

**DOWNTOWN DEVELOPMENT AUTHORITY
OF THE CITY OF ANN ARBOR
AND
THE CITY OF ANN ARBOR**

**PARKING AGREEMENT
AMENDMENT NUMBER ONE**

The City of Ann Arbor, a Michigan municipal corporation, with offices at 301 E. Huron St. Ann Arbor, Michigan 48107-8647 (“City”) and the Downtown Development Authority of the City of Ann Arbor, a public corporation organized and existing pursuant to the authority of Act 197, Public Acts of Michigan, 1975 (MCL 125.1651 et seq.), with offices at 150 S. Fifth Avenue, Suite 301, Ann Arbor, Michigan 48104 (“DDA”) agree to amend the Parking Agreement executed by the parties effective July 1, 2017, as follows:

- 1) Article 4, Financial Obligations of the DDA, is amended in subsection (a) to read as follows with the remainder of the Article unaltered and restated in its entirety below:
 - a. The DDA will pay the City within thirty-one (31) days of the end of each calendar quarter ~~seventeen~~ twenty percent (~~17~~20%) of Gross Parking Revenue received by the DDA during the prior quarter for the fiscal years FY2018 and FY2019. Thereafter for the remainder of the term of the the Agreement, the DDA will pay the City within thirty-one (31) days of the end of each calendar quarter seventeen percent (17%) of Gross Parking Revenue received by the DDA during the prior quarter.
 - b. Through Fiscal Year 2015-16, should the DDA’s combined fund balance (excluding the Housing Fund) (“DDA Fund Balance”) fall below ONE MILLION DOLLARS (\$1,000,000), as shown by the DDA’s annual audited reports, then DDA may reduce amounts payable to the City under Section 4(a) by amounts equal to the difference between the DDA Fund Balance and ONE MILLION DOLLARS (\$1,000,000) (“Withheld Payments”), provided, however, that Withheld Payments shall not exceed (i) ONE MILLION DOLLARS (\$1,000,000) in any given fiscal year; or (ii) TWO MILLION DOLLARS (\$2,000,000) in the aggregate. The DDA agrees that prior to June 30, 2016, its discretionary grants and projects will not exceed the cost proposed in the DDA Ten Year Plan presented to the DDA Board at its meeting of May 20, 2011, unless otherwise approved by City Council. If at any time during the Term of this Agreement, the DDA Fund Balance exceeds FOUR MILLION DOLLARS (\$4,000,000), as shown by the DDA’s annual audited reports, the the DDA shall pay to the City an amount equal to the aggregate Withheld Payments, provided, however, that DDA may delay any portion of such payments that would reduce the DDA Fund Balance below FOUR MILLION DOLLARS (\$4,000,000) until such time as the making of such payment would not reduce the DDA Fund Balance below FOUR MILLION DOLLARS (\$4,000,000).
 - c. The DDA shall not be charged parking operations-related taxes, fees or any other amount by the City except as specifically provided in this Agreement. Subject to Section 2(g), the City further agrees that during the term of this

Agreement that it will not assess any parking operations-related fees or surcharges on users of the Facilities that are in addition to the parking rates as provided for in this Agreement.

- d. The DDA shall not use tax increment financing revenue collected from taxing authorities to make any payments to the City described herein. The DDA agrees that all such payments shall be made exclusively from parking revenues in the DDA parking fund.
- e. The DDA shall take no action that it reasonably believes will have a material detrimental effect upon parking enforcement revenue collected by the City. In the event that the DDA wishes to take such an action, then DDA and the City will negotiate in good faith in an effort to accommodate DDA's contemplated action, while reducing to as close to zero as is practical, the overall detrimental revenue effect on the City.
- f. Each payment pursuant to Section 4(a) shall be accompanied by an accounting of Gross Parking Revenue and documentation reasonably requested by the City, which documentation shall be sufficient to justify the calculation of amounts paid. The DDA shall provide the City with written financial reports relating its operation of the Municipal Parking System on a monthly basis as part of its monthly meeting minutes, and a certified annual audit report.
- g. Notwithstanding anything in this Agreement to the contrary, in the event the City fails to provide DDA with reports required under this Agreement, and if the City fails to provide such reports to DDA within thirty (30) days after written notice thereof by the DDA, then DDA shall be authorized to withhold five percent (5%) of amounts owed hereunder until such reports are delivered.

All terms, conditions, and provisions of the original agreement between the parties unless specifically amended above, are to apply to this amendment and are made a part of this amendment as though expressly rewritten, incorporated, and included herein. This amendment to the agreement between the parties shall be binding on the heirs, successors and assigns of the parties.

**For Downtown Development Authority of
the City of Ann Arbor**

By _____

Its:

For City of Ann Arbor

By _____
Christopher Taylor, Mayor

[

Jacqueline Beaudry, City Clerk

[signatures continued on next page]

Approved as to form and content

Stephen K. Postema, City Attorney

Approved as to substance

Howard S. Lazarus, City Administrator