

ADMINISTRATIVE SERVICES AGREEMENT

AGREEMENT is made this ___ day of ___, 2025, by the Ann Arbor/Ypsilanti SmartZone Local Development Finance Authority ("LDFA") and the City of Ann Arbor, a municipal corporation, located at 301 E. Huron Street, Ann Arbor, Michigan 48104 ("Ann Arbor").

Whereas, the City of Ann Arbor is willing to provide financial management, audit and required administrative/secretarial services for the Ann Arbor/Ypsilanti SmartZone Local Development Finance Authority;

Whereas, under PA 281 OF 1986, as amended, tax increment revenue eligible expenses include payment for contractual services for planning, administration or general services fulfilling the objectives of the LDFA Development Plan to public entities;

Now, therefore, in consideration of the promises below, the parties mutually agree as follows:

Article I – Scope of Services

Ann Arbor shall perform the following duties ("Services") in connection with this Agreement:

- Secretarial Services, including preparation of and distribution of meeting agenda, notices and approved minutes; scheduling meeting locations, posting meeting notices in conformance with the Michigan Open Meetings Act, arranging for any accommodations necessary for public attendance at meetings, and the minute taking at meetings.
- Administrative Services, including:
 - Acting as local office/registered agent for public contact;
 - Records depository for the public records of the LDFA and Freedom of Information Coordinator for public record inspection and distribution;
 - Planning and administration to assure the execution of LDFA adopted development plans and approved projects; and
 - To the extent requested and as allowed by applicable law/regulation, provision of administrative oversight/contract administration of contract professionals (attorneys, auditors, consultants and similar service providers).
- Financial Services, including the preparation of or coordination of the preparation of the Fiscal budget, annual report, audit and other financial reports required in connection with tax increment financing, grants or other funding sources.

Article II – Term and Compensation

This Agreement shall replace the previous Administrative Services Agreement between the parties (dated April 27, 2024) effective July 1, 2025 and continue in full force and effect for a period of two (2) years. The Agreement will renew automatically in one-year periods unless otherwise terminated as provided in Article III.

Ann Arbor shall be compensated for its Services under the Agreement. Ann Arbor shall invoice the LDFA prospectively on monthly, quarterly, or annual basis beginning July 1 each year the Agreement remains in effect for Services to be provided during the fiscal year period (July 1 to June 30).

The fee for Services for the period July 1, 2025 to June 30, 2026 shall be \$125,800 and the fee for Services for the period July 1, 2026 to June 30, 2027 shall be \$128,800. The breakdown of costs computed for the fee for Services is provided in Attachment A.

Article III – Breach and Termination

The LDFA may terminate this Agreement at any time if it determines that Ann Arbor has failed to comply with any material provision of this Agreement and Ann Arbor has not cured said breach within thirty (30) days after official notice thereof. The LDFA shall be required to notify Ann Arbor in writing of the termination.

Either party may terminate the Agreement by giving thirty (30) days written notice to the other party. The final billing for fee for services will be computed on a pro-rata basis.

Article IV - Public Records Depository and FOIA Coordinator

It is understood the LDFA is a public body as defined by the Michigan Freedom of Information Act. All documents developed as a result of this agreement will be freely available to the public. During the performance of the services, the City will be responsible for retention of the public records of LDFA and act as the LDFA's Freedom of Information Coordinator for purposes of inspection and distribution of public records to requesting parties as required by the Michigan Freedom of Information Act.

Article V – Miscellaneous Provisions

The relationship between the LDFA and Ann Arbor is that of independent contractor. Neither of the Parties nor their respective officers, employees or agents shall under any circumstances be deemed to be employees, representatives, or agents of the other party and neither of the Parties shall enter into any contract or commitment in the nature or on behalf of the other party.

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.

The LDFA and Ann Arbor agree to perform any further acts to execute and deliver any further documents, which may be reasonably necessary to carry out the provisions of this Agreement.

Ann Arbor shall perform its Services 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.

All notices and submissions required under this Agreement shall be by personal delivery or by first-class mail, postage prepaid, to the address stated in this Agreement or such other address as either party may designate by prior written notice to the other. Notice shall be considered delivered under this Agreement to the City when personally delivered to the CFO for Ann Arbor or placed in the U.S. mail, postage prepaid to the Finance Services Area, care of the CFO. Notice shall be considered delivered under this Agreement to the LDFA when personally delivered to the Chair or placed in the U.S. mail, postage prepaid to 301 E. Huron Street, Ann Arbor, Michigan 48104, care of the Chair, Local Development Finance Authority.

Ann Arbor shall not assign, transfer, convey or otherwise dispose of any duties or rights under this Agreement without the prior specific written consent of the LDFA. The LDFA reserves the right to require Ann Arbor to replace subcontractors who are found to be unacceptable.

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.

This Agreement constitutes the entire understanding between the City and the LDFA 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 LDFA and Ann Arbor.

[REMAINDER OF PAGE BLANK; SIGNATURE PAGE FOLLOWS]

The individual or officer signing this Agreement certifies by his/her signature that he/she is authorized to sign this Agreement on behalf of the responsible political entity.

LDFA

Ann Arbor/Ypsilanti Smartzone Local Development Finance Authority

By: _____ Dated: _____, 2025
Stephen Rapundalo
LDFA Chair

CITY OF ANN ARBOR

Approved as to substance

By _____
Milton Dohoney Jr., City Administrator

Marti Praschan, Chief Financial Officer

Approved as to form and content

Atleen Kaur, City Attorney

ATTACHMENT A

FY2026 & FY2027 Administrative Services Agreement Attachment A

	FY2026	FY2027		FY2026	FY2027
	<u>Cost Est</u>	<u>Cost Est</u>	<u>Allocation</u>	<u>LDFA Cost</u>	<u>LDFA Cost</u>
DIRECT COSTS					
Administrative Support Services:					
Avg. of CFO & Admin.					
Wages	\$ 129,526	\$129,526	10%	\$ 12,953	\$ 12,953
Benefits & Taxes	105,715	105,715	10%	10,571	10,571
Information Technology Charge	15,290	15,290	10%	1,529	1,529
Treasury/Procurement Support				-	-
Subtotal - Direct Costs				25,053	25,053
INDIRECT COSTS					
Insurance Premiums			100%		
Cost Allocation Plan - MSC	100,771	103,794	100%	100,771	103,794
TOTAL				<u>\$ 125,824</u>	<u>\$ 128,847</u>
TOTAL ROUNDED				<u>\$ 125,800</u>	<u>\$ 128,800</u>