perform such functions as the Sole Member shall determine in its sole discretion. The Sole Member may appoint, employ or otherwise contract with such other persons or entities for the transaction of the business of the Company or the performance of services for or on behalf of the Company as it shall determine in its sole discretion. The Sole Member may delegate to any such officer, person or entity such authority to act on behalf of the Company as the Sole Member may from time to time deem appropriate in its sole discretion.
- (C) Any agreement or instrument executed on behalf of the Company by the Sole Member shall be binding upon the Company.

4.2. Liability.

The Member shall not be liable to the Company by reason of any act performed for or on behalf of the Company or in furtherance of the Company's business, except that this provision does not eliminate or limit the liability of the Member to the extent such elimination or limitation is not permitted by the Act.

4.3. Indemnification.

The Company shall, to the fullest extent authorized or permitted by the Act, (a) indemnify any person, and his or her heirs, personal representatives, executors, administrators and legal representatives, who was, is, or is threatened to be made, a party to any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that such person is or was a Member of the Company, or is or was serving at the request of the Company as a manager, director, officer, employee or agent of another company, partnership, joint venture, trust, employee benefit plan or other enterprise, whether or not for profit, or by reason of anything done by such person in such capacity (collectively, "Covered Matters"); and (b) pay or reimburse the reasonable expenses incurred by such person and his or her heirs, executors, administrators and legal representatives in connection with any Covered Matter in advance of final disposition of such Covered Matter. The Company may provide such other indemnification to managers, officers, employees and agents by insurance, contract or otherwise as is permitted by law and authorized by the Company.

ARTICLE 5. DISSOLUTION AND WINDING UP

5.1. Dissolution.

The Company shall dissolve and its affairs shall be wound up upon the determination of the Sole Member to dissolve the Company, or any other event that, under the Act, requires the dissolution of the Company.

5.2. Winding Up.

Upon dissolution, the Company shall cease carrying on its business and affairs and shall commence the winding up of the Company's business and affairs and the liquidation of its assets. Upon the winding up of the Company, the assets of the Company shall be distributed first to creditors to the extent permitted by law, in satisfaction of the Company's debts, liabilities and obligations, and then to the Sole Member. Such proceeds shall be paid to such member within ninety (90) days after the date of winding up.

ARTICLE 6. MISCELLANEOUS PROVISIONS

6.1. Article and Section Headings.

The Article and Section headings contained in this Agreement have been inserted only as a matter of convenience and for reference, and in no way shall be construed to define, limit or describe the scope or intent of any provision of this Agreement.

6.2. Entire Agreement.

This Agreement constitutes the entire operating agreement of the Company.

6.3. Governing Law.

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Michigan, without regard to application of conflict of laws principles.

6.4. Amendment.

This Agreement may be amended at any time by a writing specifying such amendment signed by the Sole Member. Any such amending documents must be approved by the Board of the Sole Member.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned makes and executes this Operating Agreement of Cultivate Coffee & Tap House, LLC as of the date first above written.

The Sole Member:

By:  _____

Its: Executive Director _____

Name: Ryan Wallace _____

The Company:

By:  _____

Its: President _____

Name: Ryan Wallace. _____



Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
Constitution Hall - 525 W. Allegan, Lansing, MI 48933
Mailing Address: PO Box 30005, Lansing, MI 48909
Toll Free (866) 813-0011 • www.michigan.gov/lcc

Business ID: _____
Request ID: _____
(For MLCC use only)

Report of Stockholders/Members/Partners

(Authorized by MCL 436.1529(1); R 436.1051 and R 436.1110)

Name and Registered Address of Entity		
Name of entity:	Cultivate Community, Inc. a Michigan non-profit corporation	
Address:	709 Indianola Drive	
City, State, Zip	Ann Arbor, Michigan 48105	

Corporations - Please complete this section and attach more copies of this page if more room is needed.			
Name and address of all stockholders:	Certificate Numbers:	Shares Issued:	Date Issued/Acquired:
None - Non-Profit Corporation			
Name and address of Corporate Officers and Directors, pursuant to administrative rule R 436.1109:			
Ryan Wallace - Director / President of the Board			
Sung Kim - Director			
Tom Gritter - Director			
Billy Kangas - Director			
Donald Knight - Director			
Company Address: 709 Indianola Drive, Ann Arbor, Michigan 48105			

Limited Liability Companies - Please complete this section and attach more copies of this page if more room is needed.		
Name and address of all members:	Percent % Issued:	Date Issued/Acquired:
Cultivate Community, Inc. a Michigan non-profit corporation	100%	Jun 19, 2015
709 Indianola Drive, Ann Arbor, Michigan 48105		
Name and address of Managers and Assignees, pursuant to administrative rule R 436.1110:		
The Company is managed by the Sole Member		



Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
Constitution Hall - 525 W. Allegan, Lansing, MI 48933
Mailing Address: PO Box 30005, Lansing, MI 48909
Toll Free (866) 813-0011 • www.michigan.gov/lcc

Business ID: _____

Request ID: _____

(For MLCC use only)

Report of Stockholders/Members/Partners

(Authorized by MCL 436.1529(1); R 436.1051 and R 436.1110)

Limited Partnerships - Please complete this section and attach more copies of this page if more room is needed.		
Name and address of all partners:	Percent % Issued:	Date Issued/Acquired:
Name and address of Managers, pursuant to administrative rule R 436.1111:		

Signature of Applicant:		
I certify that the information contained in this form is true and accurate to the best of my knowledge and belief. I agree to comply with all requirements of the Michigan Liquor Control Code and Administrative Rules. I also understand that providing false or fraudulent information is a violation of the Liquor Control Code pursuant to MCL 436.2003.		
6/23/15	J. Patrick Howe, Authorized Agent	
Date	Print name of applicant/licensee and title	Signature of applicant/licensee

Michigan Department of Licensing and Regulatory Affairs

Filing Endorsement

This is to Certify that the ARTICLES OF INCORPORATION - NONPROFIT

for

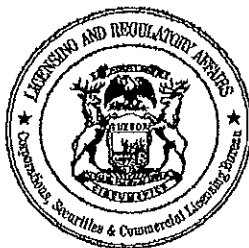
CULTIVATE COMMUNITY

ID NUMBER: 71427P

received by facsimile transmission on November 14, 2013 is hereby endorsed

Filed on November 14, 2013 by the Administrator.

*The document is effective on the date filed, unless a
subsequent effective date within 90 days after
received date is stated in the document.*



*In testimony whereof, I have hereunto set my
hand and affixed the Seal of the Department,
in the City of Lansing, this 14TH day
of November, 2013.*

*Alan J. Schefke, Director
Corporations, Securities & Commercial Licensing Bureau*

**ARTICLES OF INCORPORATION
OF
CULTIVATE COMMUNITY**

These Articles of Incorporation are executed by the incorporators for the purpose of forming a Michigan nonprofit corporation pursuant to the provisions of Act 162, Public Acts of 1982, as amended, (the "Act") as follows:

**ARTICLE I
NAME**

The name of the Corporation is Cultivate Community.

**ARTICLE II
PURPOSES**

The purposes for which the Corporation is organized are:

- A. To bring the community together to champion the cause of supporting sustainable solutions for hunger relief both locally and globally.
- B. To acquire, own, dispose of and deal with real and personal property and interests therein, and to receive and apply gifts, grants, bequests and devises, and the proceeds thereof, in furtherance of the purposes of the Corporation.
- C. To operate exclusively for such charitable and educational purposes as are required for tax-exempt status under Section 501(c)(3) and Section 509(a)(i) (or (a)(ii) or (a)(iii), if so classified) of the Internal Revenue Code of 1986, as amended (the "Code").
- D. To do such things and to perform such acts to accomplish its purposes which are not forbidden by Section 501(c)(3) of the Code or comparable provisions of subsequent law with all the powers conferred upon nonprofit corporations by the laws of the State of Michigan.

Notwithstanding any other provisions of these Articles of Incorporation, no part of the net earnings of the Corporation shall inure to the benefit of any private individual (except that reasonable compensation may be paid for services rendered to the Corporation effecting one or more of its purposes), and no substantial part of the activities of the Corporation shall be to carry on propaganda or to otherwise attempt to influence legislation. The Corporation shall not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office (by the publication or distribution of statements or otherwise) in violation of any provisions applicable to corporations exempt from federal income tax under Section 501(c)(3) of the Code, and the Corporation shall not carry on any activity not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or a corporation, contributions to which are deductible under Section 170(c)(2) of the Code, or an organization described in Section 509(a) of the Code.

ARTICLE III ORGANIZATION

The Corporation is organized on a non-stock, directorship basis. The Corporation possesses no real property and no personal property. The Corporation is to be financed according to the following general plan: contributions and grants from individuals and organizations, payment for services rendered and other sources that may be available.

ARTICLE IV REGISTERED OFFICE AND RESIDENT AGENT

The address of the initial registered office is: 709 Indianola Drive, Ann Arbor, MI 48105;

The name of the initial resident agent at the registered office is Ryan Wallace.

ARTICLE V INCORPORATOR

The names and addresses of the incorporators: Ryan Wallace, 709 Indianola Drive, Ann Arbor, MI 48105.

ARTICLE VI VOLUNTEER DIRECTORS AND TRUSTEES

Neither a Volunteer Director or Trustee (as defined in accordance with Sections 106(2) and 110(2) of the Act) nor a volunteer officer of the Corporation shall be personally liable to the Corporation for monetary damages for a breach of the Director's, Trustee's or officer's fiduciary duty arising under applicable law, except that nothing in this Article shall eliminate or limit the liability of a Director, Trustee or officer for any of the following:

- A. A breach of the Director's, Trustee's or officer's duty of loyalty to the Corporation;
- B. Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law;
- C. A violation of Section 551(1) of the Act concerning prohibited distributions and loans;
- D. A transaction from which the Director, Trustee or officer received an improper personal benefit (provided, however, that an improper personal benefit will not be deemed to have occurred if there has been full compliance with the conflict of interest policy adopted by the Corporation, these Articles of Incorporation, the Bylaws of the Corporation and applicable law and regulations);
- E. An act or omission occurring before the effective date of these Articles of Incorporation;
or

**ARTICLE IX
AMENDMENT**

These Articles of Incorporation may be amended only as provided in Bylaws of the Corporation.

I hereby execute these Articles of Incorporation on this 7th day of November, 2013.



Ryan Wallace

**Bylaws of
Cultivate Community
Nonprofit Corporation**

Article I — Offices

The principal office of the Cultivate Community ("the Corporation") shall be located in the City of Ypsilanti and the State of Michigan. The Corporation may also maintain offices at such other places as the Board of Directors may, from time to time, determine.

Article II — Purpose

- Section 1: **Purpose.** The Corporation is organized exclusively for charitable, religious purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future tax code. The specific purpose of the corporation is to promote local and global sustainable gardening in order to combat hunger and promote the health of the local and global community.
- Section 2: **No private inurement.** No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Section 1 hereof.
- Section 3: **No lobbying.** No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of the Corporation.
- Section 4: **Dissolution.** Upon the dissolution of the corporation, after paying or providing for the payment of all of the liabilities of the corporation, the corporation's assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed shall be disposed of by the Circuit Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organizations as said Court shall determine, which are operated exclusively for such purposes.
- Section 5: **Private Foundation.** In the event that the corporation fails to qualify as a public charity under federal tax law and is considered a private foundation, the corporation shall comply with the following:
- a. The corporation will distribute its income for each tax year at such time and in such manner as not to become subject to the tax on undistributed income imposed by section 4942 of the Internal Revenue Code, or the corresponding section of any future federal tax code.
 - b. The corporation will not engage in any act of self-dealing as defined in section 4941(d) of the Internal Revenue Code, or the corresponding section of any future federal tax code.
 - c. The corporation will not retain any excess business holdings as defined in section 4943(c) of the Internal Revenue Code, or the corresponding section of any future federal tax code.
 - d. The corporation will not make any investments in a manner as to subject it to tax under section 4944 of the Internal Revenue Code, or the corresponding section of any future federal tax code.
 - e. The corporation will not make any taxable expenditures as defined in section 4945 of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Article III — Board of Directors

- Section 1: **Number, Election, and Term of Office.** The number of the directors of the Corporation shall be 5. This number may be increased or decreased by the amendment of these bylaws by the Board but shall in no case be less than 3 directors. The Board of Directors must always be comprised of a majority of directors who are

also current Grace Church Network members. The Board shall be elected each year by a majority of the votes of the then current Board. Each Director shall hold office until the next annual meeting, and until his or her successor is elected and qualified, or until his or her death, resignation, or removal. Married couples may not serve on the Board together. The Board must always be structured so that there is an odd number of votes.

- Section 2: **Vacancies.** Any vacancy in the Board shall be filled for the unexpired portion of the term by a majority vote of the remaining directors, subject to the above qualifications in Section 1, at any regular meeting or special meeting of the Board called for that purpose.
- Section 3: **Duties and Powers.** The Board shall be responsible for the control and management of the affairs, property, and interests of the Corporation and may exercise all powers of the Corporation, except as limited by statute. The Corporation is organized on a directorship basis and has no "members" as that term is defined and used in the Michigan Nonprofit Corporation Act.
- Section 4: **Annual Meetings.** An annual meeting of the Board shall be held each year as scheduled by the Board. The Board from time to time may provide by resolution for the holding of other meetings of the Board, and may fix the time and place thereof.
- Section 5: **Special Meetings.** Special meetings of the Board shall be held whenever called by the President or by one of the Directors, at such time and place as may be specified in the respective notice or waivers of notice thereof.
- Section 6: **Notice and Waiver.** Notice of any special meeting shall be given at least five days prior thereto by written notice delivered personally, by mail, by electronic mail, or by facsimile to each Director at his or her postal or electronic address as provided by the Director. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail with postage prepaid. Any Director may waive notice of any meeting, either before, at, or after such meeting, by signing a waiver of notice. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of such meeting, or the manner in which it has been called or convened, except when a Director states at the beginning of the meeting any objection to the transaction of business because the meeting is not lawfully called or convened.
- Section 7: **President.** The Board shall elect a President and a Vice President. At all meetings of the Board, the Vice President of the Board, if any and if present, shall preside. If there is no Vice President, or he or she is absent, then the President shall preside, and in his or her absence, a temporary Chairman chosen by the Directors shall preside.
- Section 8: **Quorum and Adjournment.** At all meetings of the Board, the presence of a majority of the entire Board shall be necessary and sufficient to constitute a quorum for the transaction of business, except as otherwise provided by law, by the Articles of Incorporation, or by these bylaws. A majority of the Directors present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the same from time to time without notice, until a quorum shall be present.
- Section 9: **Board Action.** At all meetings of the Board, each Director present shall have one vote, except as modified by Section 1 for a married couple. Except as otherwise provided by Statute, the action of two-thirds of the directors present at any meeting at which a quorum is present shall be the act of the Board. Any action authorized in writing by all of the Directors entitled to vote thereon and filed with the minutes of the Corporation shall be the act of the Board with the same force and effect as if the same had been passed by unanimous vote at a duly called meeting of the Board. In case of a tie, the vote of the President of the Board of the Cultivate Community will be the tie breaker.
- Section 10: **Action Without a Meeting.** Any Board action which may be taken at a meeting of the Board may be taken outside of a meeting if consent in writing setting forth the action so taken shall be signed severally or collectively by all of the Directors.
- Section 11: **Telephone Meetings.** Directors may participate in meetings of the Board through use of a telephone or other telecommunication device if this can be arranged so that all Board members can hear all other members. The use of a telephone or other telecommunication device for participation shall constitute presence in person.
- Section 12: **Resignation and Removal.** Any Director may resign at any time by giving written notice to another Board member or the Secretary of the Corporation. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board or by such office, and the acceptance of such resignation shall not be necessary to make it effective. Any Director may be removed for cause by action of the Board.

Section 13: Compensation. No stated salary shall be paid to Directors as such for their services, but by resolution of the Board a reasonable fixed sum and/or expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving reasonable compensation therefore.

Section 14: Liability. No Director shall be liable for any debt, obligation, or liability of the Corporation.

Section 15: Conflicts of Interest. The Corporation may enter into a contract or transaction directly or indirectly with a Director for the provision of goods or services to the Corporation or its affiliates if (a) the contract or transaction is in the best interest of the Corporation and is on fair and reasonable terms, (b) the Director's interest, or that of a family member of the Director, is disclosed and known to the Board, and (c) the contract or transaction is authorized by a vote of the Board sufficient for the purpose without counting the vote of any interested Director. For purposes of this Section, a person shall be deemed to have an "interest" in a contract or other transaction if he or she is a part (or one of the parties) contracting or dealing with the Corporation, or is a Director, Trustee, Officer, or Shareholder of, or has a significant financial or influential interest in, an entity contracting or dealing with the Corporation. Any possible conflict of interest of any Director, Officer or Committee member shall be disclosed promptly by such person whenever the interest could become a matter of action or discussion by the Board or a committee of the Board. Any time a contract or transaction involving a possible conflict of interest of a director or officer is acted upon by the Board or a committee of the Board, the disclosures of the Directors, Officers, or Committee Members having a possible conflict shall be reflected in the minutes of the Board or the committee. Any Director, Officer or Committee Member with a conflict of interest in any matter being considered by the Board of Directors or a committee of the Board shall not participate in discussions on the matter at meetings of the Board or committee, shall leave the room at the request of the Board or committee and shall not vote on that matter. The minutes of the meeting shall contain the names of the directors or committee members who did not vote.

In the event of any disagreement regarding the existence of a conflict of interest, the Director, Officer, or Committee Member having the alleged conflict shall not be permitted to vote upon such matter if the remaining members of the Board unanimously vote that a conflict of voting interest exists. Otherwise, the member shall be permitted to vote upon such matter.

If there is such a conflict not able to be handled by the above Section 15, Attachment "A" shall govern.

Article IV — Officers

Section 1: Number, Qualification, Election and Term. The officers of the Corporation shall consist of a President, a Vice President, a Secretary, a Treasurer, and such other officers as the Board may from time to time deem advisable. The President and Vice President must be Directors of the Corporation. Any other officer may be, but is not required to be, a Director of the Corporation. The officers of the Corporation shall be elected by the Board at the regular annual meeting of the Board. Each officer shall hold office until the annual meeting of the Board next succeeding his or her election, and until his or her successor shall have been elected and qualified, or until his or her death, resignation or removal. Any officers may serve any number of consecutive terms, in either the same or different offices. Two or more offices may be held by the same person, but an officer shall not execute, acknowledge or verify an instrument in more than 1 capacity if the instrument is required by law or the articles or bylaws to be executed, acknowledged, or verified by 2 or more officers.

Section 2: Resignation and Removal. Any officer may resign at any time by giving written notice of such resignation to the President or the Secretary of the Corporation or to a member of the Board. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board member or by such officer, and the acceptance of such resignation shall not be necessary to make it effective. Any officer may be removed, either with or without cause, and a successor elected by a majority vote of the Board at any time.

Section 3: Vacancies. A vacancy in any office may, at any time, be filled for the unexpired portion of the term by a majority vote of the Board.

Section 4: Duties of Officers. Officers of the Corporation shall, unless otherwise provided by the Board, each have such powers and duties as generally pertain to their respective offices as well as such powers and duties as may from time to time be specifically decided by the Board. The President shall be the chief executive officer of the Corporation.

- Section 5: **Compensation.** The officers of the Corporation shall be entitled to such reasonable compensation as the Board shall from time to time determine.
- Section 6: **Delegation of Duties.** In the absence or disability of any Officer of the Corporation or for any other reason deemed sufficient by the Board of Directors, the Board may delegate his or her powers or duties to any other Officer or any other Director.
- Section 7: **Shares of Other Corporations.** Whenever the Corporation is the holder of shares of any other Corporation, any right or power of the Corporation as such shareholder (including the attendance, acting and voting at shareholders' meetings and execution of waivers, consents, proxies, or other instruments) may be exercised on behalf of the Corporation by the President, the Vice President, or such other person as the Board may authorize.
- Section 8: **Liability.** No officer shall be liable for any debt, obligation, or liability of the Corporation.

Article V — Members

- Section 1: **Members.** The Corporation shall not have members, as that term is defined and used in the Michigan Nonprofit Corporation Act.

Article VI — Committees

- Section 1: **Committees.** The Board of Directors may, by resolution, designate an Executive Committee and one or more other committees. Such committees shall have such functions and may exercise such power of the Board of Directors as can be lawfully delegated, and to the extent provided in the resolution or resolutions creating such committee or committees. Meetings of committees may be held without notice at such time and at such place as shall from time to time be determined by the committees. The committees of the Corporation shall keep regular minutes of their proceedings, and report these minutes to the Board of Directors when required.

Article VII — Books, Records and Reports

- Section 1: **Annual Report.** The President of the Corporation shall cause to be prepared annual or other reports required by law and shall provide copies to the Board of Directors.
- Section 2: **Permanent Records.** The Corporation shall keep current and correct records of the accounts, minutes of the meetings and proceedings of the Corporation. Such records shall be kept at the registered office or the principal place of business of the corporation. Any such records shall be in written form or in a form capable of being converted into written form.

Article VIII — Execution of Documents and Contracts

- Section 1: **Execution.** The execution of all corporate documents and the execution of deeds, conveyances, leases, bonds, or other legal instruments and the execution of all contracts to which the Corporation may be a party shall be signed on behalf of the Corporation by the President, Vice President, or any other person authorized by the Board of Directors and, if required, by the Secretary or an Assistant Secretary, but no such instrument shall be executed by any officer except upon resolution of the Board of Directors and in the proper performance of his or her duties consistent with the laws of the State of Michigan, the Articles of Incorporation, and these Bylaws.

Article IX — Fiscal Year

- Section 1: **Fiscal Year.** The fiscal year of the Corporation shall end on Dec (month and day) 31 for federal income tax purposes.

Article X -- Amendment

- Section 1: **Articles of Incorporation.** The Articles of Incorporation may not be amended or changed except by the unanimous vote of the Board of Directors, except in the event that the action of the Board is blocked by the vote of a single member on two successive votes and the entire Board has made reasonable efforts to break the impasse; in such an event, such action shall become effective upon affirmative vote of all the remaining Board members eligible to vote on such matter, with the exception of the Board member voting to block such action or decision.
- Section 2: **Bylaws.** These bylaws may not be amended or changed except by the unanimous vote of the Board of Directors, except in the event that the action of the Board is blocked by the vote of a single member on two successive votes and the entire Board has made reasonable efforts to break the impasse; in such an event, such action shall become effective upon affirmative vote of all the remaining Board members eligible to vote on such matter, with the exception of the Board member voting to block such action or decision.

Article XI -- Indemnification

- Section 1: **Insurance.** The Corporation may but is not required to obtain insurance providing for indemnification of directors, officers, and employees.

Certified to be the Bylaws of the corporation adopted by the Board of Directors on the 24 day of March, 2015.



Ryan Wallace, President

LEASE

THIS DEED OF LEASE, made as of the 1 day of May, 2015 by and between 307 Property, LLC, a Michigan limited liability company ("Landlord"), and Cultivate Coffee & Tap House, LLC a Michigan limited liability company ("Tenant").

WITNESSETH:

FOR AND IN CONSIDERATION of the mutual covenants and agreements contained in this Lease, the parties covenant and agree as follows:

1. BASIC LEASE PROVISIONS AND DEFINITIONS. The following capitalized terms whenever used in this Lease shall have the meanings set forth in this Section 1:

- (a) Landlord: 307 Property, LLC
- (b) Tenant: Cultivate Coffee & Tap House, LLC
- (c) Trade Name: Cultivate Coffee & Tap House
- (d) Landlord's Notice Address:

307 Property LLC
2803 Boardwalk Dr.
Ann Arbor, MI 48104
- (e) Landlord's Payment Address:

307 Property LLC
2803 Boardwalk Dr.
Ann Arbor, MI 48104
- (f) Tenant's Mailing and E-Mail Address for Rent Statements:

Cultivate Coffee & Tap House LLC
307 North River St.
Ypsilanti, MI 48198

Tenant's Notice Address:

Cultivate Coffee & Tap House LLC
307 North River St.
Ypsilanti, MI 48198
- (g) Shopping Center: Building located at 307 N. River Street, Ypsilanti, MI 48198
- (h) Premises: 1st floor of the building located at 307 N. River Street, Ypsilanti, MI 48198, such Premises consisting of approximately 2,440 square feet.
- (i) Initial Term: Six (6) years and five (5) months, from the Commencement Date (as defined in Section 3).
- (j) Renewal Term: Provided that Tenant is in occupancy and open for business in the Premises and has not more than three (3) times been, nor is not then, in default under this Lease beyond applicable notice and cure periods, Tenant shall have the option to renew this Lease for two (2) additional terms of five (5) years each by giving written notice to Landlord at least twelve (12) months prior to the expiration of the then current Term. All the terms and conditions of this Lease shall remain in effect during any renewal term, except that Base Rent shall be adjusted to the amounts set forth in this Lease.
- (k) Permitted Use: Tenant shall use the Premises for a coffee/tap house serving light food and items/services directly related thereto and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord.

(l) Base Rent: Tenant shall pay Base Rent during the term of this Lease as set forth below:

LEASE TERM	PER SQUARE FOOT	MONTHLY BASE RENT	ANNUAL BASE RENT
INITIAL TERM			
08/01/15 – 12/31/15*	\$0	\$0	\$0
01/01/15 – 06/30/16**	\$0	\$0	\$0
07/01/16 – 12/31/16	\$10.00	\$24,400.00	\$2,033.33
01/01/17 – 12/31/17	\$15.00	\$36,600.00	\$3,050.00
01/01/18 – 12/31/18	\$18.50	\$45,140.00	\$3,761.67
01/01/19 – 12/31/21	\$20.00	\$48,800.00	\$4,066.67
FIRST OPTION PERIOD			
01/01/22 – 12/31/26	\$21.00	\$51,240.00	\$4,270.00
SECOND OPTION PERIOD			
01/01/27 – 12/31/31	\$21.00	\$51,240.00	\$4,270.00

*Tenant shall be responsible for payment of utilities only during this period.

**Tenant shall be responsible for payment of utilities and triple nets during this period.

(m) Percentage Rent: Intentionally omitted.

(n) Security Deposit: \$0. [None. Section 4(c) and all references to the Security Deposit are inapplicable.]

(o) Initial Tenant Charges: \$17,080 per year, \$1,423.33 per month, commencing on January 1, 2016, subject to adjustment in accordance with Section 10 and administrative fees in accordance with Section 7.

(p) Marketing Charge: None. Section 15. (d) and all references to a marketing charge are inapplicable.

(q) Broker: N/A

(r) Guarantor: None. All references to the Guarantor(s) are inapplicable.

2. PREMISES. Landlord leases to Tenant, and Tenant leases from Landlord, the Premises, subject to the terms and conditions of this Lease.

3. TERM. The Initial Term of this Lease shall begin on the date (the "Commencement Date") that Landlord delivers possession of the Premises to Tenant in accordance with this Lease. The phrase "Term" as used in this Lease shall mean the Initial Term and all renewal terms (if there are any) exercised. Tenant agrees to execute an addendum to this Lease setting forth the commencement and expiration dates of the Initial Term in substantially the form attached hereto as Exhibit "B".

4. BASE RENT.

(a) (i) All of Tenant's obligations under this Lease (exclusive of Tenant's obligation to pay Base Rent and Additional Charges, as defined below) shall commence on the Commencement Date. Tenant's obligation to pay Base Rent shall commence on July 1, 2016 (the "Base Rent Commencement Date"). Tenant covenants to pay Base Rent and all other charges (as defined below) to Landlord, without notice or demand, and without deduction or offset. Base Rent and Additional Charges shall be payable on the first day of each month, in advance, in equal monthly installments. Base Rent and Additional Charges for any partial months of the Term shall be prorated on a thirty (30) day month basis. All payments of Base Rent and Additional Charges owed to Landlord under this Lease shall be paid to Landlord at the Payment Address, or to such other party and/or at such other address or by such

other means as Landlord may from time to time designate in writing.

(ii) No checks or money orders containing the designation "payment in full", "satisfaction of debt" or similar language shall be valid or binding on Landlord and Landlord shall be entitled to deposit such checks without waiving its right to collect other sums due. No settlement of claims shall be made except by an express, separate, written agreement between the parties. Any such checks or money orders in attempted settlement of a claim must be sent to Landlord's Notice Address (in lieu of the Payment Address.)

(b) The term "Rent" shall include Base Rent and Percentage Rent, if any (collectively, "Rent"). The term "Additional Charges" shall include Tenant Charges (as defined in Section 10), the Marketing Charge, if any, and any and all other charges and amounts (collectively "Additional Charges") due to Landlord under this Lease. Any Rent and Additional Charges not paid on the due date shall bear interest at the rate (the "Default Rate") equal to the lesser of eighteen percent (18%) per annum or the maximum interest rate permitted by law from the date due until paid. In addition, if any installment of Rent and Additional Charges is more than five (5) days late, Tenant shall pay a "Late Charge" equal to the greater of (i) One Hundred Dollars (\$100) or (ii) five percent (5%) of the amount due to cover the extra expense involved in handling delinquent payments. In the event Tenant's check for payment of any Rent or Additional Charges is returned due to nonpayment, Tenant agrees to pay a return check charge as may be determined by Landlord from time to time.

(c) Tenant shall deposit the Security Deposit with Landlord upon signing this Lease as security for Tenant's full and faithful performance of all of Tenant's obligations under this Lease. Landlord shall not owe any interest on the Security Deposit to Tenant, and Landlord may commingle the Security Deposit with Landlord's other funds, unless otherwise required by law in each instance. The Security Deposit will be returned to Tenant after the expiration of this Lease, provided that Tenant has fulfilled all of its obligations under this Lease. Landlord shall be entitled to use the Security Deposit for curing any default under this Lease by Tenant or for reimbursing Landlord for losses, damages, costs and expenses, including attorneys' fees, incurred by Landlord in connection with such default. Tenant agrees to maintain the Security Deposit at all times at the full amount set forth in Section 1(o). Furthermore, upon Landlord's sale of the Shopping Center and the assignment of the Security Deposit to the purchaser, Landlord shall not have any further liability to Tenant for the return of the Security Deposit.

(d) The term "Lease Year", as referred to in this Lease, means a period of twelve (12) consecutive calendar months. The first Lease Year shall begin on the Base Rent Commencement Date if the Base Rent Commencement Date occurs on the first day of the calendar month; or, if not, then the first Lease Year shall commence on the first day of the first calendar month after the Base Rent Commencement Date. Each succeeding Lease Year shall commence upon the anniversary of the Base Rent Commencement Date of the first Lease Year.

(e) Landlord may, at its option, require Tenant to make automatic payment arrangements with its banking institution whereby Tenant's bank account is debited on the first day of each and every month during the Lease Term, as such may be extended or renewed, in an amount equal to the monthly installment of Base Rent plus the monthly installment of Additional Charges which are due and payable to Landlord on the first day of that month in accordance with the terms and provisions of this Lease (such amount in the aggregate herein referred to as the "Monthly Debit Amount"). Tenant shall ensure there are sufficient funds in tenant's bank account so as to enable Landlord to debit tenant's bank account for the Monthly Debit Amount, and the failure of which shall constitute a default for the failure to pay Base Rent and Additional Charges as and when due under the terms of the Lease in which event Landlord shall have any and all remedies available to it under the Lease. In addition to the monthly installments, Landlord shall have the right to debit tenant's bank account for any other amounts owed to Landlord by Tenant, including but not limited to amounts owed pursuant to annual reconciliations of Tenant Charges, late fees, NSF and legal fees, default interest, parking fees, rubbish removal, utilities, and amounts billed directly by Landlord.

5. PERCENTAGE RENT. Intentionally omitted.

6. COMMON AREAS; SHOPPING CENTER LAYOUT.

(a) All common areas and other common facilities (collectively "Common Areas") made available from time to time by Landlord in or about the Shopping Center shall be subject to the exclusive control and management of Landlord. Common Areas shall include all areas, space, facilities, equipment, signs and special services from time to time made available for the common and joint use and benefit of Landlord, Tenant and other tenants and occupants of the Shopping Center, such as sidewalks, parking areas, access roads, driveways, landscaped areas, truck service ways, loading docks, bus stations,

parcel pick-up areas, restrooms and utility facilities. Common Areas shall not include those facilities located on the Outparcels shown on Exhibit "A-2" unless any such Outparcel is owned by Landlord and Landlord makes such Common Areas available for Tenant to use. In no event shall Tenant, its customers, agents and employees be permitted to park on any Outparcel.

Exhibit "A-2" sets forth an approximate layout of the Common Areas, buildings and improvements of the Shopping Center (collectively the "Shopping Center Improvements"), but this diagram shall not be deemed to be a warranty on the part of Landlord that the Shopping Center Improvements will be constructed or maintained in accordance with this layout. Landlord shall have the right to expand the Shopping Center to adjoining or nearby property and to add to, remove, relocate, replace and/or otherwise change any Shopping Center Improvements shown on Exhibit "A-2" or later constructed and to make all such other changes to the size, location and arrangement of the Shopping Center Improvements as Landlord deems advisable, whether in the Common Areas or on other portions of the Shopping Center.

(b) Tenant shall have a non-exclusive license to use the Common Areas as now or at any time during the Term may exist in common with Landlord and other tenants, occupants and other parties that Landlord allows to use the Shopping Center, such use by Tenant to be for access and parking only. Landlord agrees to operate and maintain the Common Areas in a manner consistent with good shopping center practice. Landlord will have the right to (i) establish, modify and enforce reasonable rules and regulations with respect to the Shopping Center and Common Areas; (ii) designate employee parking areas in the Shopping Center which Tenant and its employees must use, including any such employee parking area(s) designated on Exhibit "A-2"; (iii) close all or any portion of the Common Areas to prevent the acquisition of public rights therein or for construction or other purposes; and (iv) perform or permit such other activities in and to the Common Areas that Landlord in the exercise of good business judgment deems to be advisable.

(c) Landlord shall be entitled from time to time to provide one or more utility or building services, including without limitation, electrical, water, sanitary sewer, cable, satellite, internet, wi-fi and/or other communication mediums, rubbish removal and recycling services and/or HVAC maintenance services to all or certain tenants or other occupants of the Shopping Center. Upon not less than thirty (30) days prior written notice to Tenant, Tenant shall use such common services and shall cease and terminate its use of the pre-existing service provider. At Landlord's option, the cost of such common service may (i) be included in Operating Costs (as defined below), or (ii) be shared by the actual users thereof, with payment either directly to the provider or to Landlord, as Landlord may direct.

7. SHOPPING CENTER OPERATING COSTS. Tenant shall pay to Landlord as Additional Charges, in accordance with Section 10 below, a share of the Shopping Center "Operating Costs". "Operating Costs" shall mean the total costs and expenses incurred by Landlord in operating, maintaining, managing and repairing the Shopping Center and Common Areas, including but not limited to the cost and expense of landscaping, gardening and planting; decorations; paving, patching, painting and line painting of all parking areas, drives and roadways; Common Area maintenance and cleaning, sanitary control, snow removal and trash, garbage and other refuse removal, including costs related to common trash dumpsters and compactors; repair, maintenance, replacement and painting of sidewalks, pavements, light fixtures, signs, roofs, roof skins and downspouts; repair, maintenance and painting of buildings; pest control; general repairs; fire protection and security services (if provided by Landlord, it being agreed that Landlord has no duty to provide such services); management fees, costs of all types of insurance coverages carried by Landlord for the Shopping Center (excluding "Insurance Charges" that are otherwise paid by Tenant under Section 9 below); maintenance, repair and replacement of utility systems serving the Shopping Center; costs of lighting and other utilities serving the Common Areas; storm water assessments fees and any other charges assessed by any governmental or quasi governmental authority; depreciation of machinery and equipment owned and used in operation, maintenance and repair of the Common Areas, or the rental charges for such machinery and equipment; the cost of personnel and management to implement all of the foregoing, including maintenance, security and traffic personnel; dues, assessments, fees or other charges under any owner's association or development agreement or easements affecting the Shopping Center or any portion thereof; and administrative and overhead costs equal to fifteen percent (15%) of the foregoing Operating Costs as described in this provision and the Insurance Charges (as defined below). Landlord may cause any and all of the aforesaid services relating to Operating Costs to be provided by an independent contractor or contractors. Notwithstanding the foregoing, Landlord, at its sole discretion, shall have the right to adjust Tenant's prorata share based on retractions or additions to the overall shopping center size.

Tenant's share of Operating Costs shall be computed by multiplying the total amount of the Operating Costs by a fraction ("Tenant's Fractional Share"), the numerator of which shall be the total number of square feet in the Premises, and the denominator of which shall be the total leasable floor area in that portion of the Shopping Center owned or operated by Landlord, exclusive of the total square footage of floor area of improvements on portions (the "Excluded Parcels") of the Shopping Center as to

which Operating Costs attributable thereto are not included in the total of Operating Costs for which Tenant is being charged a share hereunder. Tenant's share of Operating Costs shall be paid in accordance with Section 10 below.

8. **TAXES.** Tenant shall pay to Landlord as Additional Charges, in accordance with Section 10 below, a share of Real Estate Taxes, which shall be computed by multiplying the total amount of Real Estate Taxes by Tenant's Fractional Share (in such calculation, "Excluded Parcels" shall mean those portions of the Shopping Center as to which real estate taxes thereon are not included in the total of Real Estate Taxes for which Tenant is being charged a share hereunder).

The term "Real Estate Taxes" shall mean all taxes and assessments (special or otherwise) levied or assessed directly or indirectly against the Shopping Center (other than Excluded Parcels that are separately assessed for real estate tax purposes) and other taxes arising out of the use and/or occupancy of the Shopping Center imposed by any taxing authority having jurisdiction over the Shopping Center, and shall include expenses and reasonable attorney's fees incurred by Landlord in contesting the validity or amount of any such taxes or assessments or in seeking a rebate of taxes or assessments. Real Estate Taxes shall not include franchise, capital stock, income, estate or inheritance taxes personal in nature to Landlord.

Tenant shall also pay promptly when due or make reimbursement to Landlord for all taxes imposed upon Tenant's rent, lease and business operations, including without limitation, all sales taxes, value added taxes, documentary taxes, stamp taxes and other taxes assessed upon the consideration to be received by Landlord for this Lease, or upon the personal property of Tenant.

Tenant agrees to pay to Landlord its proportionate share of all taxes and existing and future assessments, general and special, and governmental charges of any kind or nature whatsoever which have been or may be levied or assessed by any lawful authority against the land, buildings and improvements presently and/or at any time during the term of this Lease comprising the Shopping Center, which are payable during any calendar year in which any portion of the term hereof falls, irrespective of whether such taxes are assessed against real or personal property, including but not limited to the so-called "Michigan Business Tax" of Landlord, as the same presently exists and as the same may be amended in whole or in part from time to time (computed as if the Shopping Center were Landlord's only business activity and without the reduction to the tax base pursuant to Sections 400 through 449 of the Michigan Business Tax Act). Such taxes, assessments and charges hereinafter are referred to, collectively, as "Taxes." Should the United States, the State of Michigan or any political subdivision thereof or any governmental authority having jurisdiction thereover either: (i) impose a tax and/or assessment of any kind or nature upon, against, measured by or with respect to the rentals payable by tenants in the Shopping Center to Landlord or on the income of Landlord derived from the Shopping Center, or with respect to the Landlord's, or the individuals' or entities' which form the Landlord herein, ownership of the land and buildings presently and/or at any time during the term of this Lease comprising the Shopping Center, either by way of substitution for all or any part of the taxes and assessments levied or assessed against such land and such buildings, or in lieu of increase thereof; and/or (ii) impose a tax or surcharge of any kind or nature, upon, against or with respect to the parking areas or the number of parking spaces in the Shopping Center, then in either or both of such events, such tax, assessment and/or surcharge shall be deemed to constitute Taxes for the purpose of this Section and Tenant shall be obligated to pay its proportionate share thereof.

