

**Ann Arbor City Council Regular Session: September 2, 2014
Email Redactions List Pursuant to Council Resolution R-09-386**

| | A | B | C | D | E | F | G |
|----|------------------|-------------|--|--------------------|---|----------------------------------|-----------------------------|
| 1 | <u>Received</u> | | | | | | |
| 2 | <u>Sent Time</u> | <u>Time</u> | <u>TO</u> | <u>From</u> | <u>CC</u> | <u>Redactions</u> | <u>Reason for Redaction</u> |
| 3 | | 7:12 PM | Stephen Kunselman | Jacqueline Beaudry | Tom Crawford | | |
| 4 | | 7:25 PM | John Hieftje, Sumi Kailasapathy, Sally Petersen, Jane Lumm, Christopher Taylor, Stephen Kunselman, Margie Teall, Jack Eaton, Chuck Warpehoski, Mike Anglin, Sabra Briere | Kai Petainen | | Email address | Privacy |
| 5 | | 7:41 PM | All City Council Members | Jacqueline Beaudry | Steve Powers, Abigail Elias | | |
| 6 | | 8:16 PM | Carrie Leahy | Caryn Charter | Eric Jacobson, Dick Beedon, Sally Petersen, Vince Chmielewski, Bilal Saeed, Paula Sorrell, Skip Simms, Tom Crawford | Email addresses, Attorney Client | Privacy |
| 7 | | 8:36 PM | John Hieftje, Steve Powers, CityClerk, Marige Teall, Jack Eaton | Edward Vielmetti | | Email address, Phone Number | Privacy |
| 8 | | 10:40 PM | Jacqueline Beaudry | Chuck Warpehoski | | | |
| 9 | | 10:41 PM | All City Council Members | Jacqueline Beaudry | Steve Powers, Abigail Elias | | |
| 10 | | 10:49 PM | Jacqueline Beaudry, All City Council Members | Chuck Warpehoski | | | |
| 11 | | 11:31 PM | Jacqueline Beaudry | Chuck Warpehoski | | | |

**Ann Arbor City Council Regular Session: September 2, 2014
 Email Redactions List Pursuant to Council Resolution R-09-386**

| | A | B | C | D | E | F | G |
|----|---|----------|---|--------------------|--|---|---|
| 11 | | 11:32 PM | All City Council Members | Jacqueline Beaudry | Steve Powers, Abigail Elias, Ryan Stanton, Dave Askins | | |
| 12 | | 11:32 PM | Ryan Stanton, Dave Askins, Sally Petersen | Jacqueline Beaudry | | | |

Alexa, Jennifer

From: Beaudry, Jacqueline
Sent: Tuesday, September 02, 2014 7:12 PM
To: Kunselman, Stephen
Cc: Crawford, Tom
Subject: FW: Taxi ordinance

Hi Steve:

Staff would like a friendly amendment to the Taxi Deregulation Ordinance to allow time for implementation of the changes. We are requesting Section 4 be amended to say, "This ordinance will take effect on October 13, 2014." It currently says 10 days after publication.

Thanks!

Jackie

Jacqueline Beaudry, City Clerk

Ann Arbor City Clerk's Office | Guy C. Larcom City Hall | 301 E. Huron, 2nd Floor · Ann Arbor · MI · 48104
734.794.6140 (O) · 734.994.8296 (F) |
jbeaudry@a2gov.org | www.a2gov.org



Think Green! Please don't print this e-mail unless absolutely necessary.

From: Crawford, Tom
Sent: Tuesday, September 02, 2014 7:08 PM
To: Beaudry, Jacqueline
Subject: RE: Taxi ordinance

Oct 13th

From: Beaudry, Jacqueline
Sent: Tuesday, September 02, 2014 7:04 PM
To: Crawford, Tom
Subject: Taxi ordinance

What is the effective date that you would like? Steve K. wants me to email him the change.

Jacqueline Beaudry, City Clerk

Ann Arbor City Clerk's Office | Guy C. Larcom City Hall | 301 E. Huron, 2nd Floor · Ann Arbor · MI · 48104
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Think Green! Please don't print this e-mail unless absolutely necessary.

Alexa, Jennifer

From: Kai Petainen [REDACTED]
Sent: Tuesday, September 02, 2014 7:25 PM
To: Hieftje, John; Kailasapathy, Sumi; Petersen, Sally; Lumm, Jane; Taylor, Christopher (Council); Kunselman, Stephen; Teall, Margie; Eaton, Jack; Warpehoski, Chuck; Anglin, Mike; Briere, Sabra
Subject: my public comments for tonight.. LDFA/SPARK
Attachments: PublicComments20140902.pdf; A2Ypsi SmartZone LDFA TIF Development Plan_ Extension Amendment.pdf

Mayor and City Council,

Attached are my public comments for tonight.
Attached is the document that I refer to as well.

-kai

Mayor, Council Members:

In the LDFA plan, it reads this (page 9):

“However, the writers of this plan estimate that 700 more jobs may be created as a direct and indirect result of these activities. This estimate is based upon the current track record of the programs funded by the LDFA from 2003 to 2014. “

I'd like to point out this portion of the document, because it acknowledges the 711 jobs that I articulated to you previously. So the data that I gave to you with regards to job numbers was accurate and the LDFA confirmed it. But, it's also an alarming portion because SPARK claimed that the 711 jobs were NOT associated with the LDFA, whereas this document claims that they are. In the SPARK FAQ they state (and this refers to the 711 jobs):

“It's important to note that none of these programs receive LDFA funding support”


In other words SPARK says that 711 jobs were not associated with the LDFA, but the LDFA states that they were. The stories don't match. SPARK and the LDFA are not keeping a consistent story. They state one thing to one group of people, and they state another thing to another group of people.

When you make your decisions on the LDFA/SPARK, keep in mind a few things:

- It's not just a \$75,000 decision. The decisions you make will give SPARK >\$59 million. These aren't small decisions, but they are multi-million \$\$ decisions.
- If these deals go through, will SPARK/LDFA maintain transparent records to the public? In the past, SPARK has not. It's only in recent history that they've demonstrated better behavior, but will that better behavior continue once you sign the contracts?
- Here's a good question. Is it worth spending \$59 million for 700 jobs over the next 15 years? And would those jobs have come here anyway if SPARK/LDFA wasn't here?
- SPARK might tell you about Toyota and how Toyota is investing \$32 million in this area. Keep in mind that Toyota announced a year ago that they were investing \$28 million. The other \$4 million came in corporate welfare/tax breaks, as SPARK acted as a middle man between Toyota and Governor Snyder. As part of the deal, Toyota won't be paying >\$1 million to the schools. SPARK did not bring Toyota here. Toyota would have come here regardless of SPARK/LDFA.
- SPARK is running a for-profit venture capital fund for wealthy investors. Is it appropriate that tax-money is sent to them?

Thanks for listening to my concern.

-kai petainen, ann arbor, michigan



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

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

Adopted by LDFA 10/2/02
Adopted by City of Ann Arbor 11/19/02
Adopted by City of Ypsilanti 11/20/02

| | |
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LOCAL DEVELOPMENT FINANCE AUTHORITY

CITIES OF ANN ARBOR AND YPSILANTI

COUNTY OF WASHTENAW

STATE OF MICHIGAN

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

Section I: Introduction

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

In October, 2000, the Ann Arbor Downtown Development Authority submitted a proposal for SmartZone status on behalf of the cities of Ann Arbor and Ypsilanti (the "Cities"), and a variety of partners, including: Washtenaw Development Council, University of Michigan, Eastern Michigan University, Ann Arbor and Ypsilanti Downtown Development Authorities, Small Business Development Center and Ann Arbor IT Zone.

The proposal was designed to enhance existing efforts in high technology business formation and attraction being undertaken by the SBDC, universities and the IT Zone.

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

Public Act 281 of 1986, as amended, governs SmartZone designation specifically, by Public Act 248 of 2000. This legislation allows a community designated by the MEDC as a SmartZone to establish an LDFA, which may, in cooperation with the MEDC and the incorporating municipality(ies) implement a "certified technology park", to be known by the term "SmartZone." Within a SmartZone, the LDFA may utilize tax increment

financing to develop eligible projects within the SmartZone, in accordance with PA 281 of 1986, as amended. These projects are further subject to the 'Development Agreement' between the LDFA and the Michigan Economic Development Corporation (MEDC).

PA 248 of 2000 also anticipated the creation of multi-jurisdictional SmartZones, such as those proposed by Ann Arbor/Ypsilanti. The creation of a multi-jurisdictional SmartZone also requires the approval of the County of Washtenaw. The Ann Arbor/Ypsilanti SmartZone plan was adopted by the City of Ann Arbor and City of Ypsilanti on June 27, 2002 and the County of Washtenaw on July 17, 2002. A map of the ~~proposed~~ SmartZone LDFA District is attached as **Appendix A**. The schedule for adoption of the resolutions establishing the LDFA follows:

| | |
|---------------------------------|----------------|
| Public Hearing on Establishment | |
| City of Ann Arbor | April 29, 2002 |
| City of Ypsilanti | April 23, 2002 |
| Adoption of Resolution Creating | |
| Ann Arbor/Ypsilanti LDFA | |
| City of Ann Arbor | June 27, 2002 |
| City of Ypsilanti | June 27, 2002 |
| County of Washtenaw | July 17, 2002 |

These resolutions are included as Appendix B.

