

**EMPLOYMENT AGREEMENT
BETWEEN
THE DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF ANN ARBOR
AND
JEFFREY WATSON**

THIS AGREEMENT is made this _____ day of January 2022, between the Downtown Development Authority of the City of Ann Arbor, a Michigan municipal corporation, hereinafter "DDA," and Jeffrey Watson, hereinafter "Watson," for employment of Watson as Executive Director of the DDA, commencing _____, 2022.

Section 1 – Duties

The duties of the DDA Executive Director are as set forth in **Exhibit A**. These duties are subject to notification by the DDA Board, hereafter "Board."

Section 2 – General Conditions and Terms of Employment

This employment agreement is contingent upon Watson's acceptance of the appointment, Watson's approval and acceptance of this employment agreement, approval by the Board and the City Council of Watson's appointment and this employment agreement, and satisfactory completion of all pre-employment verifications deemed necessary by City Council.

A. EMPLOYMENT-AT-WILL

Subject to the terms and conditions of this agreement, and notwithstanding any DDA personnel regulations or representation to the contrary, Watson shall be an "employee-at-will" and nothing in this agreement shall prevent, limit or otherwise interfere with the right of the DDA to terminate the employment of Watson at any time except as such right to terminate employment is limited within this document.

B. TERMINATION/RESIGNATION

- 1) At any time during the term of this employment agreement, Watson may resign from the executive director position upon providing the DDA a written notice of sixty (60) or more days prior to the date of resignation. In the event of such voluntary resignation, Watson will not be entitled to any severance pay.
- 2) If the DDA decides to terminate the Watson's employment as executive director for any reason other than pursuant to sub-section (3) below, Watson will receive a lump sum severance payment equivalent to nine (9) months of his salary, calculated on the basis of the annual salary he was receiving on the date of termination as stated in Section 4 or as subsequently changed by agreement of the parties. The DDA also will pay Watson the accrued leave time, if any, to which he is entitled in accordance with the applicable DDA and City of Ann Arbor personnel rules, policies and procedures in effect on the date of his termination, and DDA will pay his medical benefits for the 9-month period

in conformity with City rules, policies and procedures. Both the severance pay and the payment of accrued leave time will be paid within thirty (30) days after the date of termination or at such other time as is mutually agreed to between the DDA and Watson.

- 3) If the DDA terminates Watson's employment agreement for "just cause," Watson will not be entitled to any severance pay. For this agreement, "just cause" shall include, but not be limited to, criminal conduct, conviction of any crime, misconduct in public office, or other gross misconduct, including, but not limited to, fraud, deceit, embezzlement, theft of funds or property, assault, or sexual, racial, or other harassment.
- 4) The role of executive director is considered a "key employee" under the Family and Medical Leave Act (FMLA). The DDA may terminate Watson's employment with the DDA in the event Watson is unable to perform substantially all of his duties/responsibilities for a period of sixty (60) consecutive days or more because of a medically established mental or physical disability, provided that a determination has been made that such medically established mental or physical disability will continue for at least ninety (90) additional days. Such termination will be effective sixty (60) days after written notice of termination, and such notice will also state the reasons for the termination. Severance pay, as provided for in sub-section (2) above, will be reduced by the amount of disability benefits payments, or Worker's Compensation benefits, if any, paid by the DDA. The DDA reserves the right to have Watson examined by a DDA-selected physician, at the DDA's expense, in order to verify the mental or physical disability.

C. EXCLUSIVE EMPLOYMENT

During the term of this employment agreement, Watson agrees to be employed exclusively by the DDA. With prior approval of the DDA, Watson may perform services such as teaching, lecturing, and assisting other governmental agencies and other professional obligations so long as such activities do not unreasonably interfere with Watson's DDA duties/responsibilities.

D. EMPLOYMENT AGREEMENT TERM

Watson agrees to begin employment as executive director for the DDA on _____, 2022. Employment will continue unless Watson resigns or is terminated as provided for in sub-section 2.B.

Section 3 – Job Performance Evaluation

The Board will evaluate Watson's job performance at least annually. The DDA staff may provide input to the Board with regard to the evaluation. In consultation with Watson, the Board will develop the job performance evaluation process and criteria it will use each year. The results of the evaluation shall be in writing and shall be discussed with Watson in closed session, if requested by Watson, and as allowed under the Open Meetings Act.

