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December 12, 2021

Chris Taylor, Mayor
City of Ann Arbor
301 East Huron
Ann Arbor, Michigan 48104

Jacqueline Beaudry, City Clerk
City of Ann Arbor
301 East Huron
Ann Arbor, Michigan 48104

Marti Praschan, Chief Financial Officer
City of Ann Arbor
301 East Huron
Ann Arbor, Michigan 48104

Milton Dohoney, City Administrator
City of Ann Arbor
301 East Huron
Ann Arbor, MI 48104

Re: The Economic Development Corporation of the City of Ann Arbor

Ladies and Gentlemen:

Please find enclosed the 2022 Annual Report of The Economic Development Corporation of the City of Ann Arbor.

In the event of any questions or desire for additional information or documents, please don't hesitate to contact the undersigned at the convenience of the inquiring party.

Respectfully submitted,


Peter A. Long, Esq., Counsel
734-417-2445

**THE ECONOMIC DEVELOPMENT CORPORATION OF
THE CITY OF ANN ARBOR**

2022 Annual Report

The Economic Development Corporation of the City of Ann Arbor ("EDC") was established in 1978 by City Council to assist in the attraction, relocation, retention and expansion of business organizations and non-profit entities which provide employment and which are beneficial to the populace, the economy and the environment of Ann Arbor.

The EDC isn't a lending institution but the use of its bonds permits substantial savings on the costs of a loan. It does so by its issuance of tax-exempt private activity and non-profit revenue bonds. A bond is purchased by the lender with the proceeds disbursed in essentially the same manner as a conventional commercial mortgage loan. Because the interest received by the lender is tax exempt in whole or in part, it permits the interest rate to be reduced accordingly.

The EDC Board of Directors reviews applications for its bonds and then recommends to Council those projects it judges to be in the interests of the City. Because of significant changes in Federal tax law since 1986, the use of its bond financing assistance has been limited primarily to manufacturing and non-profit projects. In practice, the EDC has favored projects which are sensitive to environmental concerns and which add to the diversity of the jobs pool in the City. Since its inception, the EDC has issued over one hundred forty million dollars in revenue bonds for thirty-four projects in the City. For its services EDC charges applicants a filing fee of \$650 plus a project completion fee of one-quarter to one-half percent of the principal amount of the bond.

The EDC Board of Directors has determined that the EDC can be a resource for the City for other services related to economic development in addition to its role in bond financing. In 2018, its Articles of Incorporation were amended to emphasize this availability. The Board has undertaken major steps in exploring possible new roles and services. For example, the EDC has made itself available for involvement in public-private partnerships (e.g., the Treeline Trail project), with its role in such projects to be determined by the particular needs and circumstances.

The EDC has also prepared and distributed a resource guide among other municipalities within Washtenaw County which have created economic development corporations in the past. It continues to explore closer relationships with Ann Arbor SPARK and the City. In addition, the EDC has made a number of grants in the past for various economic development-related activities. These have included awards to the Center for Empowerment and Economic Development, Ann Arbor SPARK, the Washtenaw Development Council, the Chamber Innovation Center, the Ann Arbor Summer Festival, and the Michigan Technology Council.

EDC Directors are nominated by the Mayor and appointed to six-year terms by City Council. Meetings of the EDC Board of Directors are presently held on an as-required basis. Meeting notices are posted in advance and all EDC meetings are open to the public.

For further information, contact the office of the Mayor at City Hall or Pete Long, Of Counsel, Mitzel Law Group PLC, 1590 Eisenhower Place (phone 734.417.2445).

Milton Dohoney, Director

Larry Eiler, Director

Jen Eyer, Director

Paul Krutko, Director

Dale Leslie, Director

Tim Marshall, Director

Jan McDermott, Director

Henry McQueen, Director

Sally Petersen, Director

Dana Thompson, Director