PA 248 of 2000 was amended in 2012 to allow existing SmartZone LDFAs to extend the life of the LDFA and the tax capture another 5 or 15 years. The City of Ann Arbor on June 2, 2014 and the City of Ypsilanti on June 3, 2014 passed resolutions supporting the application for such extension.

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

This ~~p~~Plan will authorize the capture of certain tax increment revenues by the LDFA for purposes of funding the elements included in the Plan. PA 281 of 1986, as amended, establishes and defines the activities that may be undertaken within such a Plan. The ~~p~~Plan includes all the purposes allowed under the statute.

1. Boundaries of the Ann Arbor/Ypsilanti SmartZone and Properties Subject to the Plan

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

It is anticipated that these boundaries may be amended from time-to-time, and may, at the recommendation of the ‘SmartZone L DFA Board’, and as approved by the member municipalities, be extended to other municipalities. In that event, the terms of this plan shall apply to new members in their entirety.

All property within these boundaries shall be subject to the terms of this pPlan, except that tax increments subject to the current tax increment financing plans of the Ann Arbor and Ypsilanti Downtown Development Authorities shall be regarded as ‘senior’.

2. Estimates of Captured Taxable Value and Tax Increment Revenue

Beginning in 2003, the LDFA will commenced capture of ad valorem and specific tax levies on all new and incremental growth from the initial assessed value of Captured Property determined on the basis of assessments as of December 31, 2000. The initial taxable value of the LDFA District is was \$261,776,313. Upon final approval by MEDC, the LDFA will capture tax dollars for an additional fifteen (15) years beyond the original 2003-20187 approved term, which would commencing with levies imposed in 2003-20198 through the levies imposed in 201820342.

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

Under this Plan, tax increment revenues subject to capture by the LDFA shall include, to the maximum extent permitted by Act 281 of 1986, as amended, the following: Ann Arbor portion of the district – 50% of operating millage of local school districts and 50% of the State Education Tax levied upon the Captured Property. Hold harmless millages are excluded from capture under this Plan. Ypsilanti: no revenue shall be captured at the present time. The LDFA shall not capture tax revenues attributable to the levies of any other taxing jurisdiction.

3. Anticipated Captured Revenue Stream

Chart Table 1, attached hereto, estimates the amount of tax increment revenue available for disbursement to the LDFA and the impact of this Plan upon the local school districts and the State. Based on current sState law, this Plan shall have no direct impact upon the local school districts, as it has no direct impact upon the per pupil reimbursement from the State to the public schools. The impact to the State School Aide Fund will be approximately \$24455957,000,000 million over the extended 15 years of the LDFA

~~Plan, absent any revenue offset from the State general fund and/or returns from LDFA contracted activities.] This translates to approximately \$1,6003.8 million,000,000 annually, or \$0.791.94/student statewide.]~~

4. Explanation of Procedure

Tax increment financing for a SmartZone, or ‘certified technology park’ permits the LDFA to capture tax revenues attributable to increases in the value of all real and personal property that is within the SmartZone and that has been made subject to the tax increment revenue calculation (Captured Property). Act 281 of 1986 governs the tax increment finance procedure. These procedures outlined below are effective as of the date of adoption of this Plan, but are subject to any changes imposed by future amendments to Act 281.

Upon adoption of this ~~Plan~~ by the Cities, the initial taxable value of the ~~Captured~~ Property was established as of December 31, 2001. In each year the Plan is in effect, the ‘Current Taxable Value’ of Captured Property is determined.

The amount by which the aggregate Current Taxable Value of Captured Property exceeds its Initial Taxable Value in any one year is the ‘Captured Taxable Value’ of the SmartZone. As discussed above, the SmartZone LDFA District overlaps a DDA created in both Ann Arbor and Ypsilanti. In Ann Arbor, the DDA captures tax increment revenues attributable to other than local school districts, intermediate school districts and the State Education Tax. The Ypsilanti DDA captures these taxes, plus the taxes attributable to local school district operating millages, intermediate school district and the State Education Tax. These captures of tax increment revenues by the DDA’s will be exempted from the annual calculations of the tax increment revenues available to be captured by the LDFA under this Plan. Additionally, the intermediate school district tax capture has been exempted from this Plan, as such revenue supports direct student services, and is not subject to per pupil reimbursement from the State School Aide Fund.

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

Tax Increment Revenues in excess of the estimates set forth in this Plan, or in excess of the actual costs of this Amended Plan to be paid from Tax Increment Revenues will be considered surplus under Act 281. Unless retained to further implementation of the Development Plan set forth in Section III pursuant to a resolution of the ~~Authority~~LDFA, surplus tax increment revenues must revert proportionately to the respective taxing jurisdictions from which collected.

5. Operating and Administrative Expenditures

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

It is anticipated that the LDFA will contract with the City of Ann Arbor and/or the Washtenaw Development Council Ann Arbor SparkPARK, or successor organization an organization providing economic development services, to support the operation of the LDFA. The City will provide financial management, audit and required reporting. ~~The WDC Ann Arbor SPARK and~~ The City will also provide secretarial services, including preparation and follow up from all LDFA meetings, meeting posting and required planning and administration to assure the execution of the LDFA's adopted plans. In the event the Ypsilanti portion of the LDFA begins to generate revenue in support of the Smart-Zone, the same provision will apply to the Ypsilanti-portion of the SmartZone, with the City of Ypsilanti providing financial management for that funding. Operating and planning expenses of the Authority LDFA that are to be directly supported with tax increment revenues of the LDFA are anticipated not to exceed 20% of the LDFA annual tax increment revenues.

6. Notes or Bonded Indebtedness

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

7. Use of Tax Increment Revenue

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

- All eligible expenditures allowed by PA 281 of 1986, as amended, and specifically related to acquisition, construction and operation of certified technology parks, incubator facilities and other eligible properties.

- Cash payments for fulfilling activity contained in the Development Plan.
- Set asides required for any capital reserve fund(s) that the LDFA may establish.
- Payment for contractual services, whether between the LDFA and the eCities, or other public or private entity, for planning, administration, or general services fulfilling the objectives of the Development Plan.
- Payments for contractual services, whether between the LDFA and the Cities, or other public or private entity, for services maintaining the infrastructure or administration of eligible property or programs within the LDFA District.
- Payments for installation of technology related infrastructure assets, i.e. fiber lines, nodes, or work spaces.
- ~~Investment to non-bankable, seed stage technology companies.~~
- Talent recruitment and retention programs.
- Leverage Utilization of grants and donations for collaboration with other communities and programs.
- Accelerator services throughout the entire SmartZone District.

8. Sources of Revenue

The LDFA, by its statutory authority and subject to the restriction in Section 6 above, may issue ~~revenue bonds~~, tax increment bonds, borrow funds from any source, or negotiate credit lines. It may also accept grants, donations and other sources of revenue. In the event notes or bonded indebtedness are incurred by the LDFA, the full faith and credit of the Cities may be pledged to support such indebtedness in the manner and subject to the approval required by Act 281 of 1986, as amended.

~~It is not anticipated that costs related to the purposes of the Development Plan will be funded or financed by advances from or indebtedness incurred by either City. Any such action would require an amendment to this plan.~~

9. Excess Revenue

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

10. Duration of Plan; Dissolution

Tax increment revenues shall continue to be captured by the LDFA from levies in 2003 through levies in ~~2018~~2034. The Development Plan portion of this Plan shall remain in effect until the end of the LDFA fiscal year commencing in ~~2018~~2034, or until the

~~purposes of the Development~~ TIF funds have been fully expended as contemplated by the Development Plan ~~has been fulfilled~~, whichever is ~~the earlier date~~ greater/later.

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

11. Job/Business Creation Estimates

The estimation of jobs in the high technology sector and under the program outlined by this Plan is a speculative venture contingent upon many factors outside the control of the LDFA. However, the writers of this plan estimate that 700 more jobs may be created as a direct and indirect result of these activities. This estimate is based upon the following assumptions: ~~A survey conducted in 1998 by the Washtenaw Development Council and the Ann Arbor Software Council determined that the average technology company in the area employed 57 individuals after approximately 10 years of operation. Based on the establishment and/or location of two new businesses each year within either the Ann Arbor or Ypsilanti portions of the SmartZone, this would result in the creation of just over 700 jobs during the 15 year life of the LDFA.~~

~~We believe that businesses of this scale can find appropriate facilities within the areas encompassed by the SmartZone.~~ current track record of the programs funded by the LDFA from 2003~~2~~ to 2014. It is reasonable to estimate that the contractor providing the services to companies for the LDFA, Ann Arbor SPARK, can maintain the trend of companies created at 20 per year over the course of the additional 15 year Smart-Zone extension resulting in a total of 300 companies created by 2032~~3~~. Assuming the continued support of the current ecosystem for client companies, and the achievement of catalyzing the creation of 300 new companies, SPARK it is project ~~sed that -to serve~~ 900 unique companies will be served over the 15 extension.