9. **LANDLORD'S INSURANCE.** Landlord agrees to maintain fire and extended coverage insurance on the Premises and Shopping Center in accordance with all requirements of the Shopping Center lender. Tenant agrees to pay Landlord as Additional Charges, in accordance with Section 10 below, a share of the premiums (the "Insurance Charges") paid by Landlord and attributable to the fire and casualty insurance with standard extended coverage, insurance for such other risks that Landlord may elect or be required to carry and rent insurance, which share shall be computed by multiplying the total amount of Insurance Charges by Tenant's Fractional Share (in such calculation, "Excluded Parcels" shall mean those portions of the Shopping Center as to which insurance premiums thereon are not included in the total of Insurance Premiums for which Tenant is being charged a share hereunder).

10. **PAYMENT OF TENANT CHARGES.** Landlord shall estimate the amounts that Tenant will owe for Operating Costs, Real Estate Taxes and Insurance Charges (collectively the "Tenant Charges") on the basis of periods of twelve (12) consecutive months as designated by Landlord, and commencing on January 1, 2016, Tenant shall pay one-twelfth of such estimate of Tenant Charges on a monthly basis in advance together with payment of Base Rent. As of the date of this Lease, the Tenant Charges shall be equal to the "Initial Tenant Charges" amount set forth in Section 1(p) above. Landlord may revise the estimate of Tenant Charges from time to time and change Tenant's monthly estimated payment of Tenant Charges accordingly. Landlord shall furnish Tenant annually with a statement of the actual Tenant Charges for the twelve (12) consecutive months as designated by Landlord and there shall be an adjustment between Landlord and Tenant of Tenant Charges owed by Tenant for such period. Any amount owed to Landlord for an underpayment of the actual Tenant Charges shall be made within twenty

(20) days after receipt by Tenant of the billing therefor. Any overpayment shall be credited against Tenant's next payment of Tenant Charges. Tenant Charges at the beginning or end of the Term for periods of less than twelve (12) full calendar months shall be appropriately adjusted by Landlord.

11. USE.

(a) Tenant agrees that the Premises shall be used solely for the Permitted Use and for no other purpose. As a material inducement to Landlord to enter into this Lease, Tenant agrees to: (i) operate such a business in the Premises at all times during the Term of this Lease, (ii) keep the Premises adequately stocked and manned to maximize sales, and (iii) keep the Premises open for business during all designated hours that the Shopping Center is open (not less than eleven hours per day on weekdays, not less than eight hours on Saturdays and not less than six hours on Sundays, excluding national holidays in each instance). Unless otherwise approved by Landlord in writing, Tenant shall conduct business in the Premises solely under the Trade Name, and Tenant agrees that the business operation in the Premises shall at all times be substantially similar to all other stores operated under the Trade Name in the geographical region where the shopping center is located. In the event Tenant fails to open for business by the Base Rent Commencement Date or fails thereafter to remain open during the Shopping Center designated business hours throughout the remainder of the Term, then Landlord, in addition to any other remedies provided herein, may at its option charge Tenant as Additional Charges for each day the Premises are not open for business as required herein an amount equal to One Hundred Dollars (\$100.00) per day. In the event Tenant on three (3) or more occasions after opening for business ceases to operate its business in accordance with this Section for a period of ten (10) or more days, Tenant automatically shall be in Default under this Lease regardless of whether Tenant later reopens for business, and Landlord, at its option, may pursue any rights and remedies provided in this Lease (including without limitation the right of specific enforcement of Tenant's obligation to maintain the Shopping Center designated business hours) and any other rights or remedies available at law or in equity.

Tenant will occupy the Premises upon the Commencement Date and thereafter, except when and to the extent that the Premises are untenable by reason of damage by fire or other casualty, continuously operate and conduct in one hundred (100%) percent of the Premises, during the entire lease term when Tenant is required under this Lease to be open for business, the business permitted herein, in the name set forth in this Lease, with a full staff and full stock of merchandise. For any day that Tenant does not fully comply with the provisions of this Section 11, in addition to any other remedies available to Landlord at law or in equity and where the precise amount of such non-compliance is difficult to quantify, the Minimum Monthly Rent, prorated on a daily basis, shall be increased by fifty (50%) percent, such sum representing the damages which the parties agree Landlord will reasonably suffer by Tenant's noncompliance and not as a penalty. Landlord shall be entitled to enforce the provisions of this Section by any and all legal and equitable remedies, including but not limited to, specific performance and injunction.

(b) Operation of Business. Tenant covenants and agrees that:

(i) Tenant shall not use the plumbing facilities for any purpose other than that for which such facilities were constructed, and no foreign substance of any kind shall be placed therein, and the expense of any breakage, stoppage, or damage resulting from a violation of this provision shall be borne by Tenant.

(ii) Tenant shall neither solicit business in the Common Areas nor distribute any handbills or other advertising matter in the Common Areas.

(iii) Tenant shall use its best efforts to cause the parking of trucks and delivery vehicles so as not to unreasonably interfere with, or suffer or permit any other use to unreasonably interfere with, the use of any driveways, walks, roadways, highways, streets, malls or parking areas on, in or about the Common Areas.

(c) Employee Parking. If Landlord so designates, Tenant and Tenant's employees shall park only in those portions of the parking areas and facilities designated for that purpose by Landlord. Upon five (5) days prior written notice from Landlord, Tenant shall provide Landlord with the license plate numbers of Tenant's employee's vehicles. At no time shall service or delivery vehicles be allowed to park in areas other than the service court for the Shopping Center.

12. TRADE FIXTURES. Tenant shall have the right to install its trade fixtures in the Premises as the work thereon progresses with Landlord's prior consent, provided such installation shall not interfere with any construction or renovation work on the Premises required to be performed by Landlord (if any), and such installation shall be at the sole risk and expense of Tenant. All trade fixtures installed in the Premises by Tenant shall remain the property of, and shall be removable by, Tenant at the expiration of this Lease, if Tenant is not in default hereunder, and Tenant agrees promptly to repair or

reimburse Landlord for the cost of repairing all damage to the Premises or Shopping Center occasioned by the installation or removal of such trade fixtures. Equipment and fixtures that are integral to the operation of the Premises as a real estate unit generally, such as HVAC, plumbing, electrical, and illumination equipment or wall-to-wall carpeting (as opposed to loose area rugs), or that are permanently installed in the Premises (such as built-in cabinets and restroom fixtures) at Landlord's option shall not be considered trade fixtures and shall be the property of Landlord. Tenant's obligations under this Section 12 shall survive the expiration or earlier termination of this Lease.

13. MAINTENANCE BY LANDLORD. Landlord will, within a reasonable time after being notified in writing by Tenant of the need therefor, make such repairs to the roof, outside walls (except windows, store front, doors and doorframes), gutters and downspouts of the Premises as may be necessary in order to keep such items in good condition, unless said repairs are occasioned by the negligence or willful act of Tenant or any of its agents, employees or contractors, in which event such repairs shall be made at the expense of Tenant. Landlord will not be responsible for any damages resulting from any leak or defect in the roof, sidewalks, gutters or downspouts unless such damage is due to Landlord's failure to make repairs thereto within a reasonable time after having been notified in writing by Tenant of the need therefor. The costs incurred by Landlord under this Section may be subject to reimbursement by Tenant as applicable pursuant to the provisions of Section 10 above.

14. MAINTENANCE BY TENANT.

(a) Tenant agrees that it will, at its own cost and expense, keep the interior of the Premises and the appurtenances thereto, including without limitation the heating and air conditioning systems, toilets, plumbing lines, electric lines, fixtures, interior and exterior windows, glass, store front, doors, doorframes and equipment, in good condition and repair, making such replacements as may be necessary from time to time. Tenant shall be responsible for all repairs and replacements necessary to keep the Premises and the appurtenances thereto in good appearance, order, condition and repair except those which Landlord has expressly agreed to make under the provisions of Section 13 of this Lease. Tenant agrees that it will, at Tenant's expense, comply with any mandatory preventive maintenance items required by insurance carriers, rating authorities or public officials to minimize loss frequency and/or severity within the Premises.

Tenant will maintain and service all grease traps using a reputable service company on a quarterly basis or more often as may be required. Tenant shall forward a copy of each service ticket to Landlord as proof the grease trap was actually serviced. Should Tenant fail to properly maintain and service all grease traps, Landlord may do so at Tenant's sole cost and expense and Tenant agrees to reimburse Landlord for the cost thereof together with an administrative fee equal to fifteen (15%) percent of such cost, within twenty (20) days after Landlord submits to Tenant a written billing therefore.

(b) Tenant shall store all trash, rubbish and garbage in fully-closed containers at the rear of the Premises and be responsible for its own trash collection, and Tenant shall pay all costs incidental to the removal thereof. Tenant shall not burn or otherwise dispose of any trash, waste, rubbish or garbage in or about the Premises. Landlord shall be entitled to designate one or more common trash dumpsters or receptacles for Tenant's use and the contractor retained for removal of trash, whereupon Tenant shall thereafter use such designated container and contractor, and at Landlord's option, the costs charged by such contractor may be included in Operating Costs or reimbursed to Landlord based on the number of tenants sharing such service plus Landlord's reasonable profit and overhead.

15. MISCELLANEOUS COVENANTS OF TENANT.

(a) Tenant agrees that it will, at all times during the term of this Lease, take any and all steps necessary to prevent the filing of mechanic's liens against the Premises in connection with work performed on behalf of Tenant, and if any such liens are filed, Tenant agrees to have the same discharged by payment or bond immediately. Tenant will comply with all federal, state and municipal laws, ordinances and regulations and maintain all necessary permits relating to the Premises and the business conducted therein, and Tenant will pay promptly for all electricity, water and other utilities consumed in the Premises and all sewage disposal charges assessed against the Premises. If not separately billed to Tenant, Tenant agrees to reimburse Landlord for Tenant's share of overall utility costs upon billing therefor (which share shall be based on submeters, if available; otherwise, based on Landlord's reasonable allocation from the total charges for the applicable utility). Tenant will not hold any fire, bankruptcy, going-out-of-business or auction sales, and Tenant will not use the sidewalks or any other portions of the Common Areas for storage or display of any items or for any other purpose relating to the selling of merchandise or services. Tenant shall keep the Premises free from insects, pests and vermin of all kinds, and for that purpose Tenant shall use at Tenant's cost, a reputable licensed pest extermination contractor at such intervals as Landlord may require.

(b) Tenant agrees to contain within the Premises any and all noise, vibration, excessively bright or flashing lights, odors, and aromas so that no nuisance or annoyance will be created and all other premises and common areas within the Shopping Center shall be free from noise, vibration, excessively bright or flashing lights, odors and aromas that originate in the Premises. Tenant will not use or permit to be used any advertising medium or device, such as CD player, radio or public address system, that can be heard outside the Premises without the prior written consent of Landlord. The foregoing agreement by Tenant shall be for the benefit of and specifically enforceable by Landlord and all other tenants within the Shopping Center.

(c) Tenant shall not make any exterior or structural alterations to the Premises without Landlord's prior written approval in its sole discretion. Tenant may make interior, non-structural alterations and improvements to the Premises after Tenant has obtained Landlord's prior written approval (which approval shall not be unreasonably withheld or delayed) of the plans and specifications of the work to be performed and has satisfied Landlord's requirements for bonding, insurance and other contractor requirements. All alterations and improvements shall be performed in a first-class manner and in compliance with all laws, codes, ordinances, rules, regulations and orders applicable thereto. In no event shall Tenant make any change to the Premises that alters the character of the Premises from a single retail entity, lessens the value of the Premises or violates any laws or other legal requirements or the provisions of any mortgage on the Shopping Center. Work done by Tenant under the provisions of this paragraph shall not interfere with the use by other tenants of their premises in the Shopping Center.

(d) Intentionally omitted.

(e) Tenant shall not use or permit the use of the Premises for the generation, storage, treatment, use, sale, transportation or disposal of any chemical, material or substance that could pose a hazard to the health and safety of any tenants, occupants, licensees, contractors or customers of the Shopping Center or in violation of any law, rule or regulation relating to hazardous substances of any applicable governmental authority. Tenant shall comply with all environmental laws relating to Tenant's business and use and occupancy of the Premises.

(f) Tenant shall not use the Premises, or allow the Premises to be used, for any purpose or in any manner which would, in Landlord's opinion, invalidate any policy of insurance now or hereafter carried on the Shopping Center or increase the rate of premiums payable on any such insurance policy. Should Tenant fail to comply with this covenant, Landlord may, at its option, require Tenant to stop engaging in such activity or reimburse Landlord as Additional Charges for any increase in premiums charged during the Term on the insurance carried by Landlord on the Shopping Center and attributable to the use being made of the Premises by Tenant. During the initial construction of Tenant's improvements in the Premises and at any time during the Term when any portion of the Premises are being constructed, altered, repaired or replaced by or on behalf of Tenant, Tenant shall maintain Builder's Risk insurance in an amount not less than the full insurable value of the leasehold improvements in the Premises and shall deliver to Landlord a certificate of such insurance evidencing such coverage prior to the commencement of any such construction work in the Premises.

16. ASSIGNMENT AND SUBLETTING. Tenant shall not assign this Lease or sublet the Premises, in whole or part, without the prior written consent of Landlord. If such consent is granted by Landlord, Tenant will remain primarily liable for the performance of the covenants and obligations under this Lease binding upon Tenant (regardless of any subsequent amendment or modification of this Lease and regardless of any further assignment or subletting, all of which are hereby deemed to be consented to by Tenant and any Guarantor). Tenant shall pay all costs and expenses (including reasonable attorneys' fees) incurred by Landlord in connection with any proposed assignment or subletting. Each assignee must agree in writing to assume the obligations of Tenant under this Lease by an agreement satisfactory to Landlord and delivered to Landlord within ten (10) days after the date the lease assignment is executed. Each subtenant must agree in writing (delivered to Landlord within ten (10) days after the sublease is executed) that Landlord may collect rent under the sublease directly from the subtenant if there is a default under this Lease and, at Landlord's option, agree to attorn to Landlord should this Lease be terminated. The transfer of fifty percent (50%) or more of Tenant's stock, if Tenant is a corporation, or the transfer of a twenty-five percent (25%) partnership interest in Tenant, if Tenant is a partnership (in either event whether in one transfer or as a result of multiple transfers), shall constitute an assignment under the terms of this Lease. Landlord's consent to one assignment or subletting shall not waive the requirement that Landlord's consent be obtained for further assignments or subleases. The acceptance by Landlord of the payment of any Rent following any assignment or sublease shall not be deemed to be a consent by Landlord to such transaction nor shall the same be deemed to waive any rights or remedies of Landlord under this Lease. The restrictions of this Section 16 shall be deemed to apply as well to any assignments of subleases and to any sub-subletting under any subleases.

17. EMINENT DOMAIN. If any part of the Premises shall be taken by governmental authority pursuant to its power of eminent domain (or Landlord conveys any part of the Premises pursuant to a threat thereof), then the Premises shall be reduced in proportion to the amount so taken or conveyed, unless the amount taken shall be so great that it would be impractical for Tenant to continue operation, in which event this Lease shall be canceled and terminated as of the date of such taking. All compensation awarded for any taking of the Premises or the Shopping Center shall belong solely to and be the property of Landlord, and Tenant assigns to Landlord all of Tenant's rights with respect thereto and waives any claim Tenant may have with respect thereto, including any claim for Tenant's leasehold estate. However, Tenant may apply for reimbursement from the condemning authority (if permitted by law) for moving expenses, removal of Tenant's trade fixtures or loss of Tenant's business good will, provided that any such reimbursement shall not reduce the amount of the award otherwise recoverable from the condemning authority by Landlord. If a portion of the Premises is taken and this Lease is not terminated, provided Tenant is not then in default under this Lease, Landlord shall at its own expense restore the remaining portion of the Premises to a complete architectural unit, but such work shall not exceed the scope of work required to be done by Landlord pursuant to this Lease in the original improvement of the Premises as set forth in Exhibit "C". Upon completion of the restoration work required to be performed by Landlord, Tenant agrees to recommence operation of its business in the Premises in accordance with Section 11. Furthermore, in the event of such taking, the Base Rent shall be reduced proportionately based on the percentage of the Premises taken and not restored by Landlord.

18. DAMAGE BY FIRE. Provided Tenant is not then in default under this Lease, if the Premises shall be damaged by fire or other casualty during the term hereof, Landlord agrees that it will restore the Premises to Landlord's standard "vanilla shell" space condition with reasonable dispatch, insofar as the proceeds from Landlord's insurance permit and provided that Landlord's mortgagee does not require insurance proceeds to be paid to it. All other repairs (including repairs to interior finishes and trade fixtures) shall be conducted at the sole expense of Tenant. Upon completion of the restoration work required to be performed by Landlord, Tenant agrees to recommence operation of its business in the Premises in accordance with Section 11. If the Premises are rendered untenable in whole or in part as a result of fire or casualty damage, Base Rent shall be equitably and proportionately abated (according to loss of use) during the period intervening between the date of such damage and the date Landlord completes its required restoration of the Premises. However, if such damage occurs during the last two (2) years of the Term or exceeds fifty percent (50%) of the insurable value of the Premises at the time such damage occurs, Landlord may terminate this Lease as of the date of such damage by giving Tenant written notice of its intention to do so within thirty (30) days after such damage occurs. If this Lease is so terminated, then Rent and Additional Charges payable hereunder shall be abated as of the date of such damage, and Tenant shall remove all of its property from the Premises within fifteen (15) days after the notice of termination is given.

19. TENANT'S INDEMNIFICATION, LIABILITY AND CASUALTY INSURANCE. Tenant agrees that it will indemnify, defend and hold Landlord and Landlord's agents, employees, partners and officers harmless from any and all injury or damage to person or property occurring in, on or about the Premises, regardless of cause, and from all injury or damage occurring elsewhere in the Shopping Center as a result of the negligence or willful misconduct of Tenant, its agents, employees or contractors, including without limitation all costs, expenses, claims or suits, and all court costs and reasonable attorneys' fees, arising in connection therewith. Tenant covenants that it will, at all times during the term hereof, at its own cost and expense, carry public liability insurance on the Premises (including Common Areas adjoining the Premises) with combined single limit liability coverage of at least \$1,000,000.00 per occurrence, \$2,000,000.00 aggregate and Umbrella limits of at least \$1,000,000.00, which insurance shall name Landlord and any designee of Landlord as additional named insureds. Such liability insurance policy shall be written on an occurrence basis and shall provide that it will not be canceled or the coverage thereunder materially changed without at least thirty (30) days' prior written notice to all additional insureds. Tenant further covenants that it will, at all times during the Term, at its own cost and expense, carry worker's compensation coverage at statutory limits, employer's liability limits of at least \$100,000 per accident and plate glass insurance coverage covering all exterior plate glass in the Premises and insurance against damage by fire and other perils insured under a so-called "special" or "all-risk" policy, in an amount equal to the replacement value thereof, on: (1) all parts of the Premises for which Tenant is responsible under the terms of this Lease; and (2) Tenant's inventory, furniture, fixtures, equipment and other personal property in the Premises. Binding certificates (ACORD 27 or similar form) of such insurance coverage shall be delivered to Landlord promptly after the issuance of the respective policies. If Tenant fails to provide such insurance, Landlord may (but shall not be obligated to) obtain the same and collect the cost thereof, together with a fifteen percent (15%) administrative fee, as Additional Charges.

20. RELEASE AND WAIVER OF SUBROGATION. Landlord and Tenant mutually release and discharge each other (as well as the officers, directors, members, partners, agents and employees of each other) from responsibility and liability (by way of subrogation or otherwise) for loss or damage to any building, structure or other property (real or personal) of the other party, or any resulting loss of

income that is an insured loss under the terms of the insurance policy(ies) of the releasing party or that involves a fire, casualty or other risk or loss required to be insured against under this Lease. This release and discharge shall be applicable even though such loss or damage may have been caused by the negligence of the party hereby released. Landlord and Tenant agree to include a waiver of subrogation endorsement in each of their respective casualty insurance policies.

21. DEFAULTS AND REMEDIES.

(a) Defaults. The occurrence of any one or more of the following events ("Defaults") shall constitute a default and breach of this Lease by Tenant: (i) Tenant fails to pay any Base Rent, Additional Charges or any other payments owed under this Lease within five (5) days after Tenant is given written notice of non-payment; (ii) Tenant fails to observe or perform any of the other terms, covenants and/or conditions of this Lease, and such default shall continue for more than thirty (30) days after written notice from Landlord to Tenant (however, if a default under this item (ii) cannot reasonably be cured within thirty (30) days, and Tenant has promptly commenced the cure within such time and is diligently proceeding to complete the cure, then Tenant shall have such reasonable extra time (not to exceed sixty (60) days) to complete the cure); (iii) Tenant fails to pay when due Base Rent or Additional Charges under this Lease three (3) or more times in any period of twelve (12) consecutive months (whether or not cured); (iv) Tenant fails to open for business to the public in the Premises within thirty (30) days after the Commencement Date or the Premises is abandoned, vacated or closed for business to the public (other than for fire, casualty or condemnation); (v) Tenant's interest in the Premises is sold under attachment, execution or similar legal process; (vi) Tenant or any Guarantor is adjudicated as bankrupt or insolvent under any state bankruptcy or insolvency law or an order for relief is entered against Tenant or any Guarantor under the federal Bankruptcy Code and such adjudication or order is not vacated within ten (10) days; (vii) a case is commenced by or against Tenant or any Guarantor under any chapter of the federal Bankruptcy Code, or a voluntary or involuntary petition is filed proposing the adjudication of Tenant or any Guarantor as bankrupt or insolvent, the reorganization of Tenant or any Guarantor or an arrangement by Tenant or any Guarantor with its creditors (unless the petition is filed or case commenced by a party other than Tenant or Guarantor and is withdrawn or dismissed within thirty (30) days after the date of its filing); or (viii) there is filed by or against Tenant, or any successor tenant then in possession, or any Guarantor of this Lease, in any court pursuant to any statute or law, a petition (1) for appointment of a trustee or receiver, (2) for an assignment for the benefit of creditors, or (3) for reorganization.

(b) Remedies. Upon the occurrence and continuance of a Default, Landlord, without notice to Tenant in any instance (except where expressly provided for below) may do any one or more of the following: (i) apply the Security Deposit (if any) toward the satisfaction and cure of such Default; (ii) reenter the Premises, without terminating this Lease, and remove all persons and property from the Premises, and repossess and enjoy the Premises, by any suitable action or proceeding at law, or without judicial process if Landlord so elects, without being liable for any prosecution therefor or damages therefrom; (iii) elect to terminate this Lease upon written notice to Tenant, at which time the Term of this Lease shall expire, but with Tenant's liability under all of the provisions of this Lease to continue; or (iv) exercise any other legal or equitable rights or remedies available to Landlord, including those additional rights set forth in this Lease. In exercising any of the above remedies, Landlord may remove Tenant's property from the Premises and store the same at Tenant's expense without resort to legal process and without Landlord being deemed guilty of trespass or becoming liable for any loss or damage occasioned thereby, and Landlord may also sell such property at public or private sale, with the proceeds being applied to costs of sale and storage (including attorneys' fees), amounts owed to Landlord under this Lease, and with any surplus paid to Tenant, in that order. Tenant waives any rights to re-enter the Premises and any rights of redemption.

Tenant understands that, with or without terminating this Lease, Landlord may re-let, in one or more leases, all or part of the Premises (or a premises including space in addition to the Premises), either in Landlord's own right or as agent for Tenant, accepting any rents then obtainable, for a term or terms that may be greater or less than the balance of the Term of this Lease, and Landlord may grant concessions or free rent without in any way affecting Tenant's liability for the Rent and Additional Charges payable under this Lease. However, Tenant understands that Landlord shall be under no duty to relet the Premises and that Tenant's liability under this Lease shall not be affected or diminished in any way whatsoever, for Landlord's failure to re-let the Premises, or if the Premises are re-let, for Landlord's failure to collect the rentals under such re-letting. In connection with any re-letting, Landlord may make or do any alterations, repairs, painting and decorations ("Re-letting Preparations") to the Premises which Landlord considers advisable and necessary in its sole judgment, and such Re-letting Preparations shall not release Tenant from any liability under this Lease. No re-entry or taking of possession by Landlord of the Premises shall be construed as an election to terminate this Lease unless a written notice of termination is given to Tenant. Notwithstanding any reletting without termination, Landlord may at any time thereafter elect to terminate this Lease as a result of Tenant's previous default.

failure to collect the rentals under such re-letting. In connection with any re-letting, Landlord may make or do any alterations, repairs, painting and decorations ("Re-letting Preparations") to the Premises which Landlord considers advisable and necessary in its sole judgment, and such Re-letting Preparations shall not release Tenant from any liability under this Lease. No re-entry or taking of possession by Landlord of the Premises shall be construed as an election to terminate this Lease unless a written notice of termination is given to Tenant. Notwithstanding any reletting without termination, Landlord may at any time thereafter elect to terminate this Lease as a result of Tenant's previous default.

(c) Damages. If a Default occurs, Tenant shall remain liable for (i) all Rent, Additional Charges and damages that may be due or sustained by Landlord up to the time this Lease terminates or Landlord takes possession of the Premises, whichever occurs later, and the performance of all other obligations of Tenant accruing under this Lease through such date (collectively "Accrued Damages"); (ii) all reasonable costs, fees and expenses (including without limitation attorney's fees and expenses, brokerage commissions and fees) incurred by Landlord in pursuit of its remedies under this Lease and in renting the Premises to others from time to time (including Re-letting Preparations) (all such Accrued Damages, costs, fees and expenses being referred to collectively as the "Default Damages"); and (iii) Future Damages (as defined below).

Future Damages, at the election of Landlord, shall be either:

(i) The amount (the "Deficiency") by which (A) the Rent and Additional Charges reserved under this Lease until the expiration date of the Term exceeds (B) the amount of rent, if any, that Landlord shall receive during the same period from others to whom the Premises may be rented, from which Landlord may deduct all Default Damages owing to Landlord; such Deficiency to be paid in monthly installments by Tenant on the first day of each calendar month; or

(ii) An amount equal to the present value of the sum of the Rent and Additional Charges reserved under this Lease until the expiration date of the Term plus the Default Damages owed by Tenant, from which sum there shall be deducted the present value of the fair market rental value of the Premises as determined by an independent real estate appraiser designated by Landlord; Future Damages under this item (ii) shall be payable to Landlord in one lump sum on demand and shall bear interest at the Default Rate until paid. For the above purposes "present value" shall be computed using a discount rate equal to one percentage point above the discount rate then in effect at the Federal Reserve Bank nearest to the location of the Shopping Center.

(d) Self-Help. If Tenant fails to perform or satisfy any covenant or obligation under this Lease, Landlord shall have the right (in addition to the foregoing remedies under this Section) to perform such covenant or obligation (i) if no emergency exists, after giving fifteen (15) days' notice to Tenant, and (ii) in an emergency situation, immediately upon giving such prior oral or written notice to Tenant as is practical under the circumstances. Upon a receipt of a billing for the costs and expenses incurred under this Section by Landlord, Tenant shall reimburse Landlord for such amounts, plus a fifteen percent (15%) overhead charge and interest at the Default Rate on all such amounts from the date of Landlord's payment.

(e) Security Interest. To secure the full and complete observance and performance of the obligations and covenants to be observed and performed by Tenant under this Lease, Tenant hereby grants to the Landlord a security interest in and to all fixtures and equipment located in or upon the Premises.

(f) Remedies Cumulative. All remedies of Landlord shall be cumulative. Acceptance by Landlord of delinquent rent after Default shall not cure such Default nor entitle Tenant to possession of the Premises.

22. ATTORNEYS' FEES. In the event of any litigation between Landlord and Tenant arising out of this Lease, the unsuccessful party in such litigation shall pay the court costs and reasonable attorneys' fees of the prevailing party. However, in the event Landlord seeks the advice of counsel to remedy a matter with Tenant and such matter is resolved without going to court, Tenant remains responsible for reimbursing Landlord for all its reasonable out-of-pocket attorney fees and costs.

23. SIGNS, AWNINGS AND CANOPIES. Tenant shall, at its sole cost and expense, erect one sign on the front of the Leased Premises, and, if Landlord requires, one (1) under-canopy pedestrian sign. Additionally, Tenant will, within ten (10) days of the signing of this Lease, place a professionally-made 3' x 4' sign in the window announcing its business as "COMING SOON." Tenant may not erect or install any signage, of any nature or design, without Landlord's prior written consent, which consent may be given or withheld in Landlord's sole discretion, and all such signage shall comply with the requirements set forth in Exhibit "D" attached hereto. If Landlord requires Tenant to install an under-canopy pedestrian sign, then said sign shall be (i) manufactured in accordance with plans and

placards, names, insignia, trademarks and descriptive material. At no time may any signs or other advertising materials visible from outside of the Premises occupy or obstruct more than twenty percent (20%) of the total window area of the Premises. Tenant shall, at its expense, maintain its signs in good condition and repair. Landlord shall have the right to remove any unauthorized signs and to charge Tenant, as additional Rent under this Lease, for the cost of such removal.

24. SUBORDINATION AND ESTOPPEL CERTIFICATES.

(a) This Lease shall be subject and subordinate to all ground or underlying leases and to any and all first mortgages and deeds of trust that may now or hereafter affect this Lease or the real property of which the Premises forms a part, and to all terms, provisions, renewals, modifications, consolidations, replacements and extensions thereof. Tenant further agrees to attorn to any successor to Landlord's interest in the Premises, including any ground lessor or holder of a mortgage or deed of trust (the "Mortgagee"), or to any purchaser at foreclosure (or by deed in lieu of foreclosure) upon all of the terms and conditions of this Lease. The foregoing subordination and attornment provisions shall be self-operative, but within ten (10) days after receipt of a written request therefor, Tenant agrees to execute such agreements confirming the above subordination and attornment as requested from time to time by Landlord or the Mortgagee, and also agrees to enter into a subordination agreement with such other Mortgagees as Landlord may request, it being understood that the standard form subordination agreement then used by any Mortgagee shall be acceptable and executed without change. In no event shall any Mortgagee be (i) liable for any act or omission of Landlord or any subsequent landlord, (ii) subject to any offsets or defenses which Tenant might have against Landlord or any subsequent landlord, (iii) bound by any Rent and Additional Charges which Tenant may have paid for more than the current month to Landlord or any subsequent landlord, or (iv) bound by any amendment or modification of this Lease made without the Mortgagee's prior written consent.

(b) Within ten (10) days after receipt of a request therefor, Tenant agrees to deliver to Landlord and/or to any actual or prospective purchaser, mortgagee or other third party designated by Landlord a duly executed and acknowledged instrument in a form provided by Landlord certifying to Tenant's best knowledge (i) whether this Lease is in full force and effect (and if not, why), (ii) as to the existence of any default, (iii) whether there are any defenses, counterclaims or offsets to such default, (iv) whether there has been any modification or amendment to this Lease, and (v) as to such other matters relating to this Lease or the Premises as may be reasonably requested. Any such certificate may be relied upon by Landlord and by any other person to whom it has been exhibited or delivered, and the contents of the certificate shall be binding upon Tenant.

(c) Tenant agrees that Landlord may charge the sum of One Hundred Dollars (\$100.00) per day for each day Tenant fails to deliver either a subordination agreement or estoppel certificate as required under this Section 24. Furthermore, such failure by Tenant to execute and deliver any such instruments within the period required under this Section 24 shall constitute a Default under this Lease, and Landlord may, at its option, terminate this Lease or exercise its other remedies provided under Section 21 with respect thereto. Further, Tenant hereby irrevocably appoints Landlord as attorney-in-fact for Tenant with full power and authority to execute and deliver in the name of Tenant any such instruments if Tenant fails to do so within the period required under this Section 24.

25. INSPECTION. Tenant agrees to allow Landlord or its representatives or prospective purchasers or mortgagees, at any reasonable hour, to enter the Premises for the purpose of inspecting the same, for making any repairs or alterations deemed necessary or desirable, for showing the Premises to any parties, or any other lawful purpose. Tenant will allow "For Lease" signs to be placed on the front walls or doorways of the Premises and to remain thereon without hindrance or molestation during the last six (6) months of the Term.

26. FORCE MAJEURE. In the event either party hereto shall be delayed or hindered in, or prevented from, the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, that the provisions of this Section 26 shall not operate to excuse Tenant, nor shall Tenant in any event be excused, from prompt payment of Rent and Additional Charges.

27. LANDLORD'S LIABILITY. Tenant agrees that Landlord's liability under this Lease shall be limited to Landlord's equity interest in the Shopping Center, and any judgments against Landlord shall be satisfied solely out of the proceeds of sale of Landlord's equity interest in the Shopping Center. No judgment rendered against Landlord shall give rise to any right of execution or levy against Landlord's other assets. No individual who is Landlord or any member or partner of any joint venture,

tenancy in common, firm, partnership or other form of joint ownership that is Landlord, or their heirs, personal representatives, successors and assigns, shall have any personal liability to Tenant, or to any person claiming under or through Tenant, for any amount or in any capacity. Such exculpation of liability shall be absolute and without exception whatsoever. Nothing in this Section 27, however, shall bar Tenant from seeking and enforcing any equitable remedy of Tenant against Landlord, but any such equitable remedy that can be cured by the expenditure of money may be enforced personally against Landlord only to the extent of Landlord's equity interest in the Shopping Center. Furthermore, it is understood and agreed that in each and every instance in which Landlord's approval or consent is required under this Lease, Landlord shall not be liable for damages (whether direct, consequential or otherwise) by reason of its failure to grant such approval or consent (unless Landlord is found to have acted in bad faith), and Tenant's sole remedy shall be an action for injunctive relief or specific performance.

28. NOTICES. Any notice, request, demand, approval or consent given or required to be given under this Lease shall be in writing and shall be deemed to have been given if and when posted in the United States registered or certified mail, return receipt requested, or delivered by reputable national overnight courier, postage or fees prepaid, and addressed to Landlord at Landlord's Mailing Address with a copy to the Management Office Mailing Address or addressed to Tenant at Tenant's Mailing Address. Either party may at any time change its address for notice purposes by sending a notice to the other party advising of the new address. Tenant also agrees to give the Mortgagee a copy of any notice of default sent to Landlord, provided that prior to such default Tenant has been notified in writing of the address of the Mortgagee. Tenant shall not exercise any remedies available against Landlord unless Landlord's default is not cured within sixty (60) days after Mortgagee has received the foregoing notice (if the default cannot be reasonably cured within the 60 day period, then the Mortgagee shall have such reasonable additional time to cause the Landlord's default to be cured so long as the Landlord or the Mortgagee is diligently pursuing the remedies necessary to cure such default).

29. QUIET ENJOYMENT. Provided that Tenant has performed all of its obligations under this Lease, Landlord covenants that Tenant shall have and enjoy quiet and peaceable possession of the Premises during the Term free of molestation by Landlord, subject to the provisions of this Lease and of all mortgages, ground leases, encumbrances and other matters of record affecting title to the Shopping Center.

30. NO WAIVERS. The failure of Landlord or Tenant to insist, in any one or more instances, upon strict performance by the other party of any covenant of this Lease shall not be construed as a waiver or relinquishment for the future of such covenant, but the same shall continue and remain in full force and effect. The receipt by Landlord or its agent of Rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach nor an accord and satisfaction or novation. No waiver by Landlord of any provision hereof shall be deemed to have been agreed upon unless expressed in writing signed by the parties hereto.

31. SUCCESSORS AND ASSIGNS. Subject to the terms of Section 16 above, this Lease and all the terms, covenants, conditions and provisions herein contained shall be binding upon and shall inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and (if and when assigned in accordance with the provisions hereof) assigns.

32. OTHER PROVISIONS.

(i) Entire Agreement; Modification. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

(ii) Interpretation. The captions in this Lease are for the purposes of reference only and shall not limit or define the meaning of the provisions of this Lease. References to any specific gender shall be deemed to include the other gender or neuter, as applicable; references to "expiration" shall include "termination" and vice-versa; and references to the singular shall include the plural, and vice-versa, all as the context may require. If Tenant consists of multiple parties, the liability of such parties shall be joint and several, and the release of any one or more of such parties shall not affect the liability of any other party not expressly released in writing. This Lease shall not be construed more strictly against one party than the other, it being recognized that both Landlord and Tenant have contributed substantially and materially to the preparation of this Lease. Also, this Lease shall be governed by the laws in the state where the property is located.

(iii) Waiver of Jury Trial. Landlord and Tenant hereby mutually waive any and all rights which either party may have to request a jury trial in any proceeding at law or in equity in any court of competent jurisdiction.

(iv) Waiver of Homestead Exemption. Tenant hereby waives the benefit of any homestead exemption available to Tenant with respect to this Lease.

(v) No Broker. Tenant warrants and represents that no agent, broker or finder, other than as stated in 1(r) above, was involved on its behalf in negotiating or consummating this Lease. Tenant agrees to indemnify and hold Landlord harmless from any and all claims for brokerage commissions arising out of any communications or negotiations between Tenant and any broker (other than Broker) regarding the Premises, any other premises in the Shopping Center and/or the consummation of this Lease.

(vi) Short Form Lease. Tenant agrees not to record this Lease. However, upon the request of either party, the other party shall join in the execution of a "short form lease" for the purposes of recordation, including such terms of this Lease (other than economic terms) as are typically included in such document. Either party may record such "short form lease" at its own expense.

(vii) Submission of Lease. This Lease does not constitute an offer to lease, and Landlord and Tenant shall not be bound by this Lease until it is executed and unconditionally delivered by both parties. This Lease may be executed in counterparts.

(viii) Tenant Authority. (a) If Tenant is a partnership, each person executing this Lease on behalf of Tenant warrants that Tenant is a validly existing partnership qualified to do business under the laws of the state in which the Shopping Center is located, that such partnership has the full right and authority to enter into this Lease and that no other partners other than those signing this Lease on behalf of Tenant must join in this execution; and (b) if Tenant is a corporation, each person executing this Lease on behalf of Tenant hereby warrants that (1) Tenant is a duly constituted corporation qualified to do business and in good standing in the state in which the Shopping Center is located; (2) such corporation has the full right and authority to enter into this Lease, and (3) each person signing this Lease on behalf of the Tenant has been duly authorized by the board of directors of Tenant to execute and deliver this Lease on behalf of the corporation and that no other signatures are necessary. Tenant shall furnish to Landlord within ten (10) days after a request from Landlord such corporate resolutions, certificates of incumbency, partnership resolutions, partnership agreements or other information as Landlord may reasonably request in order to confirm that the execution and delivery of this Lease has been duly authorized by Tenant and that the person(s) executing this Lease on behalf of Tenant was duly authorized to do so. All such corporate or partnership resolutions, certificates or agreements shall be certified as being duly adopted and/or in full force and effect, without amendment, by an appropriate officer or partner of Tenant, as applicable.

(ix) Mortgagee Approval. Tenant understands that this Lease is contingent upon Landlord obtaining the approval of the existing Mortgagee(s) of the Shopping Center. However, unless Landlord terminates this Lease by giving Tenant written notice that this Lease has not been approved by the Mortgagee(s) within thirty (30) days after the date this Lease has been fully executed and returned to Landlord, this contingency shall be deemed waived, and this Lease shall be considered to be in full force and effect. If Landlord terminates this Lease under the above provisions, neither party shall have any liability to the other as a result of such termination, but Landlord shall return any Security Deposit made by Tenant.

