



Legislation Text

File #: 20-0326, **Version:** 1

Resolution to Approve a Grant Agreement with Ann Arbor-Ypsilanti Local Development Authority for the Fiber Optic & Conduit Installation in the DDA District (\$5,000,000.00)

The Ann Arbor-Ypsilanti Local Development Authority (LDFA) adopted a strategic plan in 2018, which included objectives to: encourage & support Smart-City initiatives, assist in establishment of reliable/affordable internet access, and support company creation/growth/viability. In 2019, city staff applied for a grant from the LDFA to install conduit, fiber optic cable, and related technology infrastructure in the downtown district. The grant was approved by the LDFA for up to \$5 million for design, engineering, and construction. The city will own the infrastructure and connect it to its existing fiber optic network. The installation footprint is equivalent to the Downtown Development Authority District, which is consistent with the guidelines established by the Michigan Economic Development Corporation who oversees the funding.

The attached Grant Agreement establishes how the grant (an amount up to \$5,000,000.00) will be administered. Because the LDFA does not have all of this funding available in its fund balance, the grant is structured to expend monies on the project as funds become available, depending on the priority of this project versus other opportunities. The LDFA board approved the grant agreement at their January 23, 2020 meeting.

Staff recommends approving the attached grant agreement.

Prepared by: Tom Crawford, Financial Services Area Administrator and CFO

Reviewed by: Betsy Blake, Senior Assistant City Attorney

Approved by: Tom Crawford, Interim City Administrator

Whereas, The City is part of the Ann Arbor-Ypsilanti SmartZone (SmartZone), a local development finance authority, and appoints members to its board;

Whereas, The SmartZone completed a strategic planning process in 2018 identifying strategic goals for the use of their funding, which is provided by the State;

Whereas, The SmartZone strategic goals include supporting 1. A Connected High-Tech Ecosystem and 2. High-Tech Company Friendly Infrastructure;

Whereas, The SmartZone board has identified funding available for use as grants beyond what has traditionally been provided to Ann Arbor SPARK to support new company creation and growth;

Whereas, The City submitted a grant request to install fiber optic cable through-out the downtown district costing up to \$5 million; and

Whereas, The SmartZone board approved the grant at their March 19, 2019 meeting;

RESOLVED, That City Council approve the Grant Agreement with Ann Arbor-Ypsilanti SmartZone LDFA in the amount up to \$5,000,000.00 to install fiber optic cable infrastructure in the downtown

district;

RESOLVED, That the Mayor and City Clerk be authorized and are directed to approve said agreement after approval as to form by the City Attorney and approval as to substance by the City Administrator; and

RESOLVED, That the City Administrator be authorized to take the necessary actions to implement this Resolution regardless of fiscal year, including the execution of any required supplemental contract documents or amendments that do not exceed the amounts authorized herein, after approval as to form by the City Attorney.