In terms of private equity and grant funding received by companies served, an average of \$10 million per year can be raised, cumulating \$150 million of grants and private equity over the course of 15 years.

12. Summary

The ~~adoption of this amended~~ Plan, as amended, ~~-will continue to~~ provide capital needed for the facilitation of the commercialization of research products being developed at University of Michigan and Eastern Michigan University, and other community institutions, and the development of private high technology enterprises that, but for this Plan, would be deferred, or located outside of the Cities and this State. The activities detailed in the Development Plan, and financed by this LDFA will induce the growth and

retention of technology-led economic development, benefiting residents with new opportunity and increasing property values to taxing jurisdictions in the region.

Section III: The Development Plan

Introduction

The following Development Plan adheres to the required statutory provisions of PA 281 of 1986, as amended, being Section 15 specifically, and assumes final designation of the LDFA district as a “certified technology park.”

The LDFA anticipates implementation of the Development Plan ~~as is and will continue to be~~ a collaborative effort between the LDFA, the Cities, ~~the Ann Arbor IT Zone, the Washtenaw Development Council (WDC),~~ University of Michigan and Eastern Michigan University, the Small Business Development Center, various private venture and service providers, and ~~a to be developed business accelerator~~ Ann Arbor SPARK (SPARK). The WDC, and the Ann Arbor IT Zone SPARK, through the business accelerator partners are anticipated to An economic business organization will assume, on behalf of or in collaboration with the LDFA, functions related to assuring the successful implementation of the purposes of this Development Plan. This Development Plan recognizes that other partners will provide other programs and services on behalf of the ‘SmartZone’, not party to the LDFA and its Development Plan.

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

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

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

The WDC Spark is the lead economic development organization for Washtenaw County, with one of its missions the encouragement of emerging industries. The IT Zone is a membership organization, charged with encouraging the technology industry in Washtenaw County, including establishment of new business enterprises in technology fields. Both organizations have as a subsidiary goal the retention of technology graduates from area colleges and Universities. The third, key, party to the plan is a technology accelerator. This program is currently being developed under the guidance of volunteers from the Ann Arbor IT Zone, the University of Michigan, Eastern Michigan University, and a variety of business and private volunteers. The exact operation of this accelerator will be determined based on the final configuration, and subject to approval by the LDFA. Currently, accelerator proponents anticipate a relationship with the Ann Arbor IT Zone, which uses the Zone to compliment the work of the accelerator, but assure the accelerator of independent status.

Entrepreneurs and companies served through programs like the Entrepreneur Boot Camp, Accelerator Grants, Micro loans, and incubator facilities, more than 500 companies have benefited. These companies today employ more than 1,400 people, about 500 more than when they were first provided assistance with LDFA resources.

1. Description(s) of Property to which Development Plan Applies

The Development Plan applies to the SmartZone LDFA District, which encompasses all or part of the Downtown Development Districts of Ann Arbor and Ypsilanti and may apply to the boundaries of the Cities as described in Section 3 below. A map of the SmartZone LDFA District is attached as Attachment appendix A. For purposes of this Development pPlan, ‘eligible property’ is deemed to be the facilities known as the “Ann Arbor ITZone” and the Ann Arbor Ypsilanti Area Smart Zone Business Accelerator SPARK Central, currently located at 330 E. Liberty, Ann Arbor, Michigan and SPARK East located at 215 W. Michigan Avenue, Ypsilanti, Michigan. This plan assumes that the definition of an ‘eligible property’ may extend to other facilities occupied by the accelerator and/or the IT Zone within the city limits of Ann Arbor and Ypsilanti where there can be accelerator services.

2. Boundaries of Property to which the Development Plan Applies

The Map in Appendix attachment BA shows the boundaries of the SmartZone LDFA District, all of which is subject to this Development Plan. The Eligible Property within the SmartZone LDFA District to which this Development Plan will initially apply is the ground floor of a three-story building owned by First Martin Corporation, and located at 330 E. Liberty, Ann Arbor, Michigan. This facility is the “Ann Arbor ITZone”, and At this location is provides provided networking and educational services and incubator office space for the technology community in Washtenaw County. The IT Zone, in turn,

~~has entered into SPARK collaborations~~ collaborates with MichBio, the University of Michigan's Zell-Lurie Entrepreneurial Institute, ~~and the University of Michigan Office of Technology Transfer and Center for Entrepreneurship, Tech-Start program~~ the SBDC, New Enterprise Forum and other organizations to expand its reach beyond ~~its initial interest in~~ the information technology industry, to serve all innovative ideas and technologies no matter the industry sector. These collaborating organizations have further agreed to cooperate with the proposed technology business accelerator.

3. Public Infrastructure ~~within the District~~ to which the Plan Applies

The SmartZone LDFA District is fully developed with roads, sidewalks, lighting and subsurface utilities. The is existing infrastructure is publicly financed and maintained. ~~The Development Plan does not anticipate large-scale improvements to or expansions of this infrastructure. In the event sufficient revenues become available through this plan,~~ investment may be made to facilitate the expansion of the technology infrastructure, such as high-speed telecommunications infrastructure throughout the District service area Cities' public facilities as defined by Act 281, or expansion of the incubator facilities with the SmartZone LDFA District. ~~Alternatively~~ Additionally, the LDFA may become a grant recipient for financing designed to encourage this investment. Examples of such infrastructure might include timely installation of publicly-owned conduit in conjunction with other public infrastructure projects, and designed to reduce the costs of telecommunications extensions. **No LDFA funds shall be used to directly subsidize installation of this public infrastructure to an individual business, or to directly subsidize a regulated or unregulated telecommunications carrier.**

4. Public Facilities and Improvement Anticipated

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

~~All projects are anticipated to begin by fourth quarter, 2002, and be carried forward through the life of the LDFA.~~ LDFA revenues will be budgeted for items as approved in

the LDFA ~~p~~Development Plan on an annual basis, and expenditures attributable to these items shall not exceed available LDFA revenues.

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

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

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

5. ~~Staging/Timelines~~

~~The Ann Arbor ITZone has been designated by the MEDC as a business accelerator, and funding for the initial two years is in place. Other projects are staged for implementation, beginning in 2003 and beyond.~~

6.5. Property Sales/Transfers to or from Ann Arbor or Ypsilanti

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

7.6. Zoning/Utility Changes

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

8.7. Overall Cost Estimates and Financing

It is estimated that the overall cost to the LDFA of implementing this Development ~~p~~Plan from ~~2003-20198 – 2018-20342~~ will be approximately \$~~2550957 million,000,000~~. These cost estimates include the operation of the, the costs of operation of the LDFA, and the costs of extending publicly owned ~~conduit-technology related infrastructure~~ as appropriate. These costs will be funded with tax increment revenues, user fees and grants. In the event that costs exceed the available tax increment financing, priority will be provided to funding programs, rather than LDFA operations.

9.8. Persons to Whom Public Facilities will be Conveyed and Persons Receiving Benefit

As previously indicated in this Development Plan, ~~the Ann Arbor ITZone~~SPARK is a tenant in a privately owned building. No actual conveyance will take place. Although the term of the lease does not extend for the length of the LDFA, it is anticipated that ~~the Ann Arbor ITZone~~SPARK will continue to be a tenant in a privately owned facility, and not a building owner. ~~The IT Zone~~SPARK will provide the physical home for the ~~business a~~ccelerator. ~~The Ann Arbor ITZone~~SPARK will maintain its qualification as a provider of business incubator services under Act 281 of 1986, as amended, for the term of this Development Plan. Failure of ~~the Ann Arbor ITZone~~SPARK to maintain its qualification under the Act shall result in withdrawal of LDFA funding.

Beneficiaries of ~~the Ann Arbor ITZone~~SPARK~~the SmartZone~~ will be the small and emerging businesses, meeting applicable criteria, establishing operations in the SmartZone.

10.9. Procedures for Leasing, Purchasing and Conveying Public Facilities

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

11.10. Residences and Resident Relocation Assistance

There will be no need to remove or relocate any residents or homesteads.

12.11. Amendments

This Development Plan is adopted in accordance with PA 281 of 1986, as amended, and may be changed from time-to-time by resolution of the LDFA and the Cities.

ADOPTED THIS ~~2nd~~ DAY OF ~~OCTOBER~~, ~~2002~~201.

| | |
|----------------------------|---|
| Appendix A | Map of Proposed SmartZone |
| Appendix B | Resolutions of Adoption |
| Table 1 | Assumptions |
| Table 21 | Anticipated Tax Increment Revenue |
| Table 32 | Anticipated Tax Increment Expenditures |
| Attachment 1 | Agreement Between Cities |

DRAFT

Alexa, Jennifer

From: Beaudry, Jacqueline
Sent: Tuesday, September 02, 2014 7:41 PM
To: *City Council Members (All)
Cc: Powers, Steve; Elias, Abigail
Subject: SPARK contract resolution from June 16
Attachments: CA-7.pdf; CA-7ATT1.pdf

Attached is the item that is up for consideration to take from the table as DS-4.

