

**RENEWAL and AMENDMENT NO. 1 TO THE
PROFESSIONAL SERVICES WORK STATEMENT
AGREEMENT BETWEEN PFM GROUP CONSULTING LLC
AND THE CITY OF ANN ARBOR FOR
DEVELOPMENT PROPOSAL, ECONOMIC AND FINANCIAL ANALYSIS**

This is Renewal and Amendment No. 1 ("Renewal") to the agreement between the City of Ann Arbor and PFM GROUP CONSULTING LLC, ("Contractor"), for the provision of Professional Services Work Statement Agreement, which was dated 8/11/2023 ("Agreement"). City and Contractor are referred to collectively herein as "the Parties."


Terms:

1. The Parties agree to renew the Agreement for a period of 1 year commencing July 24, 2025 and end July 24, 2026 (the "Renewal Period").
2. The Parties agree to amend the Agreement by replacing Exhibit A in its entirety with the attached Exhibit A.
3. The total compensation under the Agreement, including the Renewal Period shall not exceed One Hundred and Seventy-Five Thousand Dollars (\$175,000).
4. The Parties agree that signatures related to this Renewal and the Agreement may be delivered electronically in lieu of original signatures and agree to treat electronic signatures as original signatures that bind them. The Parties agree that this Renewal and signatures related to the Agreement may be executed and delivered by facsimile and upon such delivery, the facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other party.
5. All terms, conditions, and provisions of the Agreement, unless specifically amended above, are to apply to this Renewal and are made a part of this Renewal as though expressly rewritten, incorporated, and included herein.

This Renewal shall be binding on the Parties' heirs, successors, and assigns.

[SIGNATURE PAGE FOLLOWS]

PFM GROUP CONSULTING LLC

By: 

Name: Matthew Stitt

Title: President, Managing Director

Date: 5/23/2025

CITY OF ANN ARBOR

By: _____
Name: Milton Dohoney Jr.

Title: City Administrator

Date: _____

Approved as to substance:

By: _____
Name: Marti Praschan

Title: Chief Financial Officer

Date: _____

Approved as to form:

By: _____
Name: Atleen Kaur

Title: City Attorney

Date: _____

(Signatures continue on following page)

CITY OF ANN ARBOR

By: _____

Name: Christopher Taylor

Title: Mayor

Date: _____

By: _____

Name: Jacqueline Beaudry

Title: City Clerk

Date: _____

EXHIBIT A SCOPE OF SERVICES

Upon the City's written request in the form of a Work Statement pursuant to this Agreement, Contractor will provide information as specified therein, including but not limited to the following:

- Qualify, advise on the selection of, and negotiate with developers.
- Provide in-depth analysis of the developer's financial capacity, project proformas and risks associated with the proposals and approaches.
- Assist in the development of developer contractual arrangements mitigating the City's risks and maximizing the return on investment.
- Assist in the development of strategies to efficiently and effectively manage potential real estate assets and transactions.
- Engage in discussions, as needed, directly with the developer to request information and/or clarification of any economic development proposals.
- Work directly with appropriate City staff to determine the reasonableness of certain assumptions outlined in the proposal.
- Review proforma information from the developer and enter it into a proprietary proforma template for the city's use. The proprietary template will calculate the ROI of the City's participation in the development.
- Review and validate the Public Finance Options proposed for City's participation.
- Validate the Developer proposed Brownfield Plan.
- Analyze the financial implications of issuing General Obligation (GO) bonds for City participation providing impacts, including interest costs (in particular during construction), cash flow implications, and overall risk exposure.
- Review the feasibility of using Tax Increment Financing (TIF) to support debt service, including projections of project-generated TIF revenue and historic assessed value growth to inform reasonable modeling assumptions.
- Evaluate the developer's assumptions related to construction costs, timelines, and other key inputs.
- Conduct scenario analysis and stress testing to assess potential risks and financial variances.
- Participate in discussions with the City and/or developer to provide real-time financial analysis and support informed decision-making.
- Assist City staff in reviewing and responding to financial proposals during negotiations.
- Prepare an Impact Analysis Memorandum for information purposes for City staff and Council upon completion of the tasks described above. The memo will summarize the proposed project, the information provided by the developer, reasonableness the financial assumptions, the risks for the city and the viability of the project