(x) Severability. No determination by any court, governmental body or otherwise that any provision of this Lease or any amendment hereof is invalid or unenforceable in any instance shall affect the validity or enforceability of (a) any other such provision, or (b) such provision in any circumstance not controlled by such determination. Each such provision shall be valid and enforceable to the fullest extent allowed by, and shall be construed wherever possible as being consistent with, applicable law.

(xi) Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State in which the Premises are located.

33. CONSTRUCTION AND ACCEPTANCE OF PREMISES. The Premises leased to Tenant shall be in the location shown on Exhibit "A-2". Landlord agrees that the Premises shall be delivered to Tenant generally in accordance with the plans and specifications described on Exhibit "C" to this Lease. Otherwise, Tenant accepts the Premises in "AS-IS" "WHERE IS" condition. Tenant shall examine the Premises before taking possession, and Tenant's entry into possession shall constitute conclusive evidence that the Premises and all mechanical, electrical and plumbing systems serving the

EXHIBIT "B"

CONFIRMATION OF LEASE TERM

This Confirmation of Lease Term is made as of the 1 day of May, 2015, by and between 307 Property, as Landlord ("Landlord") and Cultivate, as Tenant ("Tenant").

1. RECITALS

WHEREAS, Landlord and Tenant have entered into a certain _____ lease dated _____, 201____, (the "Lease") for the premises located at _____ (the "Premises").

WHEREAS, Landlord and Tenant desire to confirm certain commencement dates for the Lease.

2. AGREEMENT

NOW THEREFORE, Landlord and Tenant confirm and agree that the Commencement Date of the Lease is agreed to be the _____ day of _____, 201____; the Base Rent Commencement Date is agreed to be the _____ day of _____, 201____; and the expiration date of said Lease (if not extended) is agreed to be the _____ day of _____, 201____.

Witness the following signatures.

LANDLORD:

307 Property LLC

By: _____

Name: _____

Its: President

TENANT:

Cultivate Coffee + Tap House

By: _____

Name: Ryan Wallace

Its: Executive Director / President

EXHIBIT "A-2"

SITE PLAN

Intentionally omitted.

EXHIBIT "A-1"

LEGAL DESCRIPTION OF SHOPPING CENTER

Intentionally omitted.

Premises are in good order and satisfactory condition. Tenant shall furnish Landlord a certificate of occupancy where required prior to opening for business in the Premises.

34. TERMINATION. On expiration or sooner termination of the Term, Tenant shall surrender to Landlord the Premises and all Tenant's improvements and alterations in good, clean, orderly, and undamaged condition, except for ordinary wear and tear or condemnation or destruction of the Premises as covered by Sections 17 and 18 and except for trade fixtures that Tenant has removed under the provisions of Section 12. Tenant shall deliver to Landlord all keys to the Premises, remove all its personal property and make repairs and reimbursements pursuant to Section 12 within the above stated time. Landlord may elect to retain or dispose of in any manner any alterations or Tenant's personal property that Tenant does not remove from the Premises on expiration or termination of the Term. Title to any such alterations or Tenant's personal property that Landlord elects to retain or dispose of after expiration of the Term shall vest in Landlord. Tenant waives all claims against Landlord for any damage resulting from Landlord's retention or disposition of any such alterations or personal property. Tenant shall be liable to Landlord for Landlord's costs of storing, removing, and disposing of any alterations or personal property which Tenant fails to timely remove from the Premises. Tenant's obligations under this Section 34 shall survive the expiration or earlier termination of this Lease.

If Tenant fails to surrender the Premises on the date that the Term of this Lease expires or terminates, Tenant's continued occupancy shall be deemed to be a tenancy-at-will (and not a tenancy from month-to-month or from year-to-year) cancelable by Landlord upon 48 hours prior oral or written notice, and such tenancy shall be subject to all of the provisions of this Lease, except that Base Rent during the holdover tenancy shall be equal to twice the Base Rent in effect immediately prior to the end of the Term.

35. LEASE GUARANTY. Intentionally omitted.

36. SUBSTITUTED PREMISES. Intentionally omitted.

37. LIST OF EXHIBITS. The following Exhibits are attached to this Lease and are fully incorporated into this Lease:

Exhibit "A-1"	-	Legal Description of Shopping Center
Exhibit "A-2"	-	Site Plan
Exhibit "B"	-	Confirmation of Lease Term
Exhibit "C"	-	Plans and Specifications for Landlord's Work
Exhibit "D"	-	Design Criteria for Tenant Signage

WITNESS the following signatures:

LANDLORD: 307 Property, LLC
a Michigan limited liability company
By: 
Printed Name: Song Kim
Title: President

TENANT: Cultivate Coffee & Tap House LLC
a Michigan limited liability company

By: 
Printed Name: _____
Title: Executive Director / President

EXHIBIT "C"

PLANS AND SPECIFICATIONS FOR LANDLORD'S WORK

A. LANDLORD'S WORK:

None. Tenant accepts the Premises in its current "as is" and "where is" condition and, at its sole cost and expense, shall perform all work required to complete the Premises to a finished condition ready for the conduct of business therein.

B. TENANT'S WORK/FUTURE ALTERATIONS:

Prior to commencement of Tenant's work, Tenant shall submit to Landlord for Landlord's approval, a complete set of plans and specifications for such work as required as outlined below. Upon Landlord's approval of said plans and specifications, the plans shall be incorporated into and become part of this Lease Agreement.

Landlord's consent to or approval of plans and specifications for Tenant's Work shall not be deemed a warranty or representation of, and shall create no responsibility or liability on the part of Landlord for, the completeness, design or sufficiency of such plans and specifications, or compliance with laws, rules, codes, ordinances or regulations applicable thereto.

Tenant accepts the Premises as outlined above and agrees as follows:

1. No alterations or modifications may be made to the Premises by Tenant without Landlord's prior consent. All future damage or functional discrepancies which may occur due to the aforementioned unauthorized alterations or modifications and all associated costs thereof shall be borne entirely by Tenant.
2. Any modifications or construction to the Premises, as outlined below, shall be in accordance with State and Local Building Codes, The Americans with Disabilities Act, and constructed in a first-class manner.
3. Tenant shall be obligated to submit plans and/or specifications (prepared at Tenant's expense) to Landlord for Landlord's approval prior to the commencement of any modification or construction. The plans and/or specifications shall be prepared by a Registered Architect, if the project warrants, as determined by the Landlord or the local municipality having jurisdiction. Tenant agrees to submit such plans and/or specifications to Landlord within sixty (60) days after the date of execution of this Lease.
4. Tenant shall be obligated to use contractors and suppliers that are licensed to do business in the municipality wherein the Premises are located. Tenant shall submit all reasonable information (Licenses, Certificate of Insurance, list of sub-contractors, etc.) if requested by Landlord for the Landlord to review and approve prior to the commencement of any modification or construction.
5. No Tenant equipment is permitted outside the Premises or on the roof of the Premises except as may be specifically approved by Landlord, in writing. NO ROOF CUTS may be made without Landlord's written approval, and if approved, such cuts must be made, at Tenant's expense, by a qualified roofing contractor approved by Landlord. Tenant agrees to indemnify and save harmless Landlord from damages stemming in any manner from such cuts.
6. Tenant shall furnish, install and maintain fire extinguishers and smoke alarms in strict accordance with Landlord's insurance underwriter's requirements; local, state and national codes; and N.F.P.A. requirements and in strict accordance with any such future requirements. Any additional fire protection required by Tenant's business shall also be at Tenant's expense.
7. Tenant shall furnish to the Landlord at the completion of the modification or construction one of the following as provided by the Local Building Department: A Certificate of Occupancy; the Building Permit with final inspections signed off; or a letter from the Building Department stating that all work has been inspected and approved. Tenant shall also furnish to the Landlord a Final Lien Waiver or Waivers as applicable, from Tenant's contractors, as well as final as-built plans and specifications for Landlord's Work.

EXHIBIT "D"

DESIGN CRITERIA FOR TENANT'S SIGNAGE

Signage on the exterior of the Premises shall be provided as herein specified, and Tenant shall not erect or maintain, nor suffer to remain, any sign on the exterior of the Premises except as permitted herein:

1. Tenant shall, prior to the commencement of the Term, erect one sign, (the "Store Front Sign") on the front of the Premises. The Store Front Sign shall not exceed two (2) feet in height and shall be approximately flush with the wall of the building to which such sign is affixed; the length of such sign including corporate crests, shields or insignia which may be permitted hereunder, shall not exceed eighty percent (80%) of the linear footage of the Premises and shall in all cases be a minimum of two feet from the centerline of the wall dividing the Premises from the premises adjacent thereto. The Store Front Sign shall be, at Landlord's option, either (1) individual pinned-on illuminated plastic-laced letter, (2) illuminated back-lighted letters, or (3) at Landlord's sole discretion, pinned-on, non-illuminated letters. All sign transformers, raceways and ballast boxes shall be concealed. Manufacturer's names, stamps and decals shall not be exposed. The forward projections of the Store Front Sign shall not be more than eight inches (8") from the face of the building. The wording of the Store Front Sign shall be limited to the name of the business conducted by the Tenant on the Premises, provided that the use of Corporate Crests, shields or insignia shall not exceed three (3) feet in height. The Store Front Sign shall be the only sign permitted at the front of the Premises.
2. No exposed neon or incandescent bulbs or flashing, blinking, rotating or moving signs or markers shall be permitted.
3. No Store Front Sign or other sign on the Premises shall be of type wherein the sign is housed or contained within an illuminated or non-illuminated sign can or box mounted on the exterior of the sign area, unless expressly approved by Landlord in writing.
4. No signs shall be permitted at or on the rear of the Premises except that a small identification sign showing only the name of the Tenant shall be lettered on the exterior of the Premises.
5. No sign shall be painted on the exterior of the masonry, doors, windows or any other surface of the Premises, nor erected, maintained or suffered to remain on the roof or parapet of the building of which the Premises is a part. No banners or hand-lettered signs or advertising shall be placed on any window or door of the Premises or anywhere on the exterior of the Premises or on or above the canopy or walls of the building of which the Premises is a part.
6. No sign shall be erected until written specifications and drawings of such are first approved in writing by Landlord. Such specifications and drawings shall be submitted to Landlord in quadruplicate and shall show the size, construction, materials, colors, script, name of sign manufacturer, and proposed location of such sign in conformity with this Exhibit.
7. Tenant's sign shall be illuminated at least during all designated hours that the Shopping Center is open and for one (1) hour after closing. Landlord shall be entitled to control the times during which Tenant's sign is illuminated to provide consistent lighting of tenant identification signs in the Shopping Center.
8. All signs erected by Tenant pursuant to the provisions hereto shall be erected at Tenant's own risk and expense (including, final electrical connections and time clock), shall be in accordance with applicable law, and shall concern only the business of Tenant. Tenant shall maintain said signs in a good state of repair and save the Landlord harmless from any loss, cost or damage as a result of the erection, existence, maintenance or removal of such signs. Upon vacating the Premises, Tenant shall remove all such signs and repair any damage caused by such removal within five (5) days of said vacating.

LIQUOR LICENSE PURCHASE AGREEMENT

THIS LIQUOR LICENSE PURCHASE AGREEMENT (this "Agreement"), made and entered into this 18th day of May, 2015, by and between WINTAWAT, LLC, a Michigan limited liability company ("Seller"), and CULTIVATE COFFEE & TAP HOUSE, LLC, a Michigan limited liability company ("Buyer").

RECITALS:

A. Seller now has an interest in a Tavern Liquor License issued by the Michigan Liquor Control Commission ("MLCC"), which is, or soon will be, placed in escrow with the MLCC at 2803 Oak Valley, Ann Arbor, Michigan 48103, under Business ID Number 149526; and

B. Seller desires to sell its interest in the Liquor License, and Buyer desires to purchase same for use at 307 N. River Street, Ypsilanti, Michigan 48198 (the "Premises").

NOW, THEREFORE, it is mutually agreed by and between the parties hereto, in consideration of their respective covenants and agreements herein contained, as follows:

1. Seller agrees to sell to Buyer, and Buyer agrees to purchase, for itself, the said interest of Seller in and to the Liquor License, subject to the consent and approval of the MLCC and the City of Ypsilanti, and the satisfaction of all other conditions recited herein.

2. It is agreed that Buyer shall pay to Seller, in payment of all of the foregoing, the sum of Fifty Thousand and 00/100 Dollars (\$50,000.00), payable as follows:

A. At the time of execution of this Agreement, the sum of Five Thousand and 00/100 Dollars (\$5,000.00), receipt of which is hereby acknowledged by Howard & Howard Attorneys PLLC, Escrow Agent. Same is to be kept and held in an escrow account by the Escrow Agent, who is specifically authorized by both Seller and Buyer to act as their Escrow Agent, until such time as the MLCC authorizes the transfer of the Liquor License from Seller to Buyer. At that time, said sum is to be turned over to Seller upon the execution of a Bill of Sale, MLCC Closing Form, and any and all other legal instruments necessary to consummate this transaction.

B. At the time of the closing of this transaction, an additional Forty Five Thousand and 00/100 Dollars (\$45,000.00) is to be paid to the Seller.

3. After the execution of this Agreement, Buyer will take whatever steps shall be necessary in a diligent and expeditious manner to: (a) obtain all state and or local approvals necessary for Buyer to operate a bar with the Liquor License at the Premises, and (b) have the Liquor License transferred from Seller to Buyer by the MLCC for use at the Premises. Seller shall cooperate with Buyer in obtaining such approvals as required by the MLCC or the City of Ypsilanti, and as reasonably requested by Buyer.

4. It is further distinctly agreed and understood that in the event the MLCC and/or City of Ypsilanti shall finally refuse to approve the transfer of the Liquor License to Buyer after Buyer has complied with the terms and provisions herein, then this Agreement shall become null and void and the Escrow Agent shall immediately return the sum of Five Thousand and 00/100 Dollars (\$5,000.00) to the Buyer. The Escrow Agent is specifically authorized to make such return. Except as otherwise provided in this Agreement, if Buyer fails to consummate the sale after the approval of the MLCC and City of Ypsilanti, and/or breaches this Agreement, then its deposit shall be forfeited as liquidated damages as Seller's sole and exclusive remedy.

5. It is also further agreed between the parties herein that all taxes and assessments of every nature and kind, and all obligations, debts or claims which have been or may become a lien upon the Liquor License, shall be paid by Seller at the date of closing. Buyer may, at its expense, at the time of the execution of this Agreement and at the closing and consummation of this transaction, conduct a Uniform Commercial Code search or other search to reasonably satisfy itself that there are no liens or encumbrances on the Liquor License (collectively referred to herein as a "Lien") which Buyer is purchasing from Seller. In the event said search reveals any Liens, Seller shall cause all Liens to be discharged and released. If any Liens are not so discharged and released, then Buyer, at its election, shall either (i) accept the Liquor License "as-is", subject to the right to deduct the amount of all Liens from the purchase price, or direct a portion of the purchase price to be used to satisfy any Liens at closing; (ii) terminate this Agreement, or (iii) or enforce the terms of this Agreement, in which case Seller shall pay the amount required to satisfy the Liens in excess of the purchase price, wherein the entire purchase proceeds (\$50,000.00) and cash contributed by Seller to satisfy all Liens shall be distributed at closing to the creditor(s) holding the Liens. If Buyer so terminates this Agreement, then its deposit shall be immediately refunded to Buyer, in full, and the parties shall have no further obligations to each other.

6. Seller agrees and acknowledges that Buyer assumes no liabilities of Seller, whether accrued, absolute, contingent, known, unknown, or otherwise, and that Buyer shall not be a successor to Seller for any purpose. Seller shall deliver good title to the Liquor License free and clear of all mortgages, liens, including any liens in favor of the Michigan Department of Treasury, claims, demands, charges, options, equity interests, security interests, and other encumbrances. Seller has all requisite power and authority (corporate and otherwise), and the Seller's member has the requisite legal capacity (a) to execute, deliver, and perform this Agreement, and (b) to consummate the transactions contemplated under this Agreement. Seller and Seller's principals shall indemnify and hold Buyer harmless for any and all liability incurred by Buyer after the closing contemplated hereunder for any debts, claims, actions, judgments, taxes, fees or expenses of any nature of kind arising out of Buyer's purchase of the Liquor License from Seller. This warranty shall survive the closing contemplated hereunder for the applicable statutory period.

7. The parties herein further agree to execute and deliver, each to the other, any legal instruments and applications of whatsoever nature or kind which may be necessary to effect and consummate this transaction, including the right for an appeal hearing.

8. It is further agreed between the parties that this transaction shall be consummated within thirty (30) days after the latter to occur of: (a) the satisfaction or waiver by Buyer of all of the contingencies set forth in Paragraph 12 of this Agreement, or (b) Buyer receives notification

of the MLCC's approval of the transfer of the Liquor License to Buyer, and MLCC's final inspection approval of the Premises.

9. Seller's and Buyer acknowledge that there is no alcoholic beverage inventory available for sale in connection with this transaction.

10. It is further agreed between the parties that if Seller fails or refuses to comply with and complete the sale and purchase of the Liquor License in conformity with the terms herein, then Escrow Agent shall return Buyer's deposit, and Buyer shall be entitled to all remedies available at law or equity, including but not limited to the right to specific performance of this Agreement. In the event that the conditions hereto are satisfied, and Buyer either terminates this Agreement or refuses to close on the Closing Date, then Buyer shall forfeit the deposit to Seller as liquidated damages and this Agreement shall be terminated and neither party shall have any further liability to the other.

11. Seller agrees to pay all renewal fees to renew the Liquor License to the current licensing year as of the date of the closing of this sale, and Buyer agrees to pay all transfer fees to the MLCC for the transfer of the Liquor License.

12. This Agreement is contingent upon the occurrence of each of the following (referred to collectively as "Closing Conditions". Should any of the Closing Conditions fail to occur, then Buyer may terminate this Agreement, and be entitled to an immediate refund, in full, of the deposit made hereunder, or waive the closing, or waive the Closing Conditions and proceed with closing:

- A. Intentionally Deleted;
- B. The approval of the MLCC and the City of Ypsilanti (if necessary) for transfer of ownership and location of the Liquor License from Seller to Buyer for use by Buyer at the Premises, and the MLCC's final inspection approval of the Premises;
- C. Intentionally Deleted;
- D. Documents acceptable to Buyer that there are no outstanding taxes owed to the State of Michigan that do, or may attach as a lien or encumbrance to the Liquor License; and
- E. All representations and warranties of Seller shall be true and correct at the time of the execution of this Agreement and at the closing.

Notwithstanding the foregoing, in the event that conditions (A), (B), (C) and (E) above are satisfied, and Buyer is merely awaiting satisfaction of Closing Condition (D) in order to close the transaction contemplated herein, Buyer may elect, in Buyer's sole discretion, to close the transaction contemplated herein pending satisfaction of Closing Condition (D), in which case the entire amount of the purchase price shall be deposited by Buyer with Escrow Agent, and shall be distributed by Escrow Agent. Upon satisfaction of Closing Condition (D), Escrow Agent shall first distribute any portion of the purchase price necessary to satisfy any indebtedness of Seller

that encumbers the Liquor License, and any balance remaining in escrow with Escrow Agent shall be distributed to Seller.

13. It is understood and agreed between all of the parties in this transaction that all representations, investigations, negotiations and disclosures made regarding the matters and things contained therein constitute a meeting of the minds of all parties hereto, and that there are no hidden, oral or other representations between any of the parties herein. The covenants herein shall bind the heirs, administrators and executors of the respective parties.

14. Buyer acknowledges there are requirements of the MLCC associated with transfer of the Liquor License from Seller to Buyer. With respect to this transfer, Buyer represents that Buyer, and Buyer's shareholders, officers and directors, if applicable, have no criminal record which would cause Buyer not to be qualified and the source of funds used to purchase the Liquor License would not disqualify the transfer of the Liquor License to Buyer. Buyer states affirmatively that its representatives are familiar with requirements of the MLCC and Buyer knows of no other reason why Buyer would not be approved by the MLCC to receive the Liquor License and that Seller is relying on this representation. Buyer also acknowledges that the investigation process associated with the transfer of the Liquor License will require a period of time; during such time, Seller will be precluded from selling the Liquor License to any third party. Based on the foregoing, if the transfer of the Liquor License is not approved due to the criminal record of a shareholder, officer or director or an improper source of Buyer's funds to purchase the Liquor License hereunder, then Buyer shall be deemed to be in default under this Agreement and Seller shall be entitled to receive the deposit held in escrow by the Escrow Agent pursuant to Paragraph 10 of this Agreement.

15. The closing of this transaction shall take place at the offices of Buyer's attorney, or at such other place as is mutually agreeable to the parties.

16. This Agreement may be executed in counterpart and a facsimile or electronic signature shall be considered as an original.

17. The pronouns and relative words herein used are written in the singular only. If more than one Buyer and/or Seller join in the execution hereof, such pronouns and words shall be read as if written in plural.

[SIGNATURES ON FOLLOWING PAGE]

[SIGNATURE PAGE TO LIQUOR LICENSE PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

SELLER:

WINTAWAT, LLC

Dated: 5/18/2015

By: [Redacted]
Its: Managing Member

BUYER:

CULTIVATE COFFEE &
TAP HOUSE, LLC

Dated: 5/18/15

By: [Redacted]
Its: [Redacted]

Howard & Howard Attorneys PLLC, a Michigan professional service limited liability company, the Escrow Agent named, does hereby consent to act as Escrow Agent under the terms of this Agreement, and does hereby acknowledge receipt of the sum of Five Thousand and 00/100 Dollars (\$5,000.00) from Buyer, and agrees to deliver same to the person entitled thereon upon the performance or nonperformance of the terms and conditions of this Agreement.

HOWARD & HOWARD ATTORNEYS PLLC,
a Michigan professional service limited liability
company

Dated: 5/12/15

By: [Redacted]
Its: Member

CULTIVATE COMMUNITY

0074 NORTH AVENUE



9-32/720

DATE 5/12/15

PAY TO THE
ORDER OF

Howard & Howard Attorneys PLLC \$ 5,000.00

fine - Howard & 00/100



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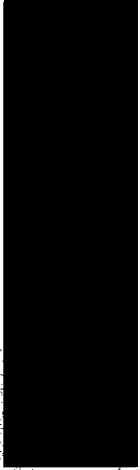
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Security Features
Included
Depend on Bank

MEMO

Liquor License - E.A.



MP



Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
Constitution Hall - 525 W. Allegan, Lansing, MI 48933
Mailing Address: PO Box 30005, Lansing, MI 48909
Toll Free (866) 813-0011 • www.michigan.gov/lcc

Business ID: _____
Request ID: _____
(For MLCC use only)

CREDIT CARD AUTHORIZATION FORM

Fax completed form to secured number: 517 373-4202

Name	<u>Cultivate Community</u>	Transaction Amount:	<u>\$840.00</u>
Address	<u>307 N River</u>	Card Number:	_____
City	<u>Ypsilanti</u>	Check one:	☐ MasterCard ☒ Visa ☐ Discover Card
State	<u>MI</u>	Expiration Date:	_____
Zip	<u>48198</u>	Security Code:	_____
Payment is for:	<u>Cultivate Coffee & Tap House, LLC</u> <u>Application/Licensing Fees</u>	Signature	_____
Phone	<u>616-502-3525</u>		

Notice: This form may be used for payment of goods and services offered by the Michigan Liquor Control Commission, with the exception of the purchase of alcoholic beverages.

PAID 6/25/2015 via credit card
reference# [REDACTED]
Please call Ryan Wallace, President
for more information [REDACTED]



Resolution No. 2015-220
October 6, 2015

That the public hearing to consider a request by Cultivate Coffee and Tap House, Inc. for liquor license transfer to be located at 307 River, Ypsilanti, MI 48198 be officially closed.

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:



REQUEST FOR LEGISLATION
October 6, 2015

From: Beth Ernat, Director of Community and Economic Development

Subject: Public Hearing for OPRA application for 15 S. Washington.

SUMMARY & BACKGROUND: The property under consideration is 15 South Washington, the former Smith Furniture Building. The property is located in the DDA OPRA District and in the Historic District. Parcel Number 11-11-39-101-017.

The 24,000 sf, 2-story building was built in 1965 by the Smith Furniture Company for use as a commercial showroom and office space. The Walker Furniture Store used the building for several years following in the 1970s. The building was purchased by James Pate in 1992 and has been rarely used since that time. The property went to auction in September 2014 and was purchased by ASR Properties in Ann Arbor.

The owners of ASR Properties are two local business men from Ypsilanti. ASR sought Historic District Commission Approval and repaired the leaking roof as an emergency measure and has secured the building from public access.

Proposed Redevelopment

ASR Properties is seeking to rehabilitate this property into a relevant commercial space that will allow for a total of 12,000 sf of ground floor retail. The property will be redeveloped to a vanilla box until a tenant is secured. The second floor will provide 12,000 sf of urban lofts for residential use in 6 – 8 rental units.

Items for immediate rehabilitation are: heating, ventilation, lighting, structural support and foundation, floor replacement, wall repair, and drywall, moldings, and flooring for the first floor. Work is expected to be completed by 7/31/2016.

OPRA Application

The applicant is requesting an Obsolete Property Rehabilitation Act (OPRA) exemption for 12 years. The OPRA would effectively freeze the value of the improvements on the property at the current taxable value, approximately \$233,700. Investment and improvements to the properties would not be taxed during the lifetime of the abatement. Initial estimates for renovation total over \$1,000,000.

Staff is in receipt of a copy of the paid 2014 taxes and a copy of the deed verifying ownership.

DDA

The DDA is aware of the request and has been supportive of the application. The DDA will meet on October 15th and provide a resolution of support if they so agree.

Current work on the property

The applicants have already started work on the roof of the structure to stabilize the property. Work completed prior to the establishment of the district will not be exempted.

Staff Recommendation: Staff recommends approval of the First Reading of the OPRA request. Additional tax analysis will be provided prior to final approval. The property has been underutilized and blighted for over a decade and is a great opportunity to move forward improvements occurring on South Washington.

Staff additionally recommend that Council caveat approval with a reversion clause if the petitioners are unable to secure a Certificate of Occupancy for the first floor within 24 months of approval.

ATTACHMENTS: General Property Information and picture of current property.

CITY MANAGER APPROVAL: _____ COUNCIL AGENDA DATE: _____

CITY MANAGER COMMENTS: _____

FISCAL SERVICES DIRECTOR APPROVAL: _____



RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

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

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

WHEREAS, the Council of the City of Ypsilanti legally established an Obsolete Property Rehabilitation District that includes parcel #11-11-39-101-017 (15 S. Washington) 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 combined parcel at 15 S. Washington has been certified functionally obsolete by the City Assessor per P.A. 146 in February 2014; 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, ASR Properties, 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, ASR Properties, 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, blighted, and functionally obsolete structure into first floor commercial space, and upper story residential lofts; 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(l) of Public Act 146 of 2000.

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 October 6, 2015; and

WHEREAS, the DDA has not opposed the issuance of OPRA certificate.

NOW, THEREFORE, BE IT RESOLVED THAT an Obsolete Property Rehabilitation Exemption for a period of 12 years for the real property, excluding land, located in the Obsolete Property Rehabilitation District which include parcel #11-11-39-101-017 (15 S. Washington) pursuant to the provisions of PA 146 of 2000, as amended, subject to completion of the renovations by July 31, 2016, the final approval of exemption certificates by the State Tax Commission, and to the taxes on the property being paid on time be approved on first reading.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:

General Property Information

City of Ypsilanti

[Back to Non-Printer Friendly Version] [Send To Printer]

Parcel: 11-11-39-101-017 Unit: CITY OF YPSILANTI

Property Address [collapse]

15 S WASHINGTON ST
YPSILANTI, MI 48197

Owner Information [collapse]

NORTH FORD RD RENTAL
3723 CRYSTAL LANE
ANN ARBOR, MI 48108

Unit: 11

Taxpayer Information [collapse]

SEE OWNER INFORMATION

General Information for Tax Year 2015 [collapse]

Property Class:	201 - COMMERCIAL IMPROVED	Assessed Value:	\$223,700
School District:	81020 - YPSILANTI SCHOOLS	Taxable Value:	\$223,700
State Equalized Value:	\$223,700	Map #	K-2 9-2 (B)
User Number Indx:		Date of Last Name Chg:	N/A
		Date Filed:	
		Notes:	N/A
Historical District:	N/A	Census Block Group:	N/A

Principal Residence Exemption	June 1st	Final
2016	0.0000 %	-
2015	0.0000 %	0.0000 %

Previous Year Info	MBOR Assessed	Final S.E.V.	Final Taxable
2014	\$218,500	\$218,500	\$154,378
2013	\$364,000	\$364,000	\$265,651

Land Information [collapse]

	Frontage	Depth
Lot 1:	106.09 Ft.	132.57 Ft.
Lot 2:	0.00 Ft.	0.00 Ft.
Lot 3:	0.00 Ft.	0.00 Ft.
Total Frontage:	106.09 Ft.	Average Depth: 132.57 Ft.

Total Acreage: 0.32

Zoning Code: C

Total Estimated Land Value: \$110,000

Land Improvements: N/A

Renaissance Zone: N/A

Renaissance Zone Expiration

Mortgage Code: N/A

Lot Dimensions/Comments: N/A

Date: N/A

Legal Information for 11-11-39-101-017 [collapse]

OLD SID 11 11-030-129-00 YPC 2W-201 COM AT SW COR LOT 129,TH N 106.09 FT,TH E 132.57 FT,TH S 106.09 FT TO FERRIS ST,TH W 132 FT TO POB.PT OF LOTS 126 & 129 ORIGINAL PLAT

Sales Information

3 sale record(s) found.

Sale Date	Sale Price	Grantor	Grantee	Terms Of Sale	Liber/Page
10/16/2014	\$99,927.00	WASHTENAW COUNTY TREASURER	NORTH FORD RD RENTAL	BANK SALE NOT USED	
09/01/1992	\$300,000.00	SHARLENE CORP	PATE JAMES	CONVENTIONAL	3555-790
 04/01/1965	\$0.00	CITY OF YPSILANTI	SHARLENE CORPORATION	LAND SALE	1109-467

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[Privacy Policy](#)

Image/Sketch for Parcel: 11-11-39-101-017

City of Ypsilanti

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Caption: No caption found



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[Privacy Policy](#)



City of Ypsilanti

Community and Economic Development

11 September 2015

Frances McMullan
City Clerk

RE: Public Hearing on Issuance of Obsolete Property Rehabilitation Application (OPRA) for Exemption Certificates at 15 S Washington (ASR Properties) and 13-15 N Washington (13 North Washington Street, LLC) in the City of Ypsilanti.

To Whom It May Concern:

The Ypsilanti City Council of Ypsilanti, Michigan, will hold a public hearing on **Tuesday, October 6th, 2015**, at 7:00 p.m., prevailing Eastern Time in Council Chambers of City Hall located at One South Huron St., Ypsilanti, Michigan, 48197 to consider the following two applications:

- Approval of a resolution granting an Obsolete Property Rehabilitation Exemption Certificate to ASR Properties, pursuant to Public Act 146 of 2000, as amended, for Parcel #11-11-39-101-017, known as 15 S. Washington St.
- Approval of a resolution granting an Obsolete Property Rehabilitation Exemption Certificate to 13 North Washington Street, LLC, pursuant to Public Act 146 of 2000, as amended, for Parcel #11-11-40-484-018, known as 13-15 N. Washington St.

Granting of Exemption Certificates will effectively freeze the current local taxable value on the property for up to 12 years, and is intended as an incentive to rehabilitate and improve the properties. Additionally, granting of the certificate will allow the State Treasurer to consider exempting one-half of the increase in the school millage for up to 6 years. The parcel is in the City of Ypsilanti Downtown Development Authority. Both properties are currently vacant.

At the public hearings, all interested persons desiring to address the City Council shall be afforded an opportunity to be heard in regard to the issuance of Certificates.

If you have any questions about the Obsolete Property Rehabilitation process or about these properties, please contact me at One South Huron Street, Ypsilanti, Michigan 48197 by phone at (734) 483-9646 or by e-mail at bernat@cityofypsilanti.com.

Sincerely,

Beth Ernat, Community & Economic Development Director

CC: File
Encl: Public notice

Publish Monday, September 14, 2015

CITY OF YPSILANTI
COUNTY OF WASHTENAW, STATE OF MICHIGAN

PUBLIC HEARING ON ISSUANCE OF EXEMPTION CERTIFICATES PURSUANT TO PUBLIC
ACT 146 OF 2000, AS AMENDED

TO ALL INTERESTED PERSONS:

PLEASE TAKE NOTICE that the City Council of the City of Ypsilanti, Michigan, will hold public hearings at their regularly scheduled meeting on Tuesday, October 6th, at 7:00 p.m., prevailing Eastern Time in the Council Chambers of the City Hall located at One South Huron St., Ypsilanti, Michigan, 48197 to consider the following:

- A. Approval of a resolution granting an Obsolete Property Rehabilitation Exemption Certificate to ASR Properties, pursuant to Public Act 146 of 2000, as amended, for Parcel #11-11-39-101-017, known as 15 S. Washington St.
- B. Approval of a resolution granting an Obsolete Property Rehabilitation Exemption Certificate to 13 North Washington Street, LLC, pursuant to Public Act 146 of 2000, as amended, for Parcel #11-11-40-484-018, known as 13-15 N. Washington St.

At the public hearings, all interested persons desiring to address the City Council shall be afforded an opportunity to be heard in regard to the issuance of Certificates. Further information may be obtained from Beth Ernat, Community & Economic Development Director at One South Huron Street, Ypsilanti, Michigan 48197, by phone at (734) 483-9646, or by e-mail at bernat@cityofypsilanti.com.

Frances McMullan
Ypsilanti City Clerk



Resolution No. 2015 - 222
October 6, 2015

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the public hearing for the “15 S. Washington OPRA” be officially closed.

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:



REQUEST FOR LEGISLATION
October 6, 2015

From: Beth Ernat, Director of Community and Economic Development

Subject: Public Hearing for OPRA application for 13 N. Washington

SUMMARY & BACKGROUND: The property under consideration is 13 North Washington, the former Smith Furniture Building. The property is located in the DDA OPRA District and in the Historic District. Parcel Number 11-11-40-484-018.

The 9,000 sf, 2-story building was purchased by North Washington LLC in February, 2015. The owners are seeking to invest and rehabilitate this property to create The Back Office Studio (BOS), a professional co-working office space.

The BOS would be a 9000 sf co-working space to support the growth of second stage businesses and the productivity of freelancers and professional service providers. The main tenant of the building will be Sensei Change, LLC . Sensei Change is owned and operated by three of partners in the North Washington LLC. Sensei Change is a graduate of Spark East and is a business partner to the MEDC.

The BOS coworking space supports the growth and expansion of second stage businesses such as Sensei Change, to retain them within the Ypsilanti and enable economic growth.

Proposed Redevelopment

North Washington LLC is seeking to rehabilitate this property into a relevant coworking office space. Conceptual costs for renovation are approximately \$650,000, total projects costs are approximately \$1.4 million.

Items for immediate rehabilitation are: electric, façade repair, façade improvement, HVAC, elevator repairs, and wall repairs. Work is expected to be completed within one-year of approval.

OPRA Application

The applicant is requesting an Obsolete Property Rehabilitation Act (OPRA) exemption for 12 years. The OPRA would effectively freeze the value of the improvements on the property at the current taxable value, approximately \$86,664. Investment and improvements to the properties would not be taxed during the lifetime of the abatement. Initial estimates for renovation total over \$1,400,000.

Staff is in receipt of a copy of the paid 2014 taxes and a copy of the deed verifying ownership.

DDA

The DDA is aware of the request and has been supportive of the application. The DDA will meet on October 15th and provide a resolution of support if they so agree.

Current work on the property

The applicants have already started work on the roof of the structure to stabilize the property. Work completed prior to the establishment of the district will not be exempted.

Staff Recommendation: Staff recommends approval of the First Reading of the OPRA request. Additional tax analysis will be provided prior to final approval. The property has been underutilized and blighted for over a decade and is a great opportunity to move forward improvements occurring on North Washington.

Staff additionally recommends that Council caveat approval with a reversion clause if the petitioners are unable to secure a Certificate of Occupancy for the building within 24 months of approval.

ATTACHMENTS: Business Plan, Improvement Plans, and tax information.

CITY MANAGER APPROVAL: _____ COUNCIL AGENDA DATE: _____

CITY MANAGER COMMENTS: _____

FISCAL SERVICES DIRECTOR APPROVAL: _____



RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

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

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

WHEREAS, the Council of the City of Ypsilanti legally established an Obsolete Property Rehabilitation District that includes parcel #11-11-40-484-018 (13 N. Washington) 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 combined parcel at 13 N. Washington has been certified functionally obsolete by the City Assessor per P.A. 146 in February 2014; 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, North Washington, 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, North Washington, 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, blighted, and functionally obsolete structure into commercial co-working space; 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(l) of Public Act 146 of 2000.

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, and revitalize urban areas 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 October 6, 2015; and

WHEREAS, the DDA has not opposed the issuance of OPRA certificate.

NOW, THEREFORE, BE IT RESOLVED THAT the Obsolete Property Rehabilitation Exemption for a period of 12 years for the real property, excluding land, located in the Obsolete Property Rehabilitation District which include parcel #11-11-40-484-018 (13 N. Washington) pursuant to the provisions of PA 146 of 2000, as amended, subject to completion of the renovations by July 31, 2016, the final approval of exemption certificates by the State Tax Commission, and to the taxes on the property being paid on time be approved on First Reading.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:

General Property Information

City of Ypsilanti

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Parcel: 11-11-40-484-018 Unit: CITY OF YPSILANTI

Property Address [collapse]

13 N WASHINGTON ST
YPSILANTI, MI 48197

Owner Information [collapse]

NORTH WASHINGTON ST LLC
13 N. WASHINGTON ST
YPSILANTI, MI 48197

Unit: 11

Taxpayer Information [collapse]

SEE OWNER INFORMATION

General Information for Tax Year 2015 [collapse]

Property Class:	201 - COMMERCIAL IMPROVED	Assessed Value:	\$87,200
School District:	81020 - YPSILANTI SCHOOLS	Taxable Value:	\$86,664
State Equalized Value:	\$87,200	Map #	K-2 9-2 (B)
User Number Indx:		Date of Last Name Chg:	N/A
		Date Filed:	
		Notes:	N/A
Historical District:	N/A	Census Block Group:	N/A

Principal Residence Exemption	June 1st	Final
2016	0.0000 %	-
2015	0.0000 %	0.0000 %

Previous Year Info	MBOR Assessed	Final S.E.V.	Final Taxable
2014	\$85,300	\$85,300	\$85,300
2013	\$143,900	\$143,900	\$143,900

Land Information [collapse]

	Frontage	Depth
Lot 1:	52.50 Ft.	120.00 Ft.
Lot 2:	0.00 Ft.	0.00 Ft.
Lot 3:	0.00 Ft.	0.00 Ft.
Total Frontage:	52.50 Ft.	Average Depth: 120.00 Ft.