Jacqueline Beaudry, City Clerk

Ann Arbor City Clerk's Office | Guy C. Larcom City Hall | 301 E. Huron, 2nd Floor · Ann Arbor · MI · 48104
734.794.6140 (O) · 734.994.8296 (F) |
jbeaudry@a2gov.org | www.a2gov.org



Think Green! Please don't print this e-mail unless absolutely necessary.



City of Ann Arbor

301 E. Huron St.
Ann Arbor, MI 48104
<http://a2gov.legistar.com/Calendar.aspx>

Text File

File Number: 14-0850

Agenda # CA-7

Introduced: 6/16/2014

Version: 1

Current Status: Consent Agenda

Matter Type: Resolution

Resolution to Approve a Contract with Ann Arbor SPARK for Economic Development Services (\$75,000.00)

Attached for your consideration is a resolution to approve a contract with Ann Arbor SPARK. SPARK will conduct economic development activities, helping the City make progress on City Council's economic health priority area.

SPARK attracts new businesses, specifically technology companies. By providing continuous communications mechanisms between higher education, government, and the private and non-profit sectors, SPARK addresses the City and region's economic development needs and concerns.

Although SPARK has a regional mission, the contract specifies that services will be provided to the City, with specific deliverables. The deliverables are the attraction and retention of companies that add or maintain taxable value and add or retain jobs. Specific deliverables also include supporting the outcomes from City Council's Economic Collaborative Task Force.

Funding for the contract is in the FY2015 budget for \$75,000.00.

Washtenaw Development Council began providing services to the City in 1982. In 2006, Washtenaw Development Council and Ann Arbor SPARK consolidated creating one unified organization. The merger of the two organizations supports the region's mission for economic growth for all communities in Washtenaw County.

Prepared by: Sara Higgins, Assistant to the City Administrator

Approved by: Steven D. Powers, City Administrator

Resolution to Approve a Contract with Ann Arbor SPARK for Economic Development Services (\$75,000.00)

Whereas, The City has had a long-standing relationship with the Washtenaw Development Council since 1982 to provide services related to the economic development of the area;

Whereas, Washtenaw Development Council and Ann Arbor SPARK officially consolidated the two organizations in July 2006 creating one unified organization;

Whereas, The merger of the two organizations supports the region's mission for economic growth and represents all communities in Washtenaw County;

Whereas, The services of Ann Arbor SPARK focus on building our innovation-focused community through continual proactive support of entrepreneurs, regional businesses, university tech transfer office, and networking organizations;

Whereas, The Ann Arbor SPARK received Human Rights approval May 23, 2014 and complies with the provisions of the City's living wage ordinance; and

Whereas, Funding for services for FY2015 are budgeted within the approved budget under the City -wide Membership account in the amount of \$75,000.00.

RESOLVED, That City Council approve a one year contract in the amount of \$75,000.00 with Ann Arbor SPARK for business support services for the period of July 1, 2014 to June 30, 2015;

RESOLVED, That the Mayor and City Clerk are authorized to execute the contract after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to take all necessary actions to implement this resolution.

**AGREEMENT BETWEEN
ANN ARBOR SPARK
AND THE CITY OF ANN ARBOR
FOR ECONOMIC DEVELOPMENT CONSULTING SERVICES**

The City of Ann Arbor, a Michigan municipal corporation, having its offices at 301 E. Huron St., Ann Arbor, Michigan 48104 ("City"), and Ann Arbor SPARK a corporation, with its address at 201 S. Division, Suite 430, Ann Arbor, Michigan 48104 agree as follows on this _day of _____, 2014.

The Consultant agrees to provide professional services to the City under the following terms and conditions:

I. DEFINITIONS

Administering Service Area/Unit means City Administration.

Contract Administrator means City Administrator, acting personally or through any assistants authorized by the Administrator/Manager of the Administering Service Area/Unit.

Deliverables means all Plans, Specifications, Reports, Recommendations, and other materials developed for or delivered to City by Consultant under this Agreement

Project means economic development services.

II. DURATION

This Agreement shall become effective on July 1, 2014, and shall remain in effect until June 30, 2015 unless terminated as provided for in this Agreement.

III. SERVICES

- A. The Consultant agrees to provide professional economic development consulting services ("Services") in connection with the Project as described in Exhibit A. The City retains the right to make changes to the quantities of service within the general scope of the Agreement at any time by a written order. If the changes add to or deduct from the extent of the services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement.

- B. Quality of Services under this Agreement shall be of the level of professional quality performed by experts regularly rendering this type of service. Determination of acceptable quality shall be made solely by the Contract Administrator.
- C. The Consultant shall perform its Services for the Project in compliance with all statutory, regulatory and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.
- D. The Consultant may rely upon the accuracy of reports and surveys provided to it by the City except when defects should have been apparent to a reasonably competent professional or when it has actual notice of any defects in the reports and surveys.

IV. COMPENSATION OF CONSULTANT

- A. The Consultant shall be paid in the manner set forth in Exhibit B. Payment shall be made monthly, unless another payment term is specified in Exhibit B, following receipt of invoices submitted by the Consultant, and approved by the Contract Administrator.
- B. The Consultant will be compensated for Services performed in addition to the Services described in Section III, only when those additional Services have received prior written approval of the Contract Administrator. Compensation will be on the basis of reasonable time spent and reasonable quantities of materials used, according to the schedule of rates in Exhibit B. The Contract Administrator shall be the sole arbitrator of what shall be considered "reasonable" under this provision.
- C. The Consultant shall keep complete records of time spent and materials used on the Project so that the City may verify invoices submitted by the Consultant. Such records shall be made available to the City upon request and submitted in summary form with each invoice.

V. INSURANCE/INDEMNIFICATION

- A. The Consultant shall procure and maintain during the life of this contract, such insurance policies, including those set forth in Exhibit C, as will protect itself and the City from all claims for bodily injuries, death or property damage which may arise under this contract; whether the acts were made by the Consultant or by any subcontractor or anyone employed by them directly or indirectly. In the case of all contracts involving on-site work, the Consultant shall provide to the City, before the commencement of any work under this contract, documentation demonstrating it has obtained the policies required by Exhibit C.

- B. Any insurance provider of Consultant shall be admitted and authorized to do business in the State of Michigan and shall carry and maintain a minimum rating assigned by A.M. Best & Company's Key Rating Guide of "A-" Overall and a minimum Financial Size Category of "V". Insurance policies and certificates issued by non-admitted insurance companies are not acceptable unless approved in writing by the City.
- C. To the fullest extent permitted by law, Consultant shall indemnify, defend and hold the City, its officers, employees and agents harmless from all suits, claims, judgments and expenses including attorney's fees resulting or alleged to result from any act or omission by the Consultant or its employees and agents occurring in the performance of or breach in this Agreement.

VI. COMPLIANCE REQUIREMENTS

- A. Nondiscrimination. The Consultant agrees to comply, and to require its subcontractor(s) to comply, with the nondiscrimination provisions of Section 209 of the Elliot-Larsen Civil Rights Act (MCL 37.2209) The Consultant further agrees to comply with the nondiscrimination provisions of Chapter 112 of the Ann Arbor City Code and to assure that applicants are employed and that employees are treated during employment in a manner which provides equal employment opportunity.
- B. Living Wage. The Consultant is a "covered employer" as defined in Chapter 23 of the Ann Arbor City Code and agrees to comply with the living wage provisions of Chapter 23 of the Ann Arbor City Code. The Consultant agrees to pay those employees providing Services to the City under this Agreement a "living wage," as defined in Section 1:815 of the Ann Arbor City Code, as adjusted in accordance with Section 1:815(3) and specified in Exhibit D; to post a notice approved by the City of the applicability of Chapter 23 in every location in which regular or contract employees providing services under this Agreement are working; to maintain records of compliance; if requested by the City, to provide documentation to verify compliance; to take no action that would reduce the compensation, wages, fringe benefits, or leave available to any employee or person contracted for employment in order to pay the living wage required by Section 1:815; and otherwise to comply with the requirements of Chapter 23.

VII. WARRANTIES BY THE CONSULTANT

- A. The Consultant warrants that the quality of its Services under this Agreement shall conform to the level of professional quality performed by experts regularly rendering this type of service.
- B. The Consultant warrants that it has all the skills, experience, and professional licenses necessary to perform the Services specified in this Agreement.

- C. The Consultant warrants that it has available, or will engage, at its own expense, sufficient trained employees to provide the Services specified in this Agreement.
- D. The Consultant warrants that it is not, and shall not become overdue or in default to the City for any contract, debt, or any other obligation to the City including real and personal property taxes.

VIII. TERMINATION OF AGREEMENT

- A. If either party is in breach of this Agreement for a period of fifteen (15) days following receipt of notice from the non-breaching party with respect to a breach, the non-breaching party may pursue any remedies available to it against the breaching party under applicable law, including but not limited to, the right to terminate this Agreement without further notice.
- B. The City may terminate this Agreement, on at least thirty (30) days advance notice, for any reason, including convenience, without incurring any penalty, expense or liability to the Consultant except the obligation to pay for Services actually performed under the Agreement before the termination date.
- C. The remedies provided in this Agreement will be cumulative, and the assertion by a party of any right or remedy will not preclude the assertion by such party of any other rights or the seeking of any other remedies.

