

**ANN ARBOR HOUSING DEVELOPMENT CORPORATION  
RAP 2.0 SUB-GRANT AGREEMENT**

Ann Arbor Downtown Development Authority

Fourth Avenue Streetscape and Transit (FAST) Improvement Project

This RAP 2.0 Sub-Grant Agreement (“Agreement”), is entered into this June 26, 2024 (“Effective Date”), between the Ann Arbor Housing Development Corporation, a Michigan nonprofit corporation, whose address is 2000 S. Industrial Highway, Ann Arbor, Michigan 48104 (“AAHDC”) and the Ann Arbor Downtown Development Authority (DDA), whose address is 150 South Fifth Avenue, Suite 301, Ann Arbor, MI 48104 (“Sub-Grantee”).

WHEREAS, the Sub-Grantee is the manager of property in the public right-of-way in the City of Ann Arbor, Washtenaw County, Michigan,

WHEREAS, the Sub-Grantee is the developer of a full street reconstruction project known as the Fourth Avenue Streetscape and Transit (FAST) Improvement project (“the Project”) located on Fourth Avenue between William Street and Liberty Street in Ann Arbor, MI 48104;

WHEREAS, the Project is financed using other loans and grants as may be necessary and appropriate to finance the Project; and

WHEREAS, on June 30, 2023 the AAHDC applied for a Revitalization and Placemaking (RAP) 2.0 Program grant administered by the Michigan Economic Development Corporation (MEDC) for a real estate and place-based infrastructure regional Sub-Grant (“Sub-Grant”); and

WHEREAS, the Ann Arbor Downtown Development Authority and 124 Peace Plaza LLC applied with the AAHDC as Sub-Grantees in the Sub-Grant;

WHEREAS, on October 5, 2023 MEDC awarded the Sub-Grant of \$8,037,830 in RAP 2.0 Funds to the AAHDC; and

WHEREAS, the Ann Arbor Housing Development Corporation allocates an award of \$803,783 in RAP 2.0 Sub-Grant funds to the Sub-Grantee for costs related to the development of the Project; and

THE PARTIES AGREE AS FOLLOWS:

1. GRANT AMOUNT. Ann Arbor Housing Development Corporation agrees to pay Sub-Grantee funds from the RAP 2.0 regional Sub-Grant award in the amount of Eight hundred and three thousand seven hundred and eighty-three dollars (\$803,783) (the “Grant”).
2. USE OF GRANT. Sub-Grantee shall use the grant for costs related to the development and related soft costs for the Project, consistent with the Project Development Budget attached as Exhibit 3.

Sub-Grantee may use the Grant for the sole purpose of costs related to the development and related soft costs for the Project, provided that the Sub-Grantee complies with all the requirements of this Agreement and those of the RAP 2.0 Program (attached as Exhibit 1).

3. TERM. The Term of this Sub-Grant is from the Effective Date and, unless earlier terminated as provided by this Agreement, through November 10, 2027.
4. SUB-GRANT CRITERIA. In addition to the terms and provisions in this Agreement, each Sub-Grant Agreement must include the following MEDC provisions:
  - (a) Sub-Grantee must either: 1) affirm that it is the fee owner of the Property; or 2) identify the fee owner of the Property and affirm that it currently has rightful possession to all of the Property and has the right to develop the Project on all of the Property;
  - (b) Project performed by the Sub-Grantee must be constructed in such a manner as to conform to applicable zoning, planning, building, and other regulations of governmental authorities having jurisdiction over the Project and the Property; and the Sub-Grantee has obtained, or will obtain, all necessary leases, permits, zoning waivers, variances, or other permissions, to allow for development of the Property and Project for its intended purpose at least through the term of the Sub-Grant. Further, provisions requiring all necessary utilities, including but not limited to, telephone services, electric power, natural gas, storm sewers, sanitary sewer, and public potable water facilities are available, or will be available, to the Property and the Project at project completion and all times thereafter during the term of the Sub-Grant;
  - (c) Sub-Grantee to affirm it will obtain all requisite demolition, building, environmental, and other permits necessary for the development of the Property and Project for the intended applicable purpose during the Term of the Grant, and the Sub-Grantee will not, during the term of the Grant, knowingly fail to obtain any other licenses, permits or other governmental authorizations necessary, to the ownership of its properties, or the conduct of its business, which violation or failure to obtain might materially and adversely affect the Sub-Grantee's business, profits, properties, or condition (financial or otherwise).
  - (d) Sub-Grantee must affirm that the real estate taxes and utility bills for the Property have been paid, and will be paid through the Term, and that the Property is free from construction liens, and will remain free through the Term;
  - (e) Sub-Grantee, to affirm, to its knowledge, that it is not and will not during the Term be in material violation of any laws, ordinances, regulations, rules, orders, judgments, decrees or other requirements imposed by any governmental authority, or be in material violation under any contracts, or other requirements for the Project, to which it is subject, and will not knowingly fail to obtain any licenses, permits or other governmental authorizations necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain are reasonably likely to materially and adversely affect its business, profits, properties or condition (financial or otherwise), or impair the Grantee's ability to perform its obligations under this Agreement;
  - (f) Sub-Grantee must not use any Grant Disbursements for the development of a stadium or arena for use by a professional sports team or development of a casino or property associated or affiliated with the operation of a casino as prohibited by the Act (see MCL 125.2088c(3)(a) and (b)), or to induce the Grantee, a qualified business, or small business to leave the State of Michigan, or to contribute to the violation of internationally recognized workers' rights, of workers in a country other than the US, or to fund an entity incorporated in a tax haven country, as prohibited by the Act (see MCL 125.2088c(4)(c), (d), and (e));