Total Acreage: 0.15
Zoning Code: C

Total Estimated Land Value: \$51,800
Land Improvements: N/A
Renaissance Zone: N/A
Renaissance Zone Expiration

Mortgage Code: N/A
Lot Dimensions/Comments: N/A

Date: N/A

Legal Information for 11-11-40-484-018 [collapse]

OLD SID 11 11-030-082-30 YPC 2W-122 N 52.5 FT OF E 120 FT OF LOTS 81&82 ORIGINAL PLAT RESERVING A R.O.W. 12 FT WIDE ACROSS THE W END OF SAID PREMISES & TOGETHER WITH THE USE IN COMMON OF TH R.O.W. 15 FT WIDE LYING S OF SAID LINE

Sales Information

6 sale record(s) found.

Sale Date	Sale Price	Grantor	Grantee	Terms Of Sale	Liber/Page
02/10/2015	\$200,000.00	MICB-AACB RE HOLDINGS 111 LLC	NORTH WASHINGTON ST LLC	DISTRESS SALE	
06/11/2013	\$0.00	MICHIGAN COMMERCE BANK	MICB-AACB RE HOLDINGS 111 LLC	NAL/RELATED PARTY	
 12/30/2009	\$0.00	13 N WASHINGTON, LLC	MICHIGAN COMMERCE BANK	FORECLOSURE	4820/464
04/09/2002	\$150,000.00	TRI COUNTY INVESTMENTS , LLC	13 N WASHINGTON, LLC		4119-538
01/27/2000	\$150,000.00	MC EACHERN, EDWARD J	TRI COUNTY INVESTMENTS	CONVENTIONAL	3927/0643
02/01/1990	\$200,000.00	MCEACHERN	13 N WASHINGTON	BANK SALE USED	3342-635

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The Back Office Studio

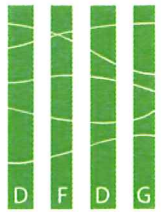
13 N. Washington Street



Existing Streetfront

The Back Office Studio

13 N. Washington Street



Existing Alley View: note chimney and boarded-up windows



Interior View: note missing double-hung windows

The Back Office Studio

13 N. Washington Street



Existing Back View

The Back Office Studio

13 N. Washington Street



Existing Back View

The Back Office Studio

13 N. Washington Street



Proposed Streetfront

The Back Office Studio

13 N. Washington Street



Signage: Painted wood background with aluminum frame and 1/4" thick aluminum letters

Bamboo soffit at entry alcove

New aluminum light fixture

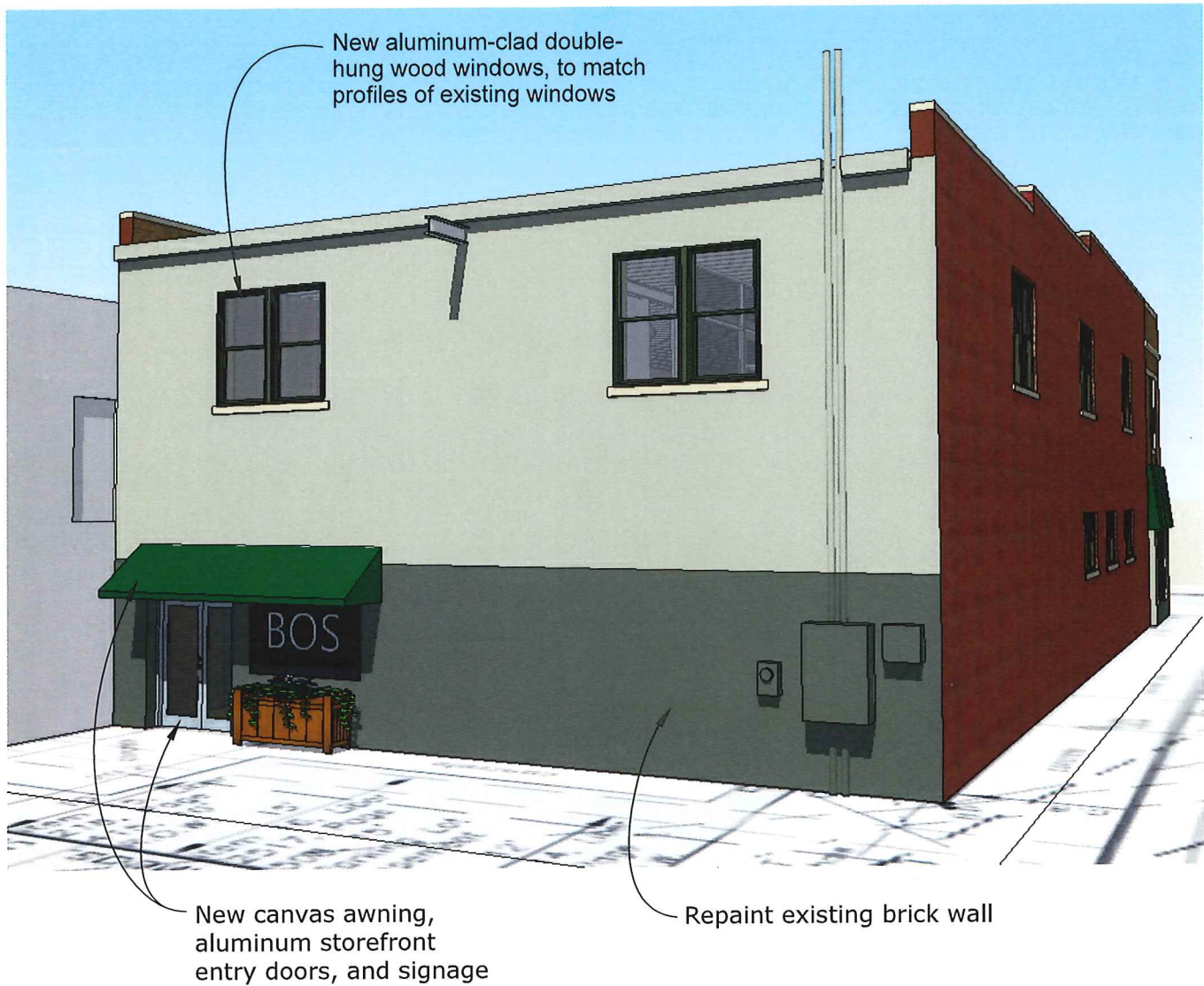


Existing entry door and storefront windows to remain

Front Entry Detail

The Back Office Studio

13 N. Washington Street



Proposed Back Entry

The Back Office Studio

13 N. Washington Street



Proposed East Elevation

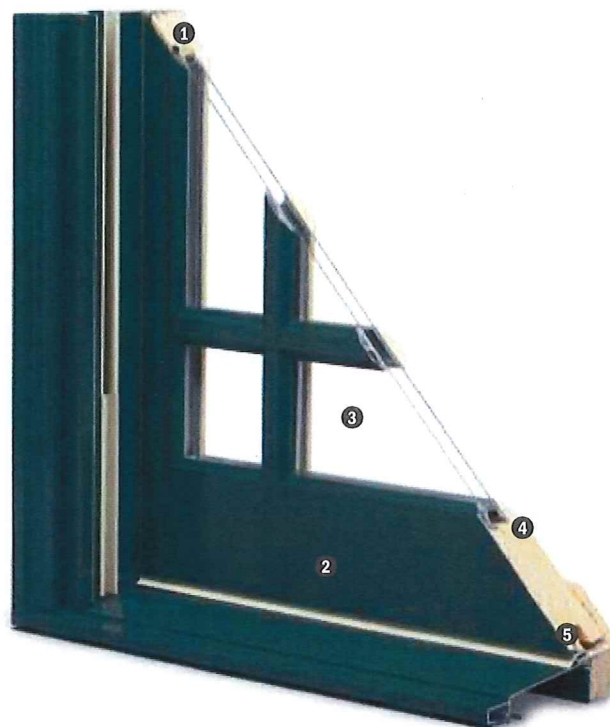
The Back Office Studio

13 N. Washington Street



Proposed West Elevation

Talon® Double-Hung Windows



Frame & Sash

① Select wood components are kiln dried, and treated with water/insect repellent and preservative. Interior wood surfaces are available in pine or mixed grain fir, or optional wood species including cherry, hickory, African mahogany, maple, oak, walnut, alder or vertical grain fir. Interior surfaces are available unfinished or factory primed. Optional factory-applied finishes are available in a variety of stains and basecoats.

② Wood components are fitted with aluminum extrusions on the exterior. 50 exterior colors that meet AAMA 2604 specifications are available, as well as custom colors. Also available is a selection of seven exterior anodized options.

Glazing

③ High-performance Low-E4® glass with a low-conductance spacer. Triple insulated glass, tinted, clear IG, high-altitude glass and other special glazing options are available.

④ Glass is fixed in place from the interior with wood stops that can be removed for easy reglazing if necessary. Glass stops available in colonial and contemporary profiles.

Weather Strip

⑤ Compression bulb weather strip is applied on the bottom sash, head jamb, at the check rail and on side jambs for a maximum weather seal.

Hardware

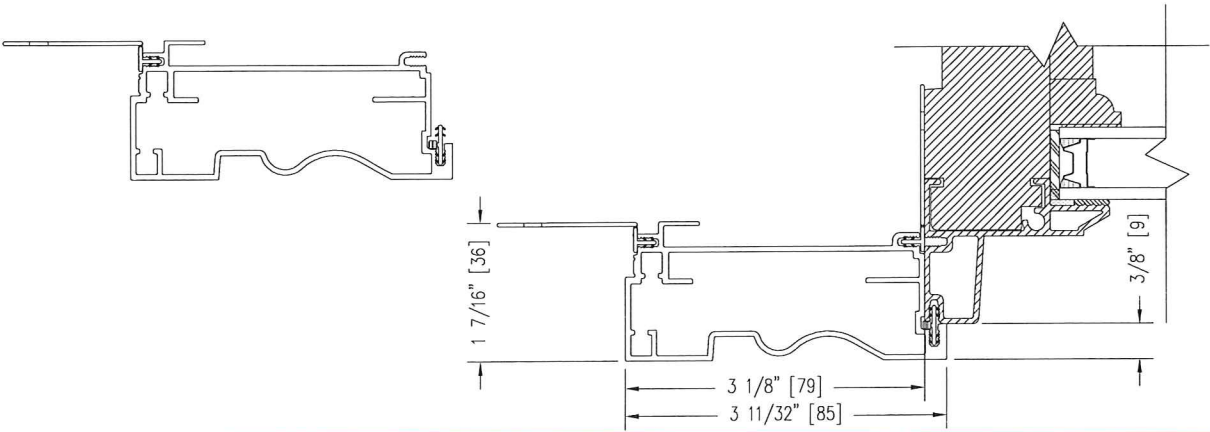
⑥ Sash lock/tilt mechanisms and keepers give a slim, more traditional design and allow opening and tilting of the window in one operation. Tilting the sash from the inside for cleaning is effortless.

Optional surface mount sash lifts allow for easy operation. Units less than 3' wide use one lift. Units 3' wide and greater use two lifts.

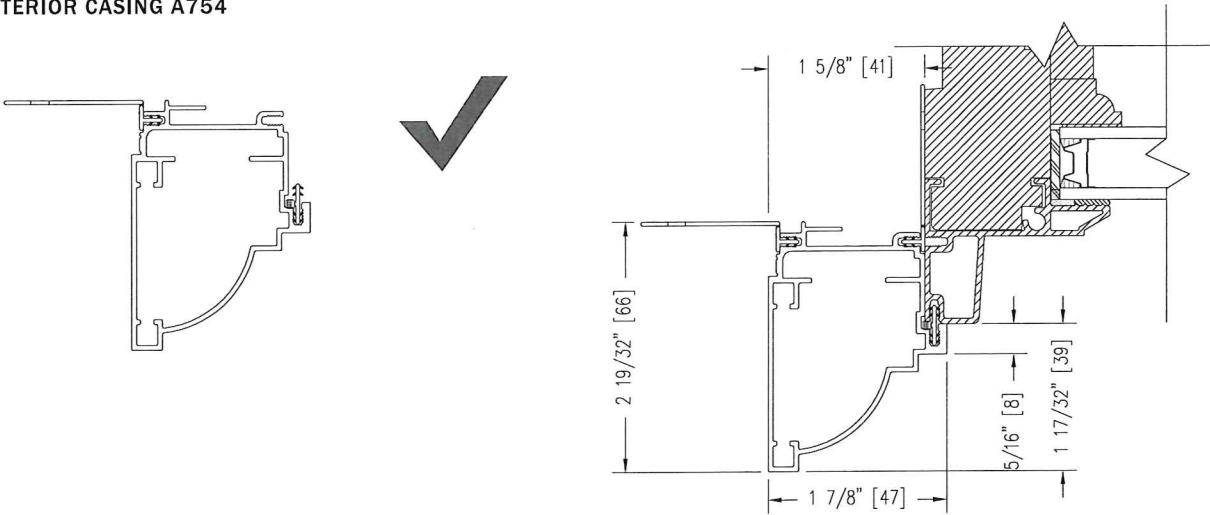
Hardware is available in finishes of bronze, polished brass, gold, white, black, antique brass, pewter, oil-rubbed bronze, satin chrome and bright chrome.

EXTERIOR CASINGS

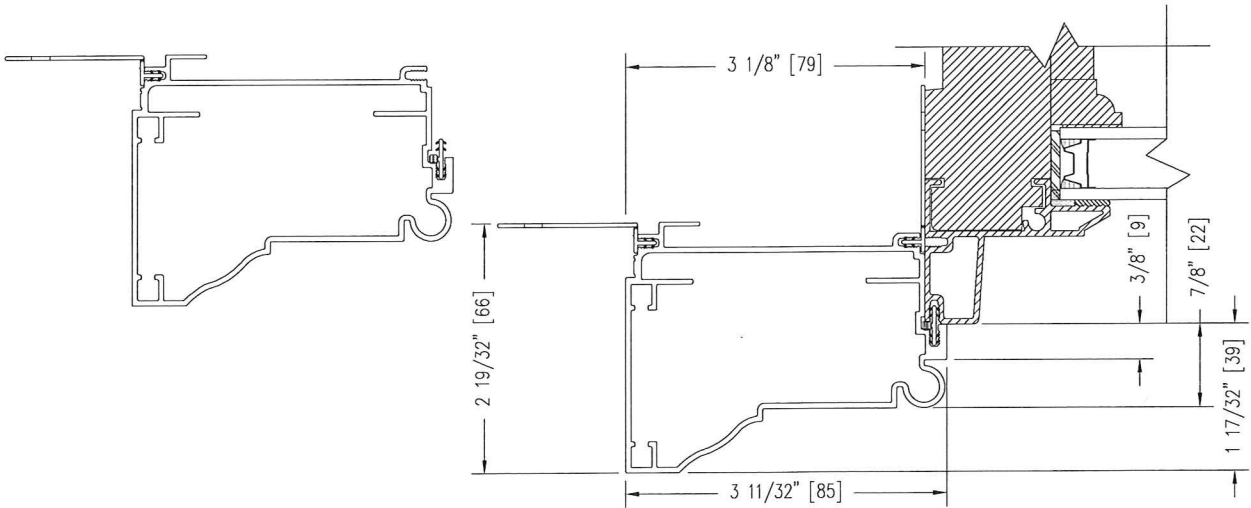
EXTERIOR CASING A756



EXTERIOR CASING A754



EXTERIOR CASING A755



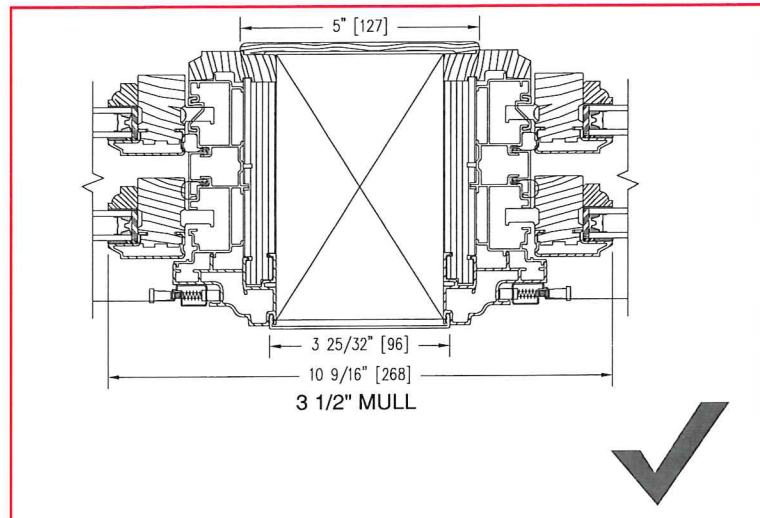
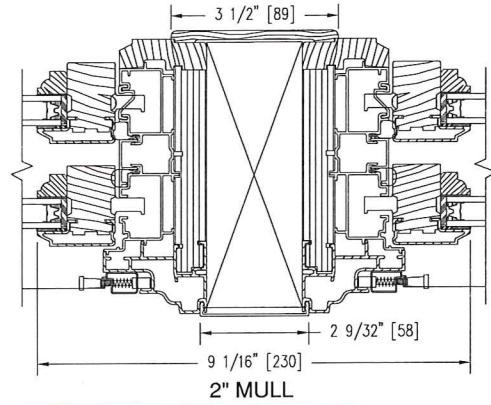
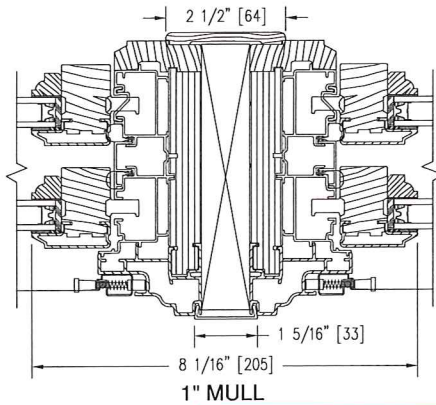
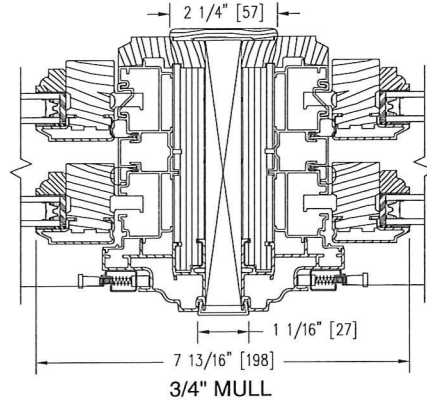
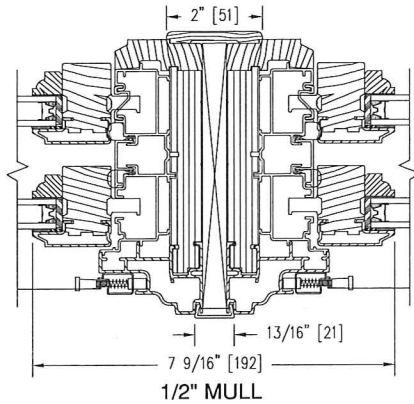
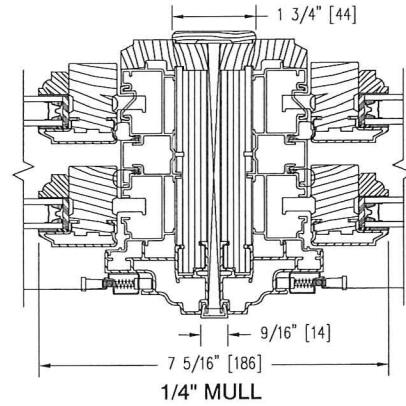
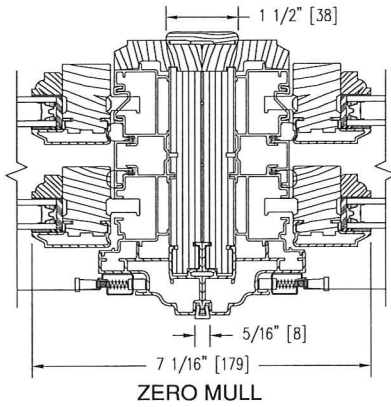
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DRAWING # AD3061
SCALE: 6"=1'-0"
REVISION: 2/2/09



DOUBLE HUNG VERTICAL FACTORY MULLS



Notes:

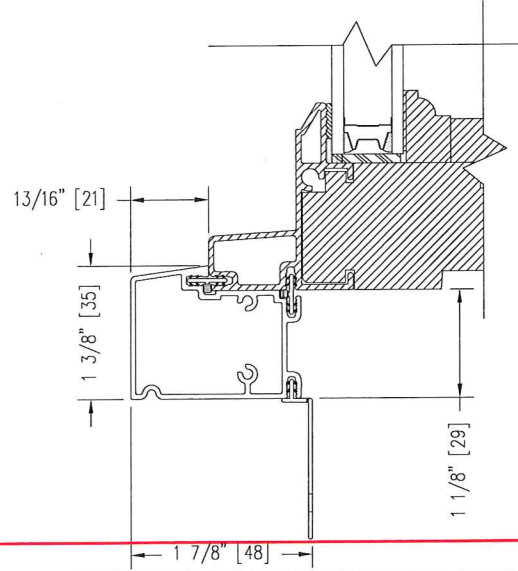
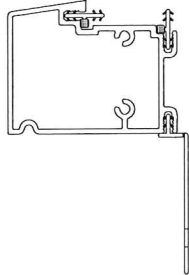
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Eagle Window & Door reserves the right to change the specifications without notice.

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REVISION: 2/2/09

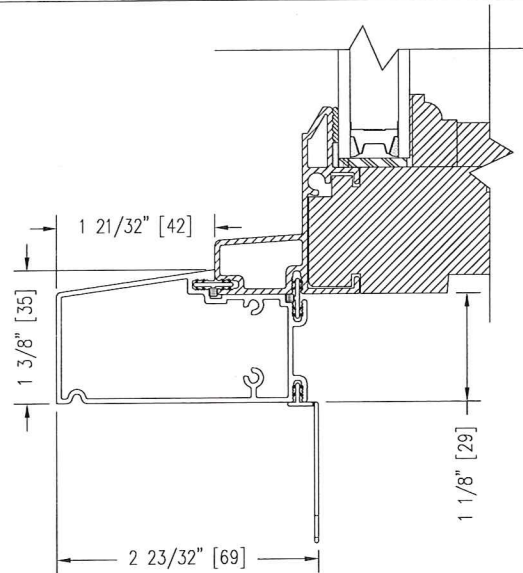
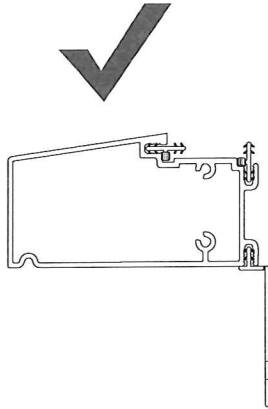
Eagle
WINDOWS & DOORS
an Andersen Company

SILL NOSINGS

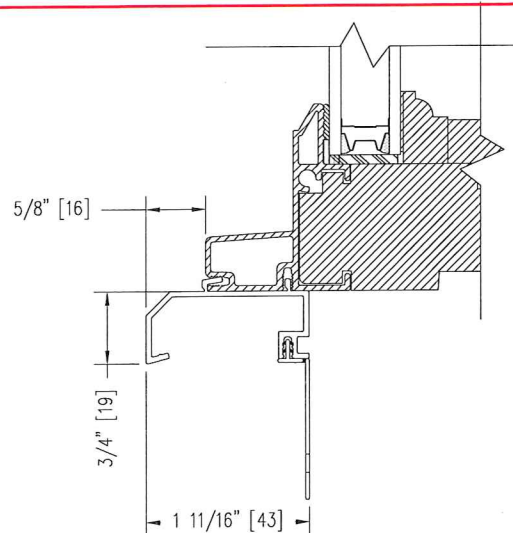
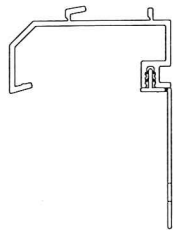
SILL NOSING A751



SILL NOSING A752



**SILL NOSING A505
FOR USE WITH EXPANDABLE ACCESSORIES**



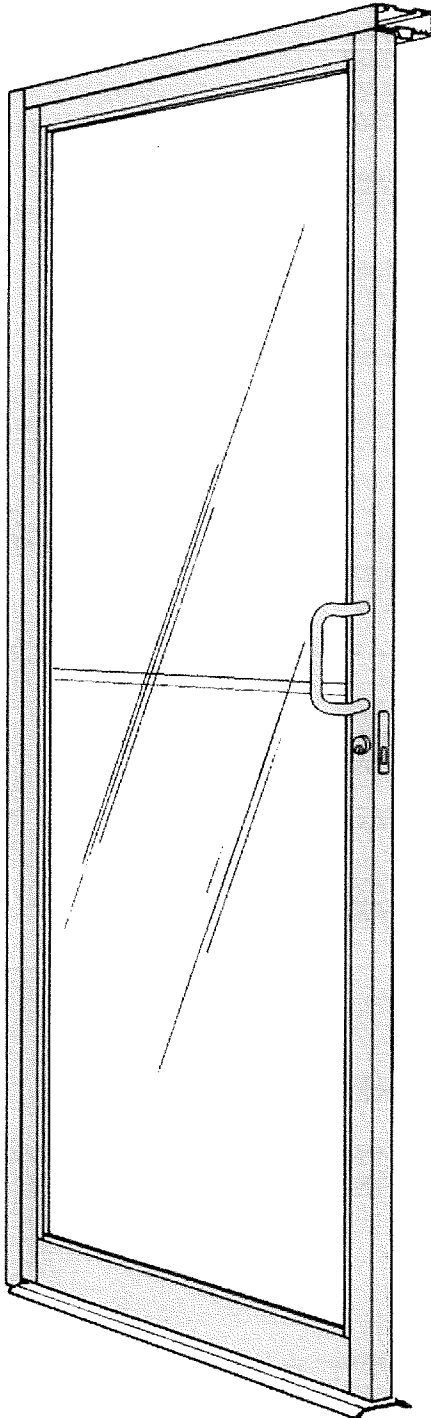
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Dynamically configure section details to your specific needs by going to EagleWindow.com, select Wintelligence.
Eagle Window & Door reserves the right to change the specifications without notice.

DRAWING # AD3062
SCALE: 6"=1'-0"
REVISION: 2/2/09



2.01 Standard Entrances Description



Description

Tubelite Standard Entrances have an outstanding reputation for craftsmanship and strength. The Narrow Stile Door has a face dimension of 2 1/8" and is designed for average commercial use. Medium Stile (4") and Wide Stile (5") Doors provide extra durability for heavier usage and a greater variety of hardware options. Optional bottom rail heights of 7 1/2" and 10" are available for accessibility requirements. Snap-in glass stops provide for 1/4" or 1" glazing thicknesses.

Standard Entrances are furnished with mortised butt hinges, offset pivots or center pivots as specified. Standard deadbolt locks, concealed vertical rod or rim panic exit devices may also be selected. Standard pull handles have been designed for ADA access and have matching push bars.

The standard door frame has snap-in door stops to conceal frame anchors and provide an excellent weatherseal. Open-back vertical door jambs allow easy, fast assembly with the screw-spline head member. Snap-in vertical frame closures easily accommodate addition of sidelights and incorporation



Business Plan

September, 2015

Owners:

Dr. Wayne Millette,
CEO & President

e: wmillette2000@gmail.com

c: 734-476-1196

Sun Chao,
CFO

e: sunnychrowe@gmail.com

c: 734-276-5163

Dr. Diana J. Wong
Partner

e: dianawongphd@gmail.com

c: 734-478-6030



TABLE OF CONTENTS

Executive Summary	1
1. Background	2
2. Vision	4
3. Mission Statement	4
4. Company Background	5
5. Coworking Industry Profile	5
6. Goals and Objectives	7
7. Business Strategy	8
8. Firm's Product/Service	8
9. Marketing Strategy	9
10. Description of Management Team	10
11. Forecasted or Pro-Forma Financial Statements	11
12. The Loan or Investment Proposal	11



Executive Summary

The Back Office Studio (The BOS) is a 9000 square foot co-working space located in downtown Ypsilanti, MI. It supports the growth of second stage businesses and the productivity of freelancers and professional service providers such as lawyers, accountants, financial advisers, consultants, etc. Coworking members experience increase in well-being due to greater productivity, achievement, and prosperity.

The three partners are Wayne Millette, Sun Chao, and Diana Wong who work together at Sensei Change, LLC. As the founding CEO & President, Diana searched for a new facility to support the growth of the business as a second stage venture. The solution to her problem of wanting grow within a collaborative community arose with selecting the former Pub 13, a building in foreclosure for five years in downtown Ypsilanti, MI. The coworking solution for Sensei Change is also timely to address needs in the professional community of freelancers and local entrepreneurial Ypsilanti businesses entering into their second stage of development.

The BOS's coworking space supports the growth and expansion of second stage businesses to retain them within the Ypsilanti area as a means to enable economic vitality of the community. By rehabilitating a prominent historical building, formerly known as Pub 13 and the Spaghetti Bender, we seek to bring forward the historical character into the 21st century as a means to provide a cultural grounding in the local context of our work. The results of bringing together talent at The BOS to support second stage business growth are to contribute toward the economic base of Ypsilanti and promote the well-being of the community. The development of high quality relationships helps to embed trust in conducting business within Ypsilanti which strengthens both the social and economic fabric of the community. A subsequent result is the growth of high quality jobs that second stage businesses seek to achieve.

The business strategy is to create a community based on high quality relationships with support from a vibrant and dynamic coworking space. The target markets are freelance professionals and second stage businesses. Local competitors addressing the demand for coworking space from these two coworking spaces about 12 miles away around downtown Ann Arbor. Marketing strategy focuses on building strategic partnerships in the community and hosting events to bring key people into the space.

The revenue forecasts with an average 30% growth rate for The BOS is about \$100,000 in year 1 to over \$400,000 in year 5 with breakeven between year 2 and 3. A loan request is made for about \$650K to finance the renovations and fulfill the requirements for obtaining an ADA form.

1. Background

Dr. Wayne Millette, Sun Chao, and Dr. Diana Wong created The Back Office Studio (The BOS) to build a coworking community with professional service providers, freelancers, and second stage businesses. Professional service providers include lawyers, accountants, financial advisers, consultants, etc. Freelancers are self-employed individuals who often seek an alternative arrangement to work outside of their home or an individual office location. The BOS's support for second stage businesses focuses on revenue positive businesses that are beyond the start-up stage, ready to graduate from an incubator, and revenue positive with goals for business growth. The BOS provides back end office services with an integrated network of professional service providers in a collaborative professional community. The business model is based on three revenue sources with estimations of 40% co-working space rental, 40% consulting and business services, and 20% special event activities and rentals.

The three co-owners work together in Sensei Change Associates, LLC which is a management consulting and talent development firm. As the business grew over the last ten years, a larger office facility is required to support the projected growth. After a two year search, a historical building in foreclosure for five years known as the former Pub 13 on 13 N. Washington St., Ypsilanti, MI provided a viable solution. The three co-owners purchased the building in February, 2015 and engaged the Damian Farrell Design Group for the architectural design and historical renovation process. John Newman, the General Manager, is hired on a part-time basis to support the co-owners.

Coworking is a global phenomenon that started in the late 1990s with hackers sharing spaces. Within southeast Michigan, there are 19 coworking spaces that were established within the last ten years. The closest ones to The BOS are the Workantile and Tech Brewery in Ann Arbor about 12 miles away. Both were founded in 2009. The others are located in Detroit and the surrounding suburbs of Detroit. The projected future demand for coworking in the Ypsilanti area and local region will likely grow beyond the existing available spaces as some already have waiting lists for membership.

The BOS's coworking space supports the growth and expansion of second stage businesses to retain them within the Ypsilanti area as a means to enable economic vitality of the community. By rehabilitating a prominent historical building, formerly known as Pub 13 and the Spaghetti Bender, we see to bring forward the historical character into the 21st century as a means to provide a cultural grounding in the local context of our work. The

results of bringing together talent at The BOS to support second stage business growth are to contribute toward the economic base of Ypsilanti and promote the well-being of the community. The development of high quality relationships helps to embed trust in conducting business within Ypsilanti which strengthens both the social and economic fabric of the community. A subsequent result is the growth of high quality jobs that second stage businesses seek to achieve.

2. Vision

“The BOS is a dynamic coworking collaborative where talented professionals can work on what they love most.”

We believe talented professionals can identify and create opportunities for their business growth based on doing their work within a community that enables the connections in a supportive network. The vision for The BOS is to bring talented professionals into contact with businesses that seek to grow and for growing businesses that need talented professionals. The increasing the frequency of contact and communication within a dynamic community space increases the probability of discovering these mutual engagements.

3. Mission

“We seek to build a community of positive energies for creating our great futures.”

Our coworking business model is based on developing positive relationships between talent and business opportunities. This unfolds as a result of creating a proactive professional community that addresses economic, social, and psychological needs of business leaders who depend on trusted relationships to achieve positive results. Hence, The BOS fosters positive relationships not just within its own business network but also in proactively contributing to promote, advocate, and serve in the Ypsilanti community as a responsibility.

The values by which The BOS will live and operate by are

- ☐ Love work with higher purposes
- ☐ Develop positive collaborations
- ☐ Enjoy reaching summits
- ☐ Lead with cheer and good will
- ☐ Learn something new
- ☐ Be authentic
- ☐ Sustain positive fiscal responsibility



4. Company Background

The BOS is a new business that provides a solution to support the growth of the Founding Partner, Sensei Change Associates, LLC, a management consulting and training and development business. As a second stage business, Sensei Change is ready to move out of the SPARK East incubator space but did not want to be isolated in the traditional business office rentals away from a community of professionals and start-up businesses. The additional office space needs to encompass a flexible workspace for collaborations with a dynamic network of professional colleagues who seek to work in community.

Diana and Wayne are the founding partners of Sensei Change. It is a consulting business based on both of their careers; Diana is an Associate Professor of business strategy, entrepreneurship, and organization development and Wayne is an education leader and executive coach. When Diana created the Michigan Shifting Gears program in 2008 to support the career transition of talented professionals, SPARK East was the first location for delivering the program which helped to generate foot traffic onto the site and into Ypsilanti's downtown. Sensei Change moved into SPARK East as its first tenant and actively volunteer in its various programming activities.

Sensei Change was established in 2004 and has 4.5 employees along with a network of subcontracting independent consultants. Additional office space beyond the two work cubicles at the incubator would support the Sensei's business growth. The search for a new location started in 2013. After a review of several sites, an offer was put in for the former Pub 13 which was a historical structure in foreclosure for five years.

By solving the constraints to the growth of Sensei Change as a second stage business, The BOS is created to provide the same for others in the local Ypsilanti community. Sensei Change also has potential for synergy

5. Profile of the Coworking Industry

Coworking is a small very small segment in the commercial office rental industry. Traditionally, a comparable business model involves multiple businesses renting individual offices and sharing some basic services such as receptionists and secretarial services. Coworking entails a major shift in the business concept to more flexible, informal, dynamic, and collaborative workplace. An important underlying notion is being part of a community which is constantly emphasized in both the business model and the various coworking conferences that focus on the phenomenon, i.e. Global Coworking

Unconference Conference is the largest gathering as well as many others that are focused on regions or local national ones.

Many coworking communities focus on entrepreneurial start-ups and professionals. Some coworking spaces are based distinct themes such sustainability, women owned businesses, technology, etc. Members participate in a coworking community and have varying rental options by day, week, or month. Brian DeKoven coined the term “coworking” to facilitate collaborative work and business meetings, coordinated by computers. The productivity benefits of working in a coworking space are likely drivers of its growing popularity. Major advantages cited in a deskmag Oct. 11, 2012 article, “Advantages of Coworking Spaces Over Other Offices”: for traditional office workers, they include increased in self-confidence among 90% of respondents; expansion of business network; update their knowledge; feeling healthier than being in a traditional office; less stress from shorter commutes. For former work from home members, the advantages included higher productivity and increased income. Usually, 7 out of 10 members plan to stay with their coworking spaces.

In 2010, about 600 coworking spaces were counted and the number grew to over 2500 in 2013 with operations in 23 languages around the world (source: www.deskmag.com). A coworking visa supports active members to different coworking spaces around the world for free for 1-3 days. Deskmag.com provides a significant source of information about the industry with key issues and forecasts of major trends. Based on the Coworking Forecast 2014, trends in the coworking industry indicate positive growth with 7 out of 10 coworking spaces unable to keep up with the general demand and the current need exceeds the available vacancy. About 60-65% of existing coworking spaces have plans for extension while 1 in 5 expect to plan expanding the existing location and every third one plan to open additional locations. An earlier survey in 2011 by deskmag.com indicated that 72% of all coworking spaces become profitable within two years in operations and 87% of privately run ones (excluding government or non-profits) become profitable in the same time period. Most achieve a profitable return between 1 and 2 years. About 70% of privately run coworking space for 50 or more members operate with a profit and the more established a space is over time, the more successful the business. Furthermore, 64% of full time operators of coworking spaces with less than 30 members can earn an income that is average or above average of the general working population.

According to deskmag.com, Feb. 1, 2012 “The Members of Coworking Spaces”, about 60% of respondents use their coworking spaces 3 to 4 times per week; 33% about every day; and 90% pay on monthly plans while about 10% pay by day or by week. At the same

time, 66% use flexible desks that are vacated daily and 25% have dedicated permanent desks.

Alternatives to coworking spaces, such as Regus, are identified as business centers. They provide some supporting business administrative services. People leaving coworking spaces do not opt for a business center nor do they tend to leave a business center for a coworking space. About 58% of all coworkers come from working at home; 22% from regular offices, and about 4% from coffee shops. Globally, there is a strong preference for members to commute 20 minutes or less to a coworking space – 34% using public transport, 34% by car, 17% by bicycle, and 14% walk.

The closest competitors to The BOS are the Workantile and Tech Brewery, both of which are located in Ann Arbor and established in 2009. Both coworking spaces operate with a vibrant community of members. The Workantile is 3000 square feet with capacity for 100 members. Two thirds of their members are full time which reflects the deskmag.com survey results about the profile of coworking members. Tech Brewery focuses on technology start-ups with a listing of 16 start-ups and 25 desks. Both have a focus on building strong community for their members.

In sum, the global and local coworking phenomenon is on a growth curve with some important accumulated lessons for moving forward.

6. Goals and Objectives

The BOS seeks to build a coworking community that supports second stage business by creating a community of talented professionals. Our future goals are as follows:

- ☐ To complete building renovations of 13 N. Washington St. based on historical preservation requirements and municipal code regulations for obtaining a certificate of occupancy by January 1, 2016;
- ☐ To build a community of talented professionals and second stage businesses as coworking members of The BOS in the first year as follows: 30 members for flexible desks; 5 members for dedicated desks; and 2 team members;
- ☐ To provide one business networking event per month;
- ☐ To create one special community activity per quarter such as the stage reading of a play in July, 2015, a comedy monologue competition in August, 2015, and others that helps to promote the counter cultural creativity, innovation, and design interests local to Ypsilanti;

- ☐ To achieve monthly revenue of \$12,000 by June, 2016 and annual revenue of \$100,000 by December, 2016;
- ☐ To achieve average annual growth of 30% for the first five years of operations with a target revenue of \$400,000 by year 5 with a breakeven target at \$180,000.

Long term plans for The BOS is to provide back end office services that include administrative functions, marketing, strategic business planning, accounting, and related business functions to support the growth of second stage businesses by building an integrated network of professional service providers in a collaborative professional community. Beyond the coworking rental revenue, the future business model is based on three revenue sources with estimated revenue composition of 50% co-working space rental, 40% consulting and business services, and 10% special event activities and rentals.