IX. OBLIGATIONS OF THE CITY

- A. The City agrees to give the Consultant access to the Project area and other City-owned properties as required to perform the necessary Services under this Agreement.
- B. The City shall notify the Consultant of any defects in the Services of which the Contract Administrator has actual notice.

X. ASSIGNMENT

- A. The Consultant shall not subcontract or assign any portion of any right or obligation under this Agreement without prior written consent from the City. Notwithstanding any consent by the City to any assignment, Consultant shall at all times remain bound to all warranties, certifications, indemnifications, promises and performances, however described, as are required of it under the Agreement unless specifically released from the requirement, in writing, by the City.
- B. The Consultant shall retain the right to pledge payment(s) due and payable under this Agreement to third parties.

XI. NOTICE

All notices and submissions required under this Agreement shall be delivered to the respective party in the manner described herein to the address stated in this Agreement or such other address as either party may designate by prior written notice to the other.

Notices given under this Agreement shall be in writing and shall be personally delivered, sent by next day express delivery service, certified mail, or first class U.S. mail postage prepaid, and addressed to the person listed below. Notice will be deemed given on the date when one of the following first occur: (1) the date of actual receipt; (2) the next business day when notice is sent next day express delivery service or personal delivery; or (3) three days after mailing first class or certified U.S. mail.

If Notice is sent to the CONSULTANT, it shall be addressed and sent to:

Ann Arbor SPARK
201 S. Division, Suite 430
Ann Arbor, Michigan 48104
Attn.: Executive Director

If Notice is sent to the CITY, it shall be addressed and sent to:

City of Ann Arbor
301 E. Huron
Ann Arbor, Michigan 48107
Attn: City Administrator

XII. CHOICE OF LAW

This Agreement will be governed and controlled in all respects by the laws of the State of Michigan, including interpretation, enforceability, validity and construction. The parties submit to the jurisdiction and venue of the Circuit Court for Washtenaw County, State of Michigan, or, if original jurisdiction can be established, the United States District Court for the Eastern District of Michigan, Southern Division, with respect to any action arising, directly or indirectly, out of this Agreement or the performance or breach of this Agreement. The parties stipulate that the venues referenced in this Agreement are convenient and waive any claim of non-convenience.

XIII. OWNERSHIP OF DOCUMENTS

Upon completion or termination of this Agreement, all documents (i.e., deliverables) prepared by or obtained by the Consultant as provided under the terms of this Agreement shall be delivered to and become the property of the City. Original basic survey notes, sketches, charts, drawings, partially completed drawings, computations, quantities and other data shall remain in the possession of the Consultant as instruments of service unless specifically incorporated in a

deliverable, but shall be made available, upon request, to the City without restriction or limitation on their use. The City acknowledges that the documents are prepared only for the Project. Prior to completion of the contracted Services the City shall have a recognized proprietary interest in the work product of the Consultant.

Unless otherwise stated in this Agreement, any intellectual property owned by Consultant prior to the effective date of this Agreement (i.e., preexisting information) shall remain the exclusive property of Consultant even if such Preexisting Information is embedded or otherwise incorporated in materials or products first produced as a result of this Agreement or used to develop Deliverables. The City's right under this provision shall not apply to any Preexisting Information or any component thereof regardless of form or media.

XIV. CONFLICT OF INTEREST

Consultant certifies it has no financial interest in the Services to be provided under this Agreement other than the compensation specified herein. Consultant further certifies that it presently has no personal or financial interest, and shall not acquire any such interest, direct or indirect, which would conflict in any manner with its performance of the Services under this Agreement.

XV. SEVERABILITY OF PROVISIONS

Whenever possible, each provision of this Agreement will be interpreted in a manner as to be effective and valid under applicable law. However, if any provision of this Agreement or the application of any provision to any party or circumstance will be prohibited by or invalid under applicable law, that provision will be ineffective to the extent of the prohibition or invalidity without invalidating the remainder of the provisions of this Agreement or the application of the provision to other parties and circumstances.

XVI. EXTENT OF AGREEMENT

This Agreement, together with any affixed exhibits, schedules or other documentation, constitutes the entire understanding between the City and the Consultant with respect to the subject matter of the Agreement and it supersedes, unless otherwise incorporated by reference herein, all prior representations, negotiations, agreements or understandings whether written or oral. Neither party has relied on any prior representations, of any kind or nature, in entering into this Agreement. This Agreement may be altered, amended or modified only by written amendment signed by the Consultant and the City.

FOR CONSULTANT

FOR THE CITY OF ANN ARBOR

By _____
Paul Krutko, Executive Director

By _____
John Hieftje, Mayor

By

Jacqueline Beaudry, City Clerk

Approved as to substance

Steven D. Powers, City Administrator

Approved as to Form and Content

Stephen K. Postema, City Attorney

EXHIBIT A

SCOPE OF SERVICES

Consultant agrees to provide the following services to the City of Ann Arbor in accordance with the terms and conditions of this Agreement:

1. Conduct economic development efforts within the boundaries of the City of Ann Arbor concurrently with consultant's economic development efforts on a County-wide basis to benefit all citizens of the County.
2. Attract new industry within the boundaries of City of Ann Arbor concurrently with consultant's County-wide responsibilities.
3. Coordinate services for economic development to eliminate duplication of efforts.
4. Provide a continuous communications mechanism between leaders of government and the private sector in addressing economic development needs and concerns,
5. Work directly with the City Administrator, executive staff and City Council as appropriate to understand and properly serve the economic development interest of the City.

It is agreed by the parties that the specific deliverables under this Agreement, the manner of rendition of services, the duties of responsible individuals, the keeping of accounts and records for the receipt and expenditure of funds and accounting shall be in accordance with the Ann Arbor SPARK Operating Procedures, unless otherwise specified in writing by the City.

EXHIBIT B
FEE SCHEDULE

The total fee to be paid the Consultant for the services shall not exceed \$75,000. Payment shall be made in one installment of \$75,000 and shall be paid upon execution of this agreement.

EXHIBIT C

INSURANCE REQUIREMENTS

Effective the date of this Agreement, and continuing without interruption during the term of this Agreement, Consultant shall provide certificates of insurance to the City on behalf of itself, and when requested any subcontractor(s). The certificates of insurance shall meet the following minimum requirements.

- A.
1. Errors and Omissions Insurance protecting the Consultant and its employees in an amount not less than \$1,000,000.
 2. Worker's Compensation Insurance in accordance with all applicable state and federal statutes. Further, Employers Liability Coverage shall be obtained in the following minimum amounts:

Bodily Injury by Accident - \$500,000 each accident
Bodily Injury by Disease - \$500,000 each employee
Bodily Injury by Disease - \$500,000 each policy limit
 3. Commercial General Liability Insurance equivalent to, as a minimum, Insurance Services Office form CG 00 01 07 98 or current equivalent. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements which diminish the City's protections as an additional insured under the policy. Further, the following minimum limits of liability are required:

\$1,000,000 Each occurrence as respect Bodily Injury Liability or Property Damage Liability, or both combined
\$2,000,000 Per Job General Aggregate
\$1,000,000 Personal and Advertising Injury
 4. Motor Vehicle Liability Insurance, including Michigan No-Fault Coverages, equivalent to, as a minimum, Insurance Services Office form CA 00 01 07 97 or current equivalent. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements which diminish the City's protections as an additional insured under the policy. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles. Further, the limits of liability shall be \$1,000,000 for each occurrence as respects Bodily Injury Liability or Property Damage Liability, or both combined.
 5. Umbrella/Excess Liability Insurance shall be provided to apply in excess of the Commercial General Liability, Employers Liability and the Motor

Vehicle coverage enumerated above, for each occurrence and for aggregate in the amount of \$1,000,000.

- B. Insurance required under A. 3 and A. 4 of this contract shall be considered primary as respects any other valid or collectible insurance that the City may possess, including any self-insured retentions the City may have; and any other insurance the City does possess shall be considered excess insurance only and shall not be required to contribute with this insurance. Further, the Consultant agrees to waive any right of recovery by its insurer against the City.
- C. Documentation must provide and demonstrate an unconditional 30 day written notice of cancellation in favor of the City of Ann Arbor. Further, the documentation must explicitly state the following: (a) the policy number; name of insurance company; name and address of the agent or authorized representative; name and address of insured; project name; policy expiration date; and specific coverage amounts; (b) any deductibles or self-insured retentions which shall be approved by the City, in its sole discretion; (c) that the policy conforms to the requirements specified. An original certificate of insurance may be provided as an initial indication of the required insurance, provided that no later than 21 calendar days after commencement of any work the Consultant supplies a copy of the endorsements required on the policies. Upon request, the Consultant shall provide within 30 days a copy of the policy(ies) to the City. If any of the above coverages expire by their terms during the term of this contract, the Consultant shall deliver proof of renewal and/or new policies to the Administering Service Area/Unit at least ten days prior to the expiration date.