- (g) Sub-Grantee must cooperate with the MEDC to promote the Sub-Grant Project through one or more of the placement of a sign, plaque, media coverage or other public presentation at the request and expense of the MEDC;
  - (h) Sub-Grantee to obtain the written consent of the Grantee and MEDC prior to any sale of the Property; and, if so consented, include provisions in any purchase contract that the purchaser be bound by all applicable obligations of the Sub-Grant Agreement including, but not limited to, all reporting requirements;
  - (i) Sub-Grantee to obtain the written consent of the Grantee and MEDC prior to modifying any portion of the Site Plan or Construction Drawings, as applicable, which consent shall not be unreasonably withheld, conditioned or delayed.
5. GRANT MANAGER. The AAHDC shall serve as the Grant Manager to administer this Agreement and monitor the performance of the Sub-Grantee and grant disbursements under this Agreement. The Grant Manager reviews Reimbursement Request(s) and determines Sub-Grantee's compliance with the Key Milestones.
6. DISBURSEMENT. Disbursement of the Grant shall be for costs related to the acquisition, development, and related eligible costs for the Project in accordance with Exhibit 1. Invoices shall be submitted to the Grant Manager, who will review invoices and submit to MEDC for disbursement of funds. Payment will be made to the Sub-Grantee for documented expenditures.
7. MEDC REQUIRED TERMS. The Sub-Grantee shall comply with its representations, warranties, and obligations as required and set forth in Exhibit 2.
8. COMPLIANCE WITH LAWS. Sub-Grantee agrees to comply with all federal, state and local laws applicable to services provided under this contract.
- The Sub-Grantee warrants, represents and agrees that it and all of its agents, employees and Sub-Grantees are sufficiently and properly trained and licensed to competently and lawfully perform any activity any one of them may perform under this contract.
9. CONTRACT AMENDMENTS/BUDGET TRANSFERS. This Agreement may be amended only by a written agreement approved by the AAHDC and the Sub-Grantee.
10. FINANCES, AUDITS, AND INSPECTIONS. Sub-Grantee shall supply documentation of Grant expenditures to the AAHDC which is authorized to provide documentation to MEDC if requested.
- Sub-Grantee agrees to securely maintain records regarding the expenditures for development of the Project for a period of five years after completion of the work described in Exhibit 3. Sub-Grantee shall permit examination of these records by the AAHDC upon request. The AAHDC may, at a reasonable time after giving reasonable notice, cause an audit of the records of the Sub-Grantee. Sub-Grantee agrees to complete and submit to the AAHDC annual financial statements prepared by a CPA or an independent auditing firm for the Sub-Grantee upon request.
11. INSURANCE COVERAGE. Sub-Grantee shall secure and maintain insurance policies, including those stated below, as will protect the Sub-Grantee, any of its subcontractors and, unless otherwise specified, the Ann Arbor Housing Development Corporation and Ann Arbor Housing Commission from all claims for bodily injuries, death or property

damage which may arise under this contract; whether the actions are made by the Sub-Grantee or by its Designee or by any subcontractor or anyone employed by them directly or indirectly. The following insurance policies are required:

- (a) Worker's Compensation Insurance under the provisions of the Michigan Worker's Compensation Act and all applicable state and federal statutes.
- (b) General Liability Insurance in an amount not less than \$1,000,000 for injuries, including accidental death to any one person. The Ann Arbor Housing Development Corporation shall be named as an additional insured.
- (c) Automobile Liability Insurance including all owned or non-owned vehicles used for service delivery. The Ann Arbor Housing Development Corporation shall be named as an additional insured.
- (d) Property Insurance for the Project.

