

**AMENDMENT NUMBER 1 TO
PROFESSIONAL SERVICES AGREEMENT BETWEEN ANN ARBOR SPARK AND
THE CITY OF ANN ARBOR FOR ECONOMIC DEVELOPMENT SERVICES**

This Amendment Number 1 (“Amendment”) is to the agreement between the City of Ann Arbor, (“City”) and Ann Arbor SPARK, (“Contractor”) for Economic Development Services, which is dated August 22, 2023 (“Agreement”). City and Contractor agree to amend the Agreement as follows:

- 1) Exhibit A, the Scope of Services, shall be modified to add the following project:

Consultant agrees to provide the following services to the City of Ann Arbor in accordance with the terms and conditions of this Agreement (“Additional Services”):

Project Scope and Timeline

Ann Arbor SPARK will develop a benchmarking study to identify quantitative and qualitative factors that drive the economic development process in ten (10) locations around the United States.

1. Review available public information on selected municipalities
2. Conduct interviews with key individuals within selected municipalities
 - a. City Administrator
 - b. Economic Development Director
 - c. Regional Economic Development Organization (EDO)
3. Conduct interviews with representatives from the 10 communities listed below, and review their economic development atmosphere and operations.
4. Develop a written report on each municipality that includes questions identified above, and an analysis with recommendations for the City of Ann Arbor to consider.
5. Final report available to City of Ann Arbor on or before October 31, 2023.

Budget: \$24,500

Communities to Benchmark:

1. Grand Rapids, Michigan - 197,000 population (1.6x)
2. Pittsburgh, Pennsylvania - 300,000 population (2.5x)
3. Durham, North Carolina - 286,000 population (2.3x)
4. Boulder, Colorado - 104,000 population (0.8x)
5. Austin, Texas - 965,000 population (8x)
6. Eugene, Oregon - 175,000 population (1.4x)
7. Waterloo, Ontario - 67,000 population (0.5x)
8. West Lafayette, Indiana - 44,000 population (0.4x)
9. Madison, Wisconsin - 270,000 population (2.2x)
10. Greenville, South Carolina - 72,000 population (0.6x)
11. Ann Arbor, Michigan - 121,000 population (1x)

Quantitative Questions about the Identified Municipalities:

1. City Population
2. County Population
3. Form of City Government
4. Top 3 largest employers in the City
5. Municipal Economic Development Organization & Staff Size
6. Regional Economic Development Organization & Staff Size

Qualitative Questions for the Identified Municipalities:

1. How does the municipality define “economic development”? What activities or functions fall under this definition?
2. What agencies or organizations does the city employ, utilize, or partner with to conduct economic development? Has the city created an agency or organization to pursue economic development? What are their responsibilities?
3. How does the city work to coordinate economic development activity between itself and various related agencies?
4. Does the municipality have an entity specifically related to job development through business retention and expansion?
5. What activities are undertaken to promote startup activity, including tech transfer initiatives, and the direct courting of venture capital and angel investor activity?
6. Does the municipal government engage in site acquisition to aid in economic development activities? If so, what agencies are involved?
7. Does the municipal government have its own or work directly with a workforce development agency?
8. What place making activities does the city engage with? How are its various economic development agencies involved in this activity? Does it have a definition for “placemaking”?
9. Do non-governmental civic and community leaders (i.e., corporate leaders, philanthropists, former elected officials, leaders of major civic organizations, universities, etc.) play a role in visioning for placemaking, community asset development, and economic development initiatives? Is this in a formal or informal fashion, or both?
10. How are the various economic development agencies capitalized? How are their budgets developed and approved?
11. Is there a small business support function within the municipality, and is that separate from business expansion and retention efforts?

12. What powers does the municipality have under state law to perform economic development activities?
 - a. Tax Increment Financing (TIF) powers
 - b. Tax abatement powers
 - c. Property acquisition and disposition powers
 - d. Dedicated municipal authorities
 - e. Grants
 - f. Expedited services for economic development projects
 - g. Others
13. What limitations exist under state or local law that prevent or accelerate commonly used economic development strategies?
14. What is the site plan development process like, and how are projects tracked in the municipality? Do they leverage any software tools to manage site development work?
15. What does the municipality view as its strengths relative to economic development? What do they view as their weaknesses?
16. Does the city consider its permit standards for things like flood mitigation, soil erosion, utility interconnection, and transportation systems to be industry leading, a good reflection of prevailing industry standards, or relatively less stringent compared to other cities?
 - a. What have you done to speed up this part of the development review process?
 - b. Where are these review functions housed in your municipal organization? Are they part of an economic development agency, or are they housed in other city departments?
17. How do you ensure overall quality control over the development review process, ensuring the city's goals are met and developers are able to move the project forward in a timely manner?

It is agreed by the parties that the specific deliverables under this Amendment, 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 either this Amendment or other writing by the City.

2) Exhibit B is amended to add the following:

The City shall pay the Contractor \$24,500 for those Additional Services performed pursuant to this Amendment inclusive of all reimbursable expenses (if applicable), in accordance with the terms and conditions herein. Payment shall be made in one installment of \$24,500 upon execution of this Amendment.

All terms, conditions, and provisions of the Agreement, unless specifically amended above, shall apply to this Amendment and are made a part of this Amendment as though expressly rewritten, incorporated, and included herein.

City and Contractor agree that for this Amendment and any documents related to the Agreement: 1) signatures may be delivered electronically in lieu of an original signature; 2) to treat electronic signatures as original signatures that bind them; and 3) signatures may be executed and delivered by facsimile and upon such delivery, the facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

This Amendment to the Agreement shall be binding on the Parties' heirs, successors, and assigns.

[SIGNATURE PAGE FOLLOWS]

For SPARK

By _____

Name: Paul Krutko

Title: President and CEO

Date: _____

For City of Ann Arbor

By _____
Christopher Taylor, Mayor

By _____
Jacqueline Beaudry, City Clerk

Date: _____

Approved as to substance

Milton Dohoney Jr., City Administrator

Approved as to form and content

Atleen Kaur, City Attorney