Alexa, Jennifer

From: Caryn Charter [ccharter@emich.edu]
Sent: Tuesday, September 02, 2014 8:16 PM
To: Leahy, Carrie
Cc: Eric Jacobson [REDACTED] Dick Beedon (rbeedon@amplifinity.com); nedstaebler@wayne.edu; Petersen, Sally; srapundalo@michbio.org; Vince Chmielewski; Bilal Saeed (bilal@pakmode.com) (bilal@pakmode.com); Paula Sorrell (sorrellp@michigan.org); Skip Simms; Crawford, Tom
Subject: Re: Extension of Ann Arbor/Ypsilanti SmartZone LDFA - Amendments to TIF and Development Plan

Ypsilanti City Council just approved the resolution unanimously.

Sent from my iPhone

On Aug 26, 2014, at 2:21 PM, "Leahy, Carrie" <CLEahy@BODMANLAW.COM> wrote:

All, see attached/below fyi.



Alexa, Jennifer

From: Edward Vielmetti [REDACTED]
Sent: Tuesday, September 02, 2014 8:36 PM
To: Hieftje, John; Powers, Steve; CityClerk; Teall, Margie; Eaton, Jack
Subject: public commentary for 2 September 2014, for the record

Four very brief topics: municipal maps, public records, closed captioning and the city web site. These are my intended comments at the end of the meeting.

Regarding municipal maps, I would point out that any of the maps generated by the city in your packet have a very strict copyright on them prohibiting redistribution without the express written consent of the city. This is but one of several easily addressable flaws in the city mapping project.

Regarding public records, the current system of Legistar for publication of attachments to the agenda is very difficult in that it is impossible to search through the full text of attached items. Some municipal data activists in other cities have taken to wholesale downloading of the entire site to get around the problems with access.

Regarding closed captioning, it is my understanding that the Disability Commission is going to have closed captioning of its meetings, and I urge you to direct the city administrator to direct CTN to provide closed captioning of City Council meetings.

Finally regarding the city web site. It is more of a thing of beauty than the previous version, but in the process several hundreds of pages have gone missing, either by renaming of previous URLs or removal of content, and I urge you to take action to remedy these failings.

Thank you for your time.

--
Edward Vielmetti [REDACTED]
[REDACTED]

Alexa, Jennifer

From: Warpehoski, Chuck
Sent: Tuesday, September 02, 2014 10:40 PM
To: Beaudry, Jacqueline
Subject: Amendment to principles

Added text in all

Company will not allow participation by a driver / vehicle combination if the driver has any RELEVANT felony conviction THAT WOULD COMPROMISE PASSENGER OR PUBLIC SAFETY; any conviction for DUI; more than 2 moving violations in any calendar year or more than 4 moving violations in a six-year period, with no more than 4 accumulated points in any calendar year. Company shall ensure that all driver vehicles pass an annual, mutually agreeable safety inspection conducted by a licensed mechanic.

Chuck Warpehoski
Ann Arbor City Council, Ward 5
cwarpehoski@a2gov.org
c: 734-972-8304

Alexa, Jennifer

From: Beaudry, Jacqueline
Sent: Tuesday, September 02, 2014 10:41 PM
To: *City Council Members (All)
Cc: Powers, Steve; Elias, Abigail
Subject: FW: Amendment to principles

Jacqueline Beaudry, City Clerk
Ann Arbor City Clerk's Office | Guy C. Larcom City Hall |301 E. Huron, 2nd Floor · Ann Arbor · MI · 48104
734.794.6140 (O) · 734.994.8296 (F) |
jbeaudry@a2gov.org | www.a2gov.org

Think Green! Please don't print this e-mail unless absolutely necessary.

-----Original Message-----

From: Warpehoski, Chuck
Sent: Tuesday, September 02, 2014 10:40 PM
To: Beaudry, Jacqueline
Subject: Amendment to principles

Added text in all

Company will not allow participation by a driver / vehicle combination if the driver has any RELEVANT felony conviction THAT WOULD COMPROMISE PASSENGER OR PUBLIC SAFETY; any conviction for DUI; more than 2 moving violations in any calendar year or more than 4 moving violations in a six-year period, with no more than 4 accumulated points in any calendar year. Company shall ensure that all driver vehicles pass an annual, mutually agreeable safety inspection conducted by a licensed mechanic.

Chuck Warpehoski
Ann Arbor City Council, Ward 5
cwarpehoski@a2gov.org
c: 734-972-8304

Alexa, Jennifer

From: Warpehoski, Chuck
Sent: Tuesday, September 02, 2014 10:49 PM
To: Beaudry, Jacqueline; *City Council Members (All)
Subject: taxicab ordinance requirements on criminal records

relevant sections in bold

Section 7:155

(a)

The applicant has submitted a complete application as defined by this chapter and the regulations and has paid the applicable fee.

(b)

The applicant has a current valid Michigan chauffeur's license.

(c)

The applicant is able to read, write and speak the English language.

(d)

The applicant has no more than 6 current points for moving violations in accordance with the Michigan Vehicle Code, MCL 257.1 et seq.

(e)

Within the past 2 years, the applicant has not been convicted of a violation or attempted violation of MCL 257.625 or MCL 257.625m of the Michigan vehicle code, MCL 257.1 et seq., or a violation or attempted violation of a local ordinance or law of another state substantially corresponding to MCL 257.625 or MCL 257.625m.

(f)

Within the past 5 years, the applicant has not been convicted of a felony involving force or violence or of criminal sexual conduct, for which the maximum penalty is 2 years or more.

(g)

The applicant does not have any outstanding warrants.

(h)

The applicant does not have a physical or mental impairment which would make it unsafe to operate as a taxicab driver.

(i)

The applicant has not been convicted of violating any provision of this chapter within the last 2 years.

(j)

The applicant has an acceptable driving record. An acceptable driving record is defined as:

i.

A driving record on which there are no more than 6 points displayed at any given point in time.

ii.

A driving record on which the average number of points displayed over the most recent 3-year period is no more than 7. For purposes of this requirement, the average is calculated as the total points reported on the official driving record during the last 3 years divided by 3. An applicant who cannot meet this requirement shall not be issued either a full or a temporary license until the 3-year average of points falls to 7 points or below.

Chuck Warpehoski
Ann Arbor City Council, Ward 5
cwarpehoski@a2gov.org
c: 734-972-8304

Alexa, Jennifer

From: Warpehoski, Chuck
Sent: Tuesday, September 02, 2014 11:31 PM
To: Beaudry, Jacqueline
Subject: amendment to DS-4

Please share with Council and media present

SPARK contract: Amend exhibit A: Scope of Services to add the following clause

* Develop improved metrics and reporting systems to strengthen the City Council's ability to monitor contract performance.

Resolution text: Amend resolution to add the following clauses

* Whereas: Washtenaw County has developed an Act 88 Committee to improve reporting and transparency for economic development funds; and

* Resolved; the City Administrator is directed to work with SPARK and, as appropriate, the Washtenaw County Act 88 Committee, to develop improved metrics and reporting for economic development investments.

Chuck Warpehoski
Ann Arbor City Council, Ward 5
cwarpehoski@a2gov.org
c: 734-972-8304

Alexa, Jennifer

From: Beaudry, Jacqueline
Sent: Tuesday, September 02, 2014 11:32 PM
To: *City Council Members (All)
Cc: Powers, Steve; Elias, Abigail; Ryan Stanton; Dave Askins
Subject: FW: amendment to DS-4

Jacqueline Beaudry, City Clerk
Ann Arbor City Clerk's Office | Guy C. Larcom City Hall |301 E. Huron, 2nd Floor · Ann Arbor · MI · 48104
734.794.6140 (O) · 734.994.8296 (F) |
jbeaudry@a2gov.org | www.a2gov.org

Think Green! Please don't print this e-mail unless absolutely necessary.

-----Original Message-----

From: Warpehoski, Chuck
Sent: Tuesday, September 02, 2014 11:31 PM
To: Beaudry, Jacqueline
Subject: amendment to DS-4

Please share with Council and media present

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Chuck Warpehoski
Ann Arbor City Council, Ward 5
cwarpehoski@a2gov.org
c: 734-972-8304

Alexa, Jennifer

From: Beaudry, Jacqueline
Sent: Tuesday, September 02, 2014 11:32 PM
To: Ryan Stanton; Dave Askins; Petersen, Sally
Subject: FW: SPARK contract resolution from June 16
Attachments: CA-7.pdf; CA-7ATT1.pdf

Jacqueline Beaudry, City Clerk

Ann Arbor City Clerk's Office | Guy C. Larcom City Hall | 301 E. Huron, 2nd Floor · Ann Arbor · MI · 48104
734.794.6140 (O) · 734.994.8296 (F) |
jbeaudry@a2gov.org | www.a2gov.org



Think Green! Please don't print this e-mail unless absolutely necessary.