Insurance certificates shall be filed with the AAHDC upon request. The certificates shall be maintained through completion of the work described in Exhibit 3. The insurance company must be reasonably acceptable to the AAHDC and shall also name the Ann Arbor Housing Commission and the Ann Arbor Housing Development Corporation as an additional insured. The AAHDC acknowledges that Sub-Grantee's current insurer, as reflected in certificates of insurance submitted to AAHDC, is acceptable.

The Sub-Grantee, or its Designee, as applicable, shall notify the AAHDC in writing within five business days of any cancellation or lapse of insurance coverage required by this Agreement. Failure to do so will be considered a material breach of the Agreement. Termination of this Agreement shall not relieve the Sub-Grantee of the obligation to maintain insurance with respect to the use of the Grant for the period the Agreement was in effect.

12. INDEMNIFICATION. To the fullest extent permitted by law, Sub-Grantee shall indemnify, defend and hold the AAHDC, and their officers, employees and agents harmless from all suits, claims, judgments and expenses including attorney's fees resulting or alleged to result, to its proportionate extent, from any negligent, grossly negligent, reckless and/or intentional wrongful or tortious acts or omissions by the Sub-Grantee or its employees and agents occurring in the performance of or in breach of this Agreement.
13. REPORTS, MONITORING AND EVALUATION. Sub-Grantee agrees to cooperate fully with the AAHDC to evaluate and monitor the requirements and performance of the Project funded by the Grant. Sub-Grantee agrees to provide such information and reports, oral or written, as may reasonably be required or requested during the completion of construction work and for five additional years on matters relating to the use of the Grant, performance, contract compliance and evaluation of the use of the Grant.

Sub-Grantee is to report to the Secretary/Treasurer of the AAHDC, or designee, and will confer and cooperate with him/her as necessary to insure satisfactory work progress.

The AAHDC or designee may review and inspect the Sub-Grantee's activities during the completion of the Project work. Sub-Grantee to allow for site visits by the MEDC, provided any such site visit(s) shall not be conducted during a time or in a manner as to interfere with any construction or other activity at the Project or with any other business operative at the Project.

After giving reasonable notice to the Sub-Grantee, the AAHDC or designee may review any of the Sub-Grantee's internal records, reports or insurance policies pertaining to this Agreement.

14. **NONDISCRIMINATION.** Sub-Grantee agrees to comply, and to require any subcontractors to comply, with the nondiscrimination provisions of MCL 37.2209 as well as the provisions of the federal Immigration Reform and Control Act of 1986.
15. **POLITICAL ACTIVITIES.** None of the funds, materials, property, or services provided directly or indirectly under this Agreement shall be used for any partisan political activities or to further the election or defeat of any candidate for office.
16. **CONFLICT OF INTEREST.** No officer or elected or appointed official of the AAHDC and no immediate relative (spouse, parent, sibling, or child) of any such person, has or shall have any financial interest in this Agreement. Except for salaries and expenses which may be paid with funds provided under this Agreement, no employee, officer or director of the Sub-Grantee and no immediate relative (spouse, parent, sibling or child) of any such person has or shall have any financial interest in this Agreement.

Sub-Grantee promises that it has not employed or retained any company or person, other than bona fide employees or contracted labor working solely for the Sub-Grantee, to solicit or secure this contract, and that it has not paid or agreed to pay any company or person, other than bona fide employees working solely for the Sub-Grantee, any fee, commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award or making of this contract. For breach of this promise, the AAHDC may cease any additional funding under this Agreement.

17. **DEFAULT/SUSPENSION/TERMINATION.** If the Sub-Grantee does not comply with the terms of this Agreement for the use of the Grant, then the Sub-Grantee shall be in default under this Agreement, and the AAHDC at its option, shall pursue specific performance of the Agreement, or the Grant shall be subject to the immediate recapture and repayment to the AAHDC after reasonable notice and time to cure any default. If Sub-Grantee fails to comply with the terms of this Agreement the AAHDC may also choose to declare it suspended or terminated. If the AAHDC declares this Agreement suspended or terminated then, the AAHDC shall have no obligation to provide further funds to the Sub-Grantee, and such suspension and termination shall not relieve the Sub-Grantee of its obligations to prepare or preserve its records and to make them available for audit or inspection. The AAHDC shall provide reasonable notice to the Sub-Grantee indicating the reasons for its actions and a reasonable time to cure before suspension or termination. The AAHDC shall provide reasonable notice to the Sub-Grantee indicating the reasons for its actions and a reasonable time to cure before suspension or termination. Such notice shall be provided to the attention of: Pear Sperling Eggan & Daniels, P.C., 24 Frank Lloyd Wright Drive, Ste. D-2000, Ann Arbor, Michigan 48105, Attn: Jerold Lax, Esq. The AAHDC agrees to accept cure of such default tendered by Sub-Grantee or Sub-Grantee's counsel, as if such cure were tendered by Sub-Grantee.