Section 4 – Compensation

The DDA agrees to compensate Watson initially at an annual base salary of \$142,000, payable in bi-weekly installments at the same time as other employees of the DDA are paid. The Board may adjust Watson's salary as it deems appropriate following an evaluation of Watson in accordance with Section 3 of this agreement.

Section 5 – Benefit Plans and Programs

Except as modified below, Watson may participate in the City of Ann Arbor pension plan for non-union employees and the benefits made available to non-union City of Ann Arbor employees as described in **Exhibit B**, which pension plan and benefits are subject to modification by the City of Ann Arbor.

- A. **Relocation Expenses**: The DDA will provide up to \$7,000 (with receipts) to help defray the cost of relocation. If Watson voluntarily resigns his position or is terminated for cause within two years of the start date as executive director, Watson will repay the funds at a prorated percentage based upon time of service.
- B. **Professional Dues and Development**: The DDA will pay Watson's annual dues membership in the APA/AICP, the Urban Land Institute (ULI), and the Congress for New Urbanism (CNU), and pay for attendance at annual local, state, and national conferences.

Section 6 – Indemnification

The DDA shall defend, save harmless and indemnify Watson against any tort, professional liability claims, or other legal actions, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Watson's duties/responsibilities as executive director, provided Watson acted both in good faith and within the scope of his duties/responsibilities as executive director, and further provided Watson fully cooperates with the DDA in its defense of the claim, demand or other legal action. The DDA may, in its discretion, compromise and settle any claim or suit and pay the amount of any settlement or judgment rendered. Indemnification shall not be provided to Watson by the DDA if the claim, demand or other legal action results from the willful misconduct or willful insubordination of Watson or if the claim, demand or legal action involves any proceeding where Watson is the plaintiff or an adverse party to the DDA.

Section 7 – Conflict of interest Prohibitions

It is further understood and agreed that because of the duties of Watson within and on behalf of the DDA and its citizenry, Watson shall not, during the term of this agreement, individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits of the City of Ann Arbor, except for stock ownership in any company whose capital stock is publicly held and regularly traded, without prior approval of the Board. For and during the term of his employment, Watson further agrees, except for a personal residence or residential property acquired or held for future use as his personal residence,

not to invest in any other real estate or property improvements within the corporate limits of the City of Ann Arbor without the prior consent of the Board.

Section 8 – General provisions

This agreement constitutes the entire understanding between the DDA and Watson. There are no oral understandings, terms or conditions and no party has relied on any representation, express or implied, not contained in this agreement. This agreement may be changed by a written amendment signed by both parties. Michigan law shall govern this agreement and any disputes arising from or related to this agreement shall be subject to the exclusive jurisdiction of a court of competent jurisdiction in Washtenaw County.

If any provision, or any portion thereof, contained in this agreement is held to be invalid or unenforceable, the remainder of this agreement, or portion thereof, shall be deemed enforceable, shall not be affected, and shall remain in full force and effect and such provision automatically reformed so as to be valid and enforceable and to nearly as possible reflect the intent of the parties.

EMPLOYER:

EMPLOYEE:

DOWNTOWN DEVELOPMENT AUTHORITY
OF THE CITY OF ANN ARBOR,
a Michigan corporation

By: Tyler Kinley

Jeffrey Watson
Jeffrey Watson

Its: Board Chair

EXHIBIT A

**CITY OF ANN ARBOR, MICHIGAN
JOB DESCRIPTION
JOB TITLE: DDA Executive Director**

Job Number: 403290

Date Finalized: April 7, 2021

Department: Downtown Development Authority	Accountable To: DDA Board
Mission Statement The mission of the DDA is to undertake public improvements that have the greatest impact in strengthening the downtown area and attracting private investment.	
Role Summary Chief executive of the Downtown Development Authority (DDA) who reports to an appointed Board of Directors. Responsible for oversight of the Authority's financial management, capital projects, parking management and its day-to-day operations. Supervises the DDA staff which do the work of implementing the policies, projects, and strategies in pursuit of the DDA mission.	
Essential Duties of the Executive Director <ul style="list-style-type: none">• Set the direction of the organization based on the mission, DDA Renewal Plan vision, and values of the organization, as well as policies set by the Board to reach strategic goals• Serve as the interface between the DDA Board and the DDA administration• Manage and oversee the annual budget; revenues come from a DDA District TIF and parking revenues generated from management of the Ann Arbor public parking system.• Oversee all DDA activities, and assure a well-run, efficient, and effective organization• Assure a work environment that recruits, retains, and supports quality staff who are inspired to do their best and who are able to grow their talents and abilities• Serve as the Authority's representative with the elected officials and senior staff of the City of Ann Arbor and other government units	
Duties The DDA Executive Director is responsible for, but not limited to, the following duties: <ul style="list-style-type: none">• Oversee the implementation of the Downtown Development Authority's adopted Development Plan• Accomplishment of management objectives, program goals, and fiscal management, in alignment with the board's policy directives.• Assist DDA Board members in the formulation of policies and project priorities; facilitate DDA board member involvement through effective committee processes and regular communication with DDA Board members• Assist the DDA in the establishment of, and oversee DDA grant programs, including Brownfield, Partnerships, Housing, general DDA, and transportation grants.• Oversee the work of DDA financial staff to prepare the DDA's annual budget, ensure timely and accurate financial reporting, and ensure strong financial policies and procedures are followed.• Represent the DDA with Ann Arbor City Council and senior staff at the City, University of Michigan, Washtenaw County, WCC, AADL, AAATA, and other agencies and organizations including Ann Arbor Area CVB, Ann Arbor/Ypsilanti Chamber• Represent the DDA and downtown interests on community taskforces and initiatives	

- Ensure the successful operation of the DDA's daily operations, including hiring and overseeing DDA staff and consultants.
- Represent the Ann Arbor DDA regionally, nationally, and statewide, including presentations and participation in industry organizations, conference presentations, and best practice visits

Ann Arbor DDA Executive Director Position: Skills and Experience

Knowledge of and familiarity with:

- Public Administration, including municipal budgeting and public policy
- Board and Volunteer Management
- Staff Development and Mentoring
- Staff and organization capacity management
- Public Speaking and Presentations, Written Communications
- Downtown Issues and Best Practices
- Computers and software used in business settings (e.g. Microsoft Office, Excel, PowerPoint, and Access)

Skills and Demonstrated Ability to: (position requirements at entry)

- Direct, coordinate, lead, motivate, coach, and inspire staff effectively to accomplish goals
- Effectively plan and direct the work of others
- Work collegially, effectively and with transparency
- Convey information through oral and written communications, clearly, effectively, and tactfully.
- Interact and work with a variety of personalities to achieve solutions and positive outcomes
- Frame strategic and effectual approaches and sound recommendations to complex challenges. Identify problems, develop, and implement creative and timely solutions
- Foster collaborations and long-term partnerships
- Coordinate, prioritize, and work on multiple concurrent projects often with frequent interruption. Ability to work under frequent stress.
- Adapt and adjust behavior and work methods rapidly in response to new information, changing conditions, and unexpected situations requiring attention and resolution
- Maintain confidentiality and use discretion
- Work productively and produce responses promptly if necessary

Equipment

Standard office equipment including fax machine, copier, telephone, Microsoft Office applications and other miscellaneous office equipment.

Training and Experience

Required to have:

- Bachelor's degree from an accredited four year college or university. Significant experience may be substituted for educational attainment.
- At least 5 years supervisory experience; and at least 5 years leading an organization.
- At least 5 years' experience in municipal government, public/nonprofit organizations, urban planning, or a related field.

Preferred experience includes:

- Master's degree in urban planning, public administration, business administration, or a related field.
- Familiarity with budget preparation and management practices in a municipal setting.
- Knowledge of urban planning and transportation best practices, awareness of social and economic trends and issues that affect downtowns, land use, infrastructure, transportation, and economic development principles.

The Way We Work

The Employees of the Ann Arbor DDA work collegially and with transparency in support of the mission and Board of the DDA. They accomplish their work in a framework of best practices, working with openness and striving for effective and innovative solutions that can have the most impact toward meeting the goals of the DDA and the community.

Physical Requirements

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential duties of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential duties.

Positions in this class typically require: reaching, lifting, pushing, pulling, talking, hearing, seeing and repetitive motions.

The ability to move and lift objects up to 20 pounds such as mail, files, and supplies.

Sedentary Work: Exerting up to 10 pounds of force occasionally and/or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects, including the human body. Sedentary work involves sitting most of the time.

Ann Arbor Downtown Development Authority Executive Director Job Description Prepared: April 2021, Board Approved April 7, 2021.