7. Business Strategy

The BOS's business strategy is based on developing high quality business relationships to build a sustainable dynamic community. The quality of relationships provides the primary impetus for building the membership. The focus is to foster talented and experienced professionals who has the potential to support second stage businesses that seek to achieve their growth aspirations. The physical setting provides a flexible workspace for collaborations with diverse professional talents and second stage businesses. Strategic orientation for The BOS is to enable local innovative technologies with sustainable talent partnerships and global diversity.

8. Product/Service at The BOS

The BOS's primary service is the provision of a dynamic contemporary environment that enables the historical past of the community to support a coworking community. This requires both a conducive physical environment and socially organized purposeful activities. The physical environment will include a mix of open flexible desks for Community members, permanent desks for Dedicated members, café arrangements for conversations, brainstorming spots, private discussion spaces, thinking spaces, phone booths, conference rooms, and kitchen snack and meal spaces. Different spaces enable a variety of social interactions. Access to free wifi, coffee, bike racks, and some storage options are also available. Both formal and informal activities provide opportunities for mutually beneficial connections to be discovered.

An example of socially organized activities would professional development workshops to provide members with advancing and building their talent portfolio. Members also have

the opportunity to contribute and showcase their talent by providing workshops and presentations based on their expertise. The professional development activities can be used for internal promotions among members as well as community outreach to serve the Ypsilanti area.

Over the long term, The BOS will expand beyond space rental to provide back end office services such as administrative functions, marketing, strategic business planning, accounting, and related business functions by building an integrated network of professional service providers in a collaborative professional community. The future business model is based on three revenue sources with estimations of 40% co-working space rental, 40% consulting and business services, and 20% special event activities and rentals.

9. Marketing Strategy

The BOS's marketing strategy targets two major segments – freelancers or professional service providers and second stage businesses. Freelancers, including professional service providers, make up about 34% of the population which amount to 53 million Americans. But 14.3 million of them have regular full time jobs and freelancing provides a source of extra income. About 21.1 million are the traditional freelancers with temporary work on a project basis. The trend of freelancers grew as a result of corporate downsizings and new business models such as Uber, Lyft, oDesk, Task Rabbit, and Elance. Many entrepreneurs are also identified as freelancers. Hence, their transition to second stage business require further clarification of reported numbers.

Second stage companies are defined as growing past beyond the start-up stage by achieving \$1 million in annual sales and up to \$50 million and 10-99 employees.

To reach both groups, the marketing strategy encompasses two primary tactics – 1) building strategic partnerships and 2) hosting events in the form of community activities, professional workshops, and business networking. The strategic partnerships maybe with non-profit economic development agencies, chambers of commerce, and larger businesses in the local area. A strategic relationship with SPARK East and local government agencies actively engaged in economic development would be important for providing leads and referrals to our target market. Our membership in the Ann Arbor/Ypsilanti Chamber of Commerce provide multiple opportunities to build relationships with other business owners and promote The BOS among local businesses.

Hosting various types of events brings local community members into The BOS to experience the space and learn about the offerings. In June and July, two free community events with a staging a play reading brought in about 120 people and a comedy monologue competition brought in about 80 local community members to experience the space and build awareness about the The BOS. A variety of ideas for events include business networking for professional career transitions, sponsoring benefits and fund raisers for non-profits, professional development workshops, training and development classes, etc. The objectives for strategic event hosting are to increase awareness and knowledge about the coworking space and initiate relationships with high potential professional service providers. As a Founding Partner, Sensei Change has the capacity to deliver workshops and business networking events. As an example, the Michigan Shifting Gears program for high level professionals engaged in career transitions has over six hundred alumni that want to find a means to stay connected.

To building awareness, additional related promotional activities would be a membership referral program and free coworking days. These initiatives will be developed as part of The BOS's operation as well as a social media marketing campaign. Currently, a website in a brochure format is available to create a presence on the web. Both Facebook and Twitter are used for social media to keep people updated about events.

10. Description of the Management Team

Wayne and Diana formed a partnership with Sun Chao who is the Global Training and Development Manager for Sensei Change to purchase the building and create The BOS. Sun Chao has 50% ownership and Wayne and Diana has 50% ownership. Wayne, as the President, provides leadership and direction for The BOS; Sun Chao, as the Chief Financial Officer, manages the financial and accounting function; Diana's role as a Founding Partner contributes toward the governance of The BOS and as an anchor tenant with programming activities. According to deskmag.com, on average, 2.8 people team up to open a coworking space and larger spaces with more than 50 coworkers have on average four founders while a third of small coworking spaces are founded by one person. Hence, The BOS's ownership team and staff composition aligns with the findings.

John Newman, General Manager, is hired as the first employee for The BOS to deal with all daily operations. An Artist in Residence, Kristin Danko, will design and develop business networking and creative community events in exchange for her coworking rental fees.

11. Forecasted or Pro-Forma Financial Statements



Annual Rental/Year	Year 1	Year 2	Year 3	Year 4	Year 5
Community, \$2400	37 mem \$88,800	56 mem \$134,400	78 mem \$187,200	102 mem. 244,800	112 members, \$268,800
Dedicated, \$4200	8 mem \$33,600	12 mem \$50,400	17 mem \$71,400	22 mem \$92,400	24 members \$100,800
Team, \$14,400	1 \$14,400	2 \$28,800	2 mem \$28,800	2 mem \$28,800	3 members \$43,200
Daily/weekly rentals					0
Revenue Total	\$136,800	\$213,600	\$258,600	\$366,000	\$412,800
Estimated expenses	\$184,00	\$184,000	\$195,000	\$200,000	\$200,000
Net Profit Before Taxes	(\$47,200)	\$29,600	\$63,600	\$166,000	\$212,800

12. The Loan or Investment Proposal

The total start-up costs are \$ _____. The three co-owners are investing \$400,000 to date. The current additional loan request is for \$ 1,000,000 to support the renovations of Pub 13 as quoted by contractor, Beal Properties.



Resolution No. 2015 - 224
October 6, 2015

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the public hearing for the “13 N. Washington OPRA” be officially closed.

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:



Resolution No. 2015-209
October 6, 2015

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT an Ordinance to limit and cap the maximum captured taxable value of a Depot town Tax Increment Financing Plan be approved on First Reading.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:

PROPOSAL TO RESET AND RESTORE SOME TAX REVENUE TO THE CITY FROM DEPOT TOWN TIF

One way to lessen the impact of TIF on Municipal Finances is to Cap the Captured Taxable Value and limit its growth in the future. This is a method that the City of Ann Arbor has used.

HOW DOES TIF WORK – A REFRESHER

TIF revenue are not new taxes. They are taxes diverted from the City and other taxing entities and transferred to the DDA. The revenue captured for a TIF district is calculated by subtracting a base taxable value (in the Depot Town case the, Taxable Value from 1992) from the existing year taxable value to obtain a captured taxable value. The revenue generated from eligible millages on that captured taxable value is the revenue transferred to the DDA. Each year that calculation is recalculated using the current year taxable value.

So for FY2015-16 – the last year of the existing TIF plan –

(Taxable Value less Base Taxable Value = Captured Taxable Value) times millage rate = Captured Taxes
(\$ 3,433,681 - \$ 1,720,000 = \$ 1,713,681) x 42.6513 = \$ 73,091

Depot Town DDA TIF

	Base Value	TY 2015 Taxable Value FY 2015-2016	Captured taxable Value
Depot Town TIFA	1,720,000	3,433,681	1,713,681
Totals	1,720,000	3,433,681	1,713,681

Taxing Units	Captured Millage	Captured Taxes FY 2015- 2016
City Operating	19.0211	\$32,596.10
City-F & P pension	7.5411	\$12,923.04
City-Public Transit	0.9789	\$1,677.52
AAATA	0.7	\$1,199.58
Sanitation	2.7814	\$4,766.43
Library less Debt (2.7922-0.9048)	1.8874	\$3,234.40
WCC	3.4576	\$5,925.22
Washtenaw County	6.2838	\$10,768.43
Total captured taxes	42.6513	\$73,090.72

Source: Marilou Uy, City Finance Director

WHAT IS PROPOSED

For the first year of the new TIF the proposed plan estimates a 1% increase in the Taxable Value, we would increase the Taxable Value 1% from 2015-16 and cap the captured assessed value at 75%. This would be the reset.

So FY2016-17 - the first year of the new TIF the Captured value would be capped at \$1,298,114

\$ 1,713,681 times 1.01 = \$ 1,730,818 times .75 = \$ 1,298,113

The TIF revenue generated would be \$ 1,298,113 times 42.6513 mils = \$ 55,367

Depot Town DDA TIF

	Base Value	TY 2016 Taxable Value FY 2016-2017	Capped Captured taxable Value at 75%
Depot Town TIFA	1,720,000	3,468,018	1,298,113
Totals	1,720,000	3,468,018	1,298,113

Taxing Units	Captured Millage	Captured Taxes FY 2015- 2016
City Operating	19.0211	\$24,691.54
City-F & P pension	7.5411	\$ 9,789.20
City-Public Transit	0.9789	\$1,270.72
AAATA	0.7	\$909.68
Sanitation	2.7814	\$3,610.57
Library less Debt (2.7922-0.9048)	1.8874	\$2,450. 06
WCC	3.4576	\$4,488. 36
Washtenaw County	6.2838	\$8,157.08
Total captured taxes	42.6513	\$55,367.21

IMPACT ON DDA

Difference is a loss in revenue to the DDA of \$ 17,724

This is less than the \$20,000 annual debt payments that are no longer needed since that project is finished and the bond is paid off. There is no impact on the programmatic elements of the existing DDA efforts. All the items in their budget including building grants are still able to be funded.

FUTURE YEARS - SHARING THE GROWTH

In future years, the cap on the captured taxable value, will be allowed to rise up to 1% per annum. This is 100% of the growth the proposed TIF plan projects for the first few years and half the projected growth in the rest of the years. This is the shared revenue part of the proposal.

SO HOW TO WE ACCOMPLISH THIS?

This can be accomplished by amending the Depot Town DDA Ordinance by adding the following section:

“Beginning with Fiscal Year 2016-17 the maximum captured taxable value shall be \$1,298,113. Each fiscal year thereafter, the maximum captured taxable value shall be increased by 1.0% per annum”

This would be an ordinance and would require public notice and two readings. The Depot Town DDA would then need to resubmit a TIF plan that meets this requirement.

TABLE 5 - ANTICIPATED CAPTURED REVENUE AS PROPOSED
Base Taxable Value (1992) \$ 1,720,000

Fiscal Year	Capped Captured Taxable Value	Ypsilanti 30.3225 mils	Washtenaw County 6.2838 mils	WCC 3.4576 mils	District Library 1.8874 mils	AAATA 0.7000 mils	Total mils 42.6513	DDA Captured	% increase from previous year
2015-16	\$1,713,681	\$51,963	\$10,768	\$5,925	\$3,234	\$1,200		\$73,091	
2016-17	\$1,298,113	\$39,362	\$8,157	\$4,488	\$2,450	\$909		\$55,366	1%
2017-18	\$1,311,094	\$39,756	\$8,239	\$4,533	\$2,475	\$918		\$55,920	1%
2018-19	\$1,324,205	\$40,153	\$8,321	\$4,579	\$2,499	\$927		\$56,479	1%
2019-20	\$1,337,447	\$40,555	\$8,404	\$4,624	\$2,524	\$936		\$57,044	1%
2020-21	\$1,350,822	\$40,960	\$8,488	\$4,671	\$2,550	\$946		\$57,614	1%
2021-22	\$1,364,330	\$41,370	\$8,573	\$4,717	\$2,575	\$955		\$58,190	1%
2022-23	\$1,377,973	\$41,784	\$8,659	\$4,764	\$2,601	\$965		\$58,772	1%
2023-24	\$1,391,753	\$42,201	\$8,745	\$4,812	\$2,627	\$974		\$59,360	1%
2024-25	\$1,405,671	\$42,623	\$8,833	\$4,860	\$2,653	\$984		\$59,954	1%
2025-26	\$1,419,727	\$43,050	\$8,921	\$4,909	\$2,680	\$994		\$60,553	1%
2026-27	\$1,433,925	\$43,480	\$9,010	\$4,958	\$2,706	\$1,004		\$61,159	1%
2027-28	\$1,448,264	\$43,915	\$9,101	\$5,008	\$2,733	\$1,014		\$61,770	1%
2028-29	\$1,462,747	\$44,354	\$9,192	\$5,058	\$2,761	\$1,024		\$62,388	1%
2029-30	\$1,477,374	\$44,798	\$9,284	\$5,108	\$2,788	\$1,034		\$63,012	1%
2030-31	\$1,492,148	\$45,246	\$9,376	\$5,159	\$2,816	\$1,045		\$63,642	1%
2031-32	\$1,507,069	\$45,698	\$9,470	\$5,211	\$2,844	\$1,055		\$64,278	1%
2032-33	\$1,522,140	\$46,155	\$9,565	\$5,263	\$2,873	\$1,065		\$64,921	1%
2033-34	\$1,537,361	\$46,617	\$9,660	\$5,316	\$2,902	\$1,076		\$65,570	1%
2034-35	\$1,552,735	\$47,083	\$9,757	\$5,369	\$2,931	\$1,087		\$66,226	1%
2035-36	\$1,568,262	\$47,554	\$9,855	\$5,422	\$2,960	\$1,098		\$66,888	1%
2036-37	\$1,583,945	\$48,029	\$9,953	\$5,477	\$2,990	\$1,109		\$67,557	1%
2037-38	\$1,599,784	\$48,509	\$10,053	\$5,531	\$3,019	\$1,120		\$68,233	1%
2038-39	\$1,615,782	\$48,995	\$10,153	\$5,587	\$3,050	\$1,131		\$68,915	1%
2039-40	\$1,631,940	\$49,485	\$10,255	\$5,643	\$3,080	\$1,142		\$69,604	1%
2040-41	\$1,648,260	\$49,979	\$10,357	\$5,699	\$3,111	\$1,154		\$70,300	
Total		\$1,163,673	\$241,151	\$132,691	\$72,432	\$26,864		\$1,636,810	



REQUEST FOR LEGISLATION
March 13, 2015

From: Tim Colbeck, Ypsilanti DDA

Subject: Depot Town Amended and Restated Tax Increment Finance (TIF) & Development Plan

SUMMARY & BACKGROUND:

Council approved last amended Depot Town TIF & Development Plan in 2000. The current TIF & Development Plan will expire after December 2015. The Ypsilanti DDA has prepared an Amended and Restated Depot Town TIF & Development Plan that will extend the TIF through December 2040. I will give a detailed presentation of the amended plan and be present to answer questions, and is requesting the council adopt the plan as submitted.

RECOMMENDED ACTION: Request council to approve and adopt the Amended and Restated Depot Town Tax Increment Finance & Development Plan.

ATTACHMENTS: YDDA Resolution to Adopt the Amended and Restated Depot Town Tax Increment Financing & Development Plan and Presentation of the Depot Town TIF history and amended plan summary.

CITY MANAGER APPROVAL:

COUNCIL AGENDA DATE: 3-17-15

CITY MANAGER COMMENTS:



Resolution No. 2015 -105
October 6, 2015

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the Ypsilanti City Council approves the adoption of the Amended and Restated Depot Town TIF and Development Plan as submitted by Ordinance No. 1244 at Second and Final Reading.

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:



**CITY OF YPSILANTI
NOTICE OF ADOPTED ORDINANCE
Ordinance No. 1244**

An ordinance to provide for the amending and restatement of the Tax Increment Financing and Development Plan for the Depot Town Downtown Development Authority originally adopted in 1992 and restated in 2000, pursuant to Act 197 of the Public Acts of the State of Michigan of 1975 as amended; to establish the legal basis and procedure for the capture and expenditure of tax increment revenues; to implement a variety of capital improvement and other projects and/or programs dedicate to the economic development of the Depot Town Downtown Development area.

1. **THE CITY OF YPSILANTI HEREBY ORDAINS** that the 2000 Tax Increment Financing and Development Plan for the Depot Town Downtown Development Area be amended as outlined in the Amended and Restated plan.

2. **THE CITY OF YPSILANTI FURTHER ORDAINS** that the boundaries of the District within which the Tax Increment Financing and Development Plan will be in effect for are designated as follows:

Beginning at a point on the East line of River Street and the South line of Ferrier Street, said point also known as the Northwest corner of Lot 65, Hunter's Addition, thence East 280' to the Center line of Lincoln Street thence North along the Center line of Lincoln Street to the North line of East Cross Street thence West 166' along the North line of East Cross Street thence South 141' to the Northeasterly line of the Railroad Right-of-Way thence Northwesterly along the Northeasterly line of the Railroad Right-of-Way to the center line of River Street thence North along the Center line of River Street to the North line of Maple Street thence West along the North line of Maple Street to the West line of vacated alley thence North on the West line of vacated alley, extended North, to the Center line of Oak Street to the Northeasterly line of the Railroad Right-of-Way thence Northwesterly along the Northeasterly line of the Railroad Right-of-Way to the Center line of East Forest Street thence Westerly along the Center line of East Forest Street to the Center line of the Huron River to a point where the North line of Lot 1, Assessor's Plat #3, extended Easterly Intersects the Center line the Huron River thence West along said extended North line of Lot 1 to the Northwest corner of said Lot 1 thence South along the West line of said Lot 1 to the Southwest corner of said Lot 1 thence West along the North line of East Cross Street to the Eastern line of North Huron Street, thence South 18-44 East Approximately 204 fee to the Southwest corner of parcel 11-11-40-401-029 thence North 86-26-30 Est 23.95' thence South 3-49 East 80-9' thence East 190.56' thence Southerly along the western boundaries of properties located at 220,214,206,and 130 North Huron Street, (described as of 12/31/83), to a point 49.5' South of the Northeast corner of Lot 185,

Original Plat, thence East 60' thence South 16.5' thence West 60' to the Northeast corner of Lot 184, Original Plat, thence Easterly to a point where the Center line of North Street, extended Westerly, intersects with the Center line of the Huron River thence Northwesterly in the Huron River to the Northwest corner of the property described as 11-11-020-046-00 thence East 269' along the North line of said property thence North to the Northwest corner of Lot 322, Showerman and Compton's Allotment thence East to the West line of Ninde Street thence along the West line of Ninde Street to the South line of Photo Street thence East along the South line of Photo Street to the West line of River Street thence South along the West line of River Street, thence East to the Point of Beginning. Included in this area are the properties and adjacent right-of-ways with the following addresses and parcel identification numbers: 100 East Cross Street, described in tax code parcel numbers 11-09-107-008 and 11-09-107-009, 315 Ninde Street, described in tax code parcel number 11-09-131-009, 24 East Cross Street, described in tax code parcel number 11-09-131-017, 12-20 East Cross Street, described in tax code parcel number 11-09-131-109, 400-412 North River Street, described in tax code parcel numbers 11-04-495-013 and 11-04-495-014.

3. 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.

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

5. 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.

6. 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.

7. Publication and Effective Date. The City Clerk shall cause this Ordinance, or a summary of this Ordinance, to be published according to Section 11.13 of the City Charter. 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 _____, 2015.

Frances McMullan, City Clerk

Attest

I do hereby confirm that the above Ordinance No. 1244 was published according to Section 11.13 of the City Charter on the _____ day of _____, 2015.

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 _____, 2015.

Frances McMullan, City Clerk

Notice Published: February 12, and March 12, 2015

First Reading: April 7, 2015, September 15, 2015,

Second Reading: April 21, 2015 and July 7, 2015

Published: _____

Effective Date: _____

CITY OF YPSILANTI DOWNTOWN DEVELOPMENT AUTHORITY

TO: YDDA BOARD AND YPSILANTI CITY COUNCIL
FROM: EXECUTIVE DIRECTOR
SUBJECT: YDDA DIRECT SUPPORT TO THE CITY SINCE THE 2011-12 FISCAL YEAR

DATE: 9/15/2015
CC:

As part of the YDDA's ongoing efforts to revitalize each of the DDA's distinct districts, we have at times assisted the City with programming, initiatives, and projects that are mutually beneficial to both the DDA districts and the greater City of Ypsilanti. The YDDA has recognized the need to support the City with additional revenues during the last five years to ensure the success of a number of projects and initiatives. The YDDA also recognizes that there will continue to be a need in the years to come where the City and the DDA can cooperate on items that will benefit all parties while also helping the City retain its fiscal solvency.

By pledging support to the City for the next 15 fiscal years in the amount of \$100,000, the YDDA believes it is creating an atmosphere of continued partnership and cooperation between both parties. The DDA will commit this revenue to the City through the ongoing and supported TIFAs for each of the DDA's distinct districts. There already is an established history of the DDA providing revenue to the City for key programs and projects including the following:

2011-12

- | | |
|---|------------------|
| • Pedestrian Trash Can Service Contract | \$20,000 |
| • Cross St. Streetscape Enhancements | \$62,879 |
| • E. Cross St. Repaving | \$28,639 |
| • Downtown Police Officer Salary | \$20,000 |
| • Total | \$131,518 |

2012-13

- | | |
|---|----------|
| • Downtown Police Officer | \$30,150 |
| • Pedestrian Trash Can Service Contract | \$20,000 |

- **Total** **\$50,150**

2013-14

- Downtown Police Officer \$13,558
- Pedestrian Trash Can Service Contract \$20,000
- Heritage Bridge Support \$12,500
- **Total** **\$46,058**

2014-15

- Downtown Police Officer \$41,086
- Pedestrian Trash Can Service Contract \$20,000
- Heritage Bridge Support \$12,500
- Freighthouse Grant \$35,000
- B2B/Tap Grant Support \$6,250
- Rent \$3,930
- **Total** **\$118,766**

2015-16

- Downtown Police Officer \$41,086
- Pedestrian Trash Can Service Contract \$20,000
- B2B/Tap Grant Support \$6,250
- Rent \$3,930
- **Total** **\$71,266**

The amount that the DDA has directly paid to the City in support from 2011/12 through 2015/16 is **\$417,758** or an average per year of **\$83,552**. The YDDA is proposing increasing this support to an amount not to be less than **\$100,000** in any given year for the next 15 years for a total of **\$1.5 million** in revenue support to the City.

The pledge for support is contingent upon the DDA maintaining current TIF revenues and expected growth over this period. There is a current proposal on the table to amend the Depot

Town TIF and Development Plan to reset the base year value and cap the percentage of growth to the DDA with the additional revenues being returned to the appropriate taxing entities. This proposal would only net the City an additional **\$317,186** over that same period.

There are a number of high profile projects that are highlighted in the recently submitted Proposed Amended and Restated Depot Town TIF and Development Plan. There have also been recent talks about the increased likelihood of the Commuter and Wolverine Line Rail Stop being developed in Depot Town. Using this very important project as a focal point, it is very likely that the City's development and ongoing maintenance for the rail stop will rely heavily on the DDA's commitment to support. This would be a very logical partnership opportunity between the City and the DDA using the DDA's commitment of revenue over the next 15 years.

Currently the City does not have the capacity to bond for a project to build out a train stop in Depot Town. That is why the DDA believes that it is incredibly important to support the Amended and Restated Depot Town TIF and Development Plan that was approved by the DDA Board and passed a first reading by City Council in April of this year. The plan as submitted after factoring in the DDA's ongoing operating costs against the projected revenues would leave **\$934,000** in bondable revenue over the next 25 years. The other current proposal before City Council would only leave **\$217,000** in bondable revenue over that same period.

September 14, 2015
2015-24

**Downtown Development Authority of the
City of Ypsilanti
County of Washtenaw, State of Michigan
RESOLUTION TO COMMIT REVENUE BUILDING SUPPORT TO THE CITY OF
YPSILANTI**

The following preamble and resolution were offered by Member A. Gainsley and supported by Member J. McGadney.

WHEREAS, one of the Ypsilanti DDA Board's guiding principles and primary responsibilities is to support the long term financial planning for the YDDA; and

WHEREAS, this includes ensuring that the YDDA submits an annual budget that allows for the DDA to continue its ongoing mission through various programs and projects while also promoting financially sound practices that maintain our financial solvency; and

WHEREAS, the YDDA Board recognizes that the long term financial success of the DDA is directly tied to the long term financial strength of the City of Ypsilanti; and

WHEREAS, over the last five years the DDA has taken on many opportunities support projects, programs, and initiatives led by the City that would be mutually beneficial to the DDA Districts and the City of Ypsilanti in its entirety; and

WHEREAS, the DDA has directly supported the City financially in the last five years through in both ongoing programming such as the Downtown Police Officer Salary Support and Pedestrian Trash Can Service Contracts; and infrastructure investments such as the E. Cross St. Repaving, Cross St. Streetscape Enhancements, Heritage Bridge Crossing, and Freighthouse Grant (see attached detail); and

WHEREAS, YDDA will continue to offer its support for City programs, projects, and initiatives that directly impact the DDA districts as or revenue sources will allow;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. the YDDA Board pledges the DDA's revenue support of not less than \$100,000 annually for a period of 15 years beginning with the 2016/17 fiscal year to the City of Ypsilanti to be used on programming, initiatives, and projects directly connected to the DDA districts.
2. this support includes agreements and partnerships already in place between the YDDA and the City for ongoing programs including the downtown police officer, pedestrian trash can service contract, and rent as well as new programming or project support as appropriate.

3. the DDA's ability to provide revenue building support to the City is directly tied to and contingent upon the DDA's ability to maintain and grow TIF revenues at current levels over the commitment period.
4. all resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are and the same hereby are rescinded.

AYES: K. Dobson, A. Edmonds, J. French, A. Gainsley, C. Garcia, B. Harrington, K. Hill, J. McGadney, R. Savvides, and M. Teachout

NAYS: none

ABSTAINED: none

YES: 10 NO: 0 ABSENT: 1 VOTE: affirmed



REQUEST FOR LEGISLATION
October 1, 2015

To: Mayor and Council

From: Beth Ernat, Director of Community and Economic Development

Subject: Friends of the Ypsilanti Freighthouse

SUMMARY & BACKGROUND: The Friends of the Ypsilanti Freighthouse have asked the City of Ypsilanti to allow them to run operations and be the primary caregiver and facilitator of the City owned property. In preparation for this task the FOYF have been working with City staff to prepare the building and funding necessary to properly utilize the space.

Attached to this memo is the FOYF business plan and funding plan that was submitted to the City in 2014. At the last meeting, City Council approved the contract with Envision Builders for the construction necessary to open the building to the public. Envision is planning to start work within the first two weeks of October and to be completed with the work by the end of December.

City staff and Attorney have been working with the FOYF Executive committee to come to terms with a Memorandum of Understanding for the Operation and Management of the Freighthouse.

The FOYF understand that the City will be the owner and the FOYF will be the operator and manager of the space. The FOYF have raised and continue to raise money for the Freighthouse, they are a Michigan non-profit, Tax Exempt 501 (c) (3) organization and will use any profits or revenue in the best interest of the building and operation of the building. The FOYF will allow the City the use of the premises six times per year with no rental fee, and reasonable consideration for other uses when feasible.

The FOYF will be responsible for utilities, employees and record keeping. The FOYF will supply the City with monthly records and annual audits in compliance with our accounting practices. Additionally, they will provide for the upkeep, cleaning, and grounds care of the building.

The MOU can be terminated by either party with 60 days' notice. Additionally, the City must offer the right of first refusal before selling the property.

RECOMMENDED ACTION: Staff recommends approval of the Memorandum of Understanding between the City of Ypsilanti and the Friends of the Ypsilanti Freighthouse.

ATTACHMENTS: FOYH Business Plan and MOU

CITY MANAGER APPROVAL: _____ COUNCIL AGENDA DATE: _____

CITY MANAGER COMMENTS: _____

FISCAL SERVICES DIRECTOR APPROVAL: _____



Resolution No. 2015 - 225
October 6, 2015

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, The City of Ypsilanti desires to have the Ypsilanti Freighthouse open and accessible to the public and used by the community; and

WHEREAS, The Friends of the Ypsilanti Freighthouse (FOYH) have been crucial in raising money and protecting the interests of the building; and

WHEREAS, it is in the City's best interest to have a Memorandum of Understanding with the FOYH for the operation and maintenance of the Ypsilanti Freighthouse.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council approves the City Manager and City Clerk represented by the City Attorney to enter into a Memorandum of Understanding with the Friends of the Ypsilanti Freighthouse for the operation and management of the city owned facility as described in the agreement. .

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:

YPSILANTI FREIGHTHOUSE

OPERATION AND MANAGEMENT AGREEMENT

This agreement is made this ____ day of _____, 2015, by and between **THE CITY OF YPSILANTI**, a Michigan municipal home rule city of One South Huron Street, Ypsilanti, MI, hereinafter referred to as "CITY," and **FRIENDS OF THE YPSILANTI FREIGHTHOUSE**, a Michigan non-profit, Tax Exempt 501(c)(3) corporation, of P.O. Box 970919, Ypsilanti, MI 48197, hereinafter referred to as "FRIENDS."

Common recitals:

CITY is the owner of a structure in the Depot Town area commonly referred to as The Freighthouse. The Freighthouse building was built in 1878 and is designated on the National Register of Historic Places.

The CITY acquired the Freighthouse a number of years ago and has used it as a community center.

The Freighthouse is more than one hundred years old, and needs improvement, repair, and maintenance.

The FRIENDS are keenly interested in opening and keeping the Freighthouse open and have formed a corporation and organization to provide funding and management for the Freighthouse as a service to the public.

The FRIENDS and CITY have partnered in obtaining grants and funding for the improvement, maintenance and repair of the Freighthouse.

NOW THEREFORE in consideration of mutual promises and obligations contained in this document, the parties agree as follows:

1. Term. This agreement shall become effective as of _____, 2015, and continue in effect for five years unless renewed or sooner terminated in accordance with the provision hereof. FRIENDS shall have the option of renewal of this agreement, subject to approval of the City.
2. Appointment of Agent. The CITY appoints FRIENDS as exclusive agent for the management of the Freighthouse. FRIENDS accept the appointment subject to the terms and conditions set forth in this Agreement.
3. Description of Premises. The property covered by this Agreement, The Freighthouse, (hereinafter referred to as "THE PREMISES") is described as follows: The historic brick building commonly known as the Ypsilanti Freighthouse, its deck and stairs, and its raingarden. A parking area near the Freighthouse loading dock shall be publicly designated as a "Loading Zone."
4. Management Standards. The FRIENDS agree to furnish the services of its organization to exert its best efforts in management of THE PREMISES in order to

provide the CITY with reasonably frequent public use of the premises consistent with proper management, given the requirement that the facility be self-supporting, and with due regard for the safety and well being of the public.

5. FRIENDS accepts and agrees to the following responsibility, authority, and duties.

- a. To use available funds to improve the Freighthouse, subject to CITY approval.
- b. To rent THE PREMISES following published FRIENDS' standards and policies.
- c. To follow all CITY anti-discrimination ordinances, policies and rules.
- d. To comply with all city codes, including living wage and prevailing wage ordinances.
- e. To advertise THE PREMISES by use of appropriate media and otherwise.
- f. To investigate the references of all prospective renters as is necessary and reasonable to protect THE CITY and FRIENDS against loss and for protection of THE PREMISES.
- g. To determine the necessity for security deposits and collect the same.
- h. To collect all rents and charges due, and make a proper accounting for the same.
- i. To obtain and maintain proper primary liability insurance (details below), and furnish the City Clerk with copies of policies.
- j. To remain at all times during this agreement a Federal Tax Exempt Organization under the Federal Income Tax Code.
- k. To prepare and file all Internal Revenue Service returns as may be required.
- l. To apply for grant funds, in collaboration with CITY as needed, and to administer grant funds received by FRIENDS.
- m. To allow the CITY use of the premises six times per year with no rental fee, with reasonable consideration of avoidance of prime rental times, recognizing the need for the Freighthouse to be self-supporting.
- n. To safeguard the premises and restrict distribution of keys and alarm codes only to persons authorized by FRIENDS.
- o. To appoint one City representative as a Liaison to the FRIENDS board of Trustees. Said member shall be recommended by the City and approved by the FRIENDS board.

6. Operation and Maintenance. CITY gives to FRIENDS, and FRIENDS accept the following responsibilities, authority, and powers regarding THE PREMISES:

- a. Facility upkeep. Once THE PREMISES are open for business, FRIENDS will cause THE PREMISES to be maintained and repaired in accordance with sound management policies, and in a condition at all times acceptable to THE CITY, including but not limited to cleaning, painting, decorating, plumbing,

carpentry, grounds care, and other maintenance and repair work at the sole and exclusive cost of FRIENDS.

b. Financial Reports. FRIENDS shall maintain accurate, complete, and separate accounts and records in accordance with generally accepted accounting standards and principles showing all income and expenditures relating to the operation of THE PREMISES. CITY Financial Director shall be provided reports of the accounts and records on a quarterly basis.

c. Other Reports. FRIENDS shall make available to the City's Economic Development Director:

- i. Minutes of monthly meetings, on an annual basis
- ii. Facility use calendar, on an annual basis.
- iii. Grants. In a timely manner, a copy of each grant proposal that it submits, as well as the result.

d. Annual Audit. FRIENDS shall have an audit of its financial records by a Certified Public Accountant on an annual basis and provide a copy of the report to CITY.

e. Utilities. FRIENDS shall be responsible for the payment of water, gas, electricity, extermination, telephone service, and other services necessary for THE PREMISES operation.

f. Employees. FRIENDS may employ, discharge, and pay employees and contractors as necessary. FRIENDS shall be solely responsible for such employees and contractors and CITY shall have no liability therefore. FRIENDS shall indemnify and hold CITY harmless from any claims, suit, demand, or claim that may arise between FRIENDS and any such employee or contractor.

g. Bank Account. FRIENDS shall open and maintain a bank account for the deposit and expenditure of all funds and report the same to the CITY quarterly.

h. Insurance. FRIENDS shall obtain and bear the cost of all liability insurance with minimum limits of \$1,000,000, including worker's compensation, public liability, fire and extended coverage, burglary and theft, provide a copy of the policy to CITY with CITY as an additional insured. FRIENDS shall confirm relevant liability insurance coverage by all users of the Freighthouse.

i. Fidelity Bond. FRIENDS shall furnish CITY with evidence that all persons handling funds for FRIENDS are properly bonded.

j. Permits. FRIENDS shall cause its designees or contractors to obtain all required permits and other governmental permission necessary for any work or improvements on the premises. CITY shall waive permit fees.

k. SHPO requirement. FRIENDS shall follow all applicable State and Federal requirements and guidelines for historic buildings.

l. Ypsilanti Historic District Commission (HDC) FRIENDS shall secure all necessary HDC permission for any improvements or work on the premises.

7. Bankruptcy. If either CITY or FRIENDS are adjudicated as bankrupt or voluntarily file for bankruptcy, or make assignment for the benefit of creditors, either party may terminate this Agreement effective as of the date of notice of bankruptcy.

8. Termination. Either party may terminate this agreement by written notice of termination delivered to the other party at the address shown above, upon 60 days' written notice.

9. Effect of Termination.

a. FRIENDS shall return to CITY possession of THE PREMISES and all records and documents concerning THE PREMISES, together with all supplies and other property used for THE PREMISES.

b. All rights of FRIENDS, upon termination, shall immediately cease and FRIENDS shall have no further right or authority to act for CITY concerning THE PREMISES.

10. Right of First Refusal. During the term of this agreement, and any renewals, CITY shall provide FRIENDS with a right of first refusal for purchase. In the event of a signed sales agreement to sell the Freighthouse, CITY shall provide the FRIENDS a right of first refusal to match the sale terms for a period of 30 days. If the FRIENDS have not exercised the right of first refusal within the 30 days the right shall expire and be void.

11. Interpretive Provisions. This Agreement will inure to the benefit and constitute a binding obligation of the parties and their respective successors and assigns. This Agreement may not be assigned without the written consent of the CITY.

12. This Agreement constitutes the entire agreement between the CITY and FRIENDS with respect to THE PREMISES, no change will be valid unless made by supplemental written agreement executed and approved by both of the parties, and approved by the Ypsilanti City Attorney.

In the presence of:

CITY OF YPSILANTI, a Michigan
Municipal Home-rule City

BY: _____
Amanda Edmonds, Mayor

BY: _____
Frances McMullan, City Clerk

FRIENDS OF THE YPSILANTI

FREIGHTHOUSE

BY: _____

BY: _____

APPROVED AS TO FORM:

JOHN M. BARR P-10475
Ypsilanti City Attorney

Business Plan Friends of the Ypsilanti Freighthouse A 501(C) 3 Non-profit

August 2014

Prepared By: FOYF Board with
Diana Kern of NEW (Non-profit
Enterprise at Work)
dkern@new.org

Approved by FOYF Board
September 10, 2014



Table of Contents

I.	Executive Summary	Page 3
II.	Rental Model	Page 4
III.	Management Plan	Page 7
IV.	Fundraising Plan 2014-Through Opening	Page 10
V.	Annual Budget and Assumptions	Page 11
VI.	History	Page 13
VII.	Summary	Page 14

Attachment A – June 26, 2014 Memo from City of Ypsilanti

Attachment B – FOYF Strategic Plan

Attachment C – FOYF History of Fundraising



I. Executive Summary

The Freighthouse in Ypsilanti has a long and significant history in Southeast Michigan and it has played a vital role in the socioeconomic impact of the local community. Work in the community to keep the structure intact and useful has been ongoing since 1997. The Friends of the Ypsilanti Freighthouse (FOYF), an all-volunteer non-profit organization, has provided a large portion of that work. The City of Ypsilanti, other municipal and private champions, funding partners, and other organizations, both for-profit and non-profit, also have worked to ensure the historical structure is preserved for generations to come. An over-arching goal is that the historic structure becomes largely self-sustaining, and various business models have been discussed that would allow that to happen. The City of Ypsilanti owns the building and has contracted for its management with FOYF, a 501(c)3 non-profit since 2004.

So far **more than \$900,000 has been raised**, an amazing feat in the post-2008 economic downturn. As with most endeavors of this size and complexity, numerous barriers have slowed down or halted progress. These issues have been laid out in previous discussions, memorandums and Business Plans. This Business Plan revises previous plans. With support from the Ann Arbor Area Community Foundation (AAACF), Diana Kern of NEW (Non-profit Enterprise at Work) was asked to help FOYF regain traction by working with the FOYF Board on its own capacity building needs and to complete updated Business and Strategic Plans. FOYF Board members have put in many hours in the last six months to complete this task.

Issues that have contributed to the delay include:

- Changing personnel - the City of Ypsilanti, DDA, FOYF Board
- There are no paid staff designated to driving the effort or the fundraising
- Unforeseen structural problems meant the original Condition Assessment Report prepared by the Smith Group, LLC in July 2006 for \$30,000 plus architectural and engineering drawings of at least another \$100,000, were insufficient to complete all renovations that are necessary to re-open the building.
- The closure of the building decreased knowledge and appreciation for the value of the facility as a community centerpiece in Ypsilanti.
- Volunteer and Donor fatigue

Current Situation

The building does not now have a Certificate of Occupancy. FOYF had a five-year management agreement that originally expired in September of 2013. This agreement was extended until March 31, 2014. Diana Kern of NEW was contracted by AAACF for FOYF in February 2014 to help the FOYF Board focus on its own capacity, the production of a strategic plan and to help complete an updated Business Plan. Changes have been made to both of these documents to reflect the current business and fiscal climate in the region.

It is the belief of the FOYF Board that this community effort can be accomplished if the parties involved come together to complete this revised, realistic plan. Further,

FOYF recognizes the need to expand and develop its Board of Trustees and to establish strong governance policies. With recently provided additional support from AAACF for board capacity building all of these goals can be accomplished. In fact, two new Trustees joined the Board in July 2014.

On June 26, 2014 the City provided FOYF with a non-binding approval on a case-by-case "use of the facility" extension (Attachment A). The City of Ypsilanti will evaluate next steps after review of this Business Plan and FOYF's Strategic Plan (Attachment B).