The following shall constitute events of default related to the Property:

- (a) the taking via condemnation or similar governmental action of all or a substantial part of the Property or Project which taking has a material adverse effect on the development of the Project or the use of the Property or Project for the intended purpose of Revitalization or Placemaking;
- (b) any unappealable or irrevocable action taken by any governmental authority that would materially and adversely affect timely progression of work or development of the Project as required by the Key Milestones or the use of the Property or Project for the intended purpose of Revitalization or Placemaking;

- (c) the institution of, or any agreement in lieu of, a foreclosure action against the Property or the Project or any part thereof and failure of the Sub-Grantee to cause such action to be terminated within thirty (30) calendar days of its institution;
- (d) the institution of any proceeding, or agreement in lieu of, seeking a termination of the Sub-Grantee's interest in the Property;
- (e) any failure of the Sub-Grantee to incur Eligible Costs in an amount of 200% of the Sub-Grant Project Maximum Grant Amount;
- (f) any voluntary bankruptcy or insolvency proceedings are commenced by the Sub-Grantee;
- (g) any involuntary bankruptcy or insolvency proceedings are commenced against the Sub-Grantee, which proceedings are not set aside within sixty (60) calendar days from the date of institution thereof;
- (h) the filing of a claim of lien against the Property that is not resolved to the MEDC's satisfaction;
- (i) the failure of physical work on the Property for the development of the Project as contemplated by the Sub-Grant Agreement for a period of thirty (30) consecutive calendar days, which failure is not cured by the Sub-Grantee to the satisfaction of the Grantee and MEDC within ten (10) business days after written notice thereof by the Grantee, or within such longer period of time as determined in writing and at the sole discretion of the Grantee and MEDC;
- (j) if at any time after the Grant Disbursement and through the end of the Term of the Grant, the Property is not used for its applicable intended Revitalization or Placemaking purpose.

18. SEVERABILITY OF PROVISIONS. 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 or other circumstances.

19. CHOICE OF LAW AND FORUM. This Agreement shall 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.

20. ASSIGNS AND SUCCESSORS. This contract is binding on the AAHDC and Sub-Grantee, their successor and assigns. The AAHDC and Sub-Grantee agree they will not assign or transfer their interest in this contract without the written consent of the other party.

21. EXTENT OF AGREEMENT. This Agreement, together with any affixed exhibits, schedules or other documentation, constitutes the entire understanding between the AAHDC and the Sub-Grantee with respect to the subject matter of the Agreement and it supersedes 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 Sub-Grantee and AAHDC. The undersigned have executed this Agreement as of the day and year first above written.

SUB-GRANTEE:

Ann Arbor Downtown Development Authority

By: \_\_\_\_\_

Maura Thomson  
Executive Director

GRANTEE & GRANT MANAGER:

Ann Arbor Housing Development Corporation

By: \_\_\_\_\_

Jennifer Hall  
Secretary-Treasurer

## **EXHIBITS & ATTACHMENTS**

EXHIBIT 1 – MEDC RAP 2.0 PROGRAM REQUIREMENTS & GUIDELINES

EXHIBIT 2 – MEDC REQUIRED TERMS

EXHIBIT 3 – PROJECT DEVELOPMENT BUDGET AND SCOPE OF WORK

ATTACHMENT A – EXHIBIT B DESCRIPTION OF PROJECT

ATTACHMENT B – EXHIBIT F-1 REIMBURSEMENT REQUEST FORM FOR KEY MILESTONE 1

ATTACHMENT C – EXHIBIT F-2 REIMBURSEMENT REQUEST FORM FOR KEY MILESTONE 2

## EXHIBIT 1 - MEDC RAP 2.0 PROGRAM REQUIREMENTS & GUIDELINES

The following requirements and guidelines are implemented by the MEDC RAP 2.0 Program, to be followed by all Grantees and Sub-Grantees under this Agreement:

### **Eligible Costs**

Provided the cost is not an Ineligible Cost and it is in accordance with the Key Milestones set forth below, Sub-Grantee may seek reimbursement for any of the following combination of costs incurred and expended by the Sub-Grantee related to the applicable Sub-Grant Project on or after June 30, 2022, through June 30, 2027:

- **Acquisition.** Acquisition fees or costs for real property;
- **New construction.** Fees or costs for alteration, new construction, improvement, demolition, or rehabilitation of buildings, including utility tap fees, and fees and costs paid to a governmental entity for permits, zoning and inspections, for the Project;
- **Other Alteration or Improvement.** Costs associated with site improvements such as access (including ADA improvements) and streetscaping elements such as lighting, fencing, street furniture, etc.;
- **Site Improvement.** Any fees or costs for site improvements to the Property, including a surface parking lot, parking garage, parking ramp, utilities, and public infrastructure such as roads, curbs, gutters, sidewalks, landscaping, lighting, grading, and land balancing;
- **Machinery and Equipment.** Any fees or cost for the addition of machinery, equipment, or fixtures to the Property;
- **Professional Fees.** Professional fees or costs for the Project for architectural services, engineering services, Phase I environmental site assessment, Phase II environmental site assessment, Baseline Environmental Assessment, or surveying, insurance, accounting and legal; or
- **Developer Fees.** Developer fees not to exceed 4% of total project costs.
- **Other Costs.** Any other costs as determined by the Grant Manager.

### **Ineligible Costs**

The following costs are ineligible under this Agreement:

- Costs related to any prohibited uses described in this Agreement;
- Expenses that have been or will be reimbursed under any other MSF, State, MEDC, or federal program;
- Costs related to any of the following that were not identified, or described, in Grantee's Application: 1) residential units with a lease term of less than 30 days; 2) residential units identified as a hotel space; and/or 3) residential units identified as a short-term rental (or any other similar terminology).

### **Award Structures and Funding**

All awards will be structured as grants with performance milestones and reporting requirements.

**Key Milestones.** The Sub-Grantee agrees to the following Key Milestones:

- **Key Milestone One:**

- **Grant Disbursement:** Single Reimbursement Request up to fifty percent (50%) of the Eligible Costs associated with the applicable Sub-Grant Project, not to exceed fifty percent (50%) of the Sub-Grant Project Maximum Grant Amount.
- By no later than **October 31, 2026**, the Sub-Grantee shall have submitted all then required Progress Reports, otherwise be in compliance with this Agreement, and shall submit to the satisfaction of the Grant Manager, all of the following information for each Sub-Grant Project. For the avoidance of doubt, Sub-Grantee must submit the following forms separately for each Sub-Grant Project:
  1. The Reimbursement Request in the form and substance set forth in Exhibit F-1, signed by Grantee;
  2. A fully completed Exhibit B for the applicable Sub-Grant Project;
  3. A copy of the Sub-Grantee's guaranteed maximum price contract, as applicable;
  4. A copy of the Sub-Grantee's Site Plan or Construction Drawings, as applicable; and
  5. Copies of invoices, work orders, bills, and the corresponding evidence of payment, and any other documentation which itemizes in detail, and substantiates, that the Grantee actually incurred and expended the Eligible Costs on the Project within the allowable timeframe.

- **Key Milestone Two:**

- **Grant Disbursement:** Single Reimbursement Request for up to fifty percent (50%) of Eligible Costs associated with the Sub-Grant Project for which Grant Disbursement have not previously been made; provided, however, when taken together with any prior Grant Disbursements, cannot exceed the Sub-Grant Project Maximum Grant Amount or the Maximum Grant.
- By no later than **March 31, 2027**, the Grantee shall have submitted all then required Progress Reports, otherwise be in compliance with this Agreement, and shall submit to the satisfaction of the Grant Manager all of the following information:
  1. The Reimbursement Request in the form and substance set forth in Exhibit F-2, signed by Grantee;
  2. Copies of invoices, work orders, bills, and the corresponding evidence of payment, and any other documentation which itemizes in detail, and substantiates, that the Grantee actually incurred and expended the Eligible Costs on the Project within the allowable timeframe; and
  3. Letter from the municipality certifying Project completion, satisfactory to the Grant Manager that the Project is complete and has passed all inspections and received all approvals which are conditions precedent to the use and occupancy of the Project, and temporary certificate(s) of occupancy, conditional certificate(s) of occupancy, or the jurisdictional equivalents thereto, in lieu of unconditional certificate(s) of occupancy for all remaining units (retail and commercial, as applicable) with the only work remaining to be performed being tenant improvements to be performed by or on behalf of the tenants.