EXHIBIT B

City of Ann Arbor

2021 Summary of Benefits – Non-Union Employees

BENEFIT	PAID BY	ELIGIBILITY	DESCRIPTION
Medical Plan Blue Cross Blue Shield Community Blue PPO High Option / Low Option Prescription Drug Program Express Scripts	City Full-time employees pay pretax payroll contribution for High Option Plan. There is no contribution for Low Option Plan. Part-time employees pay a pro-rated contribution for both High Option and Low Option Plans based on budgeted part-time status	All regular employees	High Option: - Bi-Monthly Contribution as of January 1, 2021 (24 pays per year) \$29.92 / Employee Only \$50.27 / Employee + 1 \$75.40/ Employee + 2 \$100.54 / Employee + 3 \$125.67 / Employee + 4 or more - In-Network Deductible: \$300 / Single; \$600 / Family - In-Network Coinsurance: 80% Plan / 20% Employee - Out-Of-Network Deductible: \$600 / Single; \$1200 / Family - Out-Of-Network Coinsurance: 60% Plan / 40% Employee - \$10 Office visit copay - \$30 brand/\$10 generic Rx copay retail; 30-day supply - \$60 brand/\$20 generic Rx copay, mail order, 90-day supply, required for all maintenance Rx drugs Low Option: - No monthly contribution - In-Network Deductible: \$1,000 / Single; \$2,000 / Family - In-Network Coinsurance: 80% Plan / 20% Employee - Out-of-Network Deductible: \$2,000 / Single; \$4,000 / Family - Out-Of-Network Coinsurance: 60% Plan / 40% Employee - \$15 Office visit copay - \$40 brand/\$20 generic Rx copay retail; 30-day supply - \$80 brand/\$40 generic Rx copay, mail order, 90-day supply, required for all maintenance Rx drugs
Dental Plan Delta Dental Inc.	City Part-time employees pay a pro-rated contribution based on budgeted part-time status	All regular employees	Plan pays 75% for preventative, basic, restorative, endodontic and oral surgery services; 50% coverage for prosthodontic and orthodontic services (up to the age of 19). There is a \$2,000 annual maximum per family member (\$2,000 lifetime maximum for orthodontic).
Vision Plan EyeMed Vision	City Part-time employees pay a pro-rated contribution based on budgeted part-time status	All regular employees	In-Network exams are covered at 100%. You are allowed to receive an eye exam, glasses, or contact lenses every 12 months. You will receive maximum benefits when you receive care from an EyeMed provider. You may receive care from a non-EyeMed provider, but you'll pay more out-of-pocket.
Waiver Program	City Part-time employees receive a pro-rated amount based on budgeted part-time status	All regular employees	You may elect to waive coverage under the City's medical and/or dental and/or vision plans on an annual basis. The City will pay you a total annually of \$1,800 / medical, \$150 / dental and \$50 / vision each plan year on a biweekly basis.
Flexible Spending Account (Medical & Dependent Care) Flores & Associates	Employee	All regular employees	Under the Health Care Spending Account, you may elect to deduct on a pretax basis up to \$2,750 each plan year to cover medical, dental and vision expenses you pay out of your pocket (such as deductibles or copayments). Unused contributions up to \$500 may be rolled forward annually for future use. Under the Dependent Care Spending Account, up to \$5,000 (\$2,500 if married and filing single) may be deducted on a pretax basis each calendar year for day care expenses for your eligible dependents.
Health Reimbursement Account (HRA) Flores & Associates	City	All regular employees	The City will contribute up to \$500 to employees who participate in the Wellness Incentive Program based on the program's eligibility criteria for the plan year to be used for eligible health care expenses. Unused amounts may be rolled forward for future use. You will not receive any contribution if you waive medical coverage or do not participate in the Wellness Incentive Program.
Retirement Health Reimbursement Account (RHRA) Flores & Associates	City	All regular employees	The amount of your retirement benefit is based on your total years of service multiplied by \$3,500, which will be credited as of the date you first become eligible and commence your participation under the retirement plan. Amount is subject to change and union negotiation.
Employee Assistance Program (EAP) Ulliance	City	All regular employees	The Ulliance Employee Assistance Program (EAP) is a program designed to assist employees and their family members. Ulliance can help you resolve any concerns that are affecting your personal or work lives...no matter what the issue. The EAP is a confidential benefit. This means that Ulliance must keep your records, and even the fact that you called them, confidential from any other party. There is no cost to the employee for using Ulliance's services.