From: Beaudry, Jacqueline
Sent: Tuesday, September 02, 2014 7:41 PM
To: *City Council Members (All)
Cc: Powers, Steve; Elias, Abigail
Subject: SPARK contract resolution from June 16

Attached is the item that is up for consideration to take from the table as DS-4.

Jacqueline Beaudry, City Clerk

Ann Arbor City Clerk's Office | Guy C. Larcom City Hall | 301 E. Huron, 2nd Floor · Ann Arbor · MI · 48104
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City of Ann Arbor

301 E. Huron St.
Ann Arbor, MI 48104
<http://a2gov.legistar.com/Calendar.aspx>

Text File

File Number: 14-0850

Agenda # CA-7

Introduced: 6/16/2014

Version: 1

Current Status: Consent Agenda

Matter Type: Resolution

Resolution to Approve a Contract with Ann Arbor SPARK for Economic Development Services (\$75,000.00)

Attached for your consideration is a resolution to approve a contract with Ann Arbor SPARK. SPARK will conduct economic development activities, helping the City make progress on City Council's economic health priority area.

SPARK attracts new businesses, specifically technology companies. By providing continuous communications mechanisms between higher education, government, and the private and non-profit sectors, SPARK addresses the City and region's economic development needs and concerns.

Although SPARK has a regional mission, the contract specifies that services will be provided to the City, with specific deliverables. The deliverables are the attraction and retention of companies that add or maintain taxable value and add or retain jobs. Specific deliverables also include supporting the outcomes from City Council's Economic Collaborative Task Force.

Funding for the contract is in the FY2015 budget for \$75,000.00.

Washtenaw Development Council began providing services to the City in 1982. In 2006, Washtenaw Development Council and Ann Arbor SPARK consolidated creating one unified organization. The merger of the two organizations supports the region's mission for economic growth for all communities in Washtenaw County.

Prepared by: Sara Higgins, Assistant to the City Administrator

Approved by: Steven D. Powers, City Administrator

Resolution to Approve a Contract with Ann Arbor SPARK for Economic Development Services (\$75,000.00)

Whereas, The City has had a long-standing relationship with the Washtenaw Development Council since 1982 to provide services related to the economic development of the area;

Whereas, Washtenaw Development Council and Ann Arbor SPARK officially consolidated the two organizations in July 2006 creating one unified organization;

Whereas, The merger of the two organizations supports the region's mission for economic growth and represents all communities in Washtenaw County;

Whereas, The services of Ann Arbor SPARK focus on building our innovation-focused community through continual proactive support of entrepreneurs, regional businesses, university tech transfer office, and networking organizations;

Whereas, The Ann Arbor SPARK received Human Rights approval May 23, 2014 and complies with the provisions of the City's living wage ordinance; and

Whereas, Funding for services for FY2015 are budgeted within the approved budget under the City -wide Membership account in the amount of \$75,000.00.

RESOLVED, That City Council approve a one year contract in the amount of \$75,000.00 with Ann Arbor SPARK for business support services for the period of July 1, 2014 to June 30, 2015;

RESOLVED, That the Mayor and City Clerk are authorized to execute the contract after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to take all necessary actions to implement this resolution.

**AGREEMENT BETWEEN
ANN ARBOR SPARK
AND THE CITY OF ANN ARBOR
FOR ECONOMIC DEVELOPMENT CONSULTING SERVICES**

The City of Ann Arbor, a Michigan municipal corporation, having its offices at 301 E. Huron St., Ann Arbor, Michigan 48104 ("City"), and Ann Arbor SPARK a corporation, with its address at 201 S. Division, Suite 430, Ann Arbor, Michigan 48104 agree as follows on this _day of _____, 2014.

The Consultant agrees to provide professional services to the City under the following terms and conditions:

I. DEFINITIONS

Administering Service Area/Unit means City Administration.

Contract Administrator means City Administrator, acting personally or through any assistants authorized by the Administrator/Manager of the Administering Service Area/Unit.

Deliverables means all Plans, Specifications, Reports, Recommendations, and other materials developed for or delivered to City by Consultant under this Agreement

Project means economic development services.

II. DURATION

This Agreement shall become effective on July 1, 2014, and shall remain in effect until June 30, 2015 unless terminated as provided for in this Agreement.

III. SERVICES

- A. The Consultant agrees to provide professional economic development consulting services ("Services") in connection with the Project as described in Exhibit A. The City retains the right to make changes to the quantities of service within the general scope of the Agreement at any time by a written order. If the changes add to or deduct from the extent of the services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement.

- B. Quality of Services under this Agreement shall be of the level of professional quality performed by experts regularly rendering this type of service. Determination of acceptable quality shall be made solely by the Contract Administrator.
- C. The Consultant shall perform its Services for the Project in compliance with all statutory, regulatory and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.
- D. The Consultant may rely upon the accuracy of reports and surveys provided to it by the City except when defects should have been apparent to a reasonably competent professional or when it has actual notice of any defects in the reports and surveys.

IV. COMPENSATION OF CONSULTANT

- A. The Consultant shall be paid in the manner set forth in Exhibit B. Payment shall be made monthly, unless another payment term is specified in Exhibit B, following receipt of invoices submitted by the Consultant, and approved by the Contract Administrator.
- B. The Consultant will be compensated for Services performed in addition to the Services described in Section III, only when those additional Services have received prior written approval of the Contract Administrator. Compensation will be on the basis of reasonable time spent and reasonable quantities of materials used, according to the schedule of rates in Exhibit B. The Contract Administrator shall be the sole arbitrator of what shall be considered "reasonable" under this provision.
- C. The Consultant shall keep complete records of time spent and materials used on the Project so that the City may verify invoices submitted by the Consultant. Such records shall be made available to the City upon request and submitted in summary form with each invoice.

V. INSURANCE/INDEMNIFICATION

- A. The Consultant shall procure and maintain during the life of this contract, such insurance policies, including those set forth in Exhibit C, as will protect itself and the City from all claims for bodily injuries, death or property damage which may arise under this contract; whether the acts were made by the Consultant or by any subcontractor or anyone employed by them directly or indirectly. In the case of all contracts involving on-site work, the Consultant shall provide to the City, before the commencement of any work under this contract, documentation demonstrating it has obtained the policies required by Exhibit C.

- B. Any insurance provider of Consultant shall be admitted and authorized to do business in the State of Michigan and shall carry and maintain a minimum rating assigned by A.M. Best & Company's Key Rating Guide of "A-" Overall and a minimum Financial Size Category of "V". Insurance policies and certificates issued by non-admitted insurance companies are not acceptable unless approved in writing by the City.
- C. To the fullest extent permitted by law, Consultant shall indemnify, defend and hold the City, its officers, employees and agents harmless from all suits, claims, judgments and expenses including attorney's fees resulting or alleged to result from any act or omission by the Consultant or its employees and agents occurring in the performance of or breach in this Agreement.

VI. COMPLIANCE REQUIREMENTS

- A. Nondiscrimination. The Consultant agrees to comply, and to require its subcontractor(s) to comply, with the nondiscrimination provisions of Section 209 of the Elliot-Larsen Civil Rights Act (MCL 37.2209) The Consultant further agrees to comply with the nondiscrimination provisions of Chapter 112 of the Ann Arbor City Code and to assure that applicants are employed and that employees are treated during employment in a manner which provides equal employment opportunity.
- B. Living Wage. The Consultant is a "covered employer" as defined in Chapter 23 of the Ann Arbor City Code and agrees to comply with the living wage provisions of Chapter 23 of the Ann Arbor City Code. The Consultant agrees to pay those employees providing Services to the City under this Agreement a "living wage," as defined in Section 1:815 of the Ann Arbor City Code, as adjusted in accordance with Section 1:815(3) and specified in Exhibit D; to post a notice approved by the City of the applicability of Chapter 23 in every location in which regular or contract employees providing services under this Agreement are working; to maintain records of compliance; if requested by the City, to provide documentation to verify compliance; to take no action that would reduce the compensation, wages, fringe benefits, or leave available to any employee or person contracted for employment in order to pay the living wage required by Section 1:815; and otherwise to comply with the requirements of Chapter 23.

VII. WARRANTIES BY THE CONSULTANT

- A. The Consultant warrants that the quality of its Services under this Agreement shall conform to the level of professional quality performed by experts regularly rendering this type of service.
- B. The Consultant warrants that it has all the skills, experience, and professional licenses necessary to perform the Services specified in this Agreement.

- C. The Consultant warrants that it has available, or will engage, at its own expense, sufficient trained employees to provide the Services specified in this Agreement.
- D. The Consultant warrants that it is not, and shall not become overdue or in default to the City for any contract, debt, or any other obligation to the City including real and personal property taxes.

VIII. TERMINATION OF AGREEMENT

- A. If either party is in breach of this Agreement for a period of fifteen (15) days following receipt of notice from the non-breaching party with respect to a breach, the non-breaching party may pursue any remedies available to it against the breaching party under applicable law, including but not limited to, the right to terminate this Agreement without further notice.
- B. The City may terminate this Agreement, on at least thirty (30) days advance notice, for any reason, including convenience, without incurring any penalty, expense or liability to the Consultant except the obligation to pay for Services actually performed under the Agreement before the termination date.
- C. The remedies provided in this Agreement will be cumulative, and the assertion by a party of any right or remedy will not preclude the assertion by such party of any other rights or the seeking of any other remedies.