**Reporting Requirements.** The Sub-Grantee shall provide all necessary reporting documentation in form and substance as required by the Grant Manager, all to the satisfaction of the Grant Manager. Grantee shall provide, no later than October 1 each year during the Term of this Grant, the following information per Sub-Grant Project (the "Progress Report"):

- the amount of financial support other than State resources;
- a narrative of Eligible Costs completed during the reporting period;

- the actual amount of private investment attracted to the Sub-Grant Project;
- the amount of Grant funds disbursed to each Project;
- the total actual amount of square footage revitalized or added by the Sub-Grant Project. The square footage must be reported by category, including, but not limited to, commercial, residential, retail, or public space (and if applicable, the actual number of residential units revitalized or added by the Sub-Grant Project); and
- the total actual number of residential units revitalized or added by the Sub-Grant Project.

## EXHIBIT 2 - MEDC REQUIRED TERMS

**Section D.1 Confidentiality.** Grantee should be aware that information submitted to the MEDC in relation to this Agreement may be subject to disclosure under the provisions of Public Act 442 of 1976, as amended, known as the Freedom of Information Act ("FOIA"). The FOIA also provides for the complete disclosure of the Agreement and any Exhibits thereto.

**Section D.2 Access to Records and Inspection Rights.** During the Term, and for seven (7) years thereafter, the Grantee shall maintain reasonable records arising out of this Agreement and shall allow access to those records by the MEDC, or its authorized representative. This Section shall survive for seven (7) years following the end of the Term.

**Section D.3 MEDC Employees.** The Grantee will not hire any employee of the MEDC to perform any services covered by this agreement without prior written approval from the Chief Executive Officer of the MEDC.

**Section D.4 Assignment/Transfer/Subcontracting.** Except as contemplated by this Agreement, the Grantee shall not assign, transfer, convey, subcontract, or otherwise dispose of any duties or rights under this Agreement without the prior specific written consent of the MEDC. Any future successors of the Grantee will be bound by the provisions of this Agreement unless the MEDC otherwise agrees in a specific written consent.

**Section D.5 Termination of Funding.** In the event that the State legislature, the State government, or the federal government fails to provide or terminates the funding necessary for the MEDC to fund the Grant, the MEDC may terminate this Agreement by providing notice to the Grantee not less than thirty (30) calendar days before the date of cancellation provided, however, that in the event the action of the State legislature, State government, or federal government results in an immediate absence or termination of funding, this Agreement may be terminated effective immediately upon delivery of written notice to the Grantee. In the event of termination of funding, the MEDC has no further obligation to make any disbursements of the Grant beyond the date of termination of this Agreement.

**Section D.6 Non-Discrimination and Unfair Labor Practices.** In connection with this Agreement, the Grantee agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex (including sexual orientation and gender identity or expression as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, physical or mental disability, or genetic information (as defined in Executive Directive 2019-09) that is unrelated to the individual's ability to perform the duties of the particular job or position. The Grantee further agrees that every subcontract or sub-recipient agreement entered into for performance of this Agreement will contain a provision requiring nondiscrimination in employment, as specified in this Agreement, binding upon each subcontractor. This covenant is required, as applicable under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and is consistent with Executive Directive 2019-09, and any breach thereof may be regarded as a material breach of this Agreement.

Under 1980 PA 278, MCL 423.321, et seq., the State shall not award a contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under MCL 423.322. The United States Labor Relations Board compiles this information. The Grantee shall not enter into a contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Under MCL 423.324, the State may void any contract if,

subsequent to the award of the contract, the name of the Grantee as an employer, or the name of a subcontractor, manufacturer, or supplier of the Grantee appears in the register.

**Section D.7 Indemnification.** To the extent permitted by law, the Grantee shall indemnify, defend and hold harmless the MEDC, its corporate board of directors, executive committee members including its participants, its officers, agents, and employees (the "Indemnified Persons") from any damages that it may sustain through the act or omission of the Grantee pertaining to the performance of this Agreement.

**Section D.8 Jurisdiction.** In connection with any dispute between the Parties under this Agreement, the Parties hereby irrevocably submit to jurisdiction and venue of the Michigan circuit courts of the State of Michigan located in Ingham County. Each Party hereby waives and agrees not to assert, by way of motion as a defense or otherwise in any such action any claim; (a) that it is not subject to the jurisdiction of such court; (b) that the action is brought in an inconvenient forum; (c) that the venue of the suit, action, or other proceeding is improper; or (d) that this Agreement or the subject matter of this Agreement may not be enforced in or by such court. This section shall survive indefinitely.

