



Legislation Details (With Text)

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Type:	Resolution	Status:			Passed
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Title:	Resolution to Approve the Amended and Restated Agreement between the City of Ann Arbor and City of Ypsilanti for the Local Development Finance Authority				

Sponsors:

Indexes:

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Attachments: 1. LDFA AGREEMENT Revised1- Amended and Restated 2019.pdf, 2. LDFA AGREEMENT(Track Chg) - Amended and Restated 2019.pdf

Date	Ver.	Action By	Action	Result
3/18/2019	1	City Council	Approved	Pass

Resolution to Approve the Amended and Restated Agreement between the City of Ann Arbor and City of Ypsilanti for the Local Development Finance Authority

This resolution approves the amended agreement between the City of Ann Arbor and the City of Ypsilanti for the SmartZone LDFA. Approval of this agreement is necessary to comply with the revised terms of the Tax Increment Financing and Development Plan for the Ann Arbor/Ypsilanti SmartZone as Amended, which is a three party agreement with the State of Michigan. This agreement establishes the SmartZone to invest State funds to foster the development of high technology enterprises through commercialization of university technologies and the establishment of new firms.

The primary revisions to the agreement include:

- Ten (10) percent of SmartZone funds can now be expended in Ypsilanti. Each city council must approve their respective budget.
- The Board composition is being modified to require seven (7) members from the municipalities, one (1) from the county, and one (1) from the community college.
- Requiring the cities of Ann Arbor & Ypsilanti to each have ex-officio positions since funds are expended in both communities and there is increased complexity in managing the board's affairs.
- Requiring Ann Arbor's council representative, once appointed, to serve the full four (4) year term unless the representative resigns from the Board. This is required under Public Act 57.

Both municipalities are required to approve this agreement before it can become effective. After an

agreement is approved, the SmartZone board is required to amend its bylaws to be consistent with the agreement. These revised bylaws will be provided to each city council and will go into effect within thirty (30) days of being notified if the councils do not act upon them.

Budget Impact: There is no budget impact with adoption of this agreement. Each municipality will consider the SmartZone budget as part of the full City budget at their respective budget adoption meetings.

Staff recommends approval of this agreement.

Prepared By: Tom Crawford, Financial Services Area Administrator and CFO

Reviewed By: Matt Thomas, Assistant City Attorney

Approved By: Howard S. Lazarus, City Administrator

Whereas, In 2017 the City of Ann Arbor, City of Ypsilanti and State Treasurer approved a fifteen (15) year extension of the Ann Arbor/Ypsilanti SmartZone Local Development Authority (SmartZone);

Whereas, The SmartZone program was created to invest State funds to foster the development of high technology enterprises through commercialization of university technologies and the establishment of new firms;

Whereas; The oversight of the SmartZone has historically been accomplished by a nine (9) member board comprised of six (6) from Ann Arbor and three (3) from Ypsilanti;

Whereas; The MEDC recently requested the board composition be modified to comply with Public Act 57 of 2018 which requires the municipalities to have seven (7) members plus one (1) representative appointed by the county and one (1) appointed by the Chief Executive of the community college;

Whereas, The SmartZone captures State funds which were historically limited to be invested in the City of Ann Arbor, but with the SmartZone extension, can now have a portion invested in the City of Ypsilanti;

Whereas, The agreement between the City of Ann Arbor and City of Ypsilanti as well as the SmartZone by-laws need to be updated to comply with the Tax Increment Financing and Development Plan for the Ann Arbor/Ypsilanti SmartZone As Amended;

Whereas, The SmartZone by-laws may be modified by the SmartZone board recommending changes to the municipalities consistent with the Agreement; and

Whereas, The SmartZone board will consider changes to the by-laws after the municipalities approve the Agreement;

RESOLVED, That City Council approves Amended and Restated Agreement Between the City of Ann Arbor and City of Ypsilanti for the Local Development Finance Authority; and

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the Agreement after approval as to substance by the City Administrator and approval as to form by the City Attorney.