IX. OBLIGATIONS OF THE CITY

- A. The City agrees to give the Consultant access to the Project area and other City-owned properties as required to perform the necessary Services under this Agreement.
- B. The City shall notify the Consultant of any defects in the Services of which the Contract Administrator has actual notice.

X. ASSIGNMENT

- A. The Consultant shall not subcontract or assign any portion of any right or obligation under this Agreement without prior written consent from the City. Notwithstanding any consent by the City to any assignment, Consultant shall at all times remain bound to all warranties, certifications, indemnifications, promises and performances, however described, as are required of it under the Agreement unless specifically released from the requirement, in writing, by the City.
- B. The Consultant shall retain the right to pledge payment(s) due and payable under this Agreement to third parties.

XI. NOTICE

All notices and submissions required under this Agreement shall be delivered to the respective party in the manner described herein to the address stated in this Agreement or such other address as either party may designate by prior written notice to the other.

Notices given under this Agreement shall be in writing and shall be personally delivered, sent by next day express delivery service, certified mail, or first class U.S. mail postage prepaid, and addressed to the person listed below. Notice will be deemed given on the date when one of the following first occur: (1) the date of actual receipt; (2) the next business day when notice is sent next day express delivery service or personal delivery; or (3) three days after mailing first class or certified U.S. mail.

If Notice is sent to the CONSULTANT, it shall be addressed and sent to:

Ann Arbor SPARK
201 S. Division, Suite 430
Ann Arbor, Michigan 48104
Attn.: Executive Director

If Notice is sent to the CITY, it shall be addressed and sent to:

City of Ann Arbor
301 E. Huron
Ann Arbor, Michigan 48107
Attn: City Administrator

XII. CHOICE OF LAW

This Agreement will be governed and controlled in all respects by the laws of the State of Michigan, including interpretation, enforceability, validity and construction. The parties submit to the jurisdiction and venue of the Circuit Court for Washtenaw County, State of Michigan, or, if original jurisdiction can be established, the United States District Court for the Eastern District of Michigan, Southern Division, with respect to any action arising, directly or indirectly, out of this Agreement or the performance or breach of this Agreement. The parties stipulate that the venues referenced in this Agreement are convenient and waive any claim of non-convenience.

XIII. OWNERSHIP OF DOCUMENTS

Upon completion or termination of this Agreement, all documents (i.e., deliverables) prepared by or obtained by the Consultant as provided under the terms of this Agreement shall be delivered to and become the property of the City. Original basic survey notes, sketches, charts, drawings, partially completed drawings, computations, quantities and other data shall remain in the possession of the Consultant as instruments of service unless specifically incorporated in a

deliverable, but shall be made available, upon request, to the City without restriction or limitation on their use. The City acknowledges that the documents are prepared only for the Project. Prior to completion of the contracted Services the City shall have a recognized proprietary interest in the work product of the Consultant.

Unless otherwise stated in this Agreement, any intellectual property owned by Consultant prior to the effective date of this Agreement (i.e., preexisting information) shall remain the exclusive property of Consultant even if such Preexisting Information is embedded or otherwise incorporated in materials or products first produced as a result of this Agreement or used to develop Deliverables. The City's right under this provision shall not apply to any Preexisting Information or any component thereof regardless of form or media.

XIV. CONFLICT OF INTEREST

Consultant certifies it has no financial interest in the Services to be provided under this Agreement other than the compensation specified herein. Consultant further certifies that it presently has no personal or financial interest, and shall not acquire any such interest, direct or indirect, which would conflict in any manner with its performance of the Services under this Agreement.

XV. SEVERABILITY OF PROVISIONS

Whenever possible, each provision of this Agreement will be interpreted in a manner as to be effective and valid under applicable law. However, if any provision of this Agreement or the application of any provision to any party or circumstance will be prohibited by or invalid under applicable law, that provision will be ineffective to the extent of the prohibition or invalidity without invalidating the remainder of the provisions of this Agreement or the application of the provision to other parties and circumstances.

XVI. EXTENT OF AGREEMENT

This Agreement, together with any affixed exhibits, schedules or other documentation, constitutes the entire understanding between the City and the Consultant with respect to the subject matter of the Agreement and it supersedes, unless otherwise incorporated by reference herein, all prior representations, negotiations, agreements or understandings whether written or oral. Neither party has relied on any prior representations, of any kind or nature, in entering into this Agreement. This Agreement may be altered, amended or modified only by written amendment signed by the Consultant and the City.

FOR CONSULTANT

FOR THE CITY OF ANN ARBOR

By _____
Paul Krutko, Executive Director

By _____
John Hieftje, Mayor

By

Jacqueline Beaudry, City Clerk

Approved as to substance

Steven D. Powers, City Administrator

Approved as to Form and Content

Stephen K. Postema, City Attorney

EXHIBIT A

SCOPE OF SERVICES

Consultant agrees to provide the following services to the City of Ann Arbor in accordance with the terms and conditions of this Agreement:

1. Conduct economic development efforts within the boundaries of the City of Ann Arbor concurrently with consultant's economic development efforts on a County-wide basis to benefit all citizens of the County.
2. Attract new industry within the boundaries of City of Ann Arbor concurrently with consultant's County-wide responsibilities.
3. Coordinate services for economic development to eliminate duplication of efforts.
4. Provide a continuous communications mechanism between leaders of government and the private sector in addressing economic development needs and concerns,
5. Work directly with the City Administrator, executive staff and City Council as appropriate to understand and properly serve the economic development interest of the City.

It is agreed by the parties that the specific deliverables under this Agreement, the manner of rendition of services, the duties of responsible individuals, the keeping of accounts and records for the receipt and expenditure of funds and accounting shall be in accordance with the Ann Arbor SPARK Operating Procedures, unless otherwise specified in writing by the City.

EXHIBIT B
FEE SCHEDULE

The total fee to be paid the Consultant for the services shall not exceed \$75,000. Payment shall be made in one installment of \$75,000 and shall be paid upon execution of this agreement.

EXHIBIT C

INSURANCE REQUIREMENTS

Effective the date of this Agreement, and continuing without interruption during the term of this Agreement, Consultant shall provide certificates of insurance to the City on behalf of itself, and when requested any subcontractor(s). The certificates of insurance shall meet the following minimum requirements.

- A..
1. Errors and Omissions Insurance protecting the Consultant and its employees in an amount not less than \$1,000,000.
 2. Worker's Compensation Insurance in accordance with all applicable state and federal statutes. Further, Employers Liability Coverage shall be obtained in the following minimum amounts:

Bodily Injury by Accident - \$500,000 each accident
Bodily Injury by Disease - \$500,000 each employee
Bodily Injury by Disease - \$500,000 each policy limit
 3. Commercial General Liability Insurance equivalent to, as a minimum, Insurance Services Office form CG 00 01 07 98 or current equivalent. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements which diminish the City's protections as an additional insured under the policy. Further, the following minimum limits of liability are required:

\$1,000,000 Each occurrence as respect Bodily Injury Liability or Property Damage Liability, or both combined
\$2,000,000 Per Job General Aggregate
\$1,000,000 Personal and Advertising Injury
 4. Motor Vehicle Liability Insurance, including Michigan No-Fault Coverages, equivalent to, as a minimum, Insurance Services Office form CA 00 01 07 97 or current equivalent. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements which diminish the City's protections as an additional insured under the policy. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles. Further, the limits of liability shall be \$1,000,000 for each occurrence as respects Bodily Injury Liability or Property Damage Liability, or both combined.
 5. Umbrella/Excess Liability Insurance shall be provided to apply in excess of the Commercial General Liability, Employers Liability and the Motor

Vehicle coverage enumerated above, for each occurrence and for aggregate in the amount of \$1,000,000.

- B. Insurance required under A. 3 and A. 4 of this contract shall be considered primary as respects any other valid or collectible insurance that the City may possess, including any self-insured retentions the City may have; and any other insurance the City does possess shall be considered excess insurance only and shall not be required to contribute with this insurance. Further, the Consultant agrees to waive any right of recovery by its insurer against the City.

- C. Documentation must provide and demonstrate an unconditional 30 day written notice of cancellation in favor of the City of Ann Arbor. Further, the documentation must explicitly state the following: (a) the policy number; name of insurance company; name and address of the agent or authorized representative; name and address of insured; project name; policy expiration date; and specific coverage amounts; (b) any deductibles or self-insured retentions which shall be approved by the City, in its sole discretion; (c) that the policy conforms to the requirements specified. An original certificate of insurance may be provided as an initial indication of the required insurance, provided that no later than 21 calendar days after commencement of any work the Consultant supplies a copy of the endorsements required on the policies. Upon request, the Consultant shall provide within 30 days a copy of the policy(ies) to the City. If any of the above coverages expire by their terms during the term of this contract, the Consultant shall deliver proof of renewal and/or new policies to the Administering Service Area/Unit at least ten days prior to the expiration date.