FOYF has a current financial obligation in the form of a \$92,858.60 debt to the City of Ypsilanti for some uncovered costs related to the previously completed structural repairs.

Goals

This document and the accompanying Strategic Plan lay out FOYF's action steps to complete the following goals:

- 1) Secure \$300,000 for the final renovations and assist the City with the final construction leading to a Certificate of Occupancy (see revenue described in Fundraising Plan, Section IV).
- 2) Raise another \$100,000 in unrestricted funding to support the first year of operations, including hiring a full-time Manager for the Freighthouse operations, recognizing that some time to develop the rental business will be necessary.
- 3) Launch a realistic social enterprise/non-profit model to make the Freighthouse a self-sustaining and vital part of the community that can be managed by a non-profit for years to come, with its first operating budget for fiscal year July 1, 2015 through June 30, 2016;
- 4) Continue to demonstrate through its actions and collaborative support during the completion of the renovations and construction, its ability to execute a new Management Agreement (via an MOU) with the City of Ypsilanti.
- 5) Open the Freighthouse, after meeting the Michigan Building Code's assembly class and all local fire and building codes by July 2015.

II. Rental Model

When FOYF negotiates a new Freighthouse management agreement with the City of Ypsilanti, the intention is to have 84% of the annual revenue provided by a social enterprise/non-profit business model; the remainder would be raised through other activities. A **social enterprise /non-profit** is an organization that applies commercial strategies to maximize improvements in human and environmental well-being, rather than maximizing profits for external shareholders. This model is a good fit for an historic structure that is owned by the City and overseen by a non-profit Board whose goal is to make the enduring

facility available for community use as well as paying customers, be they individuals, organizations or for-profit entities.

The Freighthouse is comprised of four distinct areas, which may be used jointly or separately: the Great Hall, _____ square foot rectangular room with several large doors on each side, through which freight was transported for many years; the Café area, _____ square foot space, which includes a small minimal-facility kitchen; the Plaza outside, suitable for the Farmers' Market and other such activities; and lastly the deck that wraps around much of the building.

A chart with specific figures may be found in the Management Plan section.

Great Hall

The Freighthouse **rental use** program will make the Great Hall available to individuals, businesses, non-profits and municipalities seeking this type of unique, rustic space for private events, weddings, parties, meetings and conferences. With square footage advantages over other municipally-owned structures like Cobblestone Farm, or privately owned facilities like Weller's in Saline, the Freighthouse's final renovation designs will include suitable space rental facilities that include basic catering needs (sink and some preparation space in the area known as the Café) and lighting that both inspire and attract rental of the Freighthouse. FOYF will work with the City of Ypsilanti and the Michigan State Historic Preservation Office (SHPO) on final renovation features that will meet their requirements and stay within approved plans and budgets.

Occupancy of the Great Hall will range from 322 persons, with a full complement of tables and chairs, to 900 persons for standing room only.

As we write this plan the Board of Trustees is also begun working to complete a final rental agreement and policies package based on research of other rental operations. In interviews conducted with Cobblestone Farm management and other operators of rental hall space, we learned that professionally run and managed private event rental space is in significant demand. Cobblestone Farm has a waiting list of more than one year and indicated additional rental space in Washtenaw County would be welcomed from their perspective.

Finishing Touches to Flooring

Prior to the City of Ypsilanti releasing the RPF for completion of construction FOYF will meet with SHPO and others as needed to ensure the surface of the floor is adequate to accommodate rental use in the Great Hall, while meeting acceptable standards of SHPO.

Café, Deck, and Plaza

In addition to rental of the Great Hall, the FOYF Board proposes **other rental uses** for the Café, Deck, and Plaza areas of the Freighthouse. These uses will depend on negotiated Memoranda of Understanding and/or leases with third parties. These

options will be pursued more heavily once the structure is scheduled for opening or may occur in tandem.

The Freighthouse Café, the smaller yet separate space in the south end of the building, originally functioned as the Michigan Central Railroad Freight Office. For many years following the City's acquisition of the building from the railroad, this space served as a café, community meeting place for small gatherings and as a Saturday morning coffee shop and place to linger during Farmers' Market days. It was often used as an adjunct to the Great Hall for events, such as concerts, weddings and other large affairs. This space could provide an ideal location for a temporary café, mixed-use café/gallery, smaller scale meetings, receptions, and temporary markets. It is conceivable that a temporary café or market may function in this space while a performance use occurs in the Main Hall, collaboratively adding to the success of both tenants. It is expected this space would rent on a per-use basis, with rates varying on the purpose and length of use, with a lower rate for community meeting type use, and a higher rate for longer blocks of time and for-profit tenants

Availability of this smaller space will be advertised on the FOYF website, and through other advertising mechanisms, in the same manner as the Main Hall. It will be important to inform tenants of both the smaller space and the Main Hall if the other space is simultaneously rented, as there may be logistical challenges to simultaneous use.

If, however, the management agreement for the Freighthouse is renewed with the City of Ypsilanti, and because the FOYF Board will be accountable for the success of the non-profit, the Board reserves the right and the fiscal autonomy to select and work with the tenants it deems most suitable for the Café and Plaza locations at the Freighthouse.

The Washtenaw County Health Department has been consulted regarding food storage, preparation, service, and clean-up; and all safety codes and licensing requirements will be observed. Compliance with all building code provisions will be coordinated with the Ypsilanti Fire Department and with the Ypsilanti Building Department as renovations are completed. As a result, despite the current lack of water and HVAC, an occupancy rating of 50 persons for the Café area has been granted by the City on a case-by-case basis, each requiring explicit prior approval.

Other Anticipated Use of the Freighthouse – the possible future SEMCOG Commuter Rail Stop

If the railway commuter stop is established at or near the Freighthouse in the future, the FOYF Board will work with municipal partners, including the Ypsilanti Convention and Visitor's Bureau, to support activities to further tourism and transportation interests in Depot Town. This would include coordination of the use of the loading dock, the restrooms, and retail and exhibit space, and all rental contracts from that point on will allow for access by rail passengers to the Freighthouse restrooms. The FOYF Board will be open to revising this Business Plan to accommodate necessary changes if and when the passenger

trains stop at or near the Freighthouse. The FOYF Board will revise the planned use of the Café area as well at that point. The Board members acknowledge and welcome the additional benefits to the area of the potential passenger service.

Plaza - Farmer's Market – Artisan Market – Pop Up Markets

The Freighthouse has historically been home to the Ypsilanti Farmers Market. The current management team for the Ypsilanti Farmers Market has not decided if they wish to continue to hold the market at the Freighthouse location. Future memoranda of understanding for a farmers market or other options will be negotiated with FOYF. Because rental of the Great Hall is the primary business model, FOYF would not want to compromise key rental windows of time, but the Board consensus is that they welcome a continued relationship and presence of a community farmers market. FOYF has also considered a Pop-Up Market or Artisan Market, in addition to the farmers' market, during the week or in early evenings seasonally. This effort is not seen as much as a revenue-producing venture but more of a community building effort and a way to draw customers to the Depot Town area in general.

The Deck has already been used as a site for a Jazz Band and Happy Hour during the Heritage Festival, and the FOYF Board envisions other sorts of uses may be proposed that would make use of the space in a similar way.

Other Fundraising Avenues

Museum Exhibit – Donations & Merchandise Sales - \$1,000

The FOYF will embrace the historical significance of the structure and the critical role that history has played in the community by using the walls to display museum-quality relics, photos and memorabilia. Informational and historic literature related to Michigan railroads (Michigan Central, Penn Central and New York Central), Ypsilanti, and other topics will allow visitors to learn while enjoying the space, no matter the reason that brought them to the Freighthouse. Potentially, historic photographs and posters suitable for framing, greeting cards, postal cards and other merchandise could be sold from the café as part of the MOU with a vendor, with proceeds going to general operating funds for the Freighthouse.

III. Management Plan

This model of running a rental business at the Freighthouse will fulfill a community need, bringing thousands of people to Depot Town annually. Running a rental business is much more likely to succeed with a hired expert in charge of the business. This means that FOYF expects to hire a Manager of the Freighthouse who has sufficient skills to meet the annual budget and run a successful rental business. Other rental operations have paid staff, with standard operating procedures to ensure the business is successful and that customers are satisfied with their experience. To understand the model, FOYF spoke with individuals that run and manage Cobblestone Farm in Ann Arbor, (<http://cobblestonefarm.org/>), as

well as other rental businesses and caterers. Our preliminary business assumptions are based on their models and the needs assessed in the community.

Cobblestone Farm has a waiting list of more than a year and does essentially no marketing. Their success comes from having a professional approach to the rental of the barn structure, which now holds more than 50 events a year, including weddings, receptions, birthdays and retirement celebrations, as well as rentals to businesses by the day for retreats and conferences.

The City of Ypsilanti has suggested it may provide office space for a Freighthouse Manager at the City offices. The Manager would run the rental business for the Freighthouse and manage all other day-to-day needs of the facility as a non-profit business. The Manager would also manage the volunteer workers and support the Board of Trustees, working with the Board and consultants on fundraising and grant writing. FOYF would agree, as part of its on-going, renewable, Management Agreement with the City, to cover the total compensation package for all staff annually. This Business Plan assumes the Freighthouse Manager will have office space within the City of Ypsilanti's offices, although a rental fee for the space may be charged.

The following revenue assumptions are provided. This is considered to be "conservative".

CHART ONE

Annual Revenue	Assumptions	Income
Great Hall Rental (usually will include Café area and Deck)		
1. Rental – Weddings & Large Private Parties	30 a year @ \$2,000 {full day rental blocks}	\$60,000
2. Holiday Rentals	4 a year - \$2,400 {based on Cobblestone Farm experience}	\$9,600
3. Mid-Week Use by For-Profit Business - meetings, conferences, etc.	20 a year @\$400 - \$1,000 {4-8 hour rental blocks}	\$8,000 - \$20,000
4. Non-profits, Clubs, Community Groups, EMU, Municipal use – events, meetings, etc.	20 a year @\$200 {4 hour rental blocks}	\$4,000
5. Misc. Use – Including Craft Shows, Color Run, concerts, etc.	10 @ \$500 - \$1,000 per event	\$5,000 - 10,000
Great Hall Subtotal (minimum)		\$86,600

Café, Deck, or Plaza Rental		
1. Rental – small Private Parties	30 a year @ \$200 {full day rental blocks}	\$6,000
2. Holiday Rentals	4 a year - \$300 {based on Cobblestone Farm experience}	\$1,200
3. For-Profit Business Use – meetings, conferences	20 a year @\$100 {5 hour rental blocks}	\$2,000
4. Non-profits, Clubs, Community Groups, EMU, Municipal use – events, meetings, etc.	30 a year @\$25 {4 hour rental blocks –	\$750
5. Misc. Public Use – Including Craft Shows, concerts, etc.	30 @ \$50 -\$500 per event	\$1,500-\$15,000
Café & Plaza subtotal		\$11,450
Grand Total for Revenue		\$98,050

Non-Revenue Rentals & Restricted Dates

The FOYF Board of Trustees will write and adopt a policy to **not rent** the Freighthouse to private events (e.g., items 1-3 in each section above) during the weekends of large community events such as Heritage Festival, Beer Fest, Elvis Fest and Color Run. The Freighthouse space instead will be available as part of the community activities, possibly at the Non-profit or Miscellaneous Use rates above. Rent will be charged to at least cover expenses that would be incurred.

The City of Ypsilanti will be able to use the Freighthouse at no charge for ten functions per year, and this will be incorporated into the Management Agreement. Since the City of Ypsilanti benefits if FOYF has a strong rental business and steady income it is assumed that the City will not request the space during prime rental times such as weekends.

Additionally, FOYF will plan two calendar years ahead for non-rental days to avoid concerns both for community event parking and for FOYF customers that might be concerned about a private function during a large event.

The FOYF Board will avoid all conflicts of interest and will establish policies that ensure no board member or volunteer associated with the Freighthouse will receive preferential access or discounts to rentals. The Board will review rental rates annually to continue to meet the needs of the community and the expenses associated with operating the facility.

IV. Fundraising Plan 2014 Through Opening

As noted, more than \$900,000 (Attachment C, FOYF History of Fundraising) has already been raised and invested in the restoration of the Freighthouse. The remaining goal is to raise \$300,000 to complete the necessary construction and renovation required to obtain a Certificate of Occupancy, plus \$100,000 for the first 18 months' expenses related to purchasing the equipment for the rental business and hiring the staff to manage its operation. This \$400,000 combined goal is broken down as follows:

City of Ypsilanti - \$220,000

The City of Ypsilanti has indicated they will allocate \$220,000 to the construction effort and will lead the RFP process to complete the repairs, restoration and mechanical and safety needs as approved by SHPO and based on the existing Quinn Evans architectural plans.

Grants - \$100,000

FOYF retained a grant writer in June 2014 who is currently researching high-probability grants submissions. Both the Board and the City of Ypsilanti are working with Scott Rosencrans of *Grants Resource* to submit letters of inquiry and grants for FOYF. His short-term contract is specifically to find funding support for the final construction costs and possibly for unrestricted operating funds.

At this time three leads are being pursued for possible grant support including the Surdna Foundation, the Jeffris Foundation, and a possible "crowd funding" grant from the Michigan Economic Development Corporation (MEDC). Mr. Rosencrans is working as the lead on this, with direct communication with Teresa Gillotti, Ypsilanti City Planner, and Corinne Sikorski, Board Chair for FOYF.

In early August Corinne Sikorski and Lauren Thomson of the FOYF Board, Teresa Gillotti, and Scott Rosecrans, met with Marilyn Crowley, Community Assistance Team Specialist for MEDC, at the Freighthouse to discuss the crowd funding opportunity and other possible support.

Eastern Leaders Group (ELG) - \$25,000

The FOYF Board of Trustees has secured a matching gift of \$25,000 from the Eastern Leaders Group. While this match was originally pledged to an unsuccessful FOYF SHPO proposal, ELG has agreed to transfer this match to the City's commitment.

Other Board Fundraising - \$15,000

Between August 2014 and July 2015, FOYF will commit to raising another \$15,000 for construction/grand opening needs through Board giving, annual appeals, crowd funding, the website, events and donor asks.

AAACF - \$10,000

A recent "crowd funding" effort sponsored by the Ann Arbor Area Community Foundation (AAACF) was a success for FOYF, and brought in \$20,884.77. Some

this money is being used for grant proposal development but the Board has voted to allocate \$10,000 toward construction costs.

Naming Rights and Brick Sales – Freighthouse - \$200,000 Potential

The FOYF Board approved a plan to secure support for the unrestricted operating needs and to build a board designated maintenance reserve by seeking sponsorships to name various parts of the Freighthouse. This effort requires approval by the City, and is now under consideration by City staff.

Naming Rights and Brick Sales	Gift Level
The Great Hall or the individual doors	\$75,000
The North Loading Deck	\$75,000
The Rain Garden	\$25,000
Antique Floor Scale	\$5,000
Visitor Benches (10)	\$5,000
Brick Sales {based on \$150, \$500 and \$1,000 bricks}	\$15,000
POTENTIAL TOTAL	\$200,000

Fundraising Summary August 2014 – July 2015

Source	Goal - Amount
City of Ypsilanti	\$220,000
Grants	\$100,000
Eastern Leaders Group	\$25,000
FOYF	\$15,000
AAACF	\$10,000
Naming Rights and Bricks	\$50,000 minimum
Funding Plan	\$420,000
Amount Needed to Open (\$300,000 + \$100,000)	\$400,000
Positive Variance	\$20,000

V. Annual Budget & Assumptions

The following spreadsheet provides FOYF's best projections for the first full year of operations. Unknowns include the cost of utilities for the structure since no full-time business has taken place previously under the current configuration. As with all first-year budgets, assumptions will eventually be replaced by true expenses.

Annual Revenue Projections for First Full Year of Operations

The FOYF Board believes it will receive approximately \$100,000 annually from rental operations, plus another \$30,000 from fundraising events, grant proposals, and donations. These are felt to be conservative numbers.

Expense Projections for First Full Year of Operations

The chart below includes assumptions that must be confirmed:

1. City of Ypsilanti will provide office space for the Manager of The Freighthouse
2. City of Ypsilanti will employ the Freighthouse staff, with FOYF covering the true costs of the staff via payments to the City of Ypsilanti per an MOU.

Projected Annual Budget for FOYF

Revenue	Amount	Notes
Earned Income	\$98,050	See Chart One
Contributed Income	\$30,000	• Annual Appeal - \$5,000 • Fundraising Events (2) - net \$10,000 • Board Giving - \$5,000 • Grants - \$10,000 • Brick Sales
Total Revenue	\$128,050	
Expenses		
Staff	\$55,000	• Full-time Freighthouse Manager • Part-time facilities support • Maintenance
Contracted Services	\$28,000	• Janitorial • Accounting Support – Bookkeeping - contracted • Alarm Company • Snow & Lawn Service • Rubbish • Insurance, bank fees
Utilities	\$12,000	• Water/Sewer • Electrical • Gas • Phones
Marketing, Website, Branding	\$1,500	• Host website services • Brochures • Advertising • Google AdWords
Maintenance, Building Upkeep	\$15,000	• Ongoing maintenance – light bulbs, supplies, etc.
Event Expenses	\$2,500	• Food • Advertising • Donor supported activities
Programming Costs	\$2,500	• Educational and Historical programming needs – printing, exhibits, etc.
Total Expenses	\$116,500	
Net Income	\$11,550	• Repay Debt, Potential Board Designated Reserve Allocation or Start Endowment

VI. History

The path to opening The Ypsilanti Freighthouse has been long, but FOYF is an all-volunteer non-profit. Each member of the board holds a full-time job outside of the efforts provided to FOYF. It is not uncommon for an all-volunteer effort to take multiple years to reach success. Despite the barriers of a sluggish economy and the all-volunteer effort, a number of issues have been addressed, resulting in the structural integrity the Freighthouse demonstrates today. Additionally, as noted in the Executive Summary, more than \$900,000 has already been raised and invested in the building.

Highlights include:

Projects

- FOYF completed a storm water-management project to control rainwater runoff from The Freighthouse roof, re-directing water away from the building and into an on-site basin. This project was funded with a \$60,000 60:40 matching State Historic Preservation Office (SHPO) grant.
- Volunteers planted the basin, turning it into an attractive rain garden. The garden was designed by Greg Marker an engineer who volunteered his expertise. Additional funding support came from a small grant and money raised by FOYF.
- A detailed GPS site survey and soil borings were made prior to engineering construction and a new site map with parking and utility aspects was prepared.
- During Phase I of construction, the Freighthouse walls were stabilized with welded steel “strongback” columns embedded into concrete footings at every pilaster, then tied into the trusses at the top.
- The foundation stone along the west side and all exterior and interior walls were ground, tuck-pointed, cleaned and sealed.
- The crawl space was cleaned and leveled and a vapor barrier installed.
- The asphalt-shingle roof was stripped, the joists and overhangs extensively repaired, a new solid-membrane insulation applied overall, and a handsome standing-seam steel roof was installed.
- Also during Phase II of construction, the original west loading dock was replaced and a new railing added, thereby extending the north deck along the west by ten feet. New stairs with metal handrails are included in the design and will be added.
- A new ADA-compliant ramp at the north end was built to connect the Freighthouse to the proposed SEMCOG commuter rail platform.
- The area below the new west deck was finished with curbing and stone in-fill.

Fundraising

- The Ann Arbor Area Ypsilanti Community Foundation (AAACF) awarded FOYF a \$103,300.00 Pfizer-funded grant to create the necessary engineering and architectural work for The Freighthouse restoration. The JDI Group, LLC, of Hudson, Ohio, was awarded the bid for this work.
- FOYF and the City of Ypsilanti were awarded a \$500,000 Federal Stimulus ARRA Grant administered by Michigan Department of Transportation (MDOT). Envision Builders of Novi, Michigan, was awarded the bid for the construction.

- An auction gala, organized by FOYF volunteers, resulted in proceeds of \$45,000, \$25,000 of which were matched by a \$25,000 grant from the AAACF.
- The Washtenaw Federal Credit Union has provided FOYF with a \$10,000 advance on a five-year contract for an ATM in the Freighthouse Café.
- FOYF received its first corporate grant when the Masco Foundation committed \$15,000 cash and \$5,000 of donated fixtures and supplies for plumbing, paint, and other finishes.

VII. Summary

The FOYF Board believes this Business Plan and the accompanying strategic plan provide evidence of its commitment to see the Freighthouse become and remain a sustainable historic and vital community treasure. It is the desire of the current Board of Trustees, to execute these steps in conjunction with the City of Ypsilanti and in harmony with other community and municipal groups. While details remain to be worked through, the reality of opening the Freighthouse for full community benefit is closer than ever.

Attachment A – June 26, 2014 Memo from City of Ypsilanti

Attachment B – Strategic Plan

Attachment C – History of Fundraising FOYF – CONFIDENTIAL



REQUEST FOR LEGISLATION

October 1, 2015

TO: Mayor and Council

FROM: Stan Kirton, Director of Public Services

SUBJECT: Purchase of One (1) 2015 Wacker Neuson WL32 HF (High Flow) Wheel Loader

The 2015-2016 fiscal year budget includes funds of \$67,500 to purchase a tractor. This tractor will be used by the Street and Parks Divisions for winter maintenance of public sidewalks and crosswalks during the winter season. With the High Flow Option, this tractor/loader has the capability to operate all Bob Cat attachments and will be used year-round for many functions. This tractor will also serve as back-up for our front loader and has the capacity to load salt into our plow trucks if needed.

This Wheel Loader will replace two pieces of equipment; vehicle #441, a 2009 John Deere with 583 hours (no odometer) and Vehicle #439, a 2001 New Holland Tractor Loader. Although, I am recommending that we keep the John Deere in the fleet for light snow winter maintenance on sidewalks.

The Department of Public Services has received a purchase proposal of \$64,000.00, State approved net pricing through Co Pro Plus, a shared services procurement consortium, from Fredrickson Supply, 3705 Linden Avenue, Wyoming, MI 49548 for a 2015 Wacker Neuson WL32 HF Wheel Loader.

ATTACHMENTS: Resolution, Fredrickson Supply Purchase Proposal/Invoice

RECOMMENDATION: APPROVAL

=====

DATE RECEIVED: October 1, 2015 AGENDA ITEM NO: _____

CITY MANAGER COMMENTS: _____

FINANCE DIRECTOR APPROVAL: _____

FOR AGENDA OF: October 6, 2015



Resolution No. 2015-226
October 6, 2015

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, a purchase proposal was received from Fredrickson Supply, Wyoming, Michigan for the purchase of a 2015 Wacker Neuson WL32 HF Wheel Loader for use in Streets and Parks Divisions for primarily for winter maintenance of public sidewalks and crosswalks for a total amount of \$64,000.00; and

WHEREAS, the Co Pro+ Consortium purchase price of \$64,000.00 is very favorable and in the best interest of the city to purchase this vehicle; and

NOW THEREFORE, BE IT RESOLVED THAT, the Ypsilanti City Council approves the purchase of one 2015 Wacker Neuson WL32 HF Wheel Loader.

FURTHER, that the \$64,000.00 to purchase this vehicle be expended from the \$67,500.00 budgeted in account 641-7-9320-987-10;

THAT the City Manager is authorized to sign the purchase proposal and any change orders, subject to approval by the City Attorney, to complete the purchase of this vehicle.

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:

3705 Linden Avenue
Wyoming, MI 49548
www.fredricksonsupply.com



Quote

Date: 9/11/2015

To: City of Ypsilanti
John Sherwood
14 West Forest
Ypsilanti, MI 48197

Ship to: SAME

Qty	Item #	Description	Price
1.00		Wacker Neuson WL32 HF wheel loader	\$64,000.00
		Perkins Final tier 4 4 cyl turbo diesel	
		Cab with Heat and A/C	
		Hyd quick coupler	
		Winter Convenience Pkg	
		Winter Tire and Wheel pkg	
		Rotating Beacon	
		26GPM Aux hyd flow	
1.00		60" Hydraulic angle straight blade	
1.00		54" Bucket with BOE	
1.00		Block Heater	
1.00		Salt Spreader with Mount	
		Bobcat to industry wire adaptor	
1.00		2 year 2000 hour warranty	
Total			\$64,000.00

Pricing includes all PDI charges, freight, and delivery to above location.

PREPARED BY:

John Maurer
810-701-7490
john@fredricksonsupply.com

APPROVED BY:



REQUEST FOR LEGISLATION
September 28, 2015

To: Mayor and Council

From: Beth Ernat, Director of Community and Economic Development

Subject: Contract for Environmental and Grant Administration services

SUMMARY & BACKGROUND: In June the City was awarded with a \$250,000 Blight Grant. The Blight Grant is let by the Michigan Land Bank. The Land Bank awarded the grants without contracts. The participating cities have to first have asbestos tests and Phase I environmental studies completed prior to awarding contracts. All environmental work is reimbursable.

In order to meet this requirement staff let a Request for Proposal for the environmental reviews, bid letting for demolition, and contract administration, which is reporting to the Land Bank once demolition has commenced. Our grant application and grant specs allow for up to 5 percent of the award amount to be used for administration.

The Request for Proposal was used to have more review with the potential candidates and the opportunity to work on a custom agreement. An important qualification for this candidate is previous work with the Michigan Land Bank and the blight fund. Four responses were received. The lowest two bidders, AKT Peerless and ECT Environmental had very similar price structures. However, AKT Peerless provided references for their work with the blight fund and their direct work with the Michigan Land Bank.

Attached to this memo is a copy of the contract that was created by Mr. Barr. City Council approval is required for this contract as it is potentially over \$25,000 due to costs for environmental sampling and involvement in selecting asbestos contractors if necessary. No City money is being spent. All funds for this contract will come from the Michigan Land Bank as reimbursement to the City. The Land Bank has approved AKT as a contractor.

RECOMMENDED ACTION: Staff recommends approval of the contract with AKT Peerless for Environmental and Grant Administration Services for the Blight Elimination Grant.

ATTACHMENTS: Contract

CITY MANAGER APPROVAL: _____ COUNCIL AGENDA DATE: _____

CITY MANAGER COMMENTS: _____

FISCAL SERVICES DIRECTOR APPROVAL: _____



Resolution No. 2015 - 227
October 6, 2015

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, The City of Ypsilanti desires to have AKT Peerless provide Environmental and Grant Administration services for the Blight Grant properties; and

WHEREAS, AKT Peerless has direct experience with the Michigan Land Bank and blight grants; and

WHEREAS, Environmental testing and reviews must be completed prior to demolition and are a qualified reimbursement expense through the Michigan Land Bank; and

WHEREAS, Blight Elimination Grant money will cover the contracted amount and no City funds will be expended.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council approves the City Manager and City Clerk to enter into a contract with AKT Peerless for Environmental and Grant Administration services for the Blight Elimination Grant.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:

ENVIRONMENTAL SERVICES AND GRANT ADMINISTRATION AGREEMENT

This AGREEMENT is made and entered into this ____ day of _____, 2015 (hereinafter the "EFFECTIVE DATE"), by and between the CITY OF YPSILANTI, a Michigan municipal home-rule corporation whose address is One South Huron Street, Ypsilanti, Michigan 48197 (hereinafter referred to as "CITY") and AKT PEERLESS ENVIRONMENTAL SERVICES, a Michigan limited liability company having an address of 214 Janes Avenue, Saginaw, Michigan 48607 (hereinafter "CONTRACTOR").

1. Statement of Purpose

The CITY was chosen to receive the 2015 Blight Elimination Grant in the amount of \$250,000 from the Michigan Land Bank. Seven residential homes and one commercial property have been identified for demolition.

On or about July 27, 2015, the CITY issued a Request for Proposals for Environmental Services and Grant Administration, attached hereto as Appendix A and incorporated herein by reference as part of this AGREEMENT (hereinafter referred to as "RFP"). In response to said RFP, CONTRACTOR timely submitted a proposal, attached hereto as Appendix B and incorporated herein by reference as a part of this AGREEMENT (hereinafter referred to as "PROPOSAL"), on or about August 6, 2015. The CITY has selected the PROPOSAL under the RFP and has discussed and negotiated the terms and conditions of this AGREEMENT with CONTRACTOR. The CITY, in reliance upon the PROPOSAL and said discussions and negotiations with CONTRACTOR, now desires to enter into this AGREEMENT and both parties agree to the terms and conditions contained herein.

2. Scope of Services.

CONTRACTOR will be responsible for environmental reviews of residential and commercial properties being evaluated for demolition as well as grant administration services to include assistance with demolition contractor selection, contractor oversight, and grant reporting. The RFP and PROPOSAL have broken down the Scope of Services under the AGREEMENT into four categories: (1) Asbestos Survey; (2) Phase 1 ESA; (3) Bid Specifications, Contractor Oversight and Coordination; and (4) Grant Administration. The parties agree to the descriptions of services for each of these categories of services as described in the RFP and PROPOSAL and CONTRACTOR agrees to perform said services consistent with the RFP, PROPOSAL, and this AGREEMENT.

3. Standard of Performance.

The CONTRACTOR 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 agree that time is of the essence in the performance of this Contract by the CONTRACTOR. The CONTRACTOR further agrees to perform this Contract in accord with all federal, state and local laws and will not discriminate against, or give preferential treatment to, 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.

4. Time to Complete.

The PROPOSAL lays out a time for CONTRACTOR to complete each of the tasks under this AGREEMENT. Specifically:

- A. The time to complete the asbestos inspections and submit reports is 20 business days from the EFFECTIVE DATE.
- B. The time to complete the Phase 1 ESA and submit the final report is 20 business days from the EFFECTIVE DATE.
- C. The time to complete and submit the draft specification package to the CITY for review and comment is 20 business days from the EFFECTIVE DATE.

The amount of time for CONTRACTOR to complete remaining tasks has not yet been determine and remains contingent in part on the results of the tasks previously mentioned herein. CONTRACTOR and CITY will agree to a timetable for the remaining tasks when this required information is known to the parties.

5. Contract Compensation.

CITY agrees to compensate CONTRACTOR for the services under this AGREEMENT as set forth in Appendix A of the PROPOSAL (Titled "Fee Schedule Detail"). CONTRACTOR understands and acknowledges that compensation under this AGREEMENT is being funded by a grant from the Michigan Land Bank, and agrees that all compensation under this AGREEMENT is contingent on approval for expenses from the Michigan Land Bank.

6. Term.

This AGREEMENT shall commence on the EFFECTIVE DATE and continue to when CONTRACTOR has completed all of the services under Paragraph 2 of this AGREEMENT.

7. Contacts and Notices.

CITER hereby designates Beth Ernat, Director of Community Economic Development, we its designated contact person under this AGREEMENT, at phone number 734-483-9646. Legal and other notices required under this AGREEMENT may be directed to the CITY at the address provided herein.

CONTRACTOR hereby designates _____, _____,
as its designated contact person under this AGREEMENT, at phone number (_____) _____-_____. Legal and other notices required under this AGREEMENT may be directed to CONTRACTOR at the address provided herein.

CITY and CONTRACTOR may designate an alternate or additional designated contact person from time to time, upon providing written notice to the other party.

8. Delegation and Assignment.

CONTRACTOR shall not delegate or assign this AGREEMENT, or any part thereof, without the prior written approval of the CITY, which shall not be unreasonably withheld. CONTRACTOR may not assign any part of this AGREEMENT via sale, merger, or acquisition of the CONTRACTOR's company without the prior written approval of the CITY, which shall not be unreasonably withheld.

9. Addendum to Agreement for Services.

Simultaneously with the execution of this AGREEMENT, CONTRACTOR agrees to execute CITY's standard Addendum Agreement for Services, attached hereto as Appendix C and incorporated herein by reference as party of this AGREEMENT.

In witness whereof, the parties hereto set there hands.

By the duly elected or appointed representatives of the **CITY OF YPSILANTI:**

Mayor, Amanda Edmonds

Date

City Clerk, Frances M. McMullan

Date

By the duly appointed representatives of **AKT PEERLESS ENVIRONMENTAL SERVICES, LLC:**

By:
Its:

Date

By:
Its:

Date

APPROVED AS TO FORM:

JOHN M. BARR P-10475
Ypsilanti City Attorney

ATTACHMENTS:

- Appendix A: CITY issued RFP
- Appendix B: CONTRACTOR submitted PROPOSAL
- Appendix C: Executed Addendum

APPENDIX A

Request for Proposals – Environmental Services and Grant Administration



PART 1: GENERAL INFORMATION AND PURPOSE

1.1 Scope of Services Being Solicited

The City of Ypsilanti (City) is issuing this Request for Proposals (RFP) in efforts to seek a qualified environmental contractor to provide environmental reviews of residential and commercial properties being evaluated for demolitions as well as grant administration services to include assistance with demolition contractor selection, contractor oversight, and grant reporting. The City was chosen to receive the 2015 Blight Elimination grant in the amount of \$250,000 from the Michigan Land Bank. Seven residential homes and one commercial property have been identified. Time is of the essence.

The selected contractor will be responsible for the following items:

- (1) Residential asbestos surveys and reports (7)
- (2) Phase I Environmental Investigation (1)
- (3) Assistance in preparing bid specs and selection of demolition contractor
- (4) Contractor oversight throughout project
- (5) Grant progress reporting to the Michigan Land Bank

The initial contract is anticipated to begin on or before September 1, 2015. Prospective contractors will complete initial environmental reviews prior to grant administration work.

The City may hold proposals for a period of 45 days from opening for the purpose of reviewing results and investigating qualifications of prospective contractors prior to making an award. The City also reserves the right to waive irregularities and accept or reject any or all proposals submitted.

1.2 Profile of Service Area

The City is a small, dense, urbanized community comprising 4.5 square miles, boasting a population of 19,435 persons and 9,271 housing units as of the 2010 U.S. Census. The City also has one of the highest density rates in Washtenaw County, averaging approximately 6.4 people per acre. Eastern Michigan University is the largest land owner in the City; as a result, a large proportion of the City's residents are comprised of university students.

The City of Ypsilanti, not unlike many other Michigan municipalities has been negatively impacted by the foreclosure crisis and has taken possession of numerous vacant buildings over the past several years. The residential portion of the demolitions is limited to 7 units within a 1-mile radius. This area has been most impacted by blight and foreclosure. The commercial structure is a long-vacant property that has been poorly maintained and is at the end of its useful life. The properties are all prime for redevelopment.

Request for Proposals – Environmental Services and Grant Administration



The commercial property is located in a historic district and has been approved by the local commission for demolition.

All demolition parcels are city-owned.

Residential Parcels for demolition:

361 First Avenue
431 First Avenue
530 First Avenue
439 Madison Blvd
888 Madison Blvd
540 Second Avenue
1040 Watling

Commercial parcel for demolition

220 N. Park Street

PART II: SUBMISSION

2.1 Issuing Office

This RFP is issued by the City. To maintain the integrity of this procurement, all correspondence or questions concerning this RFP must be submitted in writing (letter or email) to the Economic Development Office. Failure to do so may result in the disqualification of your proposal. Please address your questions to the following City representative:

Bonnie Wessler, City Planner
1 South Huron
Ypsilanti, MI 48197
wesslerb@cityofypsilanti.com

Questions will be taken until Friday 7/31/15 at 1pm. Replies will be issued by email to all prospective contractors by August 3, 2015. Oral interpretations or clarifications will be without legal effect.

Issuing Office

Department of Economic Development
City of Ypsilanti
1 S. Huron St.
Ypsilanti, MI 48197
(734) 483-9646

Request for Proposals – Environmental Services and Grant Administration



Contract Administration

Following the signing of a contract, all communication concerning the contract must be directed to:

Beth Ernat
Department of Economic Development
City of Ypsilanti
1 S. Huron St.
Ypsilanti, MI 48197
(734) 483-9646

2.2 Proposals

To be considered, prospective contractors must submit a complete response to this RFP in accordance with the submission requirements and forms. The Proposal Summary and Cost Proposal must be signed by an official authorized to bind the contractor to their provisions. The RFP response must include a statement from the contractor as to the period during which its proposal will remain in effect. This period must be at least 45 days from the due date of submission of the proposal.

Vendors must respond to this RFP using the format and forms provided in the RFP. Failure to conform to the specifications will be considered non-responsive and may result in disqualification. Any deviation from the scope of work must be noted in this proposal.

2.3 Proposal Response Date

Sealed technical and cost proposals need to be received by August 6, 2015, 2:00 p.m., Eastern Standard Time. Prospective contractors must submit three paper copies to the City Clerk's office at the following location:

City of Ypsilanti
City Clerk's Office, 1st Floor
1 South Huron Street
Ypsilanti, MI 48197

All proposals shall be clearly marked "**REQUEST FOR PROPOSALS- Environmental Services and Grant Administration**" along with the name and address of the prospective contractor.

If the proposal is sent through the mail or by other delivery system, the sealed envelope shall be enclosed in a separate mail envelope marked "**PROPOSAL DOCUMENTS ENCLOSED**" on the face. Each prospective contractor assumes all risk in using the mail or any other delivery system, including, but not limited to, the risk that its proposal will not be delivered before the submission deadline.

Request for Proposals – Environmental Services and Grant Administration



Proposals may be modified or withdrawn by an appropriate document duly executed and delivered prior to the opening of the proposals. After the proposal opening, all proposals shall remain open for 45 days.

Late submittals will not be accepted. The City reserves the right to reject any and all proposals received or waive any informality.

2.4 Incurring Costs

The City is not liable for any costs incurred by prospective contractors prior to the signing of a contract.

2.5 Contract Award

Contract negotiations will be undertaken with the prospective contractor whose proposal show them, in the subject opinion of the City, to the most qualified, responsible, and capable of implementing the project at a reasonable cost. The contract agreements entered into will be that which are most advantageous to City.

2.6 Vendor's Liability and Non-Discrimination

The selected contractor will provide and maintain public liability, property damage, motor vehicle liability and workers' compensation insurance insuring, as they may appear, the interest of all parties to any agreement that results from this RFP. The selected contractor is responsible for insuring that all precautions are exercised at all times for the protection of all persons and property. The selected contractor shall secure all necessary certificates and permits from municipal or other public authorities and comply with all national, State, and municipal laws, ordinances and regulations as may be required.

The selected contractor will be responsible for full compliance with the Living Wage Ordinance of the City and Section 2.298(8) of the City of Ypsilanti Code of Ordinances.

2.7 Disclosure

All supporting documentation shall become the property of the City unless requested otherwise at the time of submission. The Michigan Freedom of Information Act requires the disclosure, upon request, of all public records that are not exempt from disclosure under Section 13 of the Act. Therefore, confidentiality of information submitted in response to this RFP is not assured.

No proposal will be accepted from, or contract awarded to any person, firm, or corporation that is in arrears or is in default to the City upon any debt or contract, or that is in default as surety or otherwise, or failed to perform faithfully any previous contract with the City.

Request for Proposals – Environmental Services and Grant Administration



2.8 Rejection Rights

The City reserves the right to reject any or all proposals. Proposals may be rejected in the case of omission, alteration of forms, additions or conditions not call for, unauthorized alternate proposals, incomplete proposals, erasures, or irregularities of any kind.

2.9 Acceptance and Rejection of Proposals

The City reserves the right to reject any or all proposals, to waive any informality in the proposal received and to accept any proposal or part thereof, which it shall deem to be most favorable to the interests of the City.

2.10 Interpretation, Corrections and Changes

All questions and/or requests for clarification shall be in writing. Furthermore, no oral interpretation, instruction, or information concerning the RFP given by any employee or agent of the City shall be binding. The City will not be responsible for any explanation or interpretation of the RFP unless it is in accordance with the written procedure.

