



Legislation Text

File #: 14-1723, **Version:** 1

Resolution to Approve Amendment No. 1 to the Ann Arbor/Ypsilanti SmartZone Agreement between Michigan Economic Development Corporation, City of Ann Arbor, City of Ypsilanti, and the Local Development Finance Authority of the Cities of Ann Arbor and Ypsilanti

The attached resolution is requests approval of Amendment No. 1 to the Ann Arbor/Ypsilanti SmartZone Agreement between Michigan Economic Development Corporation, City of Ann Arbor, City of Ypsilanti, and the Local Development Finance Authority of the Cities of Ann Arbor and Ypsilanti.

Under the terms of the Agreement between the Parties, the Cities of Ann Arbor and Ypsilanti must receive prior approval from MEDC to amend the Ann Arbor/Ypsilanti SmartZone LDFA Development Plan and Tax Increment Financing Plan.

Amendment No. 1 recognizes MEDC's approval to amend the LDFA Development Plan and Tax Increment Financing Plan and incorporates the rights and obligations of the parties in regard to the designation of the Satellite LDFA District as a Satellite SmartZone. Both of which are pre-requisites in extending the tax capture period of the LDFA.

Approval of the Amendment is recommended.

Prepared by: Mary Joan Fales, Senior Assistant City Attorney

Approved by: Steven D. Powers, City Administrator

Whereas, On November 25, 2002, the Michigan Economic Development Corporation ("MEDC"), the City of Ann Arbor and the City of Ypsilanti (collectively the "Cities") and the Local Development Finance Authority of the Cities ("LDFA") entered into an agreement to establish the terms and conditions governing the Ann Arbor/Ypsilanti SmartZone ("Agreement");

Whereas, Under the terms of the Agreement, the Cities and the LDFA are required to obtain prior approval of the MEDC to amend the Ann Arbor/Ypsilanti SmartZone LDFA Development and Tax Increment Financing Plan;

Whereas, The Cities and the LDFA have previously approved application to the MEDC to extend the tax capture period of the LDFA by additional fifteen (15) years which required the Cities and the LDFA to enter into an agreement with a Satellite LDFA to designate the Satellite LDFA District as a SmartZone Satellite for the benefit of regional cooperation and collaboration, and to amend Development and Tax Increment Financing Plan for the LDFA to comply with Public Act 281 of 1986, as amended ("Public Act 281");

Whereas, The Cities approved and entered into an agreement with Satellite LDFA to designate the Satellite LDFA District as a SmartZone Satellite, which designation has been filed with MEDC;

Whereas, The Cities and the LDFA now desire to amend the Agreement with the MEDC to incorporate the rights and obligations of the parties in regard to the designation of the Satellite LDFA

District as a Satellite SmartZone;

Whereas, Amendment of the Agreement will:

- amend Section 3.01 to provide for an additional 15 year period on ratification by State Treasurer and approval of the President of the MEDC of the LDFA amended Development and Tax Increment Financing Plan
- amend Section 3.05 of the Agreement to comply with the reporting requirement of Public Act 281
- amend Section 5.01 of the Agreement extending its term to May 1, 2032

Whereas, It is understood by the Cities and the LDFA that MEDC may revoke its approval of the Cities' amendment to their Development and TIF Plan and the extension of its term from 15 to 30 years if the terms of the Amendment to the Agreement are not satisfied,

RESOLVED, That the Mayor and City Council approve Amendment No. 1 to the Ann Arbor/Ypsilanti SmartZone Agreement between Michigan Economic Development Corporation, City of Ann Arbor, City of Ypsilanti, and the Local Development Finance Authority of the Cities of Ann Arbor and Ypsilanti

RESOLVED, That the Mayor is authorized and directed to execute the Agreement after approval as to form by the City Attorney; and

RESOLVED, That the City Clerk is directed to provide a certified copy of this Resolution to the City of Ypsilanti, the Chair of the Ann Arbor/Ypsilanti SmartZone LDFA and MEDC.