City of Ann Arbor

2021 Summary of Benefits – Non-Union Employees

BENEFIT	PAID BY	ELIGIBILITY	DESCRIPTION	
			Years of Service	Hours accumulated per pay period
Vacation Days	City Part-time employees receive a pro-rated amount based on budgeted part-time status	All regular employees	Hire – 5 th anniversary	4.62 hours (15 days per year)
			5 th anniversary – 10 th anniversary	5.54 hours (18 days per year)
			10 th anniversary – 15 th anniversary	6.16 hours (20 days per year)
			15 th anniversary – 22 th anniversary	6.77 hours (22 days per year)
			22 or more years of service	7.7 hours (25 days per year)
Sick Days	City Part-time employees receive a pro-rated amount based on budgeted part-time status	All regular employees	12 days per calendar year. Time is accrued as you complete service. Temporary Benefit for 2021: The City is awarding two additional sick days to employees who receive the COVID vaccination. Proof of vaccination must be supplied to the benefits office. Must be employed during the time vaccinations are received. This time expires December 31, 2021.	
Personal Days	City Part-time employees receive a pro-rated amount based on budgeted part-time status	All regular employees	You earn 8 hours for each three (3) months of service in the fiscal year.	
Floating Holiday	City	All regular employees	You are given 8 hours per calendar year.	
Paid Parental Leave	City	All regular employees that meet the same eligibility requirements for FMLA	The City provides 12 weeks of Paid Parental Leave (480 hours) to use in no less than 4 hours increments. Paid Parental Leave is used for the birth of child (ren) and/or adoption. Leave time runs concurrently with FMLA.	
Life Insurance and AD & D Unum	City	All regular employees	You are provided up to 1x pay of group term life coverage. You are provided 1x pay for accidental death or loss of 2 limbs and 50% of pay for loss of 1 limb under the Accidental Death & Dismemberment Plan.	
Life Insurance Unum (Optional) Employee and/or Dependent Life	City pays 50% of Optional Employee Life Premium only	All regular employees	You may elect to buy 2x or 3x pay of additional group term life insurance for yourself or \$10,000 for your spouse and \$7,000 for your children. <i>Premiums are deducted monthly on an after-tax basis.</i>	
Short Term Disability Unum	City	All regular employees	You are paid 70% of your base pay to a maximum of \$1,500 per week for <u>up to</u> 15 weeks, after a 14-day elimination period. Unum makes the determination of approval or denial of this benefit.	
Long-Term Disability Unum (Optional)	Employee	All regular employees	You are paid 60% of your base pay to a maximum of \$5,000 per month after 120 days of disability. <i>Premiums are deducted monthly on an after-tax basis.</i>	
Accident Coverage Unum (Optional)	Employee	All regular employees	You may choose levels of benefits for specific injuries, additional accidental death or dismemberment and other general benefits. <i>Premiums are deducted monthly on an after-tax basis.</i>	
Critical Illness Coverage Unum (Optional)	Employee	All regular employees	You may choose levels of coverage for 1 st occurrence benefit. Also includes benefits for Hospital confinement, Radiation / Chemotherapy treatments, and Screening and Wellness benefits. <i>Premiums are deducted monthly on an after-tax basis.</i>	
Tuition Reimbursement Program	City *Employees need to be employed for 1 full year	All regular employees	The City will reimburse you up to \$5,000 per year for educational programs related to your position.	
Prepaid Legal (Optional)	Employee	All regular employees	Two plans are available for purchase depending on your needs. Life Events Legal Plan and/or Identify Theft Shield. <i>Premiums are deducted monthly on an after-tax basis.</i>	
Go Pass	City	Downtown employees	Employees who work downtown and choose an alternative to single passenger auto commuting can receive a Go!Pass for their use. Provided upon request.	
Parking Discount	Employee and City	All regular employees	Employees who work downtown may choose to park in the Ann Ashley Parking Structure. The City will contribute \$101.75 each month to Republic Parking towards the monthly cost; the cost of parking paid by the employee is \$83.25 per month. If elected, this fee is deducted from the first pay of every month. Please see payroll to sign up.	
529 College Savings Plan (Optional)	Employee	All regular employees	You are able to save for college tuition for children or grandchildren through the tax-favored Michigan Education Savings Program 529 college savings plan. <i>Your contributions are deducted via direct deposit</i>	

Signature: Tyler Kinley
Tyler Kinley (Jan 6, 2022 13:12 EST)

Email: tyler@praxisproperties.com

Signature: Jeffrey Watson
Jeffrey Watson (Jan 6, 2022 14:42 EST)

Email: jeff_wpg99@hotmail.com

J. Watson Employment Agreement 2022

Final Audit Report

2022-01-06

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