

Mitzel Law Group PLC

Attorneys at Law

Dennis M. Mitzel
Teresa V. Fleming
Richard R. Zmijewski
Louise L. Labadie, PLLC (*of counsel*)

900 Victors Way, Suite 300
Ann Arbor, Michigan 48108
(734)-668-4100
Fax (734) 668-4101

Peter Arrington Long (*of counsel*)
Direct (734) 668-4095
Cell (734) 417-2445
Email palong@mitzellaw.com

October 22, 2014

John Hieftje, Mayor
City of Ann Arbor
301 East Huron
Ann Arbor, Michigan 48104

Jacqueline Beaudry, City Clerk
City of Ann Arbor
301 East Huron
Ann Arbor, Michigan 48104

Tom Crawford, Chief Financial Officer
City of Ann Arbor
301 East Huron
Ann Arbor, Michigan 48104

Steven Powers, City Administrator
City of Ann Arbor
301 East Huron
Ann Arbor, MI 48104

Re: Economic Development Corporation of the City of Ann Arbor

Ladies and Gentlemen:

Please find enclosed the 2014 Annual Report of The Economic Development Corporation of the City of Ann Arbor.

In the event of any questions or desire for additional information or documents, please don't hesitate to contact the undersigned at the convenience of the inquiring party.

Respectfully submitted,

Peter A. Long, Esq. Counsel



THE ECONOMIC DEVELOPMENT CORPORATION OF
THE CITY OF ANN ARBOR

2014 Annual Report

The Economic Development Corporation of the City of Ann Arbor ("EDC") was established in 1978 by City Council to assist in the attraction, relocation, retention and expansion of business organizations and non-profit entities which provide employment and which are beneficial to the populace, the economy and the environment of Ann Arbor.

The EDC isn't a lending institution but its use permits substantial savings on the costs of a loan. It does so by its issuance of tax-exempt private activity and non-profit revenue bonds. These are purchased by the lender with the proceeds disbursed in essentially the same manner as a conventional commercial mortgage loan. Because the interest received by the lender is tax exempt, it permits the interest rate to be reduced accordingly.

The EDC Board of Directors reviews applications for its bonds and then recommends to Council those projects it judges to be in the interests of the City according to certain well-defined criteria. In practice, the EDC has favored projects which were sensitive to environmental concerns and which added to the diversity of the jobs pool in the City. Since its inception, the EDC has issued over one hundred thirty million dollars in revenue bonds for thirty-four projects in the City. For the utilization of its bond financing, the EDC charges applicants a filing fee of \$650 plus a project completion fee of one-quarter to one-half percent of the principal amount of the bond due at closing.

In 2014 the EDC assisted Glacier Hills, Inc. through its issuance of \$34,010,000 limited obligation revenue refunding bonds. These funds were used primarily to refinance bonds previously issued by the EDC on behalf of Glacier Hills for buildings and improvements at its facility on 1200 Earhart Road.

Because of significant changes in Federal tax law since 1986, the use of tax-exempt revenue bond financing has been substantially reduced, now limited primarily to manufacturing and non-profit projects. In addition to its issuance of bonds, the EDC has made a number of grants for various economic development-related activities. These have included grants to the Center for Empowerment and Economic Development, Ann Arbor Spark, the Washtenaw Development Council, the Chamber Innovation Center, the Ann Arbor Summer Festival and the Michigan Technology Council.

During 2013-2014 the Board continues its study and survey of other services which the EDC might perform in addition to the foregoing. The study is concentrated upon whether there are any currently unmet needs related to economic development for which the EDC may play a role.

EDC Directors are nominated by the Mayor and appointed to six-year terms by City Council. Meetings of the EDC Board of Directors are held on an as-required basis. Meeting notices are posted in advance and all EDC meetings are open to the public.

For further information, contact the office of the Mayor at City Hall or Peter A. Long, Of Counsel, with the Mitzel Law Group PLC law firm, 900 Victors Way, Suite 300, Ann Arbor, Michigan 48108 (phone: 734.668.4095; email: palong@mitzellaw.com).

James C. Adams, Director

Tom Crawford, Director

Larry Eiler, Director

Dale Leslie, Director

Tim Marshall, Director

Jan McDermott, Director

Timothy Patton, Director

Stephen Powers, Director

Stephen Lange Ranzini, Director



CITY OF ANN ARBOR, MICHIGAN
301 E. Huron, P.O. Box 8647, Ann Arbor, Michigan 48107-8647

Economic Development
Corporation

THE ECONOMIC DEVELOPMENT CORPORATION
OF THE CITY OF ANN ARBOR

Balance Sheet

September 30, 2014

ASSETS

Bank of Ann Arbor (0100012905)	\$53,240.66
--------------------------------	-------------

LIABILITIES AND ENTITY CAPITAL

Liabilities	none
-------------	------

Entity Capital	\$53,240.66
----------------	-------------

TOTAL	\$53,240.66
-------	-------------