2.11 News Releases

News releases pertaining to this RFP or the service to which it relates will not be made without prior approval from the City and then only in coordination with the Economic Development Department and the City Manager's Office.

2.12 Hold Harmless

To the fullest extent permitted by law, the selected contractor agrees to defend, pay in behalf of, indemnify, and hold harmless the City, its elected and appointed officials, employees and volunteers, and others working in behalf of the City against any and all claims, demands, suits, or loss, including all costs connected therewith and for any damages which may be asserted, claimed, or recovered against or from the City, its elected and appointed officials, employees, volunteers, or others working in behalf of the City by reason of personal injury, including bodily injury and death and/or property damage, including loss of use thereof, which arises out of or is in any way connected or associated with this contract.

2.13 Dispute Resolution

The successful contractor must recognize that it is in the benefit of the parties that the contractual relationship exists harmoniously. To the extent it is possible, disputes arising out of the agreement are to be resolved through discussions and negotiations by the parties.

Request for Proposals – Environmental Services and Grant Administration



2.14 Insurance Requirements

The selected contractor shall not commence work under this contract until evidence of the required insurance has been procured and provided as detailed under this section. All coverages shall be placed with companies licensed and admitted to do business in the State of Michigan. All coverages shall be with insurance carries acceptable to the City. A new certificate of insurance shall be provided to the City each year at the time of policy renewal.

2.15 Miscellaneous Terms and Conditions

By submitting a bid under this Request for Proposals, the prospective contractor acknowledges and certifies that:

1. This Request for Proposals and all related documents, and all matter arising out of or relating to this Request for Proposals, are governed by, and construed in accordance with, the laws of the State of Michigan without regard to its conflict of laws provisions to the extent that those principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of Michigan.
2. Both the City and the prospective contractor irrevocably and unconditionally agrees that it will not bring any action, litigation, or proceeding against any party in any way arising from or relating to this Request for Proposals in any forum other than the courts of the State of Michigan sitting in the County of Washtenaw and any applicable Michigan appellate court. Both the City and the prospective contractor irrevocably and unconditionally submits to the exclusive jurisdiction of those courts and agree to bring any such action, litigation, or proceeding only in those courts.
3. Except in amounts less than \$20 million, the prospective contractor, its successor, its parent company, or any of its subsidiaries or subunits does not engage in the practice of committing or contributing funds or property, extending credit, or contract for goods or services to develop petroleum resources, natural gas resources, or nuclear power in Iran.

Request for Proposals – Environmental Services and Grant Administration



PART III: PROPOSAL EVALUATION TIMELINE AND SELECTION PROCESS

3.1 Estimated RFP Timeline

The following is an *estimated* timeline for reviewing proposals and selecting a contractor:

- RFP is released – July 27, 2015
- Clarifying questions are due to the City – July 31, 2015 at 1:00 p.m.
- Proposals are due – by August 6th at 2:00 p.m.
- City selects contractor – August 18, 2015
- Begin Contracted Operations – September 1, 2015

3.2 Acceptance of Proposal Content

The contents of the proposal of the selected contractor will become contractual obligations with the proposals attached by reference to the final contract documents. Failure of the selected contractor to accept these obligations may result in the cancellation of the award.

3.3 Interviews/Oral Presentation

One or more oral presentations to the City may be required prior to award of this contract. Selected contractors will be notified in writing if oral presentations are to be scheduled.

3.4 Exclusionary Criteria and Proposal Elimination

Submitted proposals will be subjected to the following listed exclusionary criteria. Those proposals failing to meet any or all of these criteria will be excluded from further consideration.

- Submitted after deadline for proposals
- Did not provide all required information or required number of copies
- No signature on binding cover letter

3.5 Evaluation Criteria and Contractor Selection

Proposals not excluded will then receive a separate and more comprehensive evaluation of their complete Technical and Cost proposal. The City has a strong interest in selecting a contractor that not only presents a cost effective proposal, but one that demonstrates high quality and ability to meet deadlines. The criteria described below will inform the evaluation and scoring process. The criteria to be considered include:

- Experience/Strength of Operations
- Cost Effectiveness of Financial Proposal
- Ability to meet and exceed deadlines for work performed
- Experience working with Michigan Land Bank Authority

Request for Proposals – Environmental Services and Grant Administration



3.6 Rejection of Proposals

The City reserves the right to reject any and all proposals and to waive any defect which does not materially alter the specifications or the services to be provided. The City does not intend to necessarily award a contract solely on the basis of any response made to this request or on the basis of the evaluation and ranking of proposals submitted pursuant to this request.

Request for Proposals – Environmental Services and Grant Administration



PART IV: SUBMISSION REQUIREMENTS

Prospective contractors will submit a proposal package consisting of four sections. The four sections are:

- Section 1: Proposal Summary and Cost
- Section 2: Environmental
- Section 3: Grant Administration
- Section 4: Work Plan, Costs, and Timeline

4.1 Proposal Summary Explanation

The Proposal Summary section is intended to serve as the document which proposal evaluators can use to quickly understand technical, business, and cost aspects of the proposal. The items listed in the following subsections are required elements of the Proposal Summary.

- **Proposal Authorization Signature:** The Transmittal/Certification letter must be signed by an officer of the proposing organization empowered to sign a document that commits the prospective contractor to the obligations in the proposal (Attachment A).
- **Introduction to Proposal:** Proposers should provide an overview of their proposal, including a brief summary of the company, their services, corporate ownership, resources, track record, and ability to meet the needs of the City as expressed in this RFP. Include a directory of executive and professional personnel by skill and qualification that will be employed in the work. Include a list of specific experience in the project areas. Indicated proven ability.

4.2 Environmental

The City is seeking the services of an Environmental contractor to meet the requirements of the Michigan Land Bank to proceed with the demolition of seven residential structures and one commercial. Preference will be given to contractors who can complete environmental reviews in 90 days or less.

Asbestos Survey and Report: Individual asbestos surveys for the seven above named residential parcels. Each survey shall be prepared in report form to be submitted to the City and made available to the Michigan Land Bank and the selected demolition contractor. Surveys should identify the location of any asbestos, condition, quantity, and other data needed for the purposes of demolition. All properties are owned by the City and are vacant. Entry rights will be provided upon request.

Phase I Environmental Review: A Phase I Environmental Review is required for the demolition of the one identified commercial property. The subject property consists of two buildings and baseball dugouts. The property is located within the local historic district and has been approved for demolition. The Phase I study should address any and all environmental

Request for Proposals – Environmental Services and Grant Administration



conditions that would impact demolition. The intent is to demolish the buildings and dugouts and market the parcel for residential development. The City has many of the property records and will provide as much information as possible. All property attributes should be considered for the Phase I. No Baseline Environmental Assessment is required as no sale of property has occurred. Entry rights will be provided upon request.

4.3 Grant Administration

The City is a recipient of the Blight Elimination Grant from the Michigan Land Bank in the amount of \$250,000. All environmental work will be reimbursed to the City from the grant, however, the City is only allowed up to 5 percent in administration costs.

Bid Documents: The City seeks consultation services for the creation of bid documents for the purposes of soliciting demolition contractor(s). The City is seeking to hire a highly qualified contractor to demolish the buildings and restore the lots to a buildable condition.

Contractor Oversight and Coordination: Assistance in monitoring selected demolition contractor(s) and sub-contractors performing work on behalf of the City. Prevailing wages are not required to be reported for this project. Soil Erosion permits and utility disconnects will be required of the demolition contractor

Grant Reporting: The City is also seeking assistance with grant reporting to the Michigan Land bank for the purposes of drawing funds and reimbursement of costs. Preference will be given to contractors with experience reporting to the Michigan Land Bank.

4.4 Work Plan, Costs and Timeline

Workplan: A detailed work plan is to be presented which lists all tasks determined to be necessary to accomplish the work of this project. The work plan shall define resources required for each task (title and person hours).

Timeline: Include a time line schedule depicting the sequence and duration of tasks showing how the work will be organized and executed.

Costs: Fee quotations are to include the names, titles, hourly rates, overhead factors, and any other details by which the project elements and overall elements have been derived. Fee elements should relate in detail to each element of the proposed project, including suggested improvements or contingencies. Detail needs to be provided for each task.

Request for Proposals – Environmental Services and Grant Administration



Submission Forms

5.1 Attachment A: Transmittal/Certification Letter

1. Company Name of Contractor:
2. Address:
3. City/State/Zip:
4. Phone:
5. Fax:
6. Email:

As the authorized representative of the contractor named above, I hereby declare familiarity with the location and the proposed scope of services and conditions under which it must be performed, that these specifications have been carefully examined and are understood and accepted as adequate for the purpose, and that I agree to contract with the City of Ypsilanti to perform all specified tasks and agree to furnish all labor, materials, tools, equipment, utilities, transportation and supervision necessary to perform and complete the task in a satisfactory manner unless specified otherwise in the Request for Proposal, if I am chosen as the selected contractor. I understand that the contents of this technical and cost proposal will become contractual obligations if the City of Ypsilanti selects this as the winning bid. I also understand that failure to accept these obligations may result in the cancellation of the award.

Signature: _____

Name (Printed): _____

Date: _____

Request for Proposals – Environmental Services and Grant Administration



5.2 Attachment B: Living Wage Compliance

LIVING WAGE ORDINANCE COMPLIANCE REPORT

The City of Ypsilanti has adopted Ordinance 892, which requires any person(s) receiving financial benefit from the City of Ypsilanti to pay their employees a living wage. Financial benefit shall mean (1) any contract to primarily furnish services in the amount of \$10,000, or more, in any 12 month period, or (2) the receipt of grant money, financial assistance, or a tax abatement in the amount of \$10,000, or more, in any 12 month period. Financial benefit does not include maintenance services purchased at the time of the purchase of equipment.

Every person that receives a financial benefit from or through the City of Ypsilanti shall pay a living wage to all persons who work on the contract or who work in (or whose base of employment is in) the workplace or location that receives the grant money, tax abatement, or financial assistance. Living Wage is defined as wages of \$14.07 per hour when health care is not provided, and \$12.00 per hour when health care is provided.*

APPENDIX B



REQUEST FOR PROPOSALS-
Environmental Services and Grant Administration

Residential and Commercial Properties
City of Ypsilanti, Michigan

Due Date: August 6, 2015

For

Department of Economic Development

City of Ypsilanti
City Clerk's Office, 1st Floor
1 South Huron Street
Ypsilanti, Michigan 48197

AKT PEERLESS PROPOSAL NO. PF-17935
August 6, 2015

TABLE OF CONTENTS

SECTION		PAGE
1.0	PROPOSAL AND COST SUMMARY	1
1.1	ENVIRONMENTAL	1
1.2	GRANT ADMINISTRATION	2
2.0	WORK PLANS, TIMELINES AND BILLING RATES	3
2.1	WORK PLAN – ASBESTOS SURVEY SCOPE, TIMELINE AND BILLING RATES.....	3
2.2	WORK PLAN –PHASE 1 ESA SCOPE, TIMELINE AND BILLING RATES	4
2.3	WORK PLAN - BID SPECIFICATIONS, CONTRACTOR OVERSIGHT AND COORDINATION SCOPE, TIMELINE AND BILLING RATES	6
2.4	WORK PLAN – GRANT ADMINISTRATION SCOPE, TIMELINE AND COST FACTORS	8
3.0	PROJECT TEAM.....	9
3.1	KEY STAFF	9
3.2	DEMONSTRATED CAPACITY TO IMPLEMENT THE SCOPE OF SERVICES	10
3.3	LABORATORY TESTING	10
4.0	UNDERSTANDING PROJECT AND TASKS	11
4.1	EXPERIENCE	11
4.2	EXPERIENCE WITH HUD FUNDED PROGRAMS.....	11
4.3	PROJECT NARRATIVES/REFERENCES	12
4.4	PROJECT REFERENCES.....	13
5.0	CERTIFICATE OF INSURANCE.....	14
6.0	FEE SCHEDULE.....	14
7.0	SIGNATURES.....	14
 APPENDICES		
Appendix A	Fee Schedule Detail	

1.0 Proposal and Cost Summary

1.1 Environmental

AKT Peerless Environmental Services, LLC (AKT Peerless) appreciates the opportunity to submit a proposal for environmental services and grant administration. This package is submitted in response to the **"REQUEST FOR PROPOSALS – Environmental Services and Grant Administration"** (RFP).

AKT Peerless understands that the purpose of this RFP is to secure the services of a professional service consultant to perform the following items:

Task 1:

Pre-demolition NESHAP asbestos identification inspections of seven (7) residential structures and prepare reports. Structure addresses include 361, 431 and 530 First Avenue, 439 and 888 Madison Blvd, 540 Second Avenue and ~~1040~~ Watling Street.

1042

Cost Summary:

- Lump sum \$480 per residential structure up to 2,000 square feet plus samples
- Lump sum \$640 per residential structure >2,000 square feet plus samples
- \$20 per bulk asbestos sample (includes labor to collect, processing to lab, and PLM lab analysis for first layer.)
- \$2.30 each additional layer
- \$11.50 for point counting (point counts will be performed on any PLM analysis with a result of less than 5% asbestos)

Task 2:

Pre-demolition NESHAP asbestos identification inspection and prepare a report for one commercial structure at 220 N. Park Street.

Cost Summary:

- Lump sum \$1,100 per commercial structure up to 15,000 square feet plus samples
- Lump sum \$1,600 per commercial structure >15,000 to 30,000 square feet plus samples
- Lump sum \$2,300 per commercial structure >30,000 to 60,000 square feet plus samples
- >60,000 square feet will be priced on a per-structure basis
- \$20 per bulk asbestos sample (includes labor to collect, processing to lab, and PLM lab analysis for first layer.)
- \$2.30 each additional layer
- \$11.50 for point counting (point counts will be performed on any PLM analysis with a result of less than 5% asbestos)

Task 3:

Phase 1 ESA of the commercial property and prepare report for 220 N. Park Street.

Cost Summary:

Phase 1 ESA is lump sum \$1,900.

Task 4:

Assist with bid specification development and selection of demolition contractor.

Cost Summary:

Lump sum \$9,500

Task 5:

Contractor and subcontractor oversight throughout project. Includes review of MIOSHA/MDEQ Notice of Intent submittal, onsite air monitoring, visual inspection and final air clearance associated with asbestos abatement, and final site review after demolition, backfill and grading.

Cost Summary:

Per residential property for abatement monitoring and oversight and includes review of MIOSHA/MDEQ Notice of Intent submittal, travel, sampling equipment, supplies, visual inspection, final air clearance and report - \$550 per 8-hour day and \$12 per air sample.

Per residential property for a final site review confirmation site inspection after demolition, backfill and grading, includes travel expenses – \$240 per confirmation inspection.

Per commercial property for abatement monitoring and oversight and includes review of MIOSHA/MDEQ Notice of Intent submittal, travel, sampling equipment, onsite air monitoring, visual inspection, final air clearance and report - \$550 per 8-hour day and \$12 per air sample.

Per commercial property for a final site review confirmation site visit after demolition, backfill and grading, includes travel expenses - \$320 per confirmation inspection.

These same rates apply to monitoring associated with an 'Ordered Demolition' where regulated asbestos has not been removed from a structure prior to demolition.

1.2 Grant Administration

Task 1:

Assist the City of Ypsilanti to prepare quarterly reports. In accordance with reporting requirements, reports may include, but not be limited to, the following:

- Status of Activities During Reporting Period
- Problems Encountered/Assistance Needed
- Deliverables/Work Product
- Schedule and Budget Status

- Schedule/Percent Complete
- Funds Expended
- Measures of Success, if applicable

Cost Summary:

Time and materials, not-to-exceed \$8,000.

2.0 Work Plans, Timelines and Billing Rates

2.1 Work Plan – Asbestos Survey Scope, Timeline and Billing Rates

Scope

AKT Peerless' asbestos survey is based on the Asbestos School Hazard Abatement Reauthorization Act (ASHARA). The purpose of ASHARA is to extend the Asbestos Hazard Emergency Response Act (AHERA) inspection and management requirements to commercial and industrial buildings. The survey will be conducted to comply with Occupational Safety and Health Administration (OSHA) requirements. National Emission Standards for Hazardous Air Pollutants (NESHAP) requirements for pre-demolition inspection activities apply. Destructive testing will be required to complete the survey.

The purpose of AKT Peerless' asbestos survey is to (a) identify and locate suspect ACBM, (b) establish a sampling plan based on homogeneous and functional areas, to sample sources of friable and non-friable suspect ACBM, (c) quantify the amount of asbestos identified at the property, and (c) prepare a final survey report documenting ACBM and presumed ACBM quantities, locations, and laboratory testing results.

AKT Peerless' Pre-Demolition Asbestos Survey will be performed using the following scope of work:

1. A review of readily available building records will be performed. This review may include building records, such as "working drawings" and "as-built drawings" to obtain an initial orientation to the layout and structural/electrical/mechanical elements of the building(s) or survey area. Building specifications, blueprints, and change orders will also be reviewed for any reference to any generic manufacturer or brand name of materials known to contain asbestos that have been incorporated into the building structures.
2. AKT Peerless will conduct an inspection to inventory building materials that are suspect for asbestos content. The AHERA rule requires that the suspect materials be identified, located and documented. During the inspection, homogeneous areas will be delineated and sampled, as appropriate. Functional spaces will also be identified for purposes of assessing all suspect materials and thermal system insulation, as appropriate.

3. As part of the building inspection, AKT Peerless will use invasive methods to gain access to enclosed building wall and ceiling structures, etc.
4. AKT Peerless will not sample roofing and associated materials but instead will assume roofing materials are asbestos-containing.
5. Because the building is scheduled for demolition, AKT Peerless will not conduct a physical (damage) assessment of suspect materials.
6. All samples collected will be submitted with chain-of-custody documentation to an analytical laboratory that participates in the National Voluntary Laboratory Accreditation Program (NVLAP). All samples will be analyzed using polarized light microscopy (PLM) with dispersion staining following USEPA Test Method (EPA-600/M4-82-020) and the National Institute of Standards and Technology (NIST) Bulk Asbestos Handbook. Although PLM is currently the accepted and approved method for analysis, the method is limited in its ability to provide a quantitative result when asbestos represents a small fraction of the material. Current USEPA guidelines specify that when initial laboratory analysis of friable materials detects the presence of asbestos in a quantity between less than one percent (or trace) and less than ten percent, a verification analysis using the point counting analytical method may be considered. If the client does not exercise the option to conduct point counting, the material in question will be considered ACM as identified by PLM analysis. Point counting will be performed on all friable material samples that test between trace and 2% asbestos.
7. Final Report - AKT Peerless will prepare a final report documenting the data and information gathered during the inspection. AKT Peerless' reports will include: (a) a general description of the suspect ACM identified, (b) a determination of the quantity of suspect materials observed, (c) a discussion regarding the quality assurance and quality control as well as methodology, and (d) laboratory testing results for bulk samples. AKT Peerless will provide an electronic (PDF) copy of the completed report. Paper copies of the reports, if requested, will be billed based on AKT Peerless' Standard Fee and Rate Schedule.

Timeline

AKT Peerless will complete the asbestos inspections and submit reports for the seven residential properties and the commercial site within 20 business days of contract commencement.

Applicable Billing Rates

\$70 - \$80 per hour for field, \$110 - \$125 per hour for supervision and senior review

2.2 Work Plan –Phase 1 ESA Scope, Timeline and Billing Rates

Scope

In accordance with ASTM Standard Practice E 1527-13, AKT Peerless' ESA will include the following:

- A reconnaissance of the subject property, as well as observation of the adjoining properties as feasible from the subject property and public right-of-ways, to identify uses or activities that may pose an environmental concern to the subject property, including a review of: (1) general activities occurring at the subject property, (2) existing subject property conditions, and (3) the uses of adjoining properties.
- A review of current environmental database information compiled by a variety of regulatory agencies to evaluate potential environmental risks associated with the subject property, adjoining properties, and other sites that are (1) identified on target lists, and (2) within varying distances of up to one mile from the subject property¹.
- A review of reasonably ascertainable agency file information associated with known or suspected sites of environmental concern maintained by federal, state and local regulatory agencies, including records of compliance, as appropriate. Files will be reviewed for the subject property. Files for adjoining properties, and nearby sites that may present a concern to the subject property, will be reviewed, but additional fees may apply. If such records are not reviewed, AKT Peerless will provide written justification as to why a review was not completed.
- A review of reasonably ascertainable standard historical sources to develop a history of the previous uses of the subject property and surrounding area back to their obvious first developed uses, or 1940, whichever is earlier; such sources may include aerial photographs, maps (e.g., topographic, fire insurance, plat, etc.), city directories/address indexes, previous environmental assessments, and municipal records, as appropriate.
- A review of reasonably ascertainable records pertaining to regulated waste generation, registered USTs, leaking UST (LUST) incidents, or other environmental events occurring on the subject property or nearby sites that AKT Peerless judges to have a potential to pose an environmental concern to the subject property.
- The consideration of adjoining property use and activity.
- A review of readily available environmental information and reports maintained for the subject property.
- Interviews with persons, including regulatory agency representatives, who are familiar with past and present uses, activities, and/or environmental concerns at the subject property and adjoining properties.
- Discussion regarding compliance with Activity and Use Limitations (AULs), if any.
- An evaluation of information obtained from the aforementioned sources to determine if RECs, CRECs, or HRECs exist in connection with the subject property.

During the assessment, AKT Peerless will evaluate or consider: (1) the potential for contamination of soil, soil vapor, and groundwater at the subject property, (2) the possible presence of underground or aboveground storage tank systems at the subject property, (3) the possible presence of hazardous substances or petroleum products at the subject property, (4) the proximity of the subject property to known and/or suspected sites of environmental concern, and (5) the historical use of the subject property.

¹ AKT Peerless will use search radii that meet or exceed ASTM's recommended minimum search distances.

AKT Peerless will prepare a written report documenting the data and information gathered during the Phase I ESA. AKT Peerless' report will summarize the known environmental conditions associated with the subject property, if any. Unless advised otherwise by the Client, AKT Peerless will include recommendations for further investigation of the noted environmental concerns.

The conclusions and recommendations will reflect AKT Peerless' best professional judgment, and will be based upon the conditions observed and information made available at the time of the assessment.

Timeline

AKT Peerless will complete the Phase 1 ESA and submit the final report within 20 business days of contract commencement date.

Applicable Billing Rates

\$70 - \$110 per hour

2.3 Work Plan - Bid Specifications, Contractor Oversight and Coordination Scope, Timeline and Billing Rates

Scope – Bid Specifications

Upon completion of the ACM Surveys, AKT Peerless will prepare technical bid specifications for the removal of identified ACM, removal of universal waste materials, building demolition and site restoration for the residential and commercial structures. The specification will be completed by qualified and appropriately certified/licensed personnel. The specification will meet USEPA and State of Michigan guidelines concerning the removal and disposal of the identified hazardous materials/wastes and building demolition.

AKT Peerless does not propose to provide detailed site engineering drawings, site layout or legal surveys, topographic maps, grading plans, or structural engineering services.

AKT Peerless' technical specifications will be *combined* with CLIENT'S standard procurement language and requirements. Specifications will be developed using CSI format and will include any special requirements requested by CLIENT. A draft specification will be provided to the CLIENT for review. AKT Peerless will publicly release the document to contractors for bidding purposes via construction bidding services and by other means specified by the City. AKT Peerless will assist the CLIENT with selection of the contractor(s).

AKT Peerless will provide one electronic (PDF) copy and one paper copy of the completed specification. Additional paper copies, if requested, will be billed based on AKT Peerless' Standard Fee and Rate Schedule.

Timeline

The draft specification package will be submitted for CLIENT review and comment within 20 business days from completion of the asbestos surveys.

Applicable Billing Rates:

\$125 per hour

Scope - Abatement Contractor Oversight and Coordination

- Collect air samples during and after asbestos abatement activities using phase contrast microscopy protocols. All air samples will be analyzed using USEPA method 7400 by National Institute of Occupational Safety and Health (NIOSH) Method 582 (or equivalent) accredited personnel.
- Monitor and document work practices and procedures. Work with onsite abatement personnel to ensure conformance with regulatory standards. Problematic non-compliance deviations that are not corrected will be reported to the CLIENT.
- At the completion abatement activities and favorable clearance testing, AKT Peerless will prepare a letter summary documenting the site activities. This report will include the following:
 - Summary of abated materials
 - Phase contrast microscopy reports

Timeline

To be determined.

Applicable Billing Rates

\$70 - \$80 per hour for field, \$110 - \$125 per hour for supervision and senior review

Scope - Demolition Contractor Oversight and Coordination

- For a standard demolition where no regulated asbestos materials remain in the structure, AKT Peerless will perform a final site visit to verify backfill and site finish meets specification requirements.
- For an 'Ordered Demolition' where regulated asbestos materials remain in the structure, AKT Peerless will perform air monitoring (per the work plan described above) during the demolition. Upon completion, AKT Peerless will perform a final site visit to verify backfill and site finish meets specification requirements.

Timeline

To be determined.

Applicable Billing Rates

\$70 - \$80 per hour for field, \$110 - \$125 per hour for supervision and senior review

2.4 Work Plan – Grant Administration Scope, Timeline and Cost Factors

Scope

Experience and Qualifications

AKT Peerless staff has managed 98 brownfield grants and loans for over 60 municipal entities in Michigan. AKT Peerless has successfully completed and/or consulted on over 300 brownfield plans in Michigan, as well as assisted with the establishment of over 100 Brownfield Redevelopment Authorities in Michigan since 1996. AKT Peerless has been providing brownfield redevelopment consulting and grant management services in Michigan since 1992.

Outcomes from Recent EPA Grant and Loan Management

AKT Peerless has documented results based on assessment, cleanup and subsequent redevelopment of properties in EPA client communities, including:

- Support of over \$165,000,000 in private investment;
- Support of over 2,200 new or retained jobs; and
- Significant increase in tax base to Michigan communities

Project Understanding, Goals, and Planned Approach

AKT Peerless has been working with land bank authorities since 2005, implementing EPA brownfield grants, performing direct environmental investigations, assisting with a variety of land bank programs, and preparing grant applications to bring additional funds to communities.

AKT Peerless views itself as an extension of land bank grant programs. Our goal is to provide availability and support such that we can be called upon to answer complex technical questions or assist in any matter where we're qualified.

Familiarity with Land Bank Programs

AKT Peerless is uniquely qualified to assist the City of Ypsilanti to implement the Blight Elimination Grant. AKT Peerless works with several other land banks throughout the State of Michigan, including Bay County, Detroit, Wayne County, Saginaw County, Arenac County, Ingham County, Ionia County, and the State of Michigan Land Bank Authority.

Timeline

To be established.

Applicable Billing Rates

\$110 - \$140 per hour

3.0 Project Team

3.1 Key Staff

Anthony J Kashat, Principal – Mr. Kashat is a Founder and Principal of AKT Peerless and has over 25 years of experience in hazardous materials inspection, environmental assessment, indoor air quality, federal and state grant program implementation and regulatory compliance management. Mr. Kashat is responsible for development of AKT Peerless' environmental due diligence, community blight, and brownfield redevelopment programs. Mr. Kashat is a Certified Hazardous Materials Manager and expert in environmental due diligence, environmental compliance, hazardous materials evaluations, Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) regulated sites, and brownfield programs.

Louis Stultz, Director – Mr. Stultz is the Director of Industrial Services and a Group Leader for the AKT Peerless Southeast Michigan office with over 21 years of experience in environmental site assessment, site redevelopment, remediation, demolition, and brownfield redevelopment project management. Mr. Stultz is a professional geologist and has personally conducted over 1,500 investigations, BEAs, and Due Care/Compliance Analyses in the last 15 years. He has worked for financial institutions, private developers, major retailers, petroleum marketers, and government agencies across much of the Midwest. Mr. Stultz is intimately knowledgeable regarding DTMB/Land Bank asbestos and hazardous materials protocols.

James Fox, Senior Project Manager – Mr. Fox has 30 years of experience conducting and managing hazardous materials investigations. He is a licensed Asbestos Building Inspector, Management Planner, Project Designer and Abatement Supervisor, and is located in AKT Peerless' Southeast Michigan Office. Mr. Fox is also a MDCH Licensed Lead Inspector and Risk Assessor. Mr. Fox has conducted numerous investigations to evaluate the presence or extent of contamination associated with adverse impacts from asbestos, lead-based paint, indoor air quality and mold, and industrial hygiene concerns. Information obtained during these investigations is typically used to evaluate environmental and occupational health risks and determine appropriate response activities to protect public health and safety. Mr. Fox is intimately knowledgeable regarding DTMB/Land Bank asbestos and hazardous materials protocols.

Ryan Londrigan, Senior Project Manager – Mr. Londrigan has over 14 years of experience in hazardous materials inspection, environmental assessment, indoor air quality, federal and state grant program implementation and regulatory compliance management. Mr. Londrigan is a certified asbestos and lead paint inspector and is located in AKT Peerless' Great Lakes Bay Region Office. Mr. Londrigan has worked directly with the land banks and municipalities on dozens of successful federal and state funded projects. He is a Genesee County resident, who has the experience of managing county wide assessment grants. Notable recent projects within Genesee County include: the Berridge Hotel, Durant Hotel, and Buick City. Mr. Londrigan also completed the 2009 Out County NSP Bid Specs, hazardous materials surveys and lead inspections at the nine Hurley Rehabilitation structures. Mr. Londrigan currently provides budget and project management services to the Genesee County Land Bank. Mr.

Londrigan is intimately knowledgeable regarding DTMB/Land Bank asbestos and hazardous materials protocols.

AKT Peerless has over 60 full-time professional employees, many of whom are certified asbestos building inspectors experienced with hazardous materials surveys, asbestos, lead paint, mold and other site investigation requirements and may assist with the project as needed.

AKT Peerless will provide State of Michigan licensed personnel and environmental professionals as part of the project team to assist with facility inspections and other services as required. In addition, AKT Peerless can also provide personnel who are licensed Professional Engineers (PE), Certified Energy Efficient Professionals, Environmental Professionals, and Certified Hazardous Material Managers (CHMM). The following present a list of AKT Peerless personnel who may be assigned to this project.

- Megan Bahorski-Cynar
- Aaron Bigler
- Janice Deboutte
- Jeff Carr
- Heath Bobick
- Colin Holsinger
- Deanna Hutsell
- Matt Burmann
- Julie Barton
- Heath Bobick
- Mark Breeden
- Carl Rogers
- Jeremy Fox
- Stephanie Horn
- Andy Furton
- Kate Bowman

3.2 Demonstrated Capacity to Implement the Scope of Services

AKT Peerless has the demonstrated capacity and experience to complete between the pre-demolition asbestos inspections and the Phase 1 ESA with report delivery within 20 business days of contract execution.

3.3 Laboratory Testing

Generally, AKT Peerless can conduct airborne asbestos fiber analysis with in-house staff. As part of these investigations; however, AKT Peerless will utilize the services of the following organizations to perform bulk asbestos analysis:

- APEX Research, Whitmore Lake, Michigan
 - APEX will be retained to conduct bulk asbestos analysis and possibly some air sample analysis for airborne asbestos fibers
- Fibertec Environmental Services, Holt Michigan
 - Fibertec may be retained to conduct bulk asbestos analysis and possibly some air sample analysis for airborne asbestos fibers. In addition, to the extent necessary, AKT Peerless will retain Fibertec to conduct analysis of solid, liquid, or gaseous samples for volatile organic compounds, polynuclear aromatic hydrocarbons,

polychlorinated biphenyls, inorganic metals, and select waste characterization testing.

4.0 Understanding Project and Tasks

4.1 Experience

AKT Peerless works with numerous Land Banks throughout the State of Michigan specifically on pre-demolition projects; notable examples and select references include:

- Michigan Fast Track Land Bank Authority – Jeff Huntington (517) 636-4898
- Genesee County Land Bank Authority – Lucille James (810) 257-3088
- Saginaw County Land Bank Authority – Tom Miller (989) 801-1336
- Leelanau County Land Bank Authority - Trudy Galla (231) 256-9812
- Ingham County Land Bank Authority - Mary Ruttan (517) 676-7237
- Detroit Land Bank Authority – James Wright (313) 974-6869

AKT Peerless has been working with some of these land bank authorities for over 10 years in the evaluation and assessment of blighted housing intended for demolition. AKT Peerless understands and maintains support services with Land Bank Authorities and Blight Elimination programs, and their effected communities, throughout the State of Michigan.

4.2 Experience with HUD Funded Programs

AKT Peerless has worked with numerous Michigan communities on Housing and Urban Development (HUD) and NSP funded projects, including pre-demolition/removal hazardous materials surveys, Phase I and II Environmental Site Assessments, and other environmental management and support services. A select lists of communities/entities for which AKT Peerless has recently conducted similar projects includes:

- Department of Technology Management and Budget – Irene Henry (517) 241-3133
- Saginaw County Land Bank Authority– Tom Miller (989) 801-1336
- City of Saginaw – O’Dail Thorns - (989) 759-1594
- Detroit Land Bank Authority – James Wright – (313) 974-6869

AKT Peerless has completed numerous HUD funded projects throughout Michigan. AKT Peerless understands the complexities and regulatory compliance documentation necessary to complete the projects. As part of our scope of services AKT Peerless provides unparalleled assistance to municipalities on HUD funded projects, including handling all aspects of the Environmental Record Review (ERR) and management including categorizing, pre demolition asbestos/hazardous material inspection and survey activities, environmental assessments, environmental impact statements, waste management plans, and environmental checklists as part of our standard scope of work.

4.3 Project Narratives/References

Presented below are select narratives for projects of similar size and scope.

Reference No. 1

City of Saginaw / Saginaw County Land Bank
Tom Miller, Executive Director,
111 South Michigan Avenue, Saginaw, Michigan 48602
Phone: (989) 297-1480 **Fax:** (989) 790-5229
Email: tmiller@saginaw-mi.com

Type of Project: AKT Peerless has been the environmental consultant to the City of Saginaw and Saginaw County since 1994. On behalf of the City and County, AKT Peerless has conducted hundreds of pre-demolition/hazardous materials surveys ranging from single-family residences to multi-story commercial buildings to large school complexes. AKT Peerless functioned as general contractor to facilitate the removal of hazardous materials and an asbestos abatement, to demolish the structures and restore the properties for redevelopment, and managed all compliance reporting.

Budget: \$2,000,000

Reference No. 2

Michigan Fast Track Land Bank Authority in conjunction with DTMB
Mr. Jeff Huntington
7150 Harris Drive
Lansing, Michigan 48909
Phone: (517) 636-4898
Email: huntingtonj@michigan.gov

Type of Project: AKT Peerless is currently working with the MLB and the DTMB to conduct Hazardous Material Inspection and Survey Activities for residential properties throughout Detroit. AKT Peerless conducted 118 pre-demolition hazardous material inspections and surveys, representing approximately 15-20 inspections per week. AKT Peerless provided air monitoring and post abatement clearance sampling and approval. For ordered demolitions, AKT Peerless also conducted air monitoring activities.

Budget: \$230,000

Reference No. 3

Detroit Land Bank Authority
Mr. Jim Wright
65 Cadillac Square, Suite 3900
Detroit, Michigan 48226
Phone: (313) 974-6869

Email: jwright@detroitlandbank.org

From October 2014 through January 2015, AKT Peerless provided Quality Assurance/Quality Control (QA/QC) services for select inspection and abatement projects associated with the Detroit Land Bank Authority (DLBA). Activities included performing field Quality Control Inspections (QCI) to determine inspection and/or abatement deficiencies for specific addresses. More than 135 QCI's were conducted. In addition, AKT Peerless performed approximately 85 full inspections of properties where deficiencies were documented. Based on the results of QCI's and full inspections, AKT Peerless has functioned as a 'clearing house' for release of the properties for abatement and/or demolition. QA/QC support activities for the DLBA are ongoing.

AKT Peerless has also conducted 340 pre-demolition hazardous material inspections for the DLBA since the beginning of 2015.

Budget: \$500,000

4.4 Project References

Included below are client references for entities for which AKT Peerless has conducted projects of similar scope and size.

AKT Peerless has extensive experience supporting projects of similar scope, size, and service to that described in the RFP. Similar services are conducted for numerous private and public entities with similar goals of community blight elimination. The following presents a listing of client references for projects with a similar scope of work and activity that demonstrates our experience with similar projects:

Reference: Saginaw County Land Bank / Saginaw County / City of Saginaw
Contact: Tom Miller
Phone: (989) 801-1336
Email: tmiller@saginawcounty.com or saginawcountylandbank@gmail.com
Dates of Service: 1994 to Present

Reference: Department of Technology Management and Budget
Contact: Irene Henry
Phone: (517) 241-3133
Email: HenryI1@michigan.gov
Dates of Service: August 2012 to Present

Reference: Archdiocese of Detroit
Contact: Frank MacDonnell
Phone: (313) 237-5829
Email: macdonell.frank@aod.org
Dates of Service: 2007 to Present

Reference: Detroit Land Bank Authority
Contact: James Wright
Phone: (313) 974-6869
Email: jwright@detroitlandbank.org
Dates of Service: 2012 to present

Reference: Focus Hope
Contact: Debbie Fisher
Phone: (313) 494-4306
Email: fisherd@focushope.edu
Dates of Service: 2005

AKT Peerless personnel have performed thousands of asbestos and hazardous materials surveys in Michigan since 1992 for hundreds of institutions and clients, including municipalities, hospitals, commercial properties, developers, music theatres, brownfield redevelopment sites, and universities. Currently, AKT Peerless manages the AHERA Asbestos Management Program for the Archdiocese of Detroit which includes over 80 properties in Southeast Michigan.

5.0 Certificate of Insurance

Insurance certificate with the City of Ypsilanti named as additional insured will be provided upon contract execution.

6.0 Fee Schedule

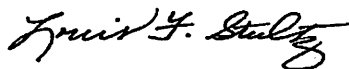
AKT Peerless' detailed fee schedule is included in Appendix A.

7.0 Signatures

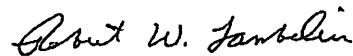
AKT Peerless is a fully qualified environmental and energy consulting firm with over 20 years of environmental experience. With this experience, AKT Peerless believes it has the staff, technical expertise, and internal support to effectively implement the environmental assessments under this blight elimination program. We look forward to working with the Michigan Lank Bank on this project. If you have any questions or need additional information please contact us at (248) 615-1333.

Sincerely,

AKT PEERLESS ENVIRONMENTAL & ENERGY SERVICES

A handwritten signature in black ink, appearing to read 'Louis F. Stultz'.

Louis F. Stultz
Director, Industrial Services

A handwritten signature in black ink, appearing to read 'Robert W. Lambdin'.