**EXHIBIT 3 – PROJECT DEVELOPMENT BUDGET AND SCOPE OF WORK**

## **Fourth Avenue Streetscape and Transit (FAST) Improvement Project Scope of Work**

The Fourth Avenue Streetscape and Transit (FAST) Improvement project is a full street reconstruction to improve the usability and accessibility of the streetscape on Fourth Avenue between William Street and Liberty Street in downtown Ann Arbor. The goal of the reconstruction is to create a visual and tangible link to the businesses on Liberty Street, and to support the future affordable housing developments in the corridor. The improvements include repaving travel lanes, widening sidewalks, providing new lighting and pedestrian amenities, as well as underground utilities. The project will:

- Enhance transit boarding and operations.
- Add amenities for pedestrians and bus transit users.
- Improve road crossings for pedestrians, enhancing safety and comfort for all users.
- Support bicycle travel through rehabilitated, safe roadways, although designated bike lanes are not proposed due to the limited width of the right-of-way.
- Update infrastructure to improve stormwater management and ensure sustainability
- Incorporate infrastructure and pedestrian connections to support the Ann Arbor Housing Commission (AAHC) projects at 121 S. Catherine and 350 S. Fifth Ave.

FAST will create a street that functions as an extension of the AAATA transit center, prioritizing safety, and convenience for all users. The City, DDA, and Ann Arbor Housing Commission support the values of creating people-friendly streets by providing equitable, just access for all residents and visitors-alike. FAST seeks to build a more connected community with streets that serve as civic spaces.

The FAST project is a component of the DDA's People-Friendly-Streets (PFS) initiative, which includes connecting downtown bikeways with recreational areas, the Huron River, and neighborhoods. Simultaneously, the DDA aims to continue increasing outdoor spaces that cater to people shopping, dining, attending events, and prioritizing transit downtown. The focus remains on supporting recreation, community engagement, and fostering walkability, connectivity, and active public spaces. Additionally, efforts are underway to enable more housing diversity, diversify job sectors, and strengthen the economy through strategic partnerships. Furthermore, the planning process incorporates a commitment to social and cultural equality, ensuring a balanced and inclusive development of Downtown Ann Arbor.

The FAST project will also include elements of green infrastructure and low-impact design. The existing stormwater system will be supplemented by an infiltration trench as part of the project reconstruction. Two separate trenches will run the length of Fourth Avenue at a depth of 3-5 feet below the street. Catch basins will lead to these gravel-filled underdrains which will naturally filter stormwater and slow the movement of water to the storm sewer system during storm events.

Landscaping and tree plantings will be installed along Fourth Avenue to capture stormwater along the streetscape. Street trees provide shade, reducing the urban heat island effect, while also absorbing rainwater and filtering air pollutants. Tree pits will contribute to stormwater management. The DDA is also working with the AAATA to evaluate solar applications for street and bus shelter lighting to contribute to the City's A2Zero sustainability vision. Site furnishings will include seating and planters made from UV-resistant, maintenance free HDPE.

Project design and construction documents are on track to be completed by the first quarter of 2024. Due to other planned construction in the Downtown Area planned by the City in 2024 and 2025, the FAST project is schedule for construction during 2026.

# A2DDA Key Streets Project

## FOURTH AVENUE STREET AND TRANSIT IMPROVEMENTS

E. William Street to E. Liberty Street

Statement of Probable Construction Cost

17-Nov-23

<b>Project Costs</b>	
General Conditions, Mobilitation and Supervision	\$487,149
Site Preparation and Demolition	\$156,425
Utility Systems	\$1,090,160
Grading and Earthwork	\$443,515
Hardscape Improvements	\$566,953
Lighting and Electrical Systems	\$520,000
Site Furnishings and Bus Shelters	\$1,646,350
Signage and Pavement Marking	\$340,262
Landscaping	\$107,830
<b>Subtotal</b>	<b>\$5,358,644</b>

	<b>Total</b>
<b>Subtotal</b>	<b>\$5,358,644</b>
<b>5% Design Contingency</b>	<b>\$267,932</b>
<b>Anticipated Bid Cost</b>	<b>\$5,626,576</b>
<b>45% Anticipated Soft Costs</b>	<b>\$2,531,959</b>
<b>Total Project Construction Cost</b>	<b>\$8,158,536</b>