Robert W. Lambdin
Vice President, Operations

Appendix A

Fee Schedule Detail



Fee Schedule

1. Pre-Demolition Asbestos Inspection Services	
a. Unit Price per pre-demolition asbestos inspection per residential address (inclusive of field, labor, supervision, supplies, equipment and report. Per sample costs extra)	\$480 (up to 2,000 SF) \$640 (>2,000 SF)
b. Unit Price per pre-demolition inspection per commercial address (inclusive of field, labor, supervision, supplies, equipment and report. Per sample costs extra)	\$1,100 (up to 15,000 SF) \$1,600 (>15,000 - 30,000 SF) \$2,300 (>30,000 - 60,000 SF) >60,000 SF (quoted on a per site basis)
c. Unit Price per ACM sample (including labor, processing, analysis and data review – reference item 4f below for costs of analysis associated with additional layers and/or point counting)	\$20
2. Phase I ESA - Lump Sum	\$1,900
3. Bid Specifications and Contractor Selection Assistance – Lump Sum	\$9,500
4. Contractor Oversight Services	
a. Unit price per ACM abatement monitoring (per day per address and includes travel, sampling equipment, supplies, labor and reporting. Per sample cost extra)	\$550
b. Unit Price per ACM air sample (includes equipment, supplies and rush 24-hour analysis)	\$12
c. Post demolition/backfill verification site inspection - residential	\$240
d. Post demolition/backfill verification site inspection – commercial/industrial	\$320
5. Grant Administration – Time & Materials, Not-to-Exceed	\$8,000
6. Unit Prices	
a. Air monitoring per hour	\$55 – 80
b. Project Manager per hour	\$140
c. Certified Asbestos Inspector per hour	\$55 - 80
Certified Project Designer per hour	\$125
d. PLM Samples (lab analysis only, excludes sampling, standard turnaround)	\$7
PLM Samples, multiple layers	\$2.30/layer
Point Count analysis	\$11.50
CAD staff per hour	\$80
Administrative support/hour	\$65

APPENDIX C

ADDENDUM TO AGREEMENT FOR SERVICES

This Addendum shall be a part of a certain 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 AKT Peerless Environmental Services, of 214 Janes Avenue, Saginaw, Michigan 48607, referred to as "CONTRACTOR", a Michigan limited liability company.

1. This Addendum is an addition and amendment to the primary Contract between the parties. In an event of a conflict between the language of this Addendum and the primary Contract, the language and terms of this Addendum shall take precedence.

2. Standard of Performance. The CONTRACTOR 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.

3. The parties understand and agree that the CITY may terminate this Contract at any time with or without notice. In such event the CONTRACTOR will be compensated for work already completed

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

5. The parties agree that time is of the essence in the performance of this Contract by the CONTRACTOR.

6. Each provision of this Contract shall be separately enforceable and in the event that a court of competent jurisdiction determines or adjudges that any provision of this Contract is invalid or illegal, such decision shall not effect the rest of the Contract which shall remain in full force and effect.

7. This Agreement shall be governed by and construed in accordance with the laws of Michigan.

8. Independent Contractor. The relationship of the CONTRACTOR 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.

9. Waiver of Liability. The CONTRACTOR 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.

10. 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.

11. The following Indemnification Agreement shall be, and is hereby, a provision of the Contract and shall be endorsed on the reverse sides of all certificates of insurance:

"The CONTRACTOR agrees to protect, defend, indemnify and hold the CITY and its officers, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings or causes of action of every kind and character in connection with or arising directly or indirectly out of this Agreement and/or the performance hereof. Without limiting the generality of the foregoing, any and all such claims, etc., relating to personal injury, death, damage to property, defects in materials or workmanship, actual or alleged infringement of any patent, trademark, copy right (or application for any thereof) or any other tangible or intangible personal or property right, or any actual or alleged violation of any applicable statute, ordinance, administrative order, rule or regulation, or decree of any court, shall be included in the indemnity hereunder. The CONTRACTOR further agrees to investigate, handle, respond to, provide defense for and defend any such claims, etc., at his sole expense and agrees to bear all other costs and expenses related thereto, even if it (claims, etc.) is groundless, false or fraudulent."

12. Insurance.

a. The CONTRACTOR prior to commencing work shall provide at his 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.

b. 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 by registered mail, return receipt requested, for all of the following stated insurance policies. All such notices shall name the CONTRACTOR and identify the contract number.

c. All property losses shall be made payable to and adjusted with the CITY.

d. In order to determine financial strength and reputation of insurance carriers, all companies providing the coverages required shall be licensed or approved by the Insurance Bureau of the State in which the work is performed and shall have a financial rating not lower than XI and a policyholder's service rating no lower than B+ as listed in A.M. Best's Key Rating Guide, current edition. Certificates of insurance shall note A.M. Best's Rating. Companies with ratings lower than B+:XI will be acceptable only upon written consent of the CITY.

e. All policies and certificates of insurance of the CONTRACTOR shall contain the following clauses:

(1) The clause "other insurance provision" in a policy in which the CITY is named as an insured, shall not apply to the CITY.

(2) The insurance companies issuing the policy or policies shall have no recourse against the CITY (including its agents and agencies as aforesaid) for payment of any premiums or for assessments under any form of policy.

(3) Any and all deductibles in the above described insurance policies shall be assumed by and be for the account of, and at the sole risk of, the CONTRACTOR.

(4) The CITY (at its option) shall be listed as an Additional Named Insured on the following insurance coverages provided by the CONTRACTOR.

YES <u> X </u>	NO <u> </u>	1)	Comprehensive General Liability
YES <u> X </u>	NO <u> </u>	2)	Automobile Liability
YES <u> X </u>	NO <u> </u>	3)	Owners Contractors Protective Liability

f. The CONTRACTOR shall maintain at its own expense during the term of this Contract the following insurance:

(1) Worker's Compensation insurance with Michigan statutory limits and employers' liability insurance with minimum limits of \$500,000 each accident.

(2) General Liability insurance with a minimum limit of liability per occurrence of \$1 Million Combined Single Limit (Bodily Injury/Property Damage), with no aggregate..

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

- (a) Premises - Operations
- (b) Independent Contractor and Subcontractors
- (c) Products and Completed Operations
- (d) Broad Form Contractual
- (e) Broad Form Liability Endorsement

(3) Automobile Liability insurance with minimum limits of liability, per occurrence, of \$1 Million Combined Single Limit (Bodily Injury/Property Damage) unless otherwise indicated in the "Special Conditions" of the Contract specifications. This insurance shall include for bodily injury and property damage the following coverages:

- (a) Owned automobiles
- (b) Hired automobiles
- (c) Non-owned automobiles

(4) Protective Liability Insurance: Owners and Contractors. The CONTRACTOR shall provide the original and duplicate policy of insurance to the City Manager. This insurance contract shall name the CITY as the insured and remain in effect until the contract is accepted by the CITY.

The insurance shall provide minimum limits of liability per occurrence of \$500,000. 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.

(5) Construction Insurance: The CONTRACTOR at his own cost and expense shall provide and maintain the applicable construction insurance until the Contract is accepted by the CITY and/or its designee. This coverage shall be written for 100% of the completed value covering the CITY as the insured, with a deductible of not more than \$1,000. The CONTRACTOR shall provide the original and duplicate policy to the CITY (unless the CITY shall accept, in lieu thereof, all contained endorsements including all applicable provisions and coverages).

(6) Professional Services. CONTRACTOR shall provide professional liabilities (errors and omissions) insurance, with minimum limits of \$1 Million each occurrence.

(7) Disability Benefits: The CONTRACTOR shall provide proof of compliance with the Disability Benefits Law. (If applicable).

(8) Additional insurance may be required on an individual basis for extra hazardous contracts and specific service agreements. If such additional insurance is required for a specific contract, that requirement will be described in the "Special Conditions" of the contract specifications.

g. If any of the Property and Casualty insurance requirements are not complied with at their renewal dates, payments to the CONTRACTOR will be withheld until those requirements have been met, or at the option of the CITY the CITY may pay the Renewal Premium and withhold such payments from any monies due the CONTRACTOR.

h. In the event that claims in excess of the insured amounts provided herein, are filed by reason of any operations under the Contract, the amount of excess of such claims, or any portion thereof, may be withheld from payment due or to become due the CONTRACTOR until such time as the CONTRACTOR shall furnish such additional security covering such claims as may be determined by the CITY.

i. If at any time any of the foregoing policies shall be or become unsatisfactory to the CITY to form or substance, or if a company insuring any such policy shall be or become unsatisfactory to the CITY, the CONTRACTOR shall upon notice to that effect from the CITY promptly obtain a new policy, submit the same to the City Manager for approval and submit a certificate thereof as herein provided. Upon failure of the CONTRACTOR to furnish, deliver and maintain such insurance as above provided, this Contract, at the election of the CITY may be forthwith declared suspended, discontinued or terminated. Failure of the CONTRACTOR to take out and/or maintain or the taking out

and/or maintenance of any required insurance, shall not relieve the CONTRACTOR from any liability under the Contract, nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations of the CONTRACTOR concerning indemnification.

j. Certificate of Insurance; required language. The Certificate of Insurance obtained by the CONTRACTOR shall contain the following language: "The City of Ypsilanti, Michigan, its elected officials, officers, employees, boards, commission, authorities, voluntary associations, and any other units operating under the jurisdiction of the City and within appointment of its operating budget, including the City of Ypsilanti, are named as additional insured, and such coverage shall be considered to be the primary coverage rather than any policies and insurance or self insurance retention owned or maintained by the City of Ypsilanti."

13. Conflict of Interest. The CONTRACTOR covenants that the CONTRACTOR (individually, or if a corporation, trust, limited liability company or partnership, "the entity") nor any officer, principal, partner, agent or employee of the entity 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. Further that if any such conflict of interest develops and exists during the term of the contract that the CONTRACTOR shall, within 7 days of the existence of such conflict of interest, notify the CITY in writing of the existence and nature of the said conflict of interest.

14. Contingent Fees. The CONTRACTOR warrants it has not employed or retained any company or person other than bonafide employees working solely for the CONTRACTOR, to solicit or secure this Contract, and that it has not paid or agreed to pay any company, or person, other than a bonafide employee working solely for the CONTRACTOR, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon or resulting from the award of making this Contract. For breach or violation of this warranty, the CITY shall have the right to annul the Contract without liability or, at its discretion, to deduct from the fees due the CONTRACTOR, or otherwise, recover the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

15. The CONTRACTOR further agrees to perform this Contract in accord with all federal, state and local laws and will not discriminate against, or give preferential treatment to, 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.

16. The CONTRACTOR 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, Michigan PWDA, age, height, weight, or marital status (except insofar as it relates to a bonafide or occupational qualification reasonably necessary to the normal operation of the business). Breach of this provision may be regarded as material breach of the Agreement.

17. Permits. The CONTRACTOR shall secure and bear the cost of any permits or licenses of a temporary nature necessary for the prosecution of the work. In particular, he shall secure and bear the cost of shutting off and turning on public services of every nature which may be required by his operations. Where such discontinuance of service affects consumers, due and sufficient notice shall be served upon those so affected.

18. Davis-Bacon Act. Pursuant to the Davis-Bacon Act (Title 29, 40 UCS Section 276A-276A-5), the rates of wages paid to employees of the CONTRACTOR on this work shall be no less than the prevailing wages for this locality to all class of workers employed by the CONTRACTOR on this improvement, as set forth in the Code and Act.

19. Improvement of Real Property or Performing Management Construction Services. In the event the contract provides for improvement of real property or performing management construction services as provided in MCLA 125.1591, the following provisions apply:

(A) A contract between CONTRACTOR and the CITY for an improvement as provided above shall contain the following provisions:

(a) That if a CONTRACTOR discovers one or both of the following physical conditions of the surface or subsurface at the improvement site, before disturbing the physical condition, the contractor shall promptly notify the CITY of the physical condition in writing:

(i) A subsurface or a latent physical condition at the site is differing materially from those indicated in the improvement contract.

(ii) An unknown physical condition at the site is of an unusual nature differing materially from those ordinarily encountered and generally recognized as inhering in work of the character provided for in the improvement contract.

(b) That if the CITY receives a notice under subdivision (A), the CITY shall promptly investigate the physical condition.

(c) That if the CITY determines that the physical conditions do materially differ and will cause an increase or decrease in costs or additional time needed to perform the contract, the CITY's determination shall be made in writing and an equitable adjustment shall be made and the contract modified in writing accordingly.

(d) That the CONTRACTOR cannot make a claim for additional costs or time because of a physical condition unless the CONTRACTOR has complied with the notice requirements of subdivision (A). The CITY may extend the time required for notice under subdivision (A).

(e) The CONTRACTOR cannot make a claim for an adjustment under the contract after the CONTRACTOR has received the final payment under the contract.

(B) If the CONTRACTOR does not agree with the CITY's determination, with the CITY's consent the CONTRACTOR may complete performance on the contract.

(C) At the option of the CITY, the CONTRACTOR and the CITY shall arbitrate the CONTRACTOR's entitlement to recover the actual increase in contract time and costs incurred because of the physical condition of the improvement site. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association and judgment rendered may be entered in any court having jurisdiction.

20. Living Wage.

A. (1) If this contract involves \$25,000, or more, Living Wages shall be paid according to the Ypsilanti Living Wage Ordinance No. 892 (The Ordinance) and City Code Section 2-298(8); and

(2) Suitable notices shall be posted in the work place; and

(3) Evidence of compliance including payroll records shall 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.

21. Minimum Wage.

A. (1) The CONTRACTOR must pay minimum wages to all employees according to Ordinance No. 1217 (The Ordinance) and City Code Section 2-2112.

(2) The CONTRACTOR must post suitable notices in the work place.

(3) The CONTRACTOR must provide evidence of compliance, including payroll records, 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 Minimum 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.

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

23. American's With Disabilities Act Compliance. If this contract alters or resurfaces any streets, intersections, sidewalks, or curb ramps, CONTRACTOR shall ensure that each portion of the project, to the maximum extent feasible, shall be altered in such manner that the altered portion of the facility is readily accessible to and usable by individuals with disabilities. Each project shall comply with the American's With Disabilities Act requirements, including 28 C.F.R. §§ 35.151(b),(c),(e)(1) and (e)(2) and 28 C.F.R. Part 36, App. A, the ADAAG.

Note: The City of Ypsilanti has chosen to follow the ADAAG standards rather than the UFAS standards. See United States Department of Justice ADA Title II Technical Assistance Manual, Section II-6.2100)

As used in this Section, the term "resurface" shall have the definition given by the United States Department of Justice Title II Technical Assistance Manual § II-6.6000 "Resurfacing beyond normal maintenance is an alteration. Merely filling potholes is considered to be normal maintenance."

As used in this Section, the term "to the maximum extent feasible" shall have the meaning set forth at 28 C.F.R. § 36.402(c).

As used in this Section, the term "readily accessible to and usable by persons with disabilities" shall have the meaning set forth at Section II-6.1000 of the US Department of Justice ADA Title II Technical Assistance Manual, and set forth at 28 CFR Appendix B Section 36.401.

24. The Contract and its attachments, and this Addendum, are the sole Contract and Agreement between the parties. Any changes, additions or deletions shall not be effective or actionable unless they are in writing signed by the parties.

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

IN WITNESS WHEREOF, the undersigned have set their hands this ____ day of _____, 20____.

SIGNATURES ON NEXT PAGE (9)

By the duly elected or appointed representatives of the **CITY OF YPSILANTI:**

Mayor, Amanda Edmonds

City Clerk, Frances M. McMullan

By the duly appointed representatives of **AKT PEERLESS ENVIRONMENTAL SERVICES, LLC:**

By:
Its:

By:
Its:

APPROVED AS TO FORM:

JOHN M. BARR P-10475
Ypsilanti City Attorney



REQUEST FOR LEGISLATION
October 6, 2015

To: Mayor and Council

From: Chief Max Anthouard

Subject: Roof bid

Background:

Last July the City received only one bid out of six potential bidders to replace the roof of the fire station. The bid we received was from VJM Design for an amount of \$168,339. We followed the suggestion of the architect from OHM to reject the bid and to repost the job in the fall. The job was reposted and three contractors submitted bids:

1. LaDuke Roofing; \$223,000
2. T.F. Beck Company; \$230,160
3. J.D. Candler; \$249,750

We were shocked to discover that the market increased in such fashion in a matter of three months.

OHM contacted LaDucke Roofing to work on an alternative to reduce the price of the project. Out of the four options presented, two were still by far more expensive than the initial bid from VJM Design and 2 other were to replace only the lower part of the roof (see attached email from Mr. Lee Mamola from OHM and M. Houssan Hussein from LaDuke Roofing).

The fire station roof has four leaks from both the low and high roofs and needs emergent repairs. The four presented alternatives are not adequate.

Chief Anthouard contacted VJM Design to see if they were still interested in redoing our roof. VJM Design answered that they will honor the bid previously presented. Chief Anthouard requested if the alternative to eliminate the drain work and reengineer the slope of the high roof toward our existing drains will be feasible as well as other possible options VJM Design can think of to reduce the price of the proposed bid. (See VJM Design "Deduct Amount").

The most attractive and functional option will be to accept VJM Design bid with the alternative to eliminate the drain work for a price of \$154,339.00. We budgeted \$120,000 for this project. We will use the \$35,000 budgeted for redoing concrete and grates on the apparatus floor to

compensate the gap. The grates project will be delayed and downgraded to grates replacement only.

RECOMMENDED ACTIONS:

1. Reject the three September bids
2. Accept new VJM proposal without drain work on High roof

ATTACHMENTS:

1. VJM Design Deduct Amount
2. Email from Mr. Lee Mamola from OHM and M. Houssan Hussein from LaDuke Roofing.
3. Previous RFL of July 7, 2015 and Resolution 2015-151
4. Resolution rejecting bids from LaDuke Roofing, T.F. Beck Company, and J.D. Chandler
5. Resolution to accept the \$154,399 proposal from VJM Design

CITY MANAGER APPROVAL: _____ COUNCIL AGENDA DATE: 10/6/15

CITY MANAGER COMMENTS: _____

FISCAL SERVICES DIRECTOR APPROVAL: _____



Resolution No. 2015 -228
October 6, 2015

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, three bids were received on September 22, 2015 from LaDuke Roofing, T.F. Beck Company, and J.D. Candler to replace the YFD Fire Station Roof; and

WHEREAS, all of these bids are well above the budget allotted for this project;

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council rejects the three following bids:

1. LaDuke Roofing; \$223,000 and four options presented by OHM
2. T.F. Beck Company; \$230,160
3. J.D. Candler; \$249,750

OFFERED BY: _____

SUPPORTED BY: _____

YES: NO: ABSENT: VOTE:



Resolution No. 2015 -229
October 6, 2015

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City of Ypsilanti is interested in replacing the roof of the YFD Fire Station; and

WHEREAS, the City previously rejected the offer of VJM Design in the amount of \$163,339 by resolution 2015-151 on July 7, 2015 and re-bid the project; and

WHEREAS, the three bids received from this were all above both the budgeted amount of the project and the amount originally proposed by VJM Design; and

WHEREAS, VJM Design has agreed to honor their original offer and alter the work in order to reduce the project to \$154,339; and

WHEREAS, this alteration of the work provides eliminating the drain work for a savings of \$14,000; and

WHEREAS, the City of Ypsilanti is interested in accepting this offer;

NOW THEREFORE BE IT RESOLVED THAT the City of Ypsilanti accepts the offer of VJM Design to complete the YFD Fire Station Roof project, as proposed, for the amount of \$154,399.

BE IT FURTHER RESOLVED THAT the Mayor and City Clerk are authorized to sign any necessary contract documents on behalf of the City of Ypsilanti in order to begin work on this project, subject to the approval of the City Attorney.

FURTHER RESOLVED THAT the City Manager is authorized to sign any change orders, subject to the approval of the City Attorney.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:

DESIGN BUILD

VJM DESIGN AND BUILD CORPORATION ■ CONSTRUCTION MANAGEMENT ■ GENERAL CONTRACTOR

DEDUCT AMOUNTS

September 29th, 2015

To: Fire Chief Ypsilanti, MI
Max Anthouard
525 W. Michigan Ave
Ypsilanti, MI 48197
manthouard@cityofypsilanti.com
Ph: 248-789-8618

RE: City of Ypsilanti Fire Department Roof Replacement 525 W. Michigan Ave. Ypsilanti, MI 48197 Deduct amounts from original bid amount on June 10th 2015 as requested by Max Anthouard Fire Chief Ypsilanti, MI.

From: Virgil Manly – Project Manager

1. Delete all plumbing of PVC lines and new drain work associated with notes 2.08, 2.13 and 2.14 on Drawing A101 and A102 as specified.

DEDUCT -\$14,000.00

2. Delete Note No. 3. on Drawing A102 (*“PROVIDE 3” ISOCYNURATE INSULATION OVER 1” INSULATION OVER HIGH BAY”*) and all associated Work as specified.

DEDUCT -\$8,000.00

Upon review, please let me know if you have any further questions.

Sincerely,

Virgil Manly
Project Manager

Max Anthouard

From: Mamola, Lee <Lee.Mamola@ohm-advisors.com>
Sent: Thursday, September 24, 2015 2:58 PM
To: Max Anthouard; John Roe
Cc: Early, Kent; McNamara, Marcus
Subject: FW: Ypsi alternative pricing.

Max, John,

Following the receipt of bids I contacted the apparent low bidder and discussed various cost reduction items. Below are the following budget numbers they provided. These are to be used solely to help us decide the next alternative. The most significant cost factor is the work associated with the roof top drains and the overflow drains. We may be able to eliminate the overflow drains if the existing roof deck is structurally capable of carrying a nominal depth of water to support the worse-case scenario of loading. I have asked our structural engineer to verify the structural capacity of the existing roof. I expect an answer tomorrow (9-25).

For your understanding, the design documents reflected a best practice approach to the re-roofing. The four options outlined below **Option Two (\$128,000)** would likely be the most prudent approach at this time if the roof can support the level of water that may pond in the event a drain becomes clogged. Should the roof not be capable of supporting the potential water load then **Option Four (\$112,000)** below may also become an option.

Please understand that these are preliminary budget numbers. OHM will need to formally issue a Pre-Contract Bulletin that indicates the design revision and request a formal revised quote. It would appear we could issue the Pre-Contract Bulletin and have a revised price within the next few days.

I will let you know the results of the structural evaluation as soon as I receive it.

LEE Mamola, AIA
SENIOR PROJECT MANAGER

OHM Advisors | ARCHITECTS. ENGINEERS. PLANNERS.

T 734.522.6711
F 734.522.6427
D 734.466.4551
C 248.773.9970

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Advancing Communities

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This message, including attachments, is confidential and may be privileged. If you are not an intended recipient, please

notify the sender then delete and destroy the original message and all copies. You should not copy, forward and/or disclose this message, in whole or in part, without permission of the sender.

From: Houssam Hussein [mailto:hhussein@ladukeroofing.com]
Sent: Thursday, September 24, 2015 1:58 PM
To: Mamola, Lee
Subject: Ypsi alternative pricing.

Hello,

Below are different options you can go by and I should have more options available to you (These are approximate numbers actual numbers might change but not by much):

Option one: Eliminating any work done to drains on high and low roof will change the price to 205,000

Option Two: Eliminating any work done to drains and eliminating roofing work on high roof will result in a price of 128,000

Option Three: Eliminating any work done to drains and using 3" inch flat insulation on both High and low roof will result in a price of 193,000 (expect puddling of water to occur on TPO membrane which makes this option not the best to go with)

Option four: Eliminating any work done to drains using 3" flat Insulation and eliminating any work done to high roof will result in a price of 112,000

I have also requested quotes from multiple manufacturers regarding a tapered system with a less slope and waiting to hear back from them, but I am not expecting the prices to drop much lower.

This email is just so you can get an idea how the price will get affected as you decide which option you want to go with. Once that is decided then I can fine tune the numbers more, but it should not change by much.

Thank you



Houssam Hussein
LaDuke Roofing and Sheet Metal
Project Manager/Estimator
10311 Capital Ave.
Oak Park, Michigan 48237
C (248) 797-1259
P (248) 414-6600
F (248) 414-6604



REQUEST FOR LEGISLATION
July 7, 2015

To: Mayor and Council

From: Chief Max Anthouard

Subject: Roof bid rejection

Out of six potential bidders The City of Ypsilanti received only one bid to replace the existing roof system of the fire station.

The bid received by VJM Design and Build is for an amount of \$168,339.00. Only \$120,000.00 is budgeted for this project.

There is a better chance to receive competitive bids during the fall when contractors are more actively looking for jobs.

I recommend rejecting the bid received from the VJM Design and Build and to repost the job in September.

RECOMMENDED ACTION: Reject bid and repost

ATTACHMENT: Roof bid report from OHM

CITY MANAGER APPROVAL: _____ COUNCIL AGENDA DATE: 7/7/2015

CITY MANAGER COMMENTS: _____

FISCAL SERVICES DIRECTOR APPROVAL: _____



Resolution No. 2015 - 151
July 7, 2015

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, out of six potential bidders the City of Ypsilanti Fire Department received only one bid for the replacement of the fire station roof system for an amount of \$163,339 and only \$120,000 is budgeted for this project; and

WHEREAS, there is a better opportunities to receive competitive bids during the fall when contractors are more actively looking for jobs.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council reject the \$168,339.00 bid received by VJM Design and Build and to reopen the bid in when contractors are more actively looking for jobs.

OFFERED BY: _____

SUPPORTED BY: _____

YES:

NO:

ABSENT:

VOTE:

From: support@cityofypsilanti.com [mailto:support@cityofypsilanti.com]
Sent: Saturday, April 11, 2015 5:06 PM
To: Frances McMullan
Subject: City of Ypsilanti Boards and Commissions Citizen Participation Resume

Results From: City of Ypsilanti Boards and Commissions Citizen Participation
ResumeSubmitted By: Unauthenticated User IP: 10.20.30.11

Name:
RayVon

last name:
Williams

Address:

address2:

city:

state:

zip:

Years in Community:

Ward:

Phone:

[REDACTED]

Email:

[REDACTED]

Education:

Occupation:

Employer:

BOARDOFINTEREST:

Ypsilanti Downtown Development Authority Economic Development Corporation-
Brownfield Redevelopment Authority

Interest:

I want to join because I want to help create a positive financial impact on the city of
Ypsilanti

Applicatory Experience:

Local business owner.

Attendance Requirement:
Yes

Signature:
Yes

--

Mayor Amanda Maria Edmonds
City of Ypsilanti, Michigan
mayor@cityofypsilanti.com

-----Original Message-----

From: support@cityofypsilanti.com [mailto:support@cityofypsilanti.com]

Sent: Tuesday, September 15, 2015 12:57 AM

To: Frances McMullan

Subject: City of Ypsilanti Boards and Commissions Citizen Participation Resume

Results From: City of Ypsilanti Boards and Commissions Citizen Participation
ResumeSubmitted By: Unauthenticated User IP: 10.20.30.11

Name:

Briana

last name:

Mason

Address:

[REDACTED]

address2:

[REDACTED]

city:

Ypsilanti

state:

MI

zip:

48197

Years in Community:

0

Ward:

Phone:

[REDACTED]

Email:

[REDACTED]

Education:

Eastern Michigan University- Current Urban and Regional Planning- M.A. student

Occupation:
Student

Employer:
Eastern Michigan University Graduate School

BOARD OF INTEREST:
Planning Commission

Interest:

I am interested in the planning commission because I am now a citizen of the city of Ypsilanti and I am studying Urban and Regional Planning. This will give me experience in my major and better understanding of the city's planning issues.

Applicatory Experience:

Manna DC.- a non profit for affordable housing in the Washington, D.C. area. I was a project management intern working to put applications together for housing bids.

Attendance Requirement:
Yes

Signature:
Yes

--

Mayor Amanda Maria Edmonds
City of Ypsilanti, Michigan
mayor@cityofypsilanti.com

Hello Ladies and Gentlemen,

I have enclosed my résumé to express interest in the student planning commission position for The City of Ypsilanti. I am currently a graduate student at Eastern Michigan University studying Urban and Regional planning and if ever so fortunate would bring great assets to the City of Ypsilanti's Planning Commission team. In addition to these credentials, I have a little over a year worth of knowledge concerning community development and over 2 years of combined experience in public administration, office management, customer service and nonprofit work. My experience includes working with Manna, a nonprofit for affordable housing in Washington, DC as a student intern. This is how I gained interest in planning. My experience, sound judgment, attention to detail and well roundedness complement my commitment and dedication to being a leader. I am an organized, pro-active, and forward-thinking young lady with a passion to help others.

I am interested in the City of Ypsilanti's Planning Commission because as a future planner I will have to learn more about collaborating with others to assist the community and its progression. As a resident of Ypsilanti I have a commitment to my community to make sure that those who plan to add growth to Ypsilanti's rich history are doing it in a way that betters the quality of life of those who live here. This opportunity is not only an honor but a privilege. It will help me gain knowledge of my future career as well as more knowledge of the city itself. I have had the privilege of helping others over the years strive toward goals to better their community and organizations why not continue here?

Thank you in advance for your time and consideration. Though you have found a resume that very briefly summarizes my previous work experiences, it is not yet able to fully demonstrate my temperament and disposition. I strive to be a woman of integrity, honesty, and generosity. Though I am very proud of my educational and professional accomplishments, I am more pleased about being a person that cares for the well-being of others, and living a life that demonstrates high moral character.

I believe that my skills, talents, and professionalism will prove to be an asset to your planning team. I look forward to an opportunity to better Ypsilanti. I can be reached at Briana.AMason@yahoo.com or 313-953-3804.

Best Regards,

Briana Mason

Urban and Regional Planning-M.S. 2017 candidate

Eastern Michigan University

Briana A. Mason

briana.amason@yahoo.com

(313) 953-3804

ADDRESS

Current Address:

1000 N. Huron River Drive Apt. 329A
Ypsilanti, MI 48197

Permanent Address:

5655 East Outer Drive
Detroit, MI 48234

EDUCATION

Eastern Michigan University, Ypsilanti, MI
Expected Graduation Date: April 2017

Masters of Science in Urban and
Regional Planning

Howard University, Washington D.C.
Graduated: May 2015

Bachelors of Arts in Political Science
/Community Development Minor

HONORS AND AWARDS

- Legacy Scholar, Howard University
- 2015 Howard University Political Science Honor Society

EXPERIENCE

Graduate School Student Assistant, Eastern Michigan University

August 2015- Present

- Provides overall clerical and technical support to core office functions
- Responsible for email, phone, and website coverage.
- Processing forms and special Graduate School events: research, recruitment and outreach.

Paralegal Student Specialist, Department of Justice, Civil Division

January 2015- July 2015

- Providing support to unit commanders, paralegals and, lawyers.
- Providing documents for non-judicial punishments and courts-martial.
- Assisting Specialists prepare subpoena and discovery material for trial.
- Assisting Specialists conduct research on judicial and administrative rulings, determinations, opinions and decisions.
- Works with attorneys in preparation and filing of court documents.
- Responsible for phone, mail coverage, and setting up and maintaining hard copy and electric files.

Project Development Intern, Manna Inc.

September 2014- December 2014

- Created Neighborhood Analysis for properties Manna wanted to acquire.
- Collected Census Data and became familiar with Census Tracts.
- Attended pipeline meetings to gain new information about preexisting properties Manna owns.
- Attend walkthroughs of properties to insure the quality of the building.

Seasonal Sales Associate, Stride rite (Franchise)

May 2014- June 2014
August 2011- October 2011

- Store Sales Associate
 - Marketed products to potential buyers
 - Ensuring that customers have a wonderful experience as they enter the store.
 - Assisting customers find the shoes they need and helping measure their feet.

- Ring customers up upon the completion of the transaction
- Responsible for handling large portions of revenue to increase profits from sales
- Key Holder
 - In charge of helping with opening and closing down the store
 - Assist with running various managerial task including filing paperwork, assisting the store is running according to corporate policy
 - Inventory/Stock
 - Working the backroom/Unload truck shipments
 - Organize the shoes in the back, as well as price the shoes, and brining newer shoes to the front
 - Keeping the back room clean.

Computer Technician, Howard University School of Business

September 2013-May 2014

- Resolve network communications problems to ensure user's access
- Respond to user questions and explain the operation of network applications and equipment.
- Assist in the maintenance of standards and documentation.
- Assisted students and professors with computer network issues
- Created directories of inventory for all equipment
- Increased customer and employee relations
- Perform other related duties as required.

Event Coordinator, Howard University, Relay for Life

August 2013-April 2014

- Consult with service providers such as entertainers and stage equipment
- Coordinate staff to ensure the program of events occurs on time (for example, speeches and the serving of food and refreshments)
- Implement a 12-hour event for those affected by Cancer in the DC and Howard University Area.
- Spoke with student and health driven organizations on the importance of giving for the fight against cancer.
- Worked with a team of 30 directors to provide adequate services to participating groups.
- Distributed tasks to committee members to ensure the event functioned smoothly.
- Worked with vendors to ensure sponsorship for mini events.

Political Science Intern- Detroit City Council (Council President's Office)

July 2013-August 2013

- Studied the previous and revised Detroit Charter during an election year.
- Assisted the Council President in planning a Youth Conference for Detroit teens.
- Researched city governments on a national level for comparisons.
- Wrote testimonial resolutions and other documents for citizens of Detroit.

Accounts Payable Intern, Society of St. Vincent De Paul

June 2010- August 2010

- Assisted with filing in the accounting department.
- Handled invoices and donations for Society of St. Vincent.
- Computed monetary donations for the Society.

EXTRACURRICULAR ACTIVITIES

- 2015 Initiate- Political Science Honor Society.
- 2014 Initiate- Alpha Chapter, Alpha Kappa Alpha Sorority, Incorporated.
- Street Supervisor- Howard University Freshman Move-in 2013 and 2014
- Campus Recruitment Chair- American Cancer Society's Relay For Life of Howard University 2012-2013

- Secretary—Howard University Michigan Club, August 2012-May 2013
- Cook Hall Representative—Howard University Green Team, August 2012-April 2013
- Employee Committee Youth Chair—Detroit City Council Youth Violence Prevention Task Force, June 2011

SKILLS AND RELATED COURSES

- Intro to Research in Political Science, Intro to Political Economy, Urban Government and Politics, Economics for Black Community Development, Seminar for Community Development, and Sociology of Poverty, Intro to Urban and Regional Planning, Downtown Revitalization



Resolution No. 2015-230
October 6, 2015

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:



ACTION MINUTES

CITY OF YPSILANTI
COUNCIL MEETING ACTION MINUTES
CITY COUNCIL CHAMBERS – ONE SOUTH HURON ST.
YPSILANTI, MI 48197
TUESDAY, OCTOBER 6, 2015 – 7:00 P.M.

I. CALL TO ORDER –

The meeting was called to order at 7:03 p.m.

II. ROLL CALL –

Council Member Anne Brown	Present	Council Member Robb	Present
Council Member Nicole Brown	Present	Council Member Vogt	Present
Council Member Murdock	Present	Mayor Edmonds	Present
Mayor Pro-Tem Richardson	Present		

All Present

III. INVOCATION –

IV. PLEDGE OF ALLEGIANCE –

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

V. AGENDA APPROVAL –

Resolution No. 2015-105, approving Ordinance 1244, the adoption, amendment and restatement of the Depot Town Development Plan and Tax Increment Financing Plan was removed.
The agenda was approved as amended

VI. INTRODUCTIONS –

VII. PRESENTATIONS –

VIII. AUDIENCE PARTICIPATION –

IX. REMARKS BY THE MAYOR –

X. MINUTES –

Resolution No. 2015-218, approving minutes of September 14 and September 15, 2015
The minutes were approved as submitted.

XI. PUBLIC HEARINGS:

1. Resolution approving the transfer of SDM and Class C liquor license from Wintawat, LLC to Cultivate Community, Inc., (Cultivate Coffee & Tap House) located at 307 N. River St., Ypsilanti, MI 48198.

A. Resolution No. 2015-219, determination.

Approved: Yes – 6; No – 0; Abstained – 1 (Edmonds); Absent - 0

B. Open public hearing.

C. Resolution No. 2015-220, close public hearing.

Approved: Yes – 7; No – 0; Absent - 0

2. New Obsolete Property Rehabilitation Act Exemption for 15 S. Washington

A. Resolution No. 2015-221, determination.

Tabled Until October 20, 2015: Yes – 7; No – 0; Absent - 0

B. Open the public hearing.

C. Resolution No. 2015-222, close public hearing.

Approved: Yes – 7; No – 0; Absent – 0

3. New Obsolete Property Rehabilitation Act Exemption for 13 N. Washington

A. Resolution No. 2015-223, determination.

Tabled until October 8, 2015: Yes – 7; No – 0; Absent - 0

B. Open the public hearing.

C. Resolution No. 2015-224, close public hearing.

Approved: Yes – 7; No – 0; Absent - 0

XII. ORDINANCES – FIRST READING:

Motion to reconsider Resolution No. 2015-209 (Depot Town DDA Ordinance Amendment)

Approved: Yes – 5; No – 2 (Edmonds, Richardson); Absent – 0

Ordinance No. 1257

1. An ordinance to limit and cap the maximum captured taxable value of a Depot Town Tax Increment Financing Plan.

A. Resolution No. 2015-209, determination

Tabled until October 20, 2015: Yes – 5; No – 2 (Robb, Murdock); Absent - 0

XIII. RESOLUTIONS/MOTIONS/DISCUSSIONS –

- ~~1. Resolution No. 2015-105, approving Ordinance 1244, the adoption, amendment and restatement of the Depot Town Development Plan and Tax Increment Financing Plan. **(Second Reading)**~~

(Removed)

2. Resolution No. 2015-225, approving Memorandum of Understanding (MOU) with the Friends of the Ypsilanti Freighthouse for the operation and management of the city-owned facility.

Approved as Amended: Yes – 7; No – 0 Absent - 0

3. Resolution No. 2015-226, approving the purchase of a 2015 Wacker Neuson WL32 HF Wheel Loader for use in Streets and Parks Divisions for winter maintenance of public sidewalks and crosswalks.

Approved: Yes – 6; No – 0; Absent - 1 (Edmonds)

4. Resolution No. 2015-227, approving contract with AKT Peerless for environmental and grant administration services for the Blight Elimination Grant.

Approved: Yes – 7; No – 0; Absent - 0

5. Resolution No. 2015-228, rejecting bids for replacement of the Ypsilanti Fire Department roof.

Approved: Yes – 7; No – 0; Absent – 0

6. Resolution No. 2015-229, accepting proposal from VJM Design to complete the Ypsilanti Fire Department roof.

Approved: Yes – 7; No – 0; Absent - 0

XIV. LIASON REPORTS –

- A. SEMCOG Update
- B. Washtenaw Area Transportation Study
- C. Washtenaw Metro Alliance
- D. Urban County
- E. Freight House
- F. Parks and Recreation
- G. Millennial Mayors Conference
- H. Ypsilanti Downtown Development Authority
- I. Eastern Washtenaw Safety Alliance

XV. COUNCIL PROPOSED BUSINESS –

XVI. COMMUNICATIONS FROM THE MAYOR –

Nominations:

Downtown Development Authority

RayVon Williams – new appointment (replacing Kevin Hill) (finishing his term)
215 W. Michigan Ave., Ypsilanti, MI 48197
Ypsilanti, MI 48197
Term: 10/6/2015-7/1/2016

Planning Commission

Briana Mason - new appointment (filling vacant position)
1000 Huron River Dr.
Ypsilanti, MI 48197
Term: 10/6/2015-10/6/2018

Ypsilanti Housing Commission

Renee Smith (reappointment)
1112 Congress St.
Ypsilanti, MI 48197
Term: 10/20/15-10/20/2020

XVII. COMMUNICATIONS FROM THE CITY MANAGER –

XVIII. COMMUNICATIONS –

- October 20th Council Meeting at E.M.U. – McKenny Hall Ballroom
- October 27th Council Intragroup Relations Dialogue/Training (6:00-10:00 p.m.) at Marriott Eagle Crest Conference Center
- November 3rd – Working Session on Snow (6:00-7:00 p.m.)
- November/December – Goal Setting (TBD)

XIX. AUDIENCE PARTICIPATION –

XX. REMARKS FROM THE MAYOR -

XXI. ADJOURNMENT –

Resolution No. 2015-230, adjourning the Council meeting.

The meeting adjourned at 10:31 p.m.