**ATTACHMENT A**

**EXHIBIT B**

**DESCRIPTION OF PROJECT**

Common name of Project	
Projected Total Investment	The Grantee plans to make a total investment of approximately _____ to the Project.
Projected Total Eligible Costs	
Property Description (Common Address)	The Property is commonly known as _____.
Project Description (must include approximate square feet of public space activated or private space improved)	
Legal Description (Property/Project Site)	The Property and Project Site is legally described as:
Site Plan/ Construction Drawings	<p>“Construction Drawings” means the graphic representation of the proposed design for the Eligible Costs prepared on _____ by _____ <b>or</b> circle/bold <b>N/A</b></p> <p>“Site Plan” means the graphic representation of the proposed design by _____ for the building improvement Eligible Costs related to the Property for the Project, dated _____ <b>or</b> circle/bold <b>N/A</b></p>
Site Control	<p><b>Certify to Option _____:</b></p> <p>1. The Grantee is the fee owner of the Property and Grantee currently has rightful possession to all of the Property, has the right to develop the Project on all of the Property, and shall until the end of the Term.</p> <p>2. _____ is the fee owner of the Property; and pursuant to the terms of the Lease, the Grantee currently has rightful possession to all of the Property, has the right to develop the Project on all of the Property, and shall until the end of the Term.</p> <p>“Lease” means the lease entered into on or about _____ between the Grantee and _____, wherein _____ has leased the Property to the Grantee until at least _____.</p>

**ATTACHMENT B**  
**EXHIBIT F-1**  
**REIMBURSEMENT REQUEST FORM**

**(For Key Milestone 1)**

This Reimbursement Request is being delivered pursuant to Section 2.4 and the applicable Key Milestone under the Revitalization and Placemaking 2.0 Program Grant Agreement by and between the Michigan Economic Development Corporation (the "MEDC") and Grantee (the "Agreement"). Capitalized terms used in this is Reimbursement Request and not otherwise defined in this Reimbursement Request Form ("Form") shall have the meanings ascribed to them in the Agreement.

The undersigned, in the name and on behalf of Grantee (and not in an individual capacity), hereby certifies, represents and warrant that as of the date of signing this Form:

1. Grantee has complied, and is in compliance with, all the terms, covenants, and conditions of the Agreement.
2. No Default or Event of Default under the Agreement exists.
3. The representations and covenants of Grantee contained in Article III of the Agreement remain true.
4. As permitted by Key Milestone One, Grantee requests a Grant Disbursement in the total amount of \_\_\_\_\_ for the following Sub-Grant Project \_\_\_\_\_.
5. Attached to this Form is Supporting Documentation required for Key Milestone One, which is the subject of this Reimbursement Request and Form.
6. Each of the Eligible Costs submitted for reimbursement were incurred and paid on or before the Submission Date and have not, and will not, be reimbursed by another MEDC, MSF, or federal program.

The undersigned has the authority to sign this Form on behalf of Grantee, and signs this Form as of \_\_\_\_\_ (the "Submission Date").

**GRANTEE**

\_\_\_\_\_

By:  
Its:

**ATTACHMENT C**  
**EXHIBIT F-2**  
**REIMBURSEMENT REQUEST FORM**

**(Key Milestone 2)**

This Reimbursement Request is being delivered pursuant to Section 2.4 and the applicable Key Milestone under the Revitalization and Placemaking 2.0 Program Grant Agreement by and between the Michigan Economic Development Corporation (the "MEDC") and Grantee (the "Agreement"). Capitalized terms used in this is Reimbursement Request and not otherwise defined in this Reimbursement Request Form ("Form") shall have the meanings ascribed to them in the Agreement.

The undersigned, in the name and on behalf of Grantee (and not in an individual capacity), hereby certifies, represents and warrant that as of the date of signing this Form:

1. Grantee has complied, and is in compliance with, all the terms, covenants, and conditions of the Agreement.
2. No Default or Event of Default under the Agreement exists.
3. The representations and covenants of Grantee contained in Article III of the Agreement remain true.
4. As permitted by Key Milestone Two, Grantee requests a Grant Disbursement in the total amount of \_\_\_\_\_ for the following Sub-Grant Project \_\_\_\_\_.
5. Attached to this Form is Supporting Documentation required for Key Milestone Two, which is the subject of this Reimbursement Request and Form.
6. Each of the Eligible Costs submitted for reimbursement were incurred and paid on or before the Submission Date, have not previously been included in a prior Reimbursement Request, and have not, and will not, be reimbursed by another MEDC, MSF, or federal program.

The undersigned has the authority to sign this Form on behalf of Grantee, and signs this Form as of \_\_\_\_\_ (the "Submission Date").

**GRANTEE**

\_\_\_\_\_

By:  
Its: