



REGULAR MEETING AGENDA

1. CALL TO ORDER

Roll Call

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF ITEMS ON CONSENT AGENDA

- A. Minutes of the City Council - Special Study Session - Jan 22, 2013 6:00 PM**
- B. Minutes of the City Council - Regular - Jan 22, 2013 7:00 PM**
- C. Minutes of the City Council - Special - Jan 30, 2013 6:30 PM**
- D. Approve Public Works and Water Sewer Department 2Nd Quarter Report, October 1, 2012-December 31, 2012**

4. APPROVAL OF REGULAR AGENDA

5. PUBLIC COMMENT

6. PRESENTATION/PUBLIC HEARINGS

- A. Legislative Update - Vicki Barnett, State Representative**
- B. Public Hearing - Grove Street Assessment District**
- C. Proclamation - the Farmington Genealogical Society**

7. UNFINISHED BUSINESS

- A. Consideration to Adopt Resolution #5 Establishing Grove Street Special Assessment**

8. NEW BUSINESS

- A. Consideration to Approve Agreement for Conveyance of Land for Grove Street with the Groves Center, L.L.C.**
- B. Consideration to Approve Special Assessment District (SAD) Financing Agreement with the Groves, L.L.C.**
- C. Consideration of Partial Approval of Proposed DDA Budget Amendment for Portion Relating to Grove Street Facade Improvements**

D. Consideration of Bond Authorization Resolution for 2013 Capital Improvement Bonds

E. Consideration to Authorize Purchase of Backup Generator for Public Works Facility and Transfer from General Fund Contingency Line Item

F. Consideration to Approve Agreement with the Michigan Department of Transportation for the Drake Road Resurfacing Project

G. Consideration to Adopt Resolution Approving Budget Amendment #3

H. Consideration to Cancel February 18 Regular Meeting and Schedule Special Meeting to Initiate Community Visioning Program

I. Board and Committee Appointments

9. DEPARTMENT HEAD COMMENTS

10. COUNCIL COMMENT

11. ADJOURNMENT



Special Study Session City Council Meeting
6:00 PM, TUESDAY, JANUARY 22, 2013
Conference Room A
Farmington City Hall
23600 Liberty St
Farmington, MI 48335

DRAFT

SPECIAL STUDY SESSION MEETING MINUTES

A Special Study Session meeting of the Farmington City Council was held on January 22, 2013, in Conference Room A, Farmington City Hall, Farmington, MI. Notice of the meeting was posted in compliance with Public Act 267-1976.

The meeting was called to order at 6:00 PM by Mayor Pro Tem William Galvin.

1. ROLL CALL

Attendee Name	Title	Status	Arrived
J.T. Buck	Mayor	Absent	
Greg Cowley	Councilmember	Present	
William Galvin	Mayor Pro Tem	Present	
Kristin Kuiken	Councilmember	Present	
JoAnne McShane	Councilmember	Present	

City Administration Present

Superintendent Eudy (arrived 6: 15 pm)
Director Christiansen (arrived 6: 15 pm)
City Clerk Halberstadt
City Manager Pastue
DDA Director Knowles (arrived 6: 15 p.m.)

2. APPROVAL OF AGENDA

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Kristin Kuiken, Councilmember
SECONDER:	JoAnne McShane, Councilmember
AYES:	Cowley, Galvin, Kuiken, McShane
ABSENT:	Buck

3. BOARD AND COMMISSION INTERVIEW

A. Les Key - Downtown Development Authority

Council interviewed Les Key for a position on the Downtown Development Authority.

4. REVIEW OF WARNER AND OAKLAND STREET PROJECTS

A. Review of Warner and Oakland Street Projects - Matt Parks/OHM

Minutes Acceptance: Minutes of Jan 22, 2013 6:00 PM (APPROVAL OF ITEMS ON CONSENT AGENDA)

Matt Parks from the City's engineering firm, OHM, was present to review the plans for the Warner & Oakland paving and utility improvement projects.

Discussion followed regarding restricting construction during the Founders Festival.

Responding to a question from Cowley, Parks stated most of the equipment would be staged in the right-of-way as well as Dimitri's parking lot and the DPW yard.

Eudy explained water main replacement will only be done on Oakland Street which minimizes the need for equipment staging for Warner.

Discussion followed regarding the provisions for heavy truck traffic.

Responding to a question from McShane, Parks stated the curbing on Oakland between Grand River and Farmington will be refurbished. However, the area between Farmington Road and Warner will remain without curbing in order to maintain the historic feel of the neighborhood. He also pointed out that curbing would require significant easements from the residents.

Parks discussed construction that will be done to improve drainage in that area.

Responding to a further question, Parks indicated Oakland would not be widened.

Parks stated Warner Street, between Grand River and Thomas, will be totally reconstructed with new curbing and gutter and the next block up, between Thomas and Oakland, new interval curbing will be installed on the east side.

Discussion followed regarding modifications that will be made to the water mains on Warner.

Responding to a question from McShane, Parks stated they will make every effort to allow homeowners access to their driveways during construction. He noted water will only be interrupted 3-4 hours when service leads are tied in. He confirmed businesses on Grand River would not experience water interruptions.

Galvin asked about the residents' awareness of this project.

Pastue responded the City plans to invite homeowners to a meeting in March regarding the project.

Parks spoke about their quality based selection process in choosing contractors.

In response to a question from Kuiken, Parks spoke about addressing drainage issues on Oakland.

Cowley asked about penalties and incentives for contractors and promotion to shop downtown during construction.

DDA Director Knowles stated a small budget was set aside for the Grove Street project to promote the downtown. She stated they are currently researching how they can support the businesses during construction.

Parks stated there are liquidated damages for time over substantial completion and final completion of a \$1000 a day.

Responding to a question from McShane, Pastue stated OHM will have a liaison available for residents.

Discussion followed regarding the rationale for combining bids for the Warner/Oakland projects.

Responding to a question from Galvin, Pastue stated there will be no additional parking on Warner as a result of the construction as originally planned.

Cowley expressed hope that the contractor will be sensitive to staging equipment so that parking is not affected.

Responding to a question from Galvin, Eudy stated there are no security concerns for equipment staged at the DPW yard.

Pastue will talk to the schools regarding using the Maxfield Training center parking lot during construction.

5. PUBLIC COMMENT

No public comment was heard.

6. COUNCIL COMMENT

Pastue announced the first meeting of the Community Vision Program is scheduled for February 20th at Farmington High School.

McShane asked about SWOCC recording the meeting. Pastue will follow-up.

Christiansen announced the Grand River CIA Summit Meeting would take place the following evening on Wednesday, January 23rd at 6:30pm at the Costick Center.

Pastue advised the February 4th Council meeting will be treated as a regular meeting due to a number of important decisions that need to be made relative to the Grove Street Project.

Christiansen advised he will be providing Council with a regular economic development update.

Galvin pointed out a year ago this month Council voted in support of the SMART millage. His vote in support of the millage was based on an eye towards the future in the hope of developments in Lansing with regard to a regional transportation authority and bus rapid transit system. One year later a regional authority has been established by Lansing and there is an eye towards the future with the bus rapid transit system.

Galvin noted Detroit has come out with its own mass transportation vision. He further noted U.S. Secretary LaHood has come to Detroit with a check for \$25 million for a lite rail system. He pointed out how different the status of mass transportation looks today compared to a year ago. He stated it is important to tie this into the Visioning Plan as well as the Grand River Corridor Improvement Authority and how those programs may connect on a regional basis.

McShane asked what is the grand plan for regional transportation and how it benefits Farmington.

7. ADJOURNMENT

1. Motion to adjourn the meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Greg Cowley, Councilmember
SECONDER:	JoAnne McShane, Councilmember
AYES:	Greg Cowley, William Galvin, Kristin Kuiken, JoAnne McShane
ABSENT:	J.T. Buck

The meeting adjourned at 7:00 pm.

J. T. (Tom) Buck, Mayor

Susan K. Halberstadt, City Clerk

Approval Date: _____

Minutes Acceptance: Minutes of Jan 22, 2013 6:00 PM (APPROVAL OF ITEMS ON CONSENT AGENDA)



**Regular City Council Meeting
7:00 PM, TUESDAY, JANUARY 22, 2013
City Council Chambers
23600 Liberty Street
Farmington, MI 48335**

DRAFT

REGULAR MEETING MINUTES

A Regular meeting of the Farmington City Council was held on January 22, 2013, in City Council Chambers, 23600 Liberty Street, Farmington, MI. Notice of the meeting was posted in compliance with Public Act 267-1976.

The meeting was called to order at 7:00 PM by Mayor Pro Tem William Galvin.

1. CALL TO ORDER

Attendee Name	Title	Status	Arrived
J.T. Buck	Mayor	Absent	
Greg Cowley	Councilmember	Present	
William Galvin	Mayor Pro Tem	Present	
Kristin Kuiken	Councilmember	Present	
JoAnne McShane	Councilmember	Present	

City Administration Present

- Superintendent Eudy
- Director Christiansen
- City Clerk Halberstadt
- City Manager Pastue
- Attorney Saarela
- Director Schulz
- Treasurer Weber

2. PLEDGE OF ALLEGIANCE

Richard Lerner was invited to lead the pledge of allegiance.

3. APPROVAL OF ITEMS ON CONSENT AGENDA

RESULT:	APPROVED [UNANIMOUS]
MOVER:	JoAnne McShane, Councilmember
SECONDER:	Kristin Kuiken, Councilmember
AYES:	Cowley, Galvin, Kuiken, McShane
ABSENT:	Buck

A. Minutes of the City Council - Special Study Session - Dec 17, 2012 6:00 PM

B. Minutes of the City Council - Regular - Dec 17, 2012 7:00 PM

Minutes Acceptance: Minutes of Jan 22, 2013 7:00 PM (APPROVAL OF ITEMS ON CONSENT AGENDA)

C. Minutes of the City Council - Special Study Session - Jan 7, 2013 7:00 PM**D. Farmington Monthly Payments Report****E. Approve Farmington Public Safety Monthly Report, December 2012****F. Consideration to Renew Southeast Michigan Council of Governments Membership****4. APPROVAL OF REGULAR AGENDA**

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Kristin Kuiken, Councilmember
SECONDER:	Greg Cowley, Councilmember
AYES:	Cowley, Galvin, Kuiken, McShane
ABSENT:	Buck

5. PUBLIC COMMENT

No public comment was heard.

6. PRESENTATION/PUBLIC HEARINGS**A. F2H Fit Challenge - Richard Lerner**

Richard Lerner, Farmington Hills City Councilmember, was present to discuss a new fitness initiative, F2H Fit Challenge. The F2H Fit Challenge is a Farmington/Farmington Hills cities-wide initiative to help everyone achieve better health, and encourage a culture of healthy lifestyles in our community. The program was officially launched on January 17th.

7. UNFINISHED BUSINESS**A. Consideration to Adopt Resolution #4 for Grove Street Improvement District Accepting Assessment Roll and Scheduling Public Hearing**

Pastue advised Resolution No. 4 for the Grove Street Improvement District authorizes acceptance of the preliminary assessment roll and schedules a public hearing for Monday, February 4, 2013.

Move to adopt Resolution No. 4 for the Grove Street Improvement District accepting the preliminary assessment roll and schedule a public hearing for Monday, February 4, 2013 at 7:00 p.m. [See Attached Resolution No. 01-13-001]

The votes were taken in the following order: Cowley, Galvin, Kuiken, McShane.

RESULT: **ADOPTED [UNANIMOUS]**
MOVER: JoAnne McShane, Councilmember
SECONDER: Kristin Kuiken, Councilmember
AYES: Greg Cowley, William Galvin, Kristin Kuiken, JoAnne McShane
ABSENT: J.T. Buck

B. Consideration to Adopt Ordinance C-768-2012 Amending Chapter 5 of the City Code

Pastue reviewed provisions of the proposed ordinance that amends Chapter 5 of the City Code regarding the definition of Livestock. This amendment removes horses and ponies from the definition of livestock making it consistent with the zoning ordinance.

Responding to a question from Cowley, Pastue confirmed no changes have been made since the ordinance was introduced.

Galvin asked what would happen if the ordinance did not pass.

Pastue responded Chapter 5 would be inconsistent with the Zoning Code.

Move to adopt Ordinance C-768-2012 amending Chapter 5 of the City Code regarding the definition of livestock. [SEE ATTACHED ORDINANCE].

The votes were taken in the following order: Galvin, Kuiken, McShane, Cowley.

RESULT: **ADOPTED [UNANIMOUS]**
MOVER: Kristin Kuiken, Councilmember
SECONDER: JoAnne McShane, Councilmember
AYES: Greg Cowley, William Galvin, Kristin Kuiken, JoAnne McShane
ABSENT: J.T. Buck

8. NEW BUSINESS

A. Consideration to Adopt Resolution Affirming a Plan for Cooperation, Collaboration, and Consolidation for the Economic Vitality Incentive Program (EVIP)

Pastue reviewed provisions of the EVIP resolution.

McShane asked how Lansing will respond once the resolution is submitted.

Pastue responded the immediate purpose of the resolution is eligibility to receive approximately \$30K in revenue sharing from the State. He was unsure how closely the State reviews the resolution. He stated it is an exercise to get communities thinking about collaboration. He advised there is no set timeline to the resolution.

Minutes Acceptance: Minutes of Jan 22, 2013 7:00 PM (APPROVAL OF ITEMS ON CONSENT AGENDA)

Responding to a question from Galvin, Pastue stated the F2H program would probably not qualify as a collaborative effort since collaboration relates to community services.

Move to adopt resolution affirming a plan for cooperation, collaboration, and consolidation for the Economic Vitality Incentive Program (EVIP). [SEE ATTACHED RESOLUTION NO. 01-13-002]

The votes were taken in the following order: Kuiken, McShane, Cowley, Galvin.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Kristin Kuiken, Councilmember
SECONDER:	JoAnne McShane, Councilmember
AYES:	Greg Cowley, William Galvin, Kristin Kuiken, JoAnne McShane
ABSENT:	J.T. Buck

B. Consideration to Adopt Resolution Authorizing Submittal of Documentation to the Michigan Liquor Control Commission Petition for Redevelopment Liquor Licenses Within the Downtown Development Authority District

Pastue advised Public Act 501 of 2006 created an opportunity for communities to issue additional liquor licenses within designated redevelopment areas and within districts like the Downtown Development Authority. He further advised the resolution is for City Council to authorize submitting a request for redevelopment licenses within the DDA District.

Responding to a question from Cowley, Pastue stated the license requires a \$75K investment, that the actual cost of the license is \$20K, and is limited to the DDA District.

Responding to a question from McShane, Pastue stated the DDA will probably not have all 28 redevelopment licenses originally awarded in 2009. He confirmed information regarding the licenses will be included as part of a marketing/incentive package for the downtown.

McShane asked if previous redevelopment properties would be eligible for a license. Pastue responded there is a 3-year window for such properties to apply.

McShane commented this is one more tool in the toolbox for marketing the downtown. She is very excited about this additional opportunity.

Kuiken asked how this license compares to a resort liquor license.

Pastue responded a resort license has broader use; there is a designated allotment; and is statewide.

Responding to a question from Galvin, Pastue stated these licenses have no effect on availability of liquor licenses outside of the downtown district. He stated licenses outside the district are governed by County allotment.

Minutes Acceptance: Minutes of Jan 22, 2013 7:00 PM (APPROVAL OF ITEMS ON CONSENT AGENDA)

Responding to an additional question from Galvin, Pastue advised the resolution is a one-time requirement.

Move to adopt resolution authorizing submittal of documentation to the Michigan Liquor Control Commission petitioning for Redevelopment liquor licenses within the Downtown Development Authority District. [SEE ATTACHED RESOLUTION NO. 01-13-003].

The votes were taken in the following order: McShane, Cowley, Galvin, Kuiken.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	JoAnne McShane, Councilmember
SECONDER:	Kristin Kuiken, Councilmember
AYES:	Greg Cowley, William Galvin, Kristin Kuiken, JoAnne McShane
ABSENT:	J.T. Buck

9. DEPARTMENT HEAD COMMENTS

Director Christiansen provided an update on economic development in Farmington including: Grove Street project, Drakeshire Plaza renovations and possible tenants; new restaurant, Los Tres Amigos and related parking lot split; purchase of Dunleavy's by Brightside Dental, issuance of RFP related to the Orchard Condominium property, Exchange Building second story addition, and Grand River Corridor Visioning Summit.

McShane commented on the number of outstanding of projects; noted the number of **opportunities that have come the city's way and grateful we are able to seize them.** She stated all this activity says a lot about city staff and all they are doing to bring Farmington to a better place. She is pleased to receive the economic development updates allowing the television audience the opportunity to hear what is going on in Farmington.

Galvin asked whether Manifold Ventures, new owners of the T.J.Maxx Center, will rename it The Groves?

Christiansen responded he believed that is their intent.

Galvin encouraged everyone to refer to it as The Groves once that name has been established.

Eudy noted his staff is excited about changes to software that will streamline the **department's administrative process.** The City experienced minimal impact from the recent wind storm. His department has begun to educate employees on the water and sewer system so that in the future they will have a broader, higher educated staff that understands the system. He discussed upcoming construction projects.

Schulz advised Part A (most serious) crimes are down 13%, however, calls-for-service have increased. In reference to the recent wind storm, he reminded residents to call public safety if they see downed power lines and not to touch them as they may still be energized. Also, if traffic signals are out the intersection should be treated as a 4-way stop.

Schulz further advised they are about to kick off the 911 memorial fund. He indicated more

information can be found on the Public Safety website and noted a separate account for donations has been established. He also noted they are set up to receive credit cards.

Responding to a question from McShane, Schulz stated anyone who would like to assist with the fund drive should call him.

Cowley requested an update on dispatch consolidation.

Schulz stated there has been some minor tweaking, but the consolidation is going well. He has received no negative feedback from residents, other than the phone issue, and there have been no complaints from officers. The cadets are doing an excellent job.

Kuiken noted Public Safety did a great job responding to the wind storm.

Schulz gave credit to the department's afternoon crew for their efforts.

Weber discussed a new state program directed at residents who are delinquent on property taxes called, Step Forward Michigan Home Rescue Program. Residents can qualify to receive up to \$30K from the State for payment of their taxes. He discussed further details on how to qualify for the program. He encouraged interested residents to contact the **Oakland County Treasurer's office.**

Pastue advised staff is busy with the upcoming budget and bargaining agreements. He noted the upcoming construction season will be exciting, but challenging.

10. COUNCIL COMMENT

Kuiken encouraged everyone to visit the F2H website and challenged viewers to register.

McShane referred to comments she made at a recent meeting regarding the Sandy Hook elementary school shooting. At that time she talked about what the community might do to prevent something like this from happening again. She stated the reason she is bringing it forward again is due to the upcoming Visioning Program where the first taskforce meeting is scheduled for February 20th. She is hoping there will be good representation from the community. She would like to see health, safety and welfare as a component of this program so that people can share ideas on how to make this community safer.

Cowley encouraged everyone to attend two upcoming visioning sessions: the first one is for the Grand River Corridor, scheduled on January 23rd at 6:30PM at the Costick Center; and the second one is the Farmington Visioning Program scheduled for February 20th with time and place to be determined. He spoke about the upcoming construction season and asked everyone to support the businesses in the downtown throughout this process.

Galvin pointed he voted "no" on the animal ordinances that were introduced this year, however, he voted "yes" on the animal ordinance adopted earlier that evening. He stated he voted "yes" because to do otherwise might have meant there would be inconsistency in the City Code.

Galvin announced the first Council meeting in February, which would typically be a special meeting, will be a regular one due to the importance of the agenda. He advised there will be multiple votes taken on the upcoming projects including Grove Street. He discussed the Visioning Program and the upcoming taskforce meeting on February 20th. He noted this program will be a 5-6 month process providing ample opportunities for public participation. This is an opportunity that only comes around every 15 years for residents to be part of the

dialogue in setting the direction for the City.

Pastue advised the program will be communicated to residents through information provided in their tax notices, televised on Channel 15, and status updates on the City's website.

11. ADJOURNMENT

1. Motion to adjourn the meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Kristin Kuiken, Councilmember
SECONDER:	William Galvin, Mayor Pro Tem
AYES:	Greg Cowley, William Galvin, Kristin Kuiken, JoAnne McShane
ABSENT:	J.T. Buck

The meeting adjourned at 8:20 PM.

J. T. (Tom) Buck, Mayor

Susan K. Halberstadt, City Clerk

Approval Date: _____

Minutes Acceptance: Minutes of Jan 22, 2013 7:00 PM (APPROVAL OF ITEMS ON CONSENT AGENDA)



Special City Council Meeting
6:30 PM, WEDNESDAY, JANUARY 30, 2013
Conference Room A
Farmington City Hall
23600 Liberty St
Farmington, MI 48335

DRAFT

SPECIAL MEETING MINUTES

A Special meeting of the Farmington City Council was held on January 30, 2013, in Conference Room A, Farmington City Hall, Farmington, MI. Notice of the meeting was posted in compliance with Public Act 267-1976.

The meeting was called to order at 6:37 PM by Mayor Buck.

1. ROLL CALL

Attendee Name	Title	Status	Arrived
J.T. Buck	Mayor	Present	
Greg Cowley	Councilmember	Present	
William Galvin	Mayor Pro Tem	Present	
Kristin Kuiken	Councilmember	Present	
JoAnne McShane	Councilmember	Present	

City Administration Present

- Director Christiansen
- City Clerk Halberstadt
- City Manager Pastue
- Attorney Schultz

2. APPROVAL OF AGENDA

RESULT:	APPROVED [UNANIMOUS]
MOVER:	JoAnne McShane, Councilmember
SECONDER:	Greg Cowley, Councilmember
AYES:	Buck, Cowley, Galvin, Kuiken, McShane

3. CLOSED SESSION

A. Land Acquisition and Review of City Attorney Confidential Correspondence

Motion to enter into closed session to discuss land acquisition and review City Attorney confidential corespondence.

Minutes Acceptance: Minutes of Jan 30, 2013 6:30 PM (APPROVAL OF ITEMS ON CONSENT AGENDA)

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Greg Cowley, Councilmember
SECONDER:	Kristin Kuiken, Councilmember
AYES:	Buck, Cowley, Galvin, Kuiken, McShane

The votes were taken in the following order: Cowley, Galvin, Kuiken, McShane, Buck,

Council entered into closed session at 6:38 p.m.

Motion to return to open session.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	William Galvin, Mayor Pro Tem
SECONDER:	Greg Cowley, Councilmember
AYES:	Buck, Cowley, Galvin, Kuiken, McShane

Council returned to open session at 8:35 p.m.

4. PUBLIC COMMENT

No public comment was heard.

5. COUNCIL COMMENT

Cowley asked about comments made at a recent Downtown Development Authority Board meeting regarding making changes to the Farmers Market.

Buck responded three business owners were present at the meeting to express their concerns regarding the negative impact the Market has on their Saturday business. The primary concern is lack of parking. The owners offered suggestions including moving the market to another day or to another location.

Buck stated it appears the food service businesses do better as a result of the market than other retail services.

McShane asked if businesses do any type of marketing to counter the negative impact from the market or offer alternative parking.

Buck responded there were a lot of good ideas presented at the meeting. He stated the business owners expressed interest in participating in a dialogue regarding the market.

Buck noted the need to move the market during the Grove Street construction will provide a good opportunity to experiment with different locations.

Galvin asked about available data on businesses who receive benefit from the market.

Buck pointed out the City's goal in having a Farmers Market is to help businesses thrive.

Galvin expressed his belief that this is an education and communication problem. He stated there are ways to use the market and the 4000+ people it draws to the advantage of the businesses. He stated a proactive solution needs to be found.

McShane asked about publicizing the upcoming Community Visioning meeting scheduled for February 18th at Farmington High School.

Pastue responded publicity will include: a mailer in the tax bill; and notifications on cable and the City's website.

6. ADJOURNMENT

1. Motion to adjourn the meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Kristin Kuiken, Councilmember
SECONDER:	William Galvin, Mayor Pro Tem
AYES:	Buck, Cowley, Galvin, Kuiken, McShane

The meeting adjourned at 8:50 p.m.

J. T. (Tom) Buck, Mayor

Susan K. Halberstadt, City Clerk

Approval Date: _____

Minutes Acceptance: Minutes of Jan 30, 2013 6:30 PM (APPROVAL OF ITEMS ON CONSENT AGENDA)

**Farmington City Council
Staff Report**

Council Meeting Date:
February 4, 2013

**Reference
Number
(ID # 1152)**

Submitted by: Vincent Pastue, City Manager

Description: Approve Public Works and Water Sewer Department 2Nd Quarter Report, October 1, 2012-December 31, 2012

Requested Action:

Background:

Agenda Review

Review:

Vincent Pastue Pending

City Manager Pending

City Council Pending

**DEPARTMENT OF PUBLIC WORKS
AND
WATER AND SEWER DEPARTMENT**

SECOND QUARTER

OCTOBER 01, 2012 - DECEMBER 31, 2012

**Charles Eudy
Supervisor**

DEPARTMENT OF PUBLIC WORKS
QUARTERLY MANPOWER

OCTOBER 1, 2012 - DECEMBER 31, 2012

Average Number of Personnel	_____	7.00
Manhours Available Without Overtime	_____	3104.25 *
Overtime Hours	_____	293.00
Less: Hours Worked in W & S	_____	119.00
Total Hours Available	_____	3278.25

*Includes Seasonal Hours

LOST HOURS:	Sickness	_____	110.25
	Holiday	_____	280.00
	Vacation	_____	85.00
	Personal	_____	17.00
	Birthday	_____	0.00
	Bonus Vacation	_____	0.00
	Workman's Comp.	_____	59.50
	Emergency	_____	8.00
	No Pay	_____	40.00
	Funeral	_____	0.00
TOTAL LOST HOURS		_____	599.75

TOTAL HOURS AVAILABLE LESS TOTAL LOST HOURS = 2678.50

WATER & SEWER DEPARTMENT**QUARTERLY MANPOWER**

OCTOBER 1, 2012 - DECEMBER 31, 2012

Average Number of Personnel	_____	3.50
Manhours Available Without Overtime	_____	1474.00 *
Overtime Hours	_____	184.00
Less: Hours Worked in DPW	_____	144.00
Total Hours Available	_____	1514.00

*Includes Seasonal Hours

LOST HOURS:	Sickness	_____	28.00
	Holiday	_____	160.00
	Vacation	_____	112.00
	Personal	_____	4.50
	Birthday	_____	8.00
	Bonus Vacation	_____	0.00
	Workman's Comp.	_____	0.00
	Emergency	_____	0.00
	No Pay	_____	0.00
	Funeral	_____	0.00
TOTAL LOST HOURS		_____	312.50

TOTAL HOURS AVAILABLE LESS TOTAL LOST HOURS = 1201.50

**DEPARTMENT OF PUBLIC WORKS
QUARTERLY BREAKDOWN**

ACTUAL MANHOURS

Account	2011	2012	COST*
265 Buildings & Grounds			
City Hall Maintenance	401.5	383.5	\$17,861.15
City Hall Grounds	56.5	70.5	\$5,083.12
DPW Bldg. & Grounds	197.5	210	\$10,952.44
47th District Court	5.5	116.5	\$8,970.25
Community Work	40	32	\$2,266.66
441 Public Works	105.75	183.5	\$10,460.61
442 DDA	220	114	\$11,376.29
444 Sidewalks	60.75	0	\$0.00
443 Parking System Mtc.	38	34	\$3,703.65
276 Cemeteries			
Oakwood	153	213.5	\$14,969.20
Quaker	10	14.5	\$1,178.83
Grave Digging	47.5	38	\$3,421.51
446 Routine Mtc: Streets & Rds			
Surface Maintenance	157.5	101	\$6,236.51
Catch Basin/Alleys	28	0	\$0.00
Drain Maintenance	0	0	\$324.94
Roadside Cutting/Cleanup	10.5	40	\$2,882.88
Tree Trimming/Disposal	142.5	189	\$12,605.36
Street Name Signs	0	6.5	\$344.86
446 STREET SWEEPING	9	18.5	\$2,899.64
Sweeping Debris	0	1.5	\$112.70
446 TRAFFIC SERVICES			
Pavement Marking	0	2	\$111.94
Traffic Signs	2	23	\$1,495.54
446 WINTER MAINTENANCE			
Salting/Snow Plowing	137.25	107.75	\$21,834.36
Salt Pile Maintenance	1	0	\$0.00
528 RUBBISH/GARBAGE			
Barrels	12.5	13	\$727.58
Dumpster	0	0	\$0.00
Recycling	0	0	\$0.00
Leaf Pickup	632	705.5	\$74,811.73

Public Works Manhours
Quarterly Breakdown

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PARKS

City Park

214.5

120.5

\$7,609.43

Drake Park

61

70

\$4,667.48

Misc. Park

55

103

\$7,014.66

Sled Hill/Ice Rink

30.5

0

\$0.00

804

GOV. WARNER MUSEUM

78.5

95.5

\$5,974.60

595

CIVIC THEATER

39

6.5

\$347.65

EQUIPMENT MAINTENANCE

163.5

334.5

TOTALS:

3110.25

3347.75

\$238,245.57

*Cost includes crew and seasonal labor, material, equipment and overhead.

DPW By Month 2012				
	Oct	Nov	Dec	Totals
Regular	1105.5	1002.5	925.75	3033.75
OT	34	137.5	32.5	204
DT		5	6.5	11.5
Jeff				
OT				
DT				
Jim	0	0	8	8
OT	0	21	0	21
DT	0	0	0	0
W&S	19	43.5	0	62.5
OT	28	18.5	8.5	55
DT	0	1	0.5	1.5
	1186.5	1229	981.75	3397.25
Less: Work in W&S	47	63	9	119
	1139.5	1166	972.75	3278.25
Sick	76.25	16	18	110.25
Holiday	0	112	168	280
Vac.	16	45	24	85
NP	0	0	40	40
Birthday	0	0	0	0
PD	3.75	13	0.25	17
BV	0	0	0	0
WC	59.5	0	0	59.5
Emer	8	0	0	8
Funeral	0	0	0	0
	163.5	186	250.25	599.75
Totals	976	980	722.5	2678.5
Seasonal	0	0	0	0
GRAND TOTAL	976	980	722.5	2678.5

**WATER & SEWER DEPARTMENT
QUARTERLY BREAKDOWN
October, 2012**

Account	ACTUAL MANHOURS	
	2012	COST*
620 <u>Mtc. Supervision & Eng.</u>	8.00	\$363.74
621 <u>Mtc. Transmission & Dist.</u>		
Water Repairs	215.50	\$19,877.80
Stop Box Locations/Repairs	11.00	\$578.90
622 <u>Mtc. Of Sewer Lines</u>		
Sewer Repairs	21.00	\$1,900.63
Sewer Cleaning	17.00	\$1,206.88
623 <u>Mtc. Of Meters</u>	28.00	\$1,802.15
624 <u>Mtc. Of Hydrants</u>	145.00	\$8,142.26
625 <u>Mtc. Of Sewage Treatment</u>	5.50	\$328.18
626 <u>Mtc. Of Sewer Pumps</u>		
Maintenance	47.00	\$2,717.45
Daily Rounds	26.00	\$1,423.67
632 <u>Meter Reading</u>		
Weekly & Monthly Reads	8.00	\$415.24
Quarterly Reads	0.00	\$0.00
633 <u>Misc. Customer Service</u> (Finals, complaints, pool fills)	0.00	\$0.00
666 <u>Mtc. Of General Plant</u>	4.00	\$181.87
668 <u>Equipment Maintenance</u>	32.00	\$1,454.98
671 <u>Inspections/Staking</u>	19.50	\$1,059.68
Cross Connection	0.00	\$0.00
TV Sewer Inspections	0.00	\$0.00
Dye Testing	0.00	\$0.00
672 <u>New Water Taps</u>	0.00	\$0.00
673 <u>New Sewer Taps</u>	0	
690 <u>New Water Lines</u>	0	
691 <u>New Sewer Lines</u>	0	
682 <u>New Meter Installations</u>	0.00	\$0.00
695 <u>Other Improvements</u>	0	
TOTALS:	587.5	\$41,452.63

*Cost includes regular manhours, seasonal labor, material, equipment and overhead.

WATER & SEWER By Month 2012				
	Oct	Nov	Dec	Totals
Regular	498	390.5	397.5	1286
OT	16.5	27.5	12	56
DT	0	0	1	1
Jeff				0
OT				0
DT				0
Jim	17	89.5	47	153.5
OT	9	8.5	0	17.5
DT	0	0		0
DPW	2	10.5	22	34.5
OT	18	44	38.5	100.5
DT	0	0	9	9
	560.5	570.5	527	1658
Less: Work in DPW	20	54.5	69.5	144
	540.5	516	457.5	1514
Sick	4	15	9	28
Holiday	0	64	98	180
Vac.	48	64	0	112
NP	0	0	0	0
Birthday	0	0	8	8
PD	1	0	3.5	4.5
BV	0	0	0	0
WC	0	0	0	0
Emer	0	0	0	0
Funeral	0	0	0	0
	53	143	116.5	312.5
Totals	487.5	373	341	1201.5
Seasonal	0	0		0
Grand Total	487.5	373	341	1201.5

**Farmington City Council
Staff Report****Council Meeting Date:**
February 4, 2013**Reference
Number
(ID # 1153)****Submitted by:** Vincent Pastue, City Manager**Description:** Legislative Update - Vicki Barnett, State Representative**Requested Action:****Background:****Agenda Review****Review:****Vincent Pastue Pending**
City Manager Pending
City Council Pending

**Farmington City Council
Staff Report**
Council Meeting Date:
February 4, 2013

**Reference
Number**
Submitted by: Vincent Pastue, City Manager

Description: Public Hearing - Grove Street Assessment District

Requested Action:
Hold public hearing

Background:

The City Council accepted the preliminary assessment roll and scheduled a public hearing for the Grove Street Special Assessment District. A notice was mailed to the property owner and published twice in accordance with the City Charter. City Administration is requesting that the City Council hold the public hearing and accept comments from property owners within the proposed district. Following the public hearing, the Council will consider a resolution to adopt the Grove Street Special Assessment District.

Agenda Review
Review:

Vincent Pastue	Pending
City Manager	Pending
City Council	Pending

RESOLUTION NO. (ID # 1154)

**SPECIAL ASSESSMENT ROLL
2012-039**

SAD-2012-039-1

TO FUND GROVE STREET IMPROVEMENT PROJECT

STATEMENT OF INTENT:

THIS SPECIAL ASSESSMENT DISTRICT HAS BEEN ESTABLISHED AND THE ROLL PREPARED, PURSUANT TO MCL (MICHIGAN COMPILED LAWS) 117.84 AND CHAPTER 11 OF THE FARMINGTON CITY CHARTER, TO COLLECT A TOTAL OF \$60,000 OVER A FIFTEEN (15) YEAR PERIOD. ANNUAL COLLECTIONS WILL BEGIN WITH THE JULY, 2013 TAX BILL AND CONTINUE THROUGH THE JULY, 2027 TAX BILL, FOR THE PURPOSE OF WIDENING AND THE RECONSTRUCTION OF GROVE STREET CREATING A BOULEVARD WITH ON STREET PARKING, LANDSCAPE IMPROVEMENTS, SIDEWALK WITH BRICK PAVING, REDUCATION AND PLACEMENT OF ADDITIONAL PEDESTRIAN STREET LIGHTS, PARK BENCHES, (CAST-ARM SIGNAL AT THE GRAND RIVER AND GROVE STREET INTERSECTION, REMOVAL AND REPLACEMENT OF COMMERCIAL Pylon SIGN, WATER MAIN REPLACEMENT, LAND ACQUISITION AND ENGINEERING SERVICES.

TOTAL COST: 1,730,000
CITY PORTION: 1,100,000
VIA SPECIAL ASSESSMENT: 630,000

THIS PROJECT IS COMMONLY KNOWN AS THE GROVE STREET IMPROVEMENT PROJECT

PARCEL NUMBER	PROPERTY OWNER/ADDRESS	PROPERTY ADDRESS	LEGAL DESCRIPTION	ALLOCATION OF SPECIAL ASSESSMENT						
				YEAR	BEGINNING BALANCE	INTEREST PAYMENT	PRINCIPAL PAYMENT	TOTAL PAYMENT	ENDING BALANCE	
00-03-02-100-040	THE GROVES CENTER, LLC 37933 GRAND RIVER AVE, STE 300 FARMINGTON HILLS, MI 48334-2902	33061 & 33049 GRAND RIVER AVE	11N, 18E, SEC 27 ADJACENT TO HWY 90 S PART OF LOT 13, ALL OF LOTS 14, 15 & 16 S PART OF W/O ORCHARD AVE & GROVE AT W/ATHERETO, ALL BEING DESCAR BEG AT S/E COR. OF LOT 12, TH S 89-56-89 W 315 FT, TH N 89-58-28 W 276.80 FT, TH S 89-58-55 E 88 FT, TH N 14-07-38 E 425.32 FT, TH N 07-01-50 E 316.25 FT, TH S 24-51-10 W 303.26 FT, TH S 89-42-36 W 27.58 FT, TH S 09-07-20 E 270.64 FT TO BEG, ALSO ALL OF LOT 17	1	2013	400,000	37,800	30,000	67,800	332,200
				2	2014	370,000	35,800	30,000	65,800	297,200
				3	2015	340,000	31,300	30,000	61,300	266,000
				4	2016	310,000	26,800	30,000	56,800	229,200
				5	2017	270,000	21,800	30,000	51,800	187,400
				6	2018	220,000	16,800	30,000	46,800	140,600
				7	2019	160,000	11,800	30,000	41,800	98,800
				8	2020	90,000	6,800	30,000	36,800	62,000
				9	2021	20,000	1,800	30,000	29,200	32,800
				10	2022	0	0	30,000	30,000	2,000
				11	2023	0	0	30,000	30,000	28,000
				12	2024	0	0	30,000	30,000	26,000
				13	2025	0	0	30,000	30,000	24,000
				14	2026	0	0	30,000	30,000	22,000
				15	2027	0	0	30,000	30,000	20,000

Grove Street SAD Assessment Roll

SAD-2012-089-2

I, DAVID M. HIEBER, MANAGER OF OAKLAND COUNTY EQUALIZATION/ASSESSOR FOR THE CITY OF FARMINGTON, DO HEREBY CERTIFY THAT THIS SPECIAL ASSESSMENT ROLL NO. 2012-089, REPRESENTING FIFTEEN (15) INSTALLMENTS, IS TO FUND A PORTION OF THE EXPENSE OF WIDENING AND THE RECONSTRUCTION OF GROVE STREET CREATING A BOULEVARD WITH ON-STREET PARKING, LANDSCAPE IMPROVEMENTS, SIDEWALK WITH BRICK PAVERS, RELOCATION AND PLACEMENT OF ADDITIONAL PEDESTRIAN STREET LIGHTS, PARK BENCHES, MAST-ARM SIGNAL AT THE GRAND RIVER AND GROVE STREET INTERSECTION, REMOVAL AND REPLACEMENT OF COMMERCIAL PYLON SIGN, WATER MAIN REPLACEMENT, LAND ACQUISITION AND ENGINEERING SERVICES. FURTHER, THAT THIS SPECIAL ASSESSMENT ROLL WAS PREPARED THE RESULT OF THE CITY COUNCIL OF THE CITY OF FARMINGTON HAVING APPROVED SAME WITH RESOLUTION NO. _____ APPROVED ON JANUARY __, 2013. I ALSO CERTIFY THAT THIS ASSESSMENT WAS BASED UPON BENEFIT AND THAT SUCH BENEFIT EQUALS THAT PORTION OF THE TOTAL COST ASSESSED AGAINST THIS PARCEL IN SUCH SPECIAL ASSESSMENT DISTRICT.

(To be signed once confirmed by City Council)

DATED THIS __ DAY OF JANUARY, 2013

DAVID M. HIEBER, MANAGER OAKLAND COUNTY EQUALIZATION
ASSESSOR CITY OF FARMINGTON

NOTICE OF PUBLIC HEARING
ESTABLISHMENT OF SPECIAL ASSESSMENT DISTRICT
SPECIAL ASSESSEMENT ROLL

GROVE STREET IMPROVEMENT PROJECT

Date: February 4, 2013
Time: 7:00 p.m.
Farmington City Hall
23600 Liberty
Farmington, MI 48335

The City of Farmington has tentatively declared its intent to proceed with certain improvements to Grove Street. The Project includes the widening and reconstruction of Grove Street creating a boulevard with on-street parking, landscape improvements, sidewalk with brick pavers, relocation and placement of additional pedestrian street lights, park benches, mast-arm signal at Grand River and Grove Street intersection, removal and replacement of commercial pylon sign, water main replacement, land acquisition, and engineering services. The City has determined to establish a special assessment district to defray a portion of the costs of such improvements by special assessment against the benefited properties. The improvements are intended to provide special benefits to the properties identified on the attachment to this Notice, which properties together tentatively constitute the "special assessment district." The cost estimate and plans describing the improvements are on file and available for public inspection at the City Clerk's Office, which is located at 23600 Liberty Street, Farmington, MI 48335. The estimated cost of the project is \$1,700,000 of which \$600,000.00 will be spread to benefiting property owners. A special assessment roll has been prepared and is reflected in the attachment to this Notice.

PLEASE TAKE NOTICE that at the above time, date and location, the City Council shall meet for the purpose of hearing statements and objections by any interested person with respect to the proposed special assessment roll.

Appearance and protest at the hearing is required in order to appeal the matters to be considered at the hearing to the State Tax Tribunal. An owner or party in interest, or his or her agent, may appear in person at the hearing to protest, or shall be permitted to file his or appearance or protest by letter at or before the hearing and his or her personal appearance in such case shall not be required.

SUSAN K. HALBERSTADT
CITY CLERK
CITY OF FARMINGTON

DATED: January 23, 2013
PUBLISHED: January 25, 2013 (Oakland Press) and January 31, 2013 (Farmington Observer)
MAILED: January 23, 2013

Attachment A

GROVE STREET IMPROVEMENT PROJECT

SPECIAL ASSESSMENT DISTRICT

PIN - 2327156005

Legal Description: T1N, R9E, SEC 27 ASSESSOR'S PLAT NO 2 PART OF LOT 13, ALL OF LOTS 14, 15 & 16 & PART OF VAC ORCHARD AVE & GROVE AT ADJ THERETO, ALL BEING DESC AS BEG AT SE COR OF LOT 13, TH S 89-16-00 W 313 FT, TH N 00-33-25 W 278.80 FT, TH S 89-59-55 E 88 FT, TH N 14-07-35 E 425.32 FT, TH S 57-51-50 E 315.25 FT, TH S 24-21-10 W 262.20 FT, TH S 88-42-35 W 37.98 FT, TH S 00-37-20 E 279.84 FT TO BEG, ALSO ALL OF LOT 17

Property Owner: THE GROVES CENTER, LLC
Owner Address: 37000 GRAND RIVER AVE
FARMINGTON HILLS, MI 48335-2882

Site Address - 33049 GRAND RIVER AVE

Special Assessment Amount: \$600,000.00

**Farmington City Council
Staff Report****Council Meeting Date:**
February 4, 2013**Reference
Number
(ID # 1155)****Submitted by:** Vincent Pastue, City Manager**Description:** Proclamation - the Farmington Genealogical Society**Requested Action:****Background:****Agenda Review****Review:**

Vincent Pastue Pending

City Manager Pending

City Council Pending

PROCLAMATION

WHEREAS, the search for family history has become an important part of leisure time as a result of increasing interest in our natural heritage; and

WHEREAS, the Farmington Genealogical Society is celebrating its 40th Anniversary during 2013-2014 as an established non-profit organization pursuing family history;

NOW, THEREFORE LET IT BE KNOWN that I, Tom Buck, Mayor of the City of Farmington, do hereby proclaim the month of February, 2013, in the City of Farmington in recognition of this occasion as:

“GENEALOGY AND FAMILY HISTORY MONTH”

Tom Buck, Mayor
February 4, 2013

**Farmington City Council
Staff Report**

Council Meeting Date:
February 4, 2013

**Reference
Number**

Submitted by: Vincent Pastue, City Manager

Description: Consideration to Adopt Resolution #5 Establishing Grove Street Special Assessment

Requested Action:

Move to adopt Resolution #5 approving the Assessment Roll to establish the Grove Street Special Assessment District

Background:

The City Council earlier held public hearing regarding the preliminary assessment roll for the Grove Street Special Assessment District. The last step to formally establish the district is to adopt resolution #5 which approves the assessment roll. The assessment roll is established to repay the \$600,000 special assessment over a fifteen year period at an interest rate of 4.5%.

Agenda Review

Review:

Vincent Pastue Pending
City Manager Pending
City Council Pending

RESOLUTION NO. (ID # 1156)
STATE OF MICHIGAN

COUNTY OF OAKLAND

CITY OF FARMINGTON

[Grove Street Improvement Project]

[Resolution No. 5]

Minutes of a _____ Meeting of the City Council of the City of Farmington, County of Oakland, Michigan, held in the City Hall in said City on February 4, 2013, at 7:00 P.M. Prevailing Eastern Time.

PRESENT: Councilmembers _____

ABSENT: Councilmembers _____

The following preamble and Resolution were offered by Councilmember _____ and supported by Councilmember _____.

RECITATIONS:

The City has considered construction of the proposed improvement described below (the "**Project**"), and has further requested the establishment of a special assessment district to finance and defray the cost of the Project.

The Project includes the widening and reconstruction of Grove Street, creating a boulevard with on-street parking, landscape improvements, sidewalk with brick pavers, relocation and placement of additional pedestrian street lights, park benches, mast-arm signal at Grand River and Grove Street intersection, removal and replacement of commercial pylon sign, water main replacement, land acquisition, and engineering services.

Resolution (ID # 1156)

Meeting of February 4, 2013

The Project is designed and intended to especially benefit the property identified in the special assessment district attached to this Resolution, which shall be designated as Special Assessment District No. 2012-89 (the "**District**").

After an initial consideration, the City Council adopted its Resolution No. 2 declaring its tentative intent to proceed with the Project and with the establishment of the District, and subsequently the Council adopted Resolution No. 3, directing the City Assessor to prepare the special assessment roll.

Plans for the Project, the petitions submitted for the Project, the cost of the Project in the (revised) amount of \$600,000.00, and the special assessment district have been approved by Resolution of the City Council, following public hearings.

The Project as described herein, and in previous resolutions, represents only a portion of a comprehensive renovation and improvement project involving the Grove Street Improvement Area within the City of Farmington at a total cost of \$1,700,000.00 with the remaining portion of the cost borne by the City of Farmington.

In accordance with the direction of the City Council, the Assessor has prepared a special assessment roll allocating 35.3% (\$600,000.00) of the total cost of the Project (not including other portions of the comprehensive renovation and improvement project for the Grove Street Improvement Area generally) to the property within the District according to law, and the Assessor has filed such roll with the City Clerk;

Thereafter, the City Council adopted its Resolution No. 4, setting a public hearing on the special assessment roll. The hearing duly noticed according to law for the purpose of hearing objections with respect to the assessment roll and held on February 4, 2013, in accordance with the notice.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The City Council has determined that it is satisfied with the special assessment roll; that the proposed assessments are in proportion to the benefits received or to be received as a result of the Project; and that it would be appropriate to approve and confirm the special assessment roll and proceed with the Project.

2. The special assessment roll for Special Assessment District No. 2012-89 in the amount of \$600,000, as attached and incorporated herein, including principal and interest payments, shall be and is hereby adopted and confirmed.

3. The City Clerk is directed to endorse on the special assessment roll the date of this confirmation, which shall be final and conclusive for the purpose of the Project unless the special assessment is contested in the State Tax Tribunal within the time and manner provided by ordinance and state law.

4. The City Clerk is directed to attach her warrant as required by law to the roll and to direct the roll, with her warrant attached, to the City Treasurer and Assessor.

8. The City Treasurer shall collect the special assessments in accordance with the terms of this Resolution, the warrant and the statutes of the State of Michigan.

9. On the first day of March following the date when the installment shall become due, the City Treasurer shall submit to the City Council a delinquent special assessment roll for reassessment on the annual City tax roll.

10. Because the City intends to defray a portion of the cost of the Project and improvements by the sale of bonds, pre-payment of the amounts due shall not be permitted; however, all amounts due and owing pursuant to the attached Roll, including all interest to be accrued or paid to the City, may be remitted to the City at any time.

AYES:

NAYS:

Resolution (ID # 1156)

Meeting of February 4, 2013

ABSTENTIONS:

ABSENT:

CERTIFICATION

It is hereby certified that the foregoing Resolution is a true and accurate copy of the Resolution adopted by the City Council of the City of Farmington at a meeting duly called and held on the 4th day of February, 2013.

CITY OF FARMINGTON

By: _____
SUSAN K. HALBERSTADT, CLERK

SPECIAL ASSESSMENT DISTRICT
(Properties to be included within the district)

551994_1.DOC

Farmington City Council Staff Report

Council Meeting Date:
February 4, 2013

**Reference
Number
(ID # 1166)**

Submitted by: Vincent Pastue, City Manager

Description: Consideration to Approve Agreement for Conveyance of Land for Grove Street with the Groves Center, L.L.C.

Requested Action:

Motion to approve "Agreement for Conveyance of Land" with The Groves Center, L.L.C. and to authorize the Mayor and City Clerk to sign the Agreement, and also to sign all agreements referred to therein, subject to final administrative review and approval of all final terms and conditions, including necessary corrections and amendments for minor and non-substantive matters, by the City Manager and City Attorney, after (1) approval of the "Agreement for the Financing of Street and Utility Improvements and Creation of Special Assessment on Property" with The Groves Center, L.L.C. by the City; (2) approval of the "Agreement Regarding Façade Grant and Declaration of Covenants" and "agreement for Conveyance of Open space Easement and Undertaking of Façade Improvements" with The Groves Center, L.L.C. by the Downtown Development Authority; and (3) signature by The Groves Center, L.L.C.

Background:

The Grove Street Project requires additional right-of-way from Groves/Manifold (the owner of the TJ Maxx shopping center building), primarily the parking lot that runs the length of the existing building, but also a portion of the larger parking lot to the south of that. Under the proposed "Agreement for Conveyance of Land" and its attachments, the City would obtain ownership of the area. The compensation for the conveyance is \$600,000. However, in connection with the next agenda item, Groves/Manifold has consented to the establishment of a Special Assessment District (SAD) involving its remaining property in amount of \$600,000. In addition, Grove/Manifold has acknowledged its intent to use the consideration for the property being acquired by the City toward its proposed façade improvements.

The DDA and Groves/Manifold are separately entering into an agreement under which Groves/Manifold would demolish a portion of its building to create an open space triangle area, with the consideration from the DDA being \$300,000. The DDA has also separately granted a reimbursement for façade improvements up to the amount of \$160,000, which will also be separately documented.

The highlights of the Agreement for Conveyance of Land include:

- Seller conveys title to the area to the City for \$600,000.
- Warranty Deed restricts the property for road right-of-way, parking, and public utility purposes, with an automatic reverter of the property to the owner if the City ceases to use it for those purposes.
- Closing contingent on successful sale of the bonds and letting of a construction contract for the Grove Street project.
- Existing pole sign would be removed, and an area within the Grove Street right-of-way reserved for a monument sign.

- Seller agrees to participate in the SAD in the amount of \$600,000.
- Seller also agrees to complete the façade improvements as approved by the City and DDA.
- City grants licenses to occupy the new right-of-way for certain of the façade improvements (pillars, poles, and brick-scape) and also separately for the replacement sign.
- City secures temporary construction easement for use of the larger parking area for staging, etc.
- City and Seller both agree to complete their respective improvements within 12 months of when it starts construction.

The expectation is that this document will be signed sometime shortly after the February 4, 2013, Council meeting. Then bids for the project would be let, the municipal bonds would be bid out and bids accepted, then a construction contract approved, and only after all of that occurred would the closing occur (obviously in advance of any construction activity being commenced).

Because there may be some minor tweaks to the agreement as its terms are finalized with the owner, and because there are a number of other agreements that must fall into place before this transaction is complete, the proposed motion has a number of conditions attached to it.

Agenda Review

Review:

Vincent Pastue Pending
City Manager Pending
City Council Pending

DRAFT ONLY – 2.3.13

**CITY OF FARMINGTON
COUNTY OF OAKLAND
STATE OF MICHIGAN**

**AGREEMENT FOR CONVEYANCE OF LAND
[GROVE STREET PROJECT]**

This Agreement for Conveyance of Land is made effective this ____ day of February, 2013, by and between The Groves Center, LLC, a Michigan Limited Liability Company, whose address is 37000 Grand River, Suite 370, Farmington Hills, MI 48335 (Seller), and the City of Farmington, a Michigan Municipal Corporation, whose address is 23600 Liberty Street, Farmington MI 48335 (Buyer or City).

RECITATIONS:

WHEREAS, Seller owns the property located at 33025 Grand River Avenue, Farmington MI 48335 (the Property) identified on **Exhibit A**, which includes a shopping center known as "The Groves Center" located thereon (the Shopping Center), which is subject to a mortgage held by Bank of Ann Arbor ("Bank"), dated August 29, 2012, and recorded at Liber 44640, Page 779, Oakland County Records, and other covenants and restrictions of record; and

WHEREAS, Seller approached the Buyer and the Farmington Downtown Development Authority (DDA) to discuss possible economic incentives for redevelopment of the Shopping Center; and

WHEREAS, Seller is aware of and supports the joint City/DDA plan to complete certain proposed improvements to the area around Grove Street, which would add additional parking and aesthetic improvements to the area adjacent to the Property (the Grove Street Project), but would require the City to acquire a portion of the Property that is currently developed with private parking currently owned by Seller that serves the Property and the Shopping Center thereof (the Existing Parking Frontage), a reduced-size drawing and legal description of which is attached as **Exhibit B**; and

WHEREAS, Buyer and DDA had been discussing acquiring the Existing Parking Frontage in connection with the Grove Street Project from the prior owner of the Property; and

WHEREAS, Seller is willing to convey the Existing Parking Frontage for, and is willing to also voluntarily participate in a Special Assessment District (SAD) as a means of financing, the Grove Street Project; and

WHEREAS, Seller has also represented its intention to undertake certain façade improvements to the Shopping Center at the corner of Grand River and Grove Street in order to update the appearance of the Shopping Center, improve signage visibility, and enhance the aesthetic appearance of the Downtown Farmington area; Seller has also represented its intention to undertake certain building reconfigurations, including altering/reducing the portion of the Shopping Center at the intersection of Grove Street and Grand River, which would improve vehicle and pedestrian site lines at said intersection; and

WHEREAS, Seller has determined that completion of the Grove Street Project by the City, along with financial incentives contributed by the DDA for façade improvements described in **Exhibit C** would allow Seller an opportunity to make other improvements internal to the Shopping Center to enhance its marketability, appearance, and ultimately its long-term financial sustainability as a retail center within the Downtown Farmington area;

WHEREAS, Buyer has determined that such improvements are consistent with the Downtown Master Plan and that economic incentives and infrastructure improvements are necessary for this public and private redevelopment effort to proceed; and

WHEREAS, Buyer intends to finance the Grove Street Project, including the purchase of the Existing Parking Frontage, through the sale of municipal bonds, with the Buyer's determination to proceed under this agreement being subject to the successful completion of the bond sale and receipt of proceeds therefrom by the Buyer.

NOW, THEREFORE, Buyer and Seller agree as follows:

1. Subject to the terms and conditions hereof, Seller will sell, and Buyer will buy, fee title to the Existing Parking Frontage described in **Exhibit B**. As full and complete consideration for such fee title, Buyer shall pay Seller the sum of Six Hundred Thousand Dollars (\$600,000), upon the delivery, as described in this Agreement, of a Warranty Deed to Buyer conveying marketable title to Buyer as required under this Agreement. For purposes of this Agreement, marketable title shall mean fee simple title free and clear of any and all liens and encumbrances whatsoever, excepting only: (a) covenants and restrictions of record, (b) all applicable zoning ordinances, (c) the covenant, requirement, and restriction that the Property shall be used for public road, parking, and utility and related purposes only, and to provide vehicular access to the Shopping Center on the Property as shown on the attached **Exhibit B**, and such uses to be generally in accordance with the improvements and access described and shown in the site plan for the Grove Street Project also shown on the attached **Exhibit B**; provided, however, that Grantee shall have the right as owner of the Property to alter, revise, reconstruct, and maintain the improvements on the Property for such public road, parking, and utility purposes in a manner that does not eliminate vehicular access to the Shopping Center on the Property as shown on the attached **Exhibit B**. Upon Grantee vacating, terminating, or otherwise permanently ceasing the public road use of the Property in a manner that eliminates vehicular access to the Shopping Center on the Property as

shown on the attached **Exhibit B**, without the written consent of the-then owner of the Property, the Property shall automatically revert to that owner of the Property together with all of the tenements, hereditaments, and appurtenances thereto belonging or in otherwise appertaining to the Property, including but not limited to Grantee's interest in any curb cuts from Grand River Avenue that provide vehicular access to the Shopping Center on the Property as shown on the attached **Exhibit B**, and provided that Grantee shall retain a public easement in any utilities located on the Property.. Bank's security interest in the Existing Parking Frontage to be discharged or released at or before closing.

2. Within fifteen (15) days of the date hereof, the Buyer shall obtain a commitment for title insurance, with a policy pursuant thereto to be issued insuring the Buyer. The Buyer will pay the cost of the title insurance policy premium. Buyer shall also secure a complete ALTA survey, certified to Buyer and Seller, and Buyer's title company, as of the date of closing.
3. If the fee title to the Existing Parking Frontage can be conveyed in the condition required hereunder, Seller and Buyer agree to close on a mutually acceptable date and at a mutually acceptable location, no later than April 15, 2013 (the Closing Date). Buyer and Seller acknowledge and agree that Buyer's obligation to close and pay any sums hereunder is contingent upon the successful sale of the municipal bonds to be issued by the Buyer for the Grove Street Project. The Buyer approved the bond authorization on February 4, 2013, and expects to accept a bid for the sale of the bonds on or about March 18, 2013. The determination whether to proceed with the sale of the bonds shall be at the sole and unfettered discretion of the Buyer. If Buyer determines not to proceed with the sale of the bonds, or the sale does not occur for any reason prior to the Closing Date, this Agreement shall be null and void.

Buyer and Seller also acknowledge and agree that Buyer's obligation to close and pay any sums hereunder is contingent upon the successful award of a construction contract by the Buyer for the Grove Street Project. Buyer intends to release bid documents for the Grove Street Project improvements on or around February 5, 2013, with bids to be returned on or around February 22, 2013, with an award within a reasonable time thereafter, if Buyer determines that there is an acceptable bid from a qualifying bidder. The determination whether to award a contract and proceed with the Project shall be at the sole and unfettered discretion of the Buyer.

4. If objection to the title is made, based on a written opinion of the Buyer's Attorney that the title is not in the condition required for the performance hereunder, the Seller shall have thirty (30) days from the date it is notified in writing of the particular defects claimed, to fulfill the requirements in the commitment for title insurance or to remedy the title defects set forth in the Buyer's Attorney's opinion. If the Seller is able to comply with such requirements or remedy such defects within the time specified, as evidenced by written notification, revised commitment or endorsement to commitment, Buyer agrees to complete the sale within twenty (20) days of receipt thereof, subject to the remaining provisions of this Agreement. If Seller is unable to furnish satisfactory title within the time specified, as determined by Buyer in its sole discretion, and Buyer does not waive the requirement or the parties do not amend this requirement, this

Agreement shall be null and void.[See title work sent to C. Kughn for items to be dealt with by Groves]

5. The following shall be additional conditions precedent to the Parties' obligation to close the transaction contemplated hereunder: (a) Seller shall secure lender approval of the conveyance from Bank, and shall deliver a full discharge or release of the existing mortgage as to the Existing Parking Frontage, in a form acceptable to the Buyer; (b) Seller shall secure any and all necessary tenant approvals for the conveyance of the Existing Parking Frontage and the proposed Grove Street Project improvements by February 15, 2013; (c) Buyer shall provide a document confirming that the sale of the Existing Parking Frontage will not cause the Shopping Center to violate the City's Code of Ordinances, including the Zoning Ordinance; and (d) Buyer's written verification to Seller that Buyer has accepted a qualifying bid and awarded a contract for the construction of the Grove Street Project. Should any said conditions precedent not occur prior to the Closing Date, the closing shall occur within five (5) days of the satisfaction of said conditions precedent unless otherwise waived by the Parties.
6. The Seller shall deliver and the Buyer shall accept possession of the Existing Parking Frontage immediately upon completion of the closing.
7. It is understood that the Existing Parking Frontage is being acquired for the purpose of street and utility improvements, including parking improvements. The Warranty Deed shall be in a form substantially similar to that attached as **Exhibit D**, and shall indicate that the Existing Parking Frontage is being acquired for right-of-way purposes, including parking, and shall be limited to such use.
8. Buyer shall pay the cost of recording the Warranty Deed and the cost of all Michigan Real Estate Transfer Tax, if any.
9. The Existing Parking Frontage is being sold and transferred "as is," "where is," and with all faults, and without any representations, warranties, guarantees, promises, or agreements of any kind, whether express or implied as to its environmental and physical condition. Buyer acknowledges and agrees that it is responsible to satisfy itself, and is relying on its own investigations and inspections to verify, that the environmental and physical condition of the Existing Parking Frontage is satisfactory for Buyer's intended use. Buyer further acknowledges that: (a) it has examined the Existing Parking Frontage and (b) Seller has not made any representations or warranties of any kind concerning the property upon which the Buyer has relied. Buyer shall unconditionally release and discharge Seller, its members, managers, and affiliates ("Seller Entities") from all Environmental Liabilities (as hereinafter defined) related to or arising out of the environmental or general condition or use of the Existing Parking Frontage. Buyer acknowledges that it expressly waives and relinquishes other statutory, regulatory and common law rights and remedies it may have against Seller Entities with respect to Environmental Liabilities. This release shall survive Closing. The term "Environmental Liabilities" shall mean claims, liabilities, suits, causes of action, demands, losses, damages (including, without limitation, consequential damages, lost profits, punitive damages, and natural resource damages), fines, penalties, costs, taxes, charges, orders, judgments settlements, administrative proceedings, liens, obligations, remedial action and compliance requirements (including without limitation enforcement and cleanup

actions and directives), third party claims (including without limitation, tort, personal injury, economic, diminution in value and property claims), expenses (including, without limitation, reasonable attorneys' fees and expenses, costs of suit and of experts and consultants), all whether known or unknown, foreseeable or unforeseeable, past or present, contingent or otherwise, arising out of or in any way related to the environmental condition of the Existing Parking Frontage or the presence of any hazardous materials at, on, under, migrating to or from the Existing Parking Frontage.

10. The covenants herein shall bind and inure to the benefit of the executors, administrators, successors, and assigns of the respective parties. In addition, the provisions of Paragraphs 7, 9, 12-16 shall survive closing.
11. This Agreement may be executed in one or more counterparts as one Agreement and shall be binding upon the Buyer and the Seller when executed by the Buyer and the Seller.
12. Seller acknowledges its obligation to participate in a Special Assessment District (SAD) for the Grove Street Project, the preliminary site plan for which is attached as **Exhibit E**. The cost of the Grove Street Project is estimated to be approximately \$1,700,000. Buyer and the DDA intend to defray approximately \$1,100,000 of that cost. The remaining \$600,000 will be assessed to Seller as a special assessment under the SAD to be established by the City of Farmington, pursuant to City Council resolutions and a separate agreement between the parties. The repayment period is fifteen (15) years. The annual special assessment will begin in July 2013. The interest rate will be 4.5%, unless the net interest cost of the bonds to be issued for the financing of the Project exceeds such amount, in which case the interest will be the net interest cost of the bonds, not to exceed 6.0%. Remaining annual special assessments will be placed on the subsequent July tax bills pursuant to the schedule approved with the SAD.
13. Seller further agrees to undertake and fully complete the Façade Improvements described in **Exhibit C** to be documented through the "Agreement Regarding Façade Grant and Declaration of Covenants" between Seller and the DDA by the date described in Paragraph 16, substantially in the form attached as **Exhibit F**. Buyer agrees that upon the completion of the approved façade improvements, Buyer will grant Seller a license for any encroachments by the façade improvements (e.g., canopies) into Buyer's property substantially in the form attached as **Exhibit G**.
14. Seller also acknowledges that Buyer expects and intends that Seller will use the funds secured under this conveyance agreement to make exterior improvements to the Shopping Center, including the demolition of a portion of the existing building, façade improvements, together with the interior improvements generally described therein, as generally shown in the renderings attached as **Exhibit H** (the Exterior Improvements), and Seller agrees that the funds will be used for such purposes. [REDACTED]
15. Seller agrees that the existing pole sign currently located in the Existing Parking Frontage will be removed by the Buyer as part of the Grove Street Project, at Buyer's cost. Seller consents to such removal. Buyer agrees that a replacement sign may be located within the new Grove Street improvements, in a location attached to the future

sign location plan on the attached **Exhibit I** or in a location shown and approved on the site plan for the improvements to the Shopping Center. Buyer shall grant Seller an revocable license for the replacement sign, substantially in the form attached as **Exhibit I**. The replacement sign shall comply with the City's Code of Ordinances; provided, however, that Seller may seek variance relief in accordance with the Code of Ordinances. The Buyer shall also provide Seller an allowance for Seller to construct the new sign, in the amount of \$25,000 less Buyer's cost of the demolition of the existing sign. The amount of the allowance provided to Seller shall be determined upon demolition of the existing sign and shall be payable within a reasonable time thereafter. Buyer shall also grant approval for reasonable temporary signage pending completion of the construction of the new sign, as authorized by the City's Code of Ordinances.

16. Buyer intends to release bid documents for the Grove Street Project improvements on or around February 5, 2013, with bids to be returned on or around February 22, 2013, with an award within a reasonable time thereafter, if Buyer determines that there is an acceptable bid from a qualifying bidder. [REDACTED]

Buyer agrees that it will commence construction of the Grove Street Project, and Seller agrees that it will simultaneously commence construction of the Exterior Improvements, by July 1, 2013 (the Commencement Date), and both Seller and Buyer agree to complete both projects within twelve (12) months of the Commencement Date, unless either party is prevented by circumstances or conditions that are beyond the reasonable control of, and without the intentional misconduct or negligence of, Buyer or Seller. Such circumstances or conditions include, but are not limited to, acts of God, acts of other governmental agencies, strikes, labor union disputes, fire, explosions or other casualties, thefts, vandalism, riots or war, discovery of environmental contamination or hazards, and acts of terrorism. In such event, Buyer and Seller shall commence construction within a reasonable time after such circumstances or conditions have ceased. Seller shall be under no obligation to commence construction of the Façade Improvements and the Exterior Improvements described in Paragraphs 13 and 14 until such time as the Buyer commences construction of the Grove Street Project.

Seller agrees that it will cooperate with Buyer to complete its Exterior Improvements in coordination with the completion of the Grove Street Project by Buyer, and Buyer agrees that it will cooperate with Seller to complete the Grove Street Project in coordination with the completion of the Exterior Improvements by Seller.

After Buyer has entered into a contract with a successful bidder for construction of the improvements, Seller and Buyer agree to meet to establish a schedule with specific expected starting and progress dates, and a projected completion date for both the Exterior Improvements and the Grove Street Project, and to coordinate the storage and movement of materials and the use of the parking area south of Seller's building for storage and staging, and further to coordinate the timing of the completion of the Exterior Improvements and the Grove Street Project, so as to insure that Seller, Seller's Tenants, and customers of Seller's Tenants, will have reasonable and appropriate access to and from the Property and Shopping Center to avoid conflicts or interruptions in the work being done by or on behalf of either Seller or Buyer, and interruptions in the use of the Shopping Center.

Provided that Buyer has completed the Grove Street Project, failure by Seller to complete the Exterior Improvements within twelve (12) months of the Commencement Date, may, at the Buyer's sole option, exercised by written notice to Seller, result in the entire remaining SAD amount becoming due and payable by July 1, 2014. Seller shall be under no obligation to complete the construction of the Exterior Improvements if: (a) the Buyer has abandoned its plans to complete the Grove Street Project, or (b) Buyer's completion of the Grove Street Project is delayed beyond twelve (12) months from the Commencement Date, in which case the Seller's obligation to complete the Exterior Improvements shall be amended so that it is consistent with the Buyer's amended timeline for completing the Grove Street Project.

To facilitate the completion of the Grove Street Project, Seller shall provide Buyer a Temporary Construction Easement substantially in the form attached as **Exhibit J**.

17. This Agreement shall be governed by and construed in accordance with the statutes and laws of the State of Michigan.
18. Neither Party may assign, sell or transfer this Agreement, or any rights, obligations or interests arising hereunder, without the prior written consent of the other; and any purported assignment contrary to the terms hereof shall be null, void, and of no force and effect; and, further, any such assignment (even if in violation of this provision) shall not relieve the assignor of its obligations under and pursuant to this Agreement.
19. This Agreement and the exhibits attached constitute the entire understanding between the Parties hereto concerning conveyance of the Existing Parking Frontage and other matters agreed to herein, and all prior negotiations, discussions, understandings and agreements concerning the same are deemed to be merged herein. This Agreement may not be amended orally, but only in an agreement in writing signed by all of the Parties hereto.
20. Each Party and his or her legal counsel has reviewed and revised this Agreement and has had equal opportunity for input into this Agreement. Neither Party or their legal counsel shall be construed to be the drafter or primary drafter of this Agreement and in the event of any dispute regarding the construction of this Agreement or any of its provisions, ambiguities or questions of interpretation shall not be construed more in favor of one Party than the other; rather, questions of interpretation shall be construed equally as to each Party.
21. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, and that disability does not affect any other provision of the Agreement, the Agreement shall be construed as if that provision had never been contained in the Agreement.
22. All notices required to be given hereunder shall be in writing. Notice shall be deemed as given hereunder: (a) upon personal delivery to the addresses set forth below; or (b) upon receipt (or affirmative refusal to accept) if properly addressed and sent certified mail, return receipt requested; or (c) upon depositing such notice in the custody of a

nationally-recognized overnight delivery service and sent by overnight delivery. Notice shall be deemed properly addressed if sent to the following addresses:

If to City: City of Farmington
c/o Mr. Vincent Pastue, City Manager
23600 Liberty Street
Farmington, Michigan 48335

If to Groves: The Groves Center, L.L.C.
c/o Charles R. Kughn
37000 Grand River, Suite 370
Farmington Hills, MI 48335

- 23. Unless otherwise expressly provided herein, no waiver by any Party of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the waiving Party. No delay or omission in the exercise of any right or remedy accruing to any Party upon any breach under this Agreement by the other party shall impair such right or remedy or be construed as a waiver of any such breach theretofore or thereafter occurring. The waiver by either Party of any breach of any term, covenant or condition herein stated shall not be deemed to be a waiver of any other term, covenant or condition. All rights or remedies afforded to the parties hereunder or by law shall be cumulative and not alternative, and the exercise of one right or remedy shall not bar other rights or remedies allowed herein or by law.
- 24. This Agreement is not intended to confer any benefit on any person or entity that is not a party to this Agreement.

IN WITNESS WHEREOF, Buyer and Seller, by and through their duly-authorized representatives, have executed this Agreement effective the as of the date set forth above.

SELLER:

The Groves Center, LLC, a Michigan Limited Liability Company

**By: Manifold Ventures, LLC, a Michigan Limited Liability Company
Its: Managing Member**

By: _____
Charles R. Kughn
Its: Authorized Member

COUNTY OF OAKLAND)
) SS

STATE OF MICHIGAN)

On this _____ day of _____ 2013, _____, executed the foregoing document before me and, being duly sworn, stated that he is the Authorized Member of Manifold Ventures, LLC, a Michigan Limited Liability Company, the Managing Member of The Groves Center, LLC, a Michigan Limited Liability Company, with its full authority and as its free act and deed.

Notary Public, _____ County, MI
My commission expires: _____

BUYER:

**CITY OF FARMINGTON, a
Michigan municipal corporation**

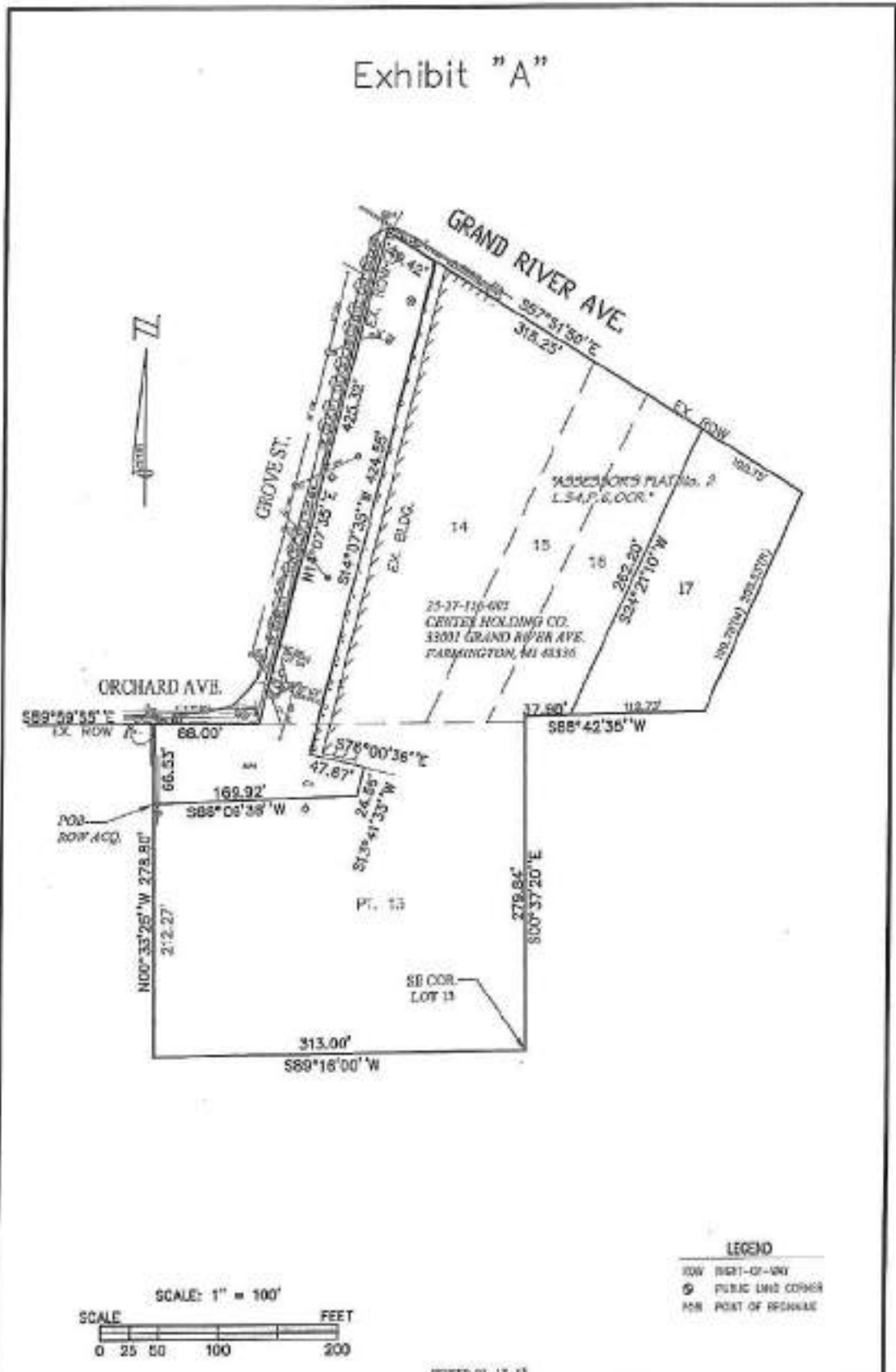
By: _____
J.T. "Tom" Buck
Its: Mayor

STATE OF MICHIGAN)
)ss
COUNTY OF OAKLAND)

On this _____ day of _____, A.D., 20___, before me, personally appeared the above named _____, the _____ of _____, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his duly-authorized free act and deed.

Notary Public, _____ County, MI
My commission expires: _____

Exhibit "A"




RIGHT OF WAY ACQUISITION		 <p>24000 Plymouth Road Livonia, MI 48150 p (734) 522-6711 f (734) 522-6427</p> <p><i>Advancing Communities</i></p>																		
<p>PART OF THE W 1/2 OF SECTION 27, T.1N., R.9E., CITY OF FARMINGTON, OAKLAND COUNTY, MICHIGAN</p>																				
CLIENT:	CITY OF FARMINGTON	<table border="1"> <tr> <td>DATE:</td> <td>1-13-08</td> <td>SHEET:</td> <td>1 OF 4</td> <td>JOB NO.:</td> <td>111-07-051</td> </tr> <tr> <td>DRAWN BY:</td> <td>SH</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>CHKD BY:</td> <td>GROKSDAL-GCM</td> <td></td> <td></td> <td></td> <td></td> </tr> </table>	DATE:	1-13-08	SHEET:	1 OF 4	JOB NO.:	111-07-051	DRAWN BY:	SH					CHKD BY:	GROKSDAL-GCM				
DATE:	1-13-08	SHEET:	1 OF 4	JOB NO.:	111-07-051															
DRAWN BY:	SH																			
CHKD BY:	GROKSDAL-GCM																			

Exhibit "A"

PARCEL DESCRIPTION (23-27-156-005)

A parcel of land being part of the W 1/2 of Section 27, Town 1 North, Range 9 East, City of Farmington, Oakland County, Michigan, described as:

Part of Lot 13, all of Lots 14, 15 & 16, "Assessor's Plat No. 2", as recorded in Liber 54 of Plats, Page 6, Oakland County Records and part of vacated Orchard Ave. & Grove St. at adjacent thereto, all being described as: Beginning at the SE corner of said Lot 13; thence S 89°16'00" W 313.00 feet; thence N 00°33'25" W 278.80 feet; thence S 89°59'55" E 88.00 feet; thence N 14°07'35" E 425.32 feet; thence S 57°51'50" E 313.25 feet; thence S 24°21'10" W 262.20 feet; thence S 88°42'35" W 37.98 feet; thence S 00°37'20" E 279.84 feet to the Point of Beginning, ALSO all of Lot 17.

All contains 205,253 square feet or 4.712 acres of land. Subject to all easements and restrictions of records, if any.

8/15/20 01-18-13

RIGHT OF WAY ACQUISITION

PART OF THE W 1/2 OF SECTION 27,
T.1N., R.9E., CITY OF FARMINGTON,
OAKLAND COUNTY, MICHIGAN



34000 Plymouth Road | Livonia, MI 48150
p (734) 522-6711 | f (734) 522-8422

Advancing Communities

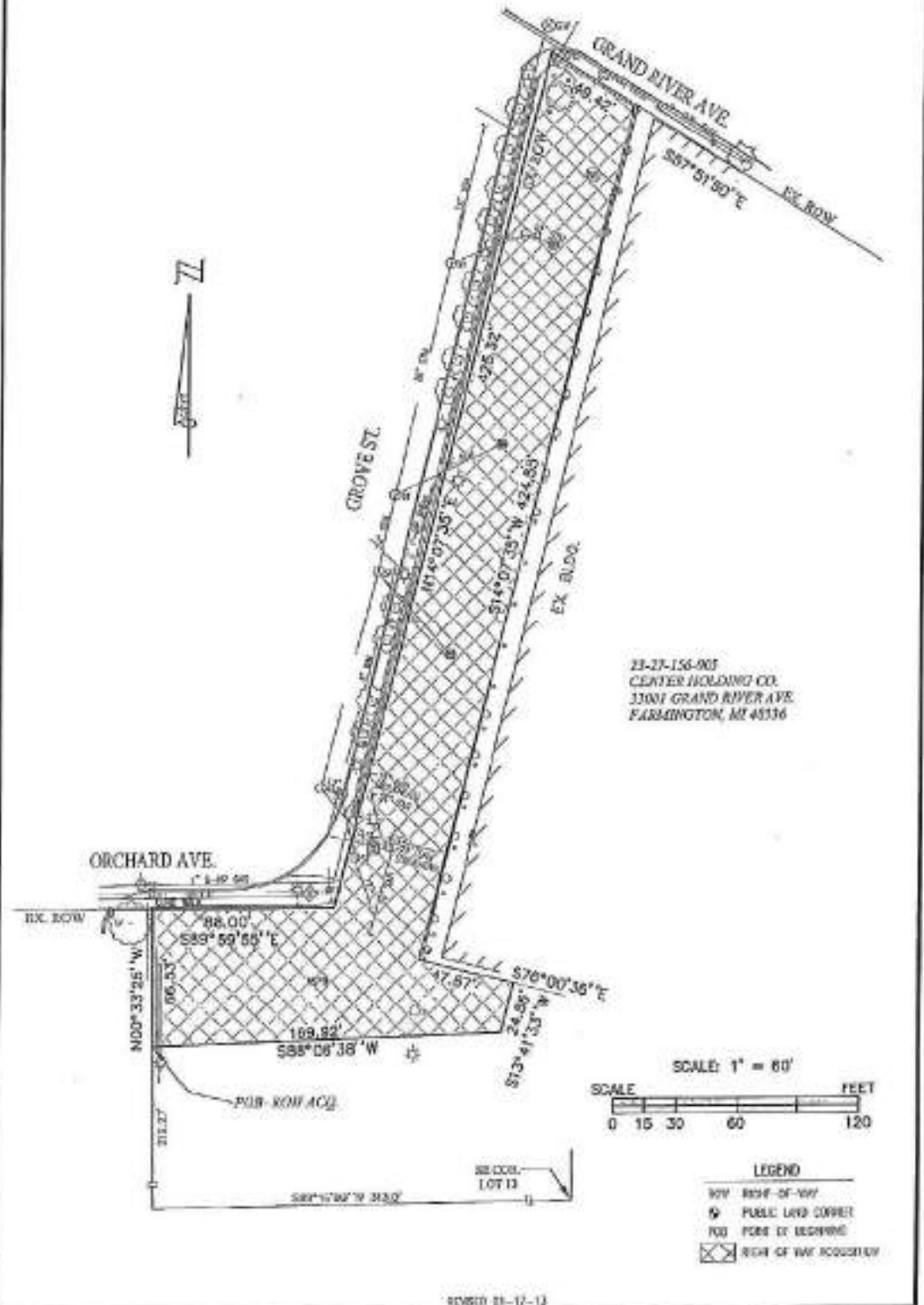
CLIENT: CITY OF FARMINGTON

DATE: 1-10-24
DRAWN BY: SSI
DWG. NUMBER: 23-27-156-005

SHEET
2 OF 4

JOB NO.
111-07-051

Exhibit "B"



RIGHT OF WAY ACQUISITION

PART OF THE W 1/2 OF SECTION 27,
 T.1N., R.9E., CITY OF FARMINGTON,
 OAKLAND COUNTY, MICHIGAN



31000 Plymouth Road | Livonia, MI 48150
 p (734) 922-6711 | f (734) 922-0427

Advancing Communities

CLIENT: CITY OF FARMINGTON	DATE: 1-11-08 DRAWN BY: SH DWG: GROVER300-030	SHEET: 3 OF 4	JOB NO: 111-07-051
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Exhibit "B"

RIGHT OF WAY ACQUISITION

A parcel of land being part of the W 1/2 of Section 27, Town 1 North, Range 9 East, City of Farmington, Oakland County, Michigan, described as:
 Commencing at the SE corner of Lot 13, "Assessor's Plat No. 2", as recorded in Liber 54 of Plats, Page 6, Oakland County Records; thence S 89°16'00" W 313.00 feet; thence N 00°33'25" W 212.27 feet to the Point of Beginning; thence continuing N 00°33'25" W 65.53 feet to a point on the Southerly right of way line of Orchard Ave.; thence along said Southerly line S 89°59'55" E 88.00 feet to a point on the Easterly right of way line of Grove St.; thence along said Easterly line N 14°07'35" E 425.32 feet to a point on the Southerly right of way line of Grand River Ave.; thence along said Southerly line S 57°51'50" E 49.42 feet; thence S 14°07'35" W 424.55 feet; thence S 76°00'36" E 47.67 feet; thence S 13°41'33" W 24.56 feet; thence S 88°00'38" W 169.92 feet to the Point of Beginning.
 All contains 29,116 square feet or 0.668 acres of land. Subject to all easements and restrictions of records, if any.

REVISED 01-17-15

RIGHT OF WAY ACQUISITION

PART OF THE W 1/2 OF SECTION 27,
 T.1N., R.9E., CITY OF FARMINGTON,
 OAKLAND COUNTY, MICHIGAN



34000 Plymouth Road | Livonia, MI 48150
 p (734) 622-6711 | f (734) 622-6427

Advancing Communities

CLIENT: CITY OF FARMINGTON

DATE: 1-10-15
 DRAWN BY: JH
 BY: GOVERNOR-EGM

SHEET
 4 OF 4

JOB NO.
 111-07-051

EXHIBIT C

GROVES CENTER

SITE PLAN

TO BE PROVIDED BY MANIFOLD
AND SUBJECT TO DESIGN
COMMITTEE (FEB 7) AND PLANNING
COMMISSION APPROVAL (FEB 11)

EXHIBIT D

2.3.13WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, that **The Groves Center, L.L.C.**, a Michigan limited liability company, whose address is 37000 Grand River, Suite 370, Farmington Hills, MI 48335, ("Grantor"), for and in consideration of the amount set forth in a Real Estate Transfer Valuation Affidavit separately filed, the receipt and sufficiency of which is acknowledged, conveys and warrants to the **City of Farmington**, a Michigan municipal corporation, whose address is 23600 Liberty Street, Farmington, Michigan 48335 ("Grantee"), the real property situated in the City of Farmington, County of Oakland, State of Michigan described on the attached and incorporated **Exhibit A** (the "Property"), together with all of the tenements, hereditaments, and appurtenances thereto belonging or in otherwise appertaining, subject to:

- (a) covenants and restrictions of record, if any;
- (b) all applicable zoning ordinances; and
- (c) the covenant, requirement, and restriction that the Property shall be used for public road, parking, and utility and related purposes only, and to provide vehicular access to the Shopping Center on the Property as shown on the attached **Exhibit B**, and such uses to be generally in accordance with the improvements and access described and shown in the site plan for the Grove Street Project also shown on the attached **Exhibit B**; provided, however, that Grantee shall have the right as owner of the Property to alter, revise, reconstruct, and maintain the improvements on the Property for such public road, parking, and utility purposes in a manner that does not eliminate vehicular access to the Shopping Center on the Property as shown on the attached **Exhibit B**. Upon Grantee vacating, terminating, or otherwise permanently ceasing the public road use of the Property in a manner that eliminates vehicular access to the Shopping Center on the Property as shown on the attached **Exhibit B**, without the written consent of the then-owner of the Property, the Property shall automatically revert to that owner of the Property together with all of the tenements, hereditaments, and appurtenances thereto belonging or in otherwise appertaining to the Property, including but not limited to Grantee's interest in any curb cuts from Grand River Avenue that provide vehicular access to the Shopping Center on the Property as shown on the attached **Exhibit B**, and provided that Grantee shall retain a public easement in any utilities located on the Property.

[deal with this as a possible waiver by City once we have the survey]

Grantor grants to Grantee the right to make any and all division(s) remaining under Section 108 of the Land Division Act, Act No. 288 of the Public Acts of 1967, as amended. This transfer is exempt from state and county transfer taxes pursuant to MCLA 207.505(a) and MCLA 207.526(a).

This Property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

Grantor covenants and represents that it has not previously conveyed or transferred the Property or any part thereof.

SIGNED:

The Groves Center, LLC, a Michigan Limited Liability Company

**By: Manifold Ventures, LLC, a Michigan Limited Liability Company
Its: Managing Member**

By: _____

Its: Authorized Member

COUNTY OF OAKLAND)
) SS
STATE OF MICHIGAN)

On this _____ day of _____ 2013, _____, executed the foregoing document before me and, being duly sworn, stated that he is the Authorized Member of Manifold Ventures, LLC, a Michigan Limited Liability Company, the Managing Member of The Groves Center, LLC, a Michigan Limited Liability Company, with its full authority and as its free act and deed.

Notary Public, County, MI
My commission expires: _____

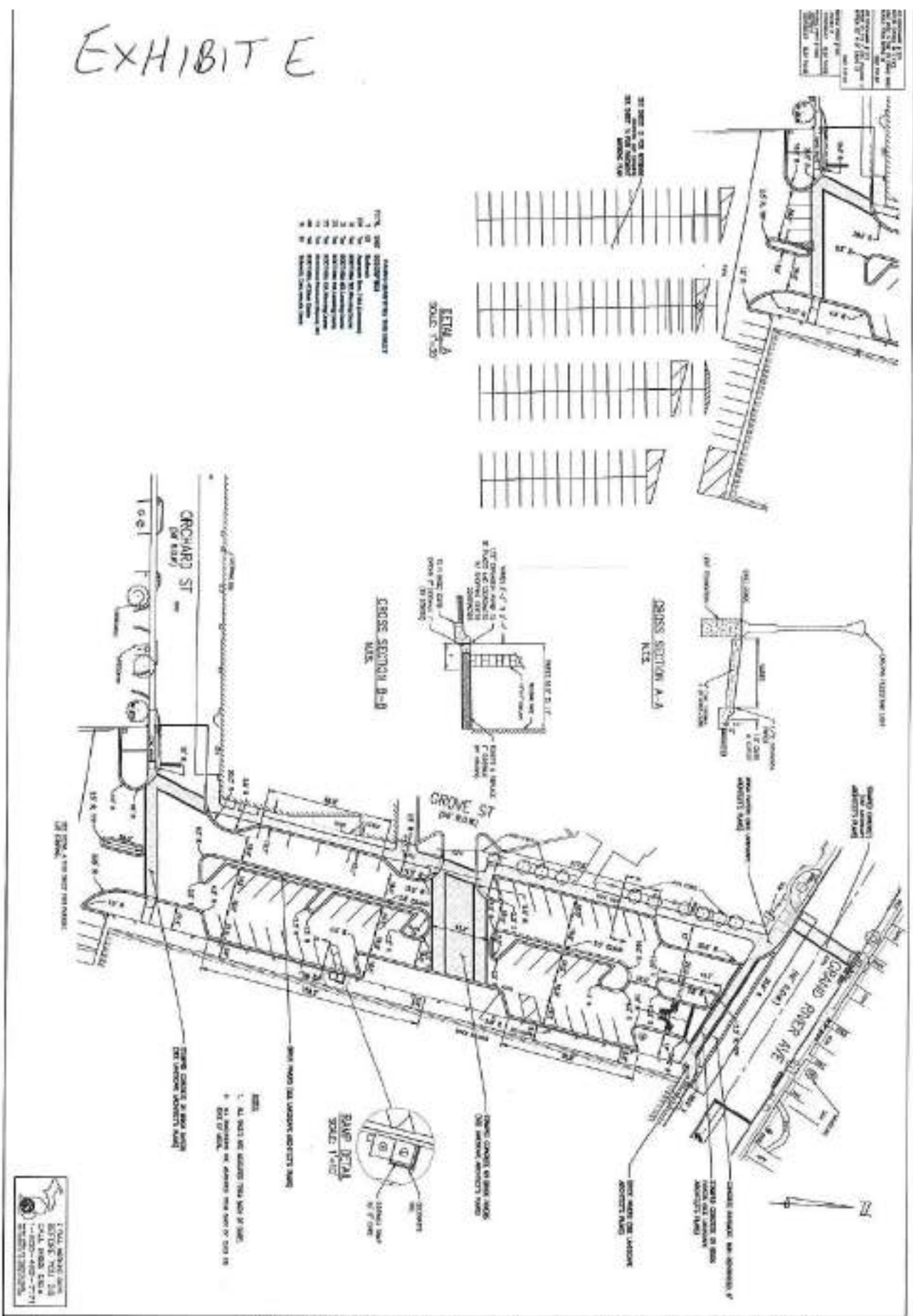
Drafted by:
Thomas R. Schultz, Esq.
Johnson, Rosati, Schultz & Joppich, P.C.
34405 W. Twelve Mile Rd, #200
Farmington Hills, MI 48331-5627

When recorded return to:
Sue Halberstadt, Clerk
City of Farmington
23600 Liberty Street
Farmington, MI 48335

Exhibit "A"

LEGAL DESCRIPTION

EXHIBIT E



2018 STREETSCAPE & UTILITY IMPROVEMENTS CONSTRUCTION PLAN GROVE ST	CITY OF WASHINGTON 811-7-6886	
	3000 Plymouth Road Livonia, MI 48150 P (248) 522-6111 F (248) 522-6427 WWW.OHM-ALUMINUM.COM	

EXHIBIT F

**CITY OF FARMINGTON
COUNTY OF OAKLAND
STATE OF MICHIGAN**

**AGREEMENT REGARDING FAÇADE GRANT AND
DECLARATION OF COVENANTS
[GROVE STREET FAÇADE]**

This Agreement Regarding Façade Grant and Declaration of Covenants, effective this ____ day of February, 2013, is by and between The Groves Center, LLC, a Michigan Limited Liability Company, whose address is 37000 Grand River, Suite 370, Farmington Hills, MI 48335 (Groves), and the Farmington Downtown Development Authority (DDA), a Michigan Municipal Corporation, whose address is 33316 Grand River Avenue, Farmington MI 48336.

RECITALS

1. **WHEREAS**, Groves is the owner of the real property more fully described on the attached **Exhibit A**, which has a commercial structure on it, located at 33025 Grand River Avenue, in the City of Farmington, County of Oakland, State of Michigan, known as the The Groves Center, and hereinafter referred to as the Building;
2. **WHEREAS**, the DDA has developed a Façade Incentive Program ("Program") to utilize tax increment revenues available to the DDA to revitalize exterior components of commercial buildings in the business district consistent with the City of Farmington Downtown Design Standards and criteria adopted by the DDA.
3. **WHEREAS**, the purposes of the Program are (1) to directly stimulate design improvements to business district buildings consistent with the Downtown Design Standards; (2) to assist with building improvements sensitive to the unique context of the business district's commercial architectural character; (3) to encourage physical improvements to buildings to make them attractive to Farmington's consumer market; (4) to encourage adaptive reuse and creative projects which add to the economic diversity of the Farmington business district; and (5) to encourage preservation of historic buildings.
4. **WHEREAS**, Groves applied to the DDA to participate in the Program.

5. **WHEREAS**, Groves' proposed façade improvement project included both the "Façade Improvements" shown on the plan ("Plan"), attached as **Exhibit B**, as well as possible additional changes to doors and windows on the Building (the "Future Façade Changes").

6. **WHEREAS**, the Plan was reviewed by the DDA's Design Committee and approved by the DDA's Board of Directors for consistency with the Downtown Design Standards, subject to final site plan approval by the City of Farmington Planning Commission.

7. **WHEREAS**, the DDA approved Groves' Plan and authorized a grant under the Program in the amount of 20% of the cost of the Façade Improvements shown in the Plan as well as the Future Façade Changes, up to a maximum of \$160,000.

8. **WHEREAS**, in order to receive reimbursement from the DDA for completion of the Façade in accordance with the Plan, Declarant has agreed to certain conditions pertaining to preservation and maintenance of the façade for a period of five (5) years, to be set forth in a Declaration of Covenants, substantially in the form attached as **Exhibit C**.

NOW, THEREFORE, for and inconsideration of the Grant described herein, Groves and the DDA agree as follows:

A. The DDA agrees to reimburse Groves 20% of the cost of the Façade Improvements, up to \$160,000, subject to the following terms and conditions:

(i) The Façade Improvements must be completed in accordance with the site and façade plans approved by the City of Farmington Planning Commission, by or before the date established in the Agreement for Conveyance of Open Space Easement and Undertaking of Façade Improvements, by and between Groves and the DDA, dated February ____, 2013.

(ii) Groves shall submit a statement to the DDA setting forth the cost of the façade improvements, and DDA shall be permitted to confirm and/or audit compliance and verify the cost by reasonable inquiry, with the determination of the cost being at the sole discretion of the DDA.

(iii) Within 30 days after it has verified compliance and cost, the DDA shall reimburse to Groves 20% of the amount verified for the costs of the Façade Improvements.

(iv) If, after reimbursing the amount for the Façade Improvements, there remain any amounts left from the grant of up to a maximum of \$160,000, such amount shall be applied for reimbursement of the cost of the Future Façade Changes for doors and windows that have been reviewed and approved by the City and the DDA. The right to apply such remaining amounts to the Future Façade Changes shall expire three (3) years from the date of the reimbursement for the initial Façade Improvements as set forth in (iii) above.

B. As a condition of receiving the reimbursement, Groves agrees to execute and record the attached "Declaration of Covenants" with the Oakland County Register of Deeds.

C. No third party, other than the heirs, personal representatives, successors and assigns of the DDA and Groves, shall have any rights to enforce or rely upon this Agreement, which is

binding upon and made solely for the benefit of the DDA and Groves, their heirs, personal representatives, successors and assigns, and not for the benefit of any other third party.

D. This Agreement does not grant the DDA an interest in the Building.

E. If Groves fails to complete the façade improvements by or before the date set forth in the Agreement for Conveyance of Open Space Easement and Undertaking of Façade Improvements, by and between Groves and the DDA, dated February ____, 2013, then the DDA may, by resolution of its governing Board, declare this Agreement and its obligation to provide the reimbursement null and void.

IN WITNESS WHEREOF, the DDA and Groves, by and through their duly-authorized representatives, have executed this Agreement effective the as of the date set forth above.

The Groves Center, LLC, a Michigan Limited Liability Company

**By: Manifold Ventures, LLC, a Michigan Limited Liability Company
Its: Managing Member**

By: _____
Charles R. Kughn
Its: Authorized Member

COUNTY OF OAKLAND)
) SS
STATE OF MICHIGAN)

On this _____ day of _____ 2013, _____, executed the foregoing document before me and, being duly sworn, stated that he is the Authorized Member of Manifold Ventures, LLC, a Michigan Limited Liability Company, the Managing Member of The Groves Center, LLC, a Michigan Limited Liability Company, with its full authority and as its free act and deed.

Notary Public, County, MI
My commission expires: _____

**FARMINGTON DOWNTOWN
DEVELOPMENT AUTHORITY, a
Michigan municipal corporation**

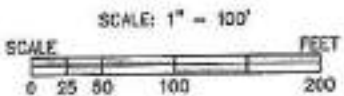
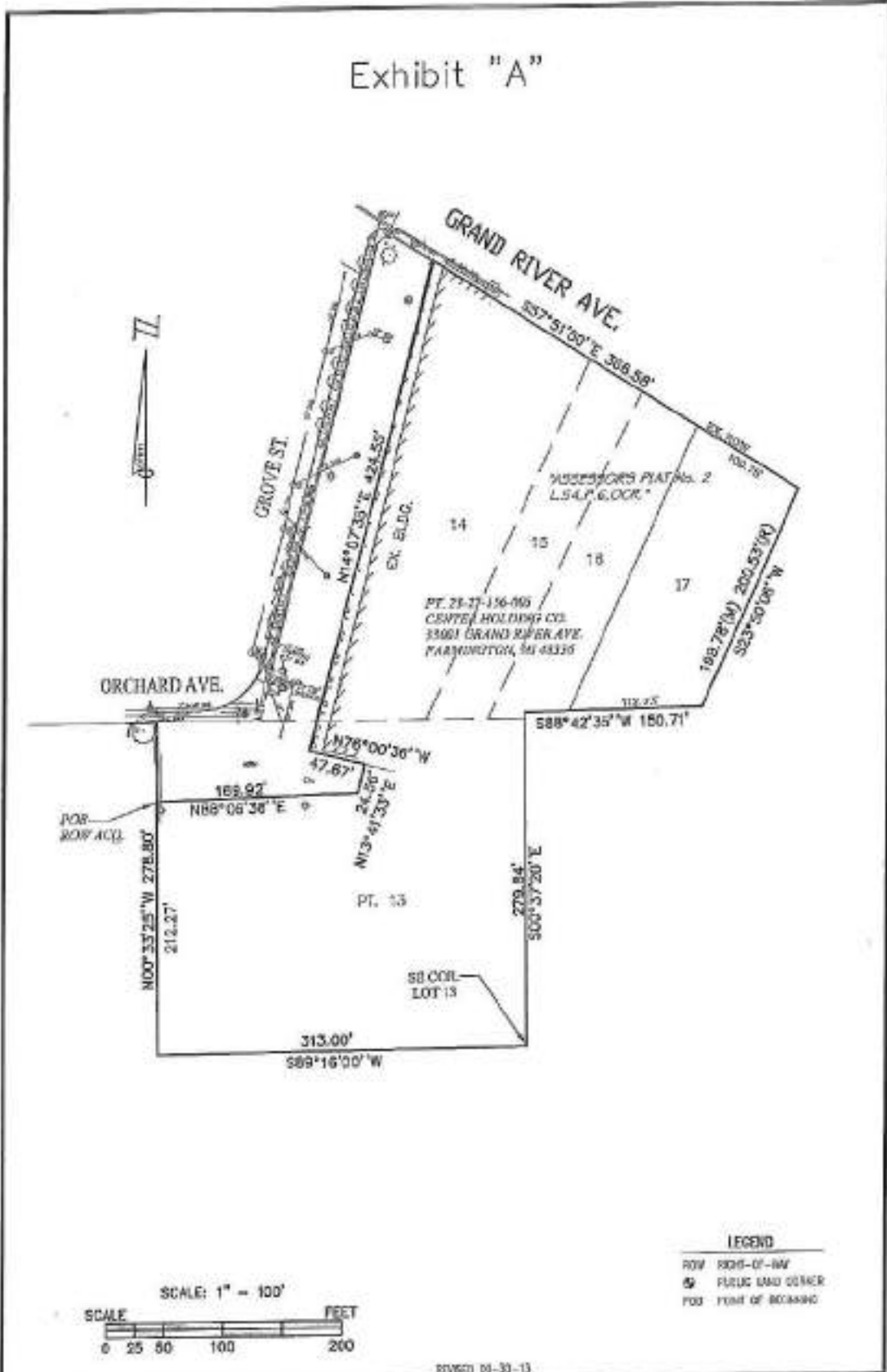
By: _____
Its: _____

STATE OF MICHIGAN)
)ss
COUNTY OF OAKLAND)

On this _____ day of _____ 2013, _____
executed the foregoing document before me and, being duly sworn before me, stated that he is
the _____ of the Farmington Downtown Development Authority, with its
full authority and as its free act and deed

Notary Public, County, MI
My commission expires: _____

Exhibit "A"



LEGEND

ROW	RIGHT-OF-WAY
⊙	PLUG LAND CORNER
POB	POINT OF BEGINNING

REVISED 06-30-13

RIGHT OF WAY ACQUISITION

PART OF THE W 1/2 OF SECTION 27,
T.1N., R.9E., CITY OF FARMINGTON,
OAKLAND COUNTY, MICHIGAN

CLIENT: CITY OF FARMINGTON



34000 Plymouth Road | Livonia, MI 48150
p (734) 622-6711 | f (734) 622-6427
Advancing Communities

DATE: 1-30-13	SHEET: 1 OF 4	JOB NO.: 111-07-051
DRAWN BY: CH		
CHKD: GUY/LOMO-EXM		

Exhibit "A"

PARCEL DESCRIPTION (PT. 23-27-156-005)

A parcel of land being part of the W 1/2 of Section 27, Town 1 North, Range 9 East, City of Farmington, Oakland County, Michigan, described as:
 Part of Lots 13 & 14 and all of Lots 15, 16 & 17, "Assessor's Plat No. 2", as recorded in Liber 54 of Plats, Page 6, Oakland County Records, all being described as: Beginning at the SE corner of said Lot 13; thence S 85°16'00" W 313.00 feet; thence N 00°33'25" W 212.27 feet; thence N 88°06'38" E 169.92 feet; thence N 13°41'33" E 24.56 feet; thence N 76°00'36" W 47.67 feet; thence N 14°07'35" E 424.55 feet; thence S 57°51'50" E 366.58 feet; thence S 23°30'05" W 199.78 feet; thence S 88°42'35" W 150.71 feet; thence S 00°37'20" E 279.84 feet to the Point of Beginning.
 All contains 176,137 square feet or 4.044 acres of land. Subject to all easements and restrictions of records, if any.

RECORD 01-30-13

RIGHT OF WAY ACQUISITION

PART OF THE W 1/2 OF SECTION 27,
 T.1N., R.9E., CITY OF FARMINGTON,
 OAKLAND COUNTY, MICHIGAN



34000 Plymouth Road | Livonia, MI 48150
 p (734) 922-6711 | f (734) 523-6427

Advancing Communities

CLIENT:	CITY OF FARMINGTON	DATE:	1-16-08	SHEET:	2 OF 4	JOB NO.:	111-07-051
		DRAWN BY:	SH				
		DATE CHECKED:	1/23/08				

EXHIBIT B

FACADE

IMPROVEMENTS

2.3.13**EXHIBIT C****DECLARATION OF COVENANTS**
[THE GROVES FAÇADE IMPROVEMENTS]

This Declaration of Covenants is by The Groves Center, LLC, a Michigan Limited Liability Company, whose address is 37000 Grand River, Suite 370, Farmington Hills, MI 48335 (Declarant), for the benefit of the Farmington Downtown Development Authority (DDA), a Michigan Municipal Corporation, whose address is 33316 Grand River Avenue, Farmington MI 48336.

WHEREAS, Declarant owns the property located at 33025 Grand River Avenue, Farmington MI 48335 on which is located a shopping center known as The Groves Shopping Center, identified on **Exhibit A** (the Shopping Center); and

WHEREAS, Declarant undertook certain façade improvements to the Shopping Center in order to update the appearance of the building, improve signage visibility, and enhance the aesthetic appearance of the Downtown Center area, with the understanding that, upon successful completion of the improvements as approved by the City of Farmington, Declarant would be eligible to receive reimbursement from the DDA pursuant to its Façade Incentive Program, in the amount of 20% of the costs of the façade improvements, up to a maximum grant of \$160,000; and

WHEREAS, the DDA's grant under its Façade Incentive Program requires Declarant to enter into certain covenants relating to the grant.

WHEREAS, Declarant has completed the façade improvements ("Façade"), and received the grant from the DDA;

NOW, THEREFORE, in consideration of the DDA's grant, Declarant, for itself and its successors, assigns, and transferees, does hereby covenant, declare, and agree that the Façade shall be used, owned, held, and sold expressly subject to the following conditions in preserving and maintaining the designated character of Farmington's Business District as follows:

A. Declarant shall preserve, protect, enhance, maintain, and perpetuate the Façade pursuant to and in accordance with the approved Plans which are on file with the DDA, for a period of five (5) years from the date of the completion of the Façade;

B. The Façade shall be considered a public improvement until such time as this Declaration expires, and any and all unauthorized modifications of the Façade shall result in forfeiture and required repayment of the monies reimbursed to the Declarant by the DDA;

C. During the five (5) year time period, the Declarant shall not undertake or allow to be undertaken any changes to the Façade without the express written consent of the DDA or its successor;

D. Declarant shall, at its expense (i) keep the premises insured under a standard form of insurance policy against loss or damage resulting from fire and other perils normally insured under a uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in the State of Michigan, and (ii) carry and maintain comprehensive public liability insurance. The public liability policy shall name the DDA as an additional insured as to the Façade only and shall provide for not less than thirty (30) days prior written notice to the DDA by the insurer of any proposed cancellation of any such insurance. The Declarant shall deliver to the DDA a certificate of insurance prior to the recording of this Declaration and, on renewal, a new certificate shall be sent to the DDA.

E. During the five (5) year period, in the event that the Building or any part thereof shall be damaged by fire or other casualty, then the proceeds of the insurance required to be carried pursuant to Section D above shall be applied to reconstructing the Façade constructed in a plan approved by the DDA. If the premises are damaged to such an extent that the Declarant determines that reconstruction is not feasible and provides the DDA with a statement from an independent engineer to the same effect, then this Declaration shall be void and of no further force and effect, provided that a portion of the initial reimbursement in proportion to the percentage of the Façade that was significantly damaged and is not being reconstructed, shall be returned to the DDA.

F. In the event that the DDA shall at any time in the future become the fee-simple owner of the Subject Property, or shall cease to exist, the rights and obligations herein accepted by the DDA shall pass to and be vested in the actual successor of the DDA or the City of Farmington. The DDA may at any time release Declarant from the terms of this Declaration.

G. Except as otherwise stated herein, Declaration shall be effective for a period of five (5) years from the date of completion of the Façade. This Declaration shall run with the land, and shall be binding upon the Declarant and its successors, assigns, transferees, heirs, and personal representatives.

H. This grant made pursuant to and in connection with this Declaration is made pursuant to applicable law, but the invalidity of such act or any part of it shall not affect the validity and enforceability of this Declaration, it being the intent of the parties that this grant constitutes a common-law easement and a restrictive covenant.

I. Nothing contained in this Declaration shall be interpreted to (i) limit Declarant's right or ability to transfer any development or other rights that may exist now or at any time in the future, (ii) limit Declarant's obligation to pay when due and owing, all real estate taxes, water charges, sewer service charges and other charges which may become a lien on the

premises; provided, however, that the Declarant may make payment under protest where permitted by law, or (iii) limit Declarant's right to sell, lease expand, renovate, mortgage, or pledge all or any portion of the Property or the Shopping Center located thereon.

J. Declarant reserves for itself, its successors, assigns, mortgagees, and lessees the right to continue to use and occupy the Building for all lawful purposes not inconsistent with this Declaration, and subject to the City of Farmington Code of Ordinances, and the DDA agrees to sign any and all documents (including but not limited to future leases or mortgages, as required by lessee or mortgagee) that Declarant shall at any time and from time to time request to further such end or purpose and not inconsistent with this Declaration.

K. The Declarant, with the DDA's written approval, may amend this instrument from time to time in writing and such amendment shall become effective upon its signing.

L. At the conclusion of the five (5) year period of this Agreement, the Declarant shall prepare a "Termination of Declaration of Covenants" to be signed by Declarant and the DDA, or their successors, and recorded in a manner similar to this Declaration.

IN WITNESS WHEREOF, Declarant has executed this Declaration on the day and year first written above.

The Groves Center, LLC, a Michigan Limited Liability Company

**By: Manifold Ventures, LLC, a Michigan Limited Liability Company
Its: Managing Member**

By: _____

Its: Authorized Member

COUNTY OF OAKLAND)
) SS
STATE OF MICHIGAN)

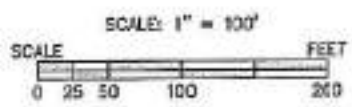
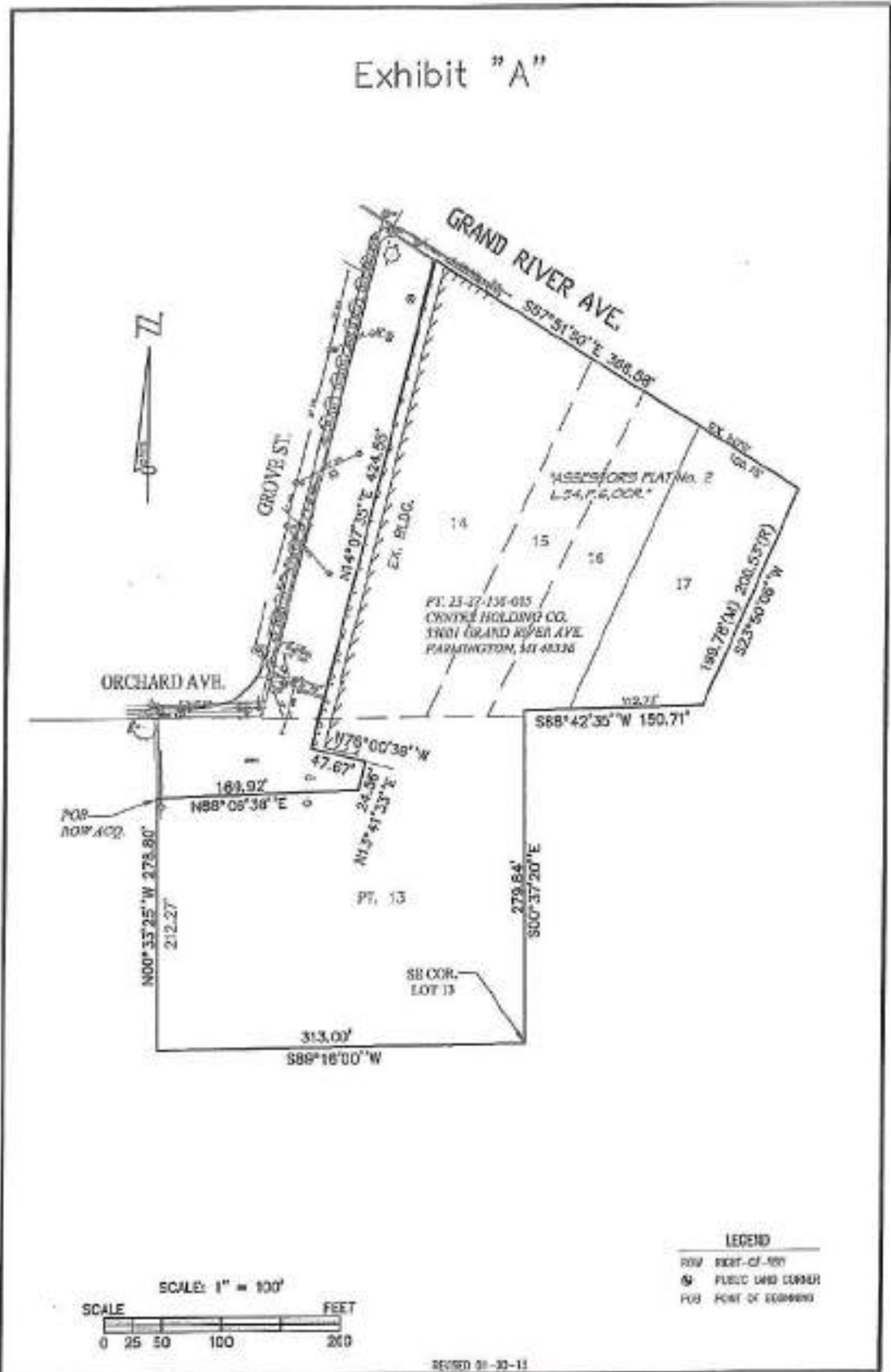
On this _____ day of _____ 2013, _____, executed the foregoing document before me and, being duly sworn, stated that he is the Authorized Member of Manifold Ventures, LLC, a Michigan Limited Liability Company, the Managing Member of The Groves Center, LLC, a Michigan Limited Liability Company, with its full authority and as its free act and deed.

Notary Public, County, MI
My commission expires: _____

Drafted by:
Thomas R. Schultz, Esq.
Johnson, Rosati, Schultz & Joppich, P.C.
34405 W. Twelve Mile Rd, #200
Farmington Hills, MI 48331-5627

When recorded return to:
Sue Halberstadt, Clerk
City of Farmington
23600 Liberty Street
Farmington, MI 48335

Exhibit "A"



LEGEND

ROW	RIGHT-OF-WAY
●	PUBLIC LAND CORNER
PLB	POINT OF BEGINNING

SECTION 27-30-13

RIGHT OF WAY ACQUISITION

PART OF THE W 1/2 OF SECTION 27,
T.1N., R.9E., CITY OF FARMINGTON,
OAKLAND COUNTY, MICHIGAN

OHM 3400 Plymouth Road | Livonia, MI 48150
p (734) 522-6711 | f (734) 522-6427
Advancing Communities

CLIENT: CITY OF FARMINGTON	DATE: 1-11-08	SHEET: 1 OF 4	JOB NO.: 111-07-051
	DRAWN BY: SR		
	DATE (SCHEDULED):		

Exhibit "A"

PARCEL DESCRIPTION (PT. 23-27-156-005)

A parcel of land being part of the W 1/2 of Section 27, Town 1 North, Range 9 East, City of Farmington, Oakland County, Michigan, described as:
 Part of Lots 13 & 14 and all of Lots 15, 16 & 17, "Assessor's Plat No. 2", as recorded in Liber 54 of Plats, Page 6, Oakland County Records, all being described as: Beginning at the SE corner of said Lot 13; thence S 89°16'00" W 313.00 feet; thence N 00°33'25" W 212.27 feet; thence N 88°06'38" E 169.92 feet; thence N 13°41'33" E 24.55 feet; thence N 76°00'36" W 47.67 feet; thence N 14°07'35" E 424.55 feet; thence S 57°51'50" E 366.58 feet; thence S 23°50'05" W 199.78 feet; thence S 88°42'35" W 150.71 feet; thence S 00°37'20" E 279.84 feet to the Point of Beginning.
 All contains 176,137 square feet or 4.044 acres of land. Subject to all encumbrances and restrictions of records, if any.

REVISED 01-30-13


<i>RIGHT OF WAY ACQUISITION</i>		 3400 Plymouth Road Livonia, MI 48150 p (734) 422-8711 f (734) 523-8427 <i>Advancing Communities</i>
PART OF THE W 1/2 OF SECTION 27, T.1N., R.9E., CITY OF FARMINGTON, OAKLAND COUNTY, MICHIGAN		
CLIENT:	CITY OF FARMINGTON	DATE: 1-16-13 DRAWN BY: SH DWG. APPROVED: DCS
		SHEET 2 OF 4
		JOB NO. 111-07-051

EXHIBIT G

2.3.13**STATE OF MICHIGAN
COUNTY OF OAKLAND
CITY OF FARMINGTON****LICENSE AGREEMENT FOR USE OF CITY PROPERTY
FOR IMPROVEMENTS
[THE GROVES CENTER]**

THIS LICENSE AGREEMENT ("Agreement") is made, entered into, and effective this ____ day of _____, 2013, by and between the City of Farmington, a Michigan municipal corporation, whose address is 23600 Liberty Street, Farmington, Michigan 48335 (the "City"), and The Groves Center, L.L.C., whose address is 37000 Grand River, Suite 370, Farmington Hills, MI 48335 ("Groves").

RECITALS

A. Groves has secured from the City authorization to use an area within the Grove Street right-of-way in connection with certain limited façade improvements (i.e., canopies and pillars/poles) in connection with its shopping center use. The area for the limited façade improvements is depicted on the approved site plan for the façade improvements attached as **Exhibit A** (the "Licensed Premises") and the adjacent shopping center is also depicted on the attached **Exhibit A** (the "Shopping Center").

B. The approval by the City is subject to several conditions in connection with the use, including the execution of a this Agreement to use the Licensed Premises;

C. Nothing in this Agreement shall prevent the Licensed Premises from being used for additional purposes by Groves' tenants as permitted by the City's Code of Ordinances (e.g., outdoor seating). Similarly, nothing in this Agreement precludes the City from using the Licensed Premises for typical or usual right-of-way purposes, such as the placement of benches, planters, decorative items, or the like, so long as such use by the City does not interrupt or disturb the operation of the businesses in the Shopping Center.

D. It is the intent of the City and Groves that the City will enter into a license agreement with a future tenant of Groves to allow for a tenant of Groves to utilize the License Premises in connection with the operation of its business, to the extent such uses comply with the City's Code of Ordinances and secure all permits and approvals from the City required by the Code of Ordinances.

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows, and the City grants a license to Groves as follows:

1. City hereby grants to Groves a revocable license to use and construct certain improvements in the area as depicted and shown on the attached **Exhibit A** (the Façade Improvements) and legally described in **Exhibit B**:

2. The term of this Agreement is perpetual; however, this Agreement does not grant Groves an interest in the Licensed Premises, and as a revocable license, may be terminated or revoked by resolution of the City Council at any time; provided however, that the City agrees that it will continue the license, and will not terminate or revoke the license, unless and until:

(a) Groves, or its successors and assigns, fails to construct the Façade Improvements by the date required in the Agreement for Conveyance of Land between the parties effective February __, 2013, or fails thereafter to maintain the Façade Improvements in the condition and to the standards required by the City pursuant to law and ordinance; or

(b) Groves, or its successors and assigns, violates the terms and conditions of this Agreement and license; or

[REDACTED]The licensed use is determined by the City to materially interfere with the operation and use of the Grove Street public road and right-of-way.

4. Groves shall defend, pay on behalf of, indemnify and hold harmless the City, its elected and appointed officials, employees, and volunteers, and other persons working on behalf of the City, from and against any and all claims, demands, suits, or loss, including all costs and attorneys fees connected therewith, and from any and all damages that may be asserted, claimed, or recovered for personal injury, including bodily injury or death and/or property damage, including loss of use thereof, arising out of or in any way connected or associated with this Agreement and the design, construction, maintenance, and use of the Façade Improvements, except for such claims, demands, suits, or loss attributable to or resulting from the negligence or intentional misconduct of the City, its elected and appointed officials, employees, and volunteers, and other persons working on behalf of the City, acting in their official capacities. The City shall provide notice to Groves within a reasonable time of the receipt of any claim arising under this Agreement or relating to the Façade Improvements.

5. Groves or a tenant of Groves shall secure and maintain during the entire duration of this Agreement the following insurance coverages from a good and reputable company or companies doing business in the State of Michigan:

- A. Workers' Compensation & Employers' Liability Insurance, Michigan Statutory Limits of Liability.
- B. Commercial General Liability Insurance on an occurrence basis with limits of liability not less than one million dollars (\$1,000,000.00) per occurrence and aggregate combined single limit for Personal Injury, Bodily Injury, Property Damage and Liquor Liability. Coverage shall

Include extensions for Contractual Liability and Independent Contractors Coverage.

- C. Motor Vehicle Liability Insurance, including Michigan No-Fault Coverage, with limits of liability not less than one million dollars (\$1,000,000.00) per occurrence combined single limit for Bodily Injury and Property Damage. Coverage shall include all owner vehicles, all non-owned vehicles, and all hired vehicles.
- D. Umbrella Liability Insurance with limits of liability not less than two million dollars (\$2,000,000.00) per occurrence.
- E. All certificates of insurance other than Workers' Compensation & Employers' Liability Insurance, shall name the City as the additional Insured as follows: "City of Farmington, and including all elected and appointed officials, all employees and volunteers, all boards, commissions and/or authorities of the City, including the Downtown Development Authority (DDA), and their board members, employees and volunteers."

6. The City retains the full right of access to the Licensed Premises at any time. Groves hereby confirms its full and unconditional consent to the City's entry upon, access to and inspection of all areas of the Licensed Premises at any time desired by the City, with or without advance notice. This Agreement does not preclude the City from using the Licensed Premises for typical or usual right-of-way purposes, such as the placement of benches, planters, decorative items, or the like. However, the City's use of the Licensed Premises shall not (i) interrupt or disturb the operation of the businesses in the Shopping Center, (ii) supersede or be exclusive of Groves' right, and the parties' mutual desire, for a tenant of Groves to utilize the Licenses Premises under a separate license agreement that authorizes the use of the Licensed Premises by such tenant, so long as said tenant meets the requirements of the City's City's Code of Ordinances (e.g., outdoor seating).

7. Notices. Notices may be given by personal delivery or certified or first class mail, postage pre-paid, at the addresses in the first paragraph of this Agreement, with notices to the City to be to the attention of the City Manager and only one notice being required to be given to Groves.

8. Recording. After this Agreement takes effect as provided in the first paragraph on Page 1, it shall be recorded at the Oakland County Register of Deeds for the Premises so as to provide notice of its existence, terms, and conditions and not as any indication that any real property interest has been or will ever be granted by the City in or for the Licensed Premises.

9. Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of the Parties and their successors and assigns. However, Groves shall not assign this Agreement in whole or in part without the prior written approval of the City, which approval shall not be unreasonably withheld. Any such assignment shall be reflected in a written instrument, satisfactory in form and content to the City, and signed by assignee and assignor

and consented to by the City. In the event of any such City-approved assignment, the assignee shall be the licensee under this Agreement.

10. No Third-Party Beneficiaries. This Agreement is not intended to confer any benefit on any person or entity that is not a Party to this Agreement.

11. Severability. If any section, subsection, clause, phrase or portion of this Agreement is for any reason held invalid or unconstitutional by any court of competent jurisdiction, that portion shall be considered a separate, distinct and independent portion of this Agreement, and the remaining portions of this Agreement shall remain in full force and effect.

12. Amendments. This Agreement may be amended at any time, in writing, by mutual consent of the Parties. No amendment to this Agreement shall be effective and binding upon the Parties unless it expressly makes reference to this Agreement, is in writing, and is signed and acknowledged by duly authorized representatives of both Parties and approved by the City Council.

13. No Tenant. Groves shall not by virtue of this Agreement be deemed to have become the tenant of the City or the Licensed Premises, nor to have been given or accorded, as against the City, possession of the Licensed Premises.

14. Nonwaiver. Unless otherwise expressly provided herein, no waiver by any Party of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the waiving Party. No delay or omission in the exercise of any right or remedy accruing to any Party upon any breach under this Agreement by the other Party shall impair such right or remedy or be construed as a waiver of any such breach theretofore or thereafter occurring. The waiver by either Party of any breach of any term, covenant or condition herein stated shall not be deemed to be a waiver of any other term, covenant or condition. All rights or remedies afforded to the Parties hereunder or by law shall be cumulative and not alternative, and the exercise of one right or remedy shall not bar other rights or remedies allowed herein or by law.

15. Governmental Immunity. It is declared that the actions of the City under this Agreement are a governmental function. It is the intention of the Parties hereto that this Agreement shall not, in any manner, be construed to waive the defense of governmental immunity, which the City possessed prior to the execution of this Agreement.

16. Entire Agreement. This Agreement contains the entire agreement among the Parties pertaining to the subject matter hereof and all prior negotiations and agreements are merged herein. Neither the City nor the City's agents have made any representations except those expressly set forth herein, and no rights or remedies are or shall be acquired by the Licensee by implication or otherwise unless expressly set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**CITY OF FARMINGTON, a Michigan
Municipal Corporation**

By: J.T. "Tom" Buck
Its: Mayor

By: Susan K. Halberstadt
Its: Clerk

COUNTY OF OAKLAND)
) SS
STATE OF MICHIGAN)

On this _____ day of _____ 2013, J.T. "Tom" Buck, Mayor, and Susan K. Halberstadt, Clerk, of the City of Farmington, executed the foregoing document before me and, being duly sworn for and on behalf of the City of Farmington.

Notary Public
My Commission Expires: _____
Acting in Oakland County

PROPERTY OWNER
The Groves Center, LLC, a Michigan Limited Liability Company

By: Manifold Ventures, LLC, a Michigan Limited Liability Company
Its: Managing Member

By: _____

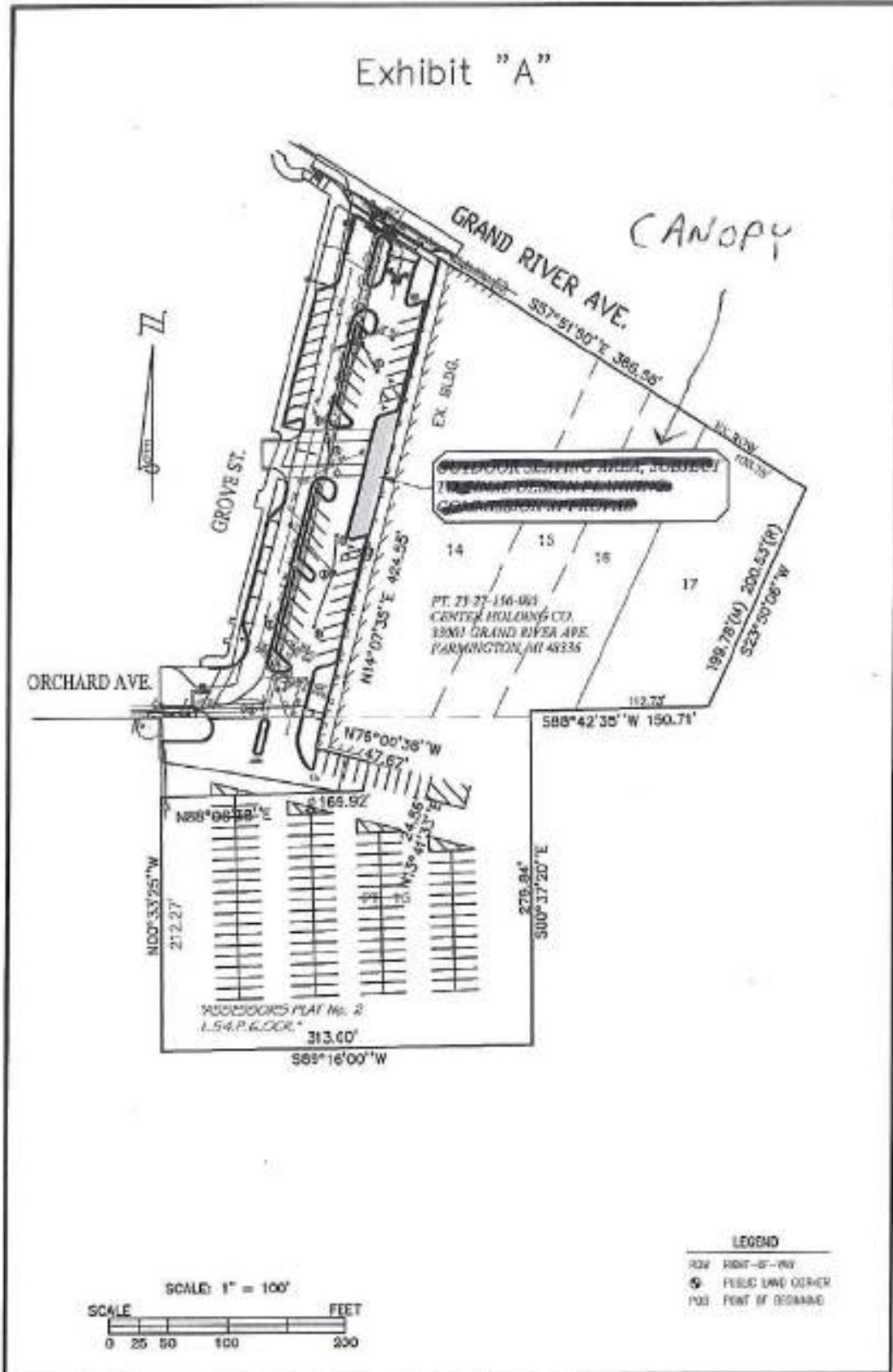
Its: Authorized Member

COUNTY OF OAKLAND)
) SS
STATE OF MICHIGAN)

On this _____ day of _____ 2013, _____, executed the foregoing document before me and, being duly sworn, stated that he is the Authorized Member of Manifold Ventures, LLC, a Michigan Limited Liability Company, the Managing Member of The Groves Center, LLC, a Michigan Limited Liability Company, with its full authority and as its free act and deed.

Notary Public, County, MI
My commission expires: _____

Exhibit "A"

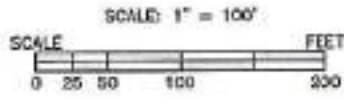


OUTDOOR SEATING AREA, JOBBED!
 [Hatched Area]
 [Hatched Area]

14 15 16 17
 PT. 23-27-156-003
 CENTER HOLDING CO.
 3300 GRAND RIVER AVE.
 FARMINGTON, MI 48335

MIDDLEBROOKS PLAN No. 2
 L.S.A.P. 6.000.4
 313.60'

- LEGEND**
- ROW ROW - R/W - RW
 - ⊙ PUBLIC LAND OTHER
 - POB POINT OF BEGINNING



OUTDOOR SEATING AREA

PART OF THE W 1/2 OF SECTION 27,
 T.1N., R.9E., CITY OF FARMINGTON,
 OAKLAND COUNTY, MICHIGAN

CLIENT: CITY OF FARMINGTON

OHM 34035 Plymouth Road | Livonia, MI 48150
 p (734) 222-0711 | f (734) 222-5427
 Advancing Communities

DATE: 1-31-15	SHEET: 1 OF 1	APP NO.: 111-07-051
DRAWN BY: MJC		
BY: MJC		

EXHIBIT B

LEGAL DESCRIPTION

EXHIBIT H

FACADE RENDERING

AND
AGREEMENT FOR OPEN SPACE

TO BE SUBMITTED BY MANIFOLD
SUBJECT TO REVIEW BY
DESIGN COMMITTEE (FEB 7) AND
PLANNING COMMITTEE (FEB 11).

DRAFT ONLY – 2.3.13**CITY OF FARMINGTON
COUNTY OF OAKLAND
STATE OF MICHIGAN****AGREEMENT FOR CONVEYANCE OF OPEN SPACE EASEMENT
AND UNDERTAKING OF FAÇADE IMPROVEMENTS
[Grove Street Project]**

This Agreement for Conveyance of Open Space Easement, effective this ____ day of February, 2013, is by and between The Groves Center, LLC, a Michigan Limited Liability Company, whose address is 37000 Grand River, Suite 370, Farmington Hills, MI 48335 (Seller), and the Farmington Downtown Development Authority (DDA), a Michigan Municipal Corporation, whose address is 33316 Grand River Avenue, Farmington MI 48336.

WHEREAS, Seller owns the property located at 33025 Grand River Avenue, Farmington MI 48335 on which is located a shopping center known as the The Groves Center, identified on **Exhibit A** (the Shopping Center Property), subject to a mortgage held by Bank of Ann Arbor (Bank), dated August 29, 2012 and recorded at Liber 44640, Page 779, Oakland County Records; and

WHEREAS, in 2012, Seller approached the City of Farmington (City) and the DDA to discuss possible economic incentives for redevelopment of the The Groves Center; and

WHEREAS, Seller is aware of and supports the joint City/DDA plan to complete the City's proposed Grove Street Project, a street and utility improvement project that would add additional parking and aesthetic improvements to the area adjacent to the Property; and

WHEREAS, Seller and the City have entered into a separate "Agreement for Conveyance of Land," effective _____, 2013, under which Seller will convey certain land to the City for the Grove Street Project road and utility improvements adjacent to the Shopping Center Property; and

WHEREAS, Seller and the City have also entered into a separate "Agreement for the Financing of Street and Utility Improvements and the Creation of a Special Assessment on Property," effective _____, under which Seller agrees to the establishment of a Special Assessment District (SAD) including the Shopping Center Property and to pay a special assessment for a portion of the construction costs of the road and utility improvements; and

WHEREAS, Seller has also represented its intention to undertake certain façade improvements at its own expense to the Shopping Center building in order to update the appearance of the building, improve signage visibility, and enhance the aesthetic appearance of the Downtown Center area, subject to a grant from the DDA pursuant to its Façade Incentive Program, in the amount of 20% of the costs of the façade improvements, up to a maximum grant of \$160,000; and

WHEREAS, Seller has separately agreed to undertake at its own expense a reconfiguration of the building at the corner of Grove Street and Grand River by demolishing/removing an approximately 35.13' x 35.13' x 41.47' triangular area from the existing building in order to create, along with the existing sidewalk area, an open space (the Open Space Easement Area) as depicted in **Exhibit B**, that would improve vehicular and pedestrian sight lines and safety at the intersection, subject to a payment by the DDA of \$300,000 toward defraying the cost of demolition and reconstruction.

WHEREAS, the City and DDA intend to finance the Grove Street Project, including the purchase of the Existing Parking Frontage, through the sale of municipal bonds, with the DDA's determination to proceed under this agreement being subject to the successful completion of the bond sale and receipt of proceeds therefrom by the City.

NOW, THEREFORE, Seller and DDA agree as follows:

1. **Conveyance of Open Space Easement.** Seller will convey to DDA an open space easement in the form attached as **Exhibit C** (the Open Space Easement). The purpose of the Open Space Easement is to create perpetual open space at the corner of Grove Street and Grand River Avenue. The easement shall be granted to the DDA and the City as Grantees, and shall be binding on Seller's heirs, successors, and assigns. The easement shall be exclusive to the DDA and the City; provided, however, that the easement shall provide that Seller and its heirs, successors, and assigns who are owners of the property described in **Exhibit A** retains a limited right to utilize the Open Space Easement Area for purposes permitted under the City of Farmington Zoning Ordinance for outdoor uses, not including storage, subject to the review and approval in accordance with the City's Code of Ordinances as applicable, as well as maintenance obligations for the Open Space Easement Area.
2. **Removal of Existing Building Area.** Seller and DDA acknowledge that a portion of the Open Space Easement Area is currently improved with a building housing the Dress Barn as a tenant. Seller agrees to remove the building area shown and described on the attached **Exhibit B** in order to create the Open Space Easement Area. Seller represents that it has the authority to undertake the necessary activities to (1) demolish the building area necessary to create the Open Space Easement Area and (2) refinish or reconstruct a front façade consistent with the façade in drawings attached as **Exhibit D** (the Front Replacement Façade Improvements).

Seller shall provide the DDA and the City a Temporary Construction Easement substantially in the form attached as **Exhibit E** for the construction, as part of the Grove Street Project, of the pavement/brick paver plaza area shown on the Project Plans in the

Open Space Easement Area. The Parties acknowledge that the area to be removed and replaced with the Front Replacement Façade Improvements is intended to be the ingress/egress point of that tenant space. The DDA agrees that the construction of the pavement/brick paver plaza area shall be substantially complete within 30 days of the date that Seller completes the Front Replacement Façade Improvements, or by the date Sellers's tenant re-occupies the tenant space, whichever comes first; provided, however, that Seller shall give DDA fourteen (14) days' notice of the date the tenant intends to reoccupy the tenant space, and Seller shall cooperate with the DDA and the City and their contractors for the Grove Street Project to facilitate the installation of the pavement/brick paver plaza area with such timeframe; and provided further that, if the Seller is unable to complete the Front Replacement Façade Improvements before the weather prevents the DDA from completing the pavement/brick paver plaza area, then the Seller and the DDA shall mutually agree on a reasonable temporary solution until the DDA can complete the plaza area in accordance with the plans.

3. **Consideration.** In consideration for the conveyance of the Open Space Easement, DDA shall pay Seller \$300,000, due and payable as follows:
 - a. \$25,000 upon signature and delivery of the easement in the form attached as **Exhibit C.**
 - b. \$125,000 upon completion of the demolition of the building area necessary to create the Open Space Easement Area.
 - c. \$100,000 thirty (30) days after Seller commences construction on the Front Replacement Façade Improvements.
 - d. \$50,000 upon completion of the construction of the Front Replacement Façade Improvements, subject to Seller providing waivers of lien for all work and material in a form acceptable to the DDA.
4. **Completion Date and Coordination with Grove Street Project.** The date for completion of the work contemplated under this Agreement shall be the date for completion by Seller of its improvements as determined by the terms of the "Agreement for Conveyance of Land" between Seller and the City.
5. **Failure to Complete.** All demolition and re-construction, and the process of demolition and re-construction, shall be in accordance with all applicable regulations of the City, and shall require all applicable permits and approvals from the City Council and/or administration and other applicable governmental entities, including, without limitation, payment of City fees, pre-construction maintenance, inspection fees, insurance and bonds, and the like.

In the event Seller fails to complete the demolition and re-construction by the date set established in accordance with Paragraph 4 above, after due notice of such default and opportunity to cure same, the DDA may seek specific performance by action in the Oakland County Circuit Court. Seller specifically acknowledges that money damages alone would be an inadequate remedy for the injuries and damage that would be suffered and incurred by the DDA as a result of a breach of any of the provisions of this

Agreement. Such remedy is non-exclusive and shall be in addition to any other remedy available to the DDA at law or in equity. In addition, Seller agrees that the City shall, while Seller's default remains uncured, have the authority to withhold any and all required or necessary approvals for the occupancy of those areas of the Shopping Center that are currently unoccupied; that is, Seller acknowledges and agrees that, while Seller is in default under or in breach of any provision of this Agreement, no tenants shall be permitted to occupy areas/spaces in The Groves Center that are currently unoccupied as of the date of this Agreement.

6. **Additional Façade Improvements.** Seller agrees to complete at its expense the façade improvements as approved by the City of Farmington and the DDA by or before the date required in the Agreement between the DDA and the Seller. The approved façade drawings are attached as **Exhibit E**. Seller and DDA acknowledge that the DDA has approved a façade improvement grant in the amount of 20% of the total cost of the façade improvements, up to \$160,000, which shall be paid at completion of the façade improvements as provided in the "Agreement and Declaration of Covenants" with regard to such façade improvements, the form of which is attached as **Exhibit F**.
7. **Bank Consent to Easement.** Seller shall secure Bank's consent to the easement as part of the Conveyance described in paragraph 1 above.
8. **Binding on Successors.** The covenants herein shall bind and inure to the benefit of the executors, administrators, successors, and assigns of the respective parties.
9. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts as one Agreement and shall be binding upon the Buyer and the Seller when executed by the Buyer and the Seller.
10. **Michigan Law.** This Agreement shall be governed by and construed in accordance with the statutes and laws of the State of Michigan.
11. **Assignment.** Neither Party may assign, sell or transfer this Agreement, or any rights, obligations or interests arising hereunder, without the prior written consent of the other; and any purported assignment contrary to the terms hereof shall be null, void, and of no force and effect; and, further, any such assignment (even if in violation of this provision) shall not relieve the assignor of its obligations under and pursuant to this Agreement.
12. **Entire Agreement.** This Agreement and the exhibits attached constitute the entire understanding between the Parties hereto concerning conveyance of the Open Space Easement, and all prior negotiations, discussions, understandings and agreements concerning the same are deemed to be merged herein. This Agreement may not be amended orally, but only in an agreement in writing signed by all of the Parties hereto.
13. **Construction of Terms.** Each Party and his or her legal counsel has reviewed and revised this Agreement and has had equal opportunity for input into this Agreement. Neither Party or their legal counsel shall be construed to be the drafter or primary drafter of this Agreement and in the event of any dispute regarding the construction of this Agreement or any of its provisions, ambiguities or questions of interpretation shall

not be construed more in favor of one Party than the other; rather, questions of interpretation shall be construed equally as to each Party.

- 14. **Severability.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, and that disability does not affect any other provision of the Agreement, the Agreement shall be construed as if that provision had never been contained in the Agreement.
- 15. **No Waiver.** Unless otherwise expressly provided herein, no waiver by any Party of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the waiving Party. No delay or omission in the exercise of any right or remedy accruing to any Party upon any breach under this Agreement by the other party shall impair such right or remedy or be construed as a waiver of any such breach theretofore or thereafter occurring. The waiver by either Party of any breach of any term, covenant or condition herein stated shall not be deemed to be a waiver of any other term, covenant or condition. All rights or remedies afforded to the parties hereunder or by law shall be cumulative and not alternative, and the exercise of one right or remedy shall not bar other rights or remedies allowed herein or by law.

IN WITNESS WHEREOF, Buyer and Seller, by and through their duly-authorized representatives, have executed this Agreement effective the as of the date set forth above.

PROPERTY OWNER
The Groves Center, LLC, a Michigan Limited Liability Company

By: Manifold Ventures, LLC, a Michigan Limited Liability Company
Its: Managing Member

By: _____
Charles R. Kughn
Its: Authorized Member

COUNTY OF OAKLAND)
) SS
STATE OF MICHIGAN)

On this _____ day of _____ 2013, _____, executed the foregoing document before me and, being duly sworn, stated that he is the Authorized Member of Manifold Ventures, LLC, a Michigan Limited Liability Company, the Managing Member of The Groves Center, LLC, a Michigan Limited Liability Company, with its full authority and as its free act and deed.

Notary Public, _____ County, MI
My commission expires: _____

**FARMINGTON DOWNTOWN
DEVELOPMENT AUTHORITY, a
Michigan municipal corporation**

By: _____
Its: _____

STATE OF MICHIGAN)
)ss
COUNTY OF OAKLAND)

On this _____ day of _____, A.D., 20____, before me,
personally appeared the above named _____, the
_____ of _____, to me known to be the
person described in and who executed the foregoing instrument and acknowledged that he
executed the same as his free act and deed.

Notary Public, _____ County, MI
My commission expires: _____

2.3.13

OPEN SPACE EASEMENT AGREEMENT
[THE GROVES CENTER]

This EASEMENT is created as of February ____, 2013 by and between The Groves Center, L.L.C., a Michigan limited liability company, whose address is 37000 Grand River, Suite 370, Farmington Hills, MI 48335 ("Grantor"), and the City of Farmington ("City"), a Michigan municipal corporation, whose address is 23600 Liberty Street, Farmington, Michigan 48335, the Farmington Downtown Development Authority ("DDA"), a Michigan Municipal Corporation, whose address is 33316 Grand River Avenue, Farmington MI 48336 (together "Grantees"), and and the Bank of Ann Arbor, whose address is 125 S. Fifth Ave., Ann Arbor, MI, 48104 (Bank)..

- A. Grantor owns the property located at 33025 Grand River Avenue, Farmington MI 48335 on which is located a shopping center known as the The Groves Center, identified on **Exhibit A** (the Shopping Center Property), subject to a mortgage held by Bank of Ann Arbor (Bank), dated August 29, 2012 and recorded at Liber 44640, Page 779, Oakland County Records; and
- B. Grantor and the City have entered into a separate "Agreement for Conveyance of Land," effective _____ 2013, under which Seller will convey certain land to the City for the Grove Street Project road and utility improvements adjacent to the The Groves Center; and
- C. Grantor has separately agreed with the DDA to undertake a reconfiguration of the Shopping Center Property at the corner of Grove Street and Grand River by demolishing/removing an approximately 35.13' x 41.47' x 35.13' triangular area from the existing building in order to create, along with the existing sidewalk area, an open space (the Open Space Easement Area) as depicted and described in **Exhibit B**, that would improve vehicular and pedestrian sight lines and safety at the intersection, subject to a payment by the DDA of \$300,000 toward defraying the cost of demolition and reconstruction, and for the loss of leasable floor area.
- D. The approved site plans for the Grove Street Project and for the improvements to the

Shopping Center Property provide that the Open Space Easement Area will be improved with brick pavers and will be an open "plaza" area, with no buildings or other structures thereon.

E. Grantor has agreed to grant Grantees a perpetual Open Space Easement over said Open Space Easement Area consistent with such approved plans.

F. Bank, as mortgagee, has consented to this Open Space Easement.

ACCORDINGLY, Grantor hereby conveys unto Grantees, forever and in perpetuity, this Open Space Easement as set forth in this Agreement, on the terms and conditions stated below.

COVENANTS, TERMS, CONDITIONS, AND RESTRICTIONS

1. The purpose of this Agreement is to keep open and unused, except as access and potential temporary/non-fixture use as approved by the City pursuant to its Code of Ordinances, the Open Space Easement Area, so as to improve and ensure sight lines and safety related to the improved Grove Street and Grand River Avenue area.
2. Except as otherwise authorized by permit from the City or as otherwise provided in this Agreement, Grantor, and Grantor's successors, assigns, and transferees, shall refrain from, and prohibit all persons from, altering or developing the Open Space Area in any way. This includes, but is not limited to:
 - a) Alteration of the surface (i.e., brick paver) improvements as indicated in the approved plans;
 - b) Construction or placement of any permanent structure or any structure designed to enclose the Open Space Area;
3. Grantor warrants that Grantor has title to the Open Space described in **Exhibit B**, subject to all covenants, easements, and restrictions of record, if any.
4. Grantor retains the right to possession of the Open Space Easement Area, and does not hereby grant to the Grantees or the public generally the right to possess or use the Open Space Easement Area; except to the extent that the Area shall be and remain open to the public generally in a manner similar to a sidewalk area. Grantor and its tenants, heirs, successors, and assigns who are owners of The Groves Center retains a limited right to utilize the Open Space Easement Area for purposes permitted under the City of Farmington Zoning Ordinance for outdoor uses, not including storage, subject to the review and approval in accordance with the City's Code of Ordinances as applicable.
5. Grantor shall continue to be responsible for the upkeep and maintenance of the Open Space.
6. Grantee and their authorized employees and agents may enter the Open Space Easement Area at reasonable times to determine whether the Open Space Easement

Area is being maintained in compliance with the terms of this Agreement or other conditions of the approved plans; and for purposes of taking corrective actions for failure to comply. If Grantee is entering the Easement Area for purpose of taking corrective actions, Grantor shall be provided with 14 days' notice to provide the opportunity to cure the failure to comply.

7. This Agreement shall be binding upon the successors and assigns of the parties and shall run with the land in perpetuity, unless modified or terminated by written agreement of the parties.
8. This Agreement may be modified only in writing through amendment of the Agreement. Any modification shall be consistent with the purpose and intent of the Agreement.
9. Grantor shall indicate the existence of this Agreement on all future deeds, mortgages, land contracts, plats, and any other legal instrument used to convey an interest in the Open Space Easement Area.
10. A delay in enforcement shall not be construed as a waiver of the Grantees' rights to enforce the conditions of this Agreement.
11. This Agreement shall be liberally construed in favor of maintaining the purpose of the Open Space Easement Area.
12. If any portion of this Agreement is determined to be invalid by a court of law, the remaining provisions will remain in force.

IN WITNESS WHEREOF, Grantor and Grantees, by and through their duly-authorized representatives, have executed this Agreement effective the as of the date set forth above.

GRANTOR

The Groves Center, LLC, a Michigan Limited Liability Company

By: Manifold Ventures, LLC, a Michigan Limited Liability Company

Its: Managing Member

By: _____
Charles R. Kughn
Its: Authorized Member

**CITY OF FARMINGTON, a
Michigan municipal corporation**

By: _____

J.T. "Tom" Buck

Its: Mayor

STATE OF MICHIGAN)

)ss

COUNTY OF OAKLAND)

On this _____ day of _____, A.D., 20____, before me, personally appeared the above named _____, the _____ of _____, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his duly-authorized free act and deed.

Notary Public, _____ County, MI

My commission expires: _____

Consent to Easement

As Mortgagee by Mortgage dated August 29, 2012, and recorded at Liber 44640, Page 779, Oakland County Records, Bank of Ann Arbor consents to the grant, conveyance, existence and recordation of said easement, which easement is hereby acknowledged and agreed to be superior to the interest of the undersigned and shall bind the undersigned and the heirs, successors and assigns of the undersigned.

IN WITNESS WHEREOF the undersigned has caused its signature to be placed on the

____ day of _____, 20____,

**BANK OF ANN ARBOR,
Mortgagee**

By: _____

Its:

COUNTY OF _____)
STATE OF MICHIGAN) SS
)

On this _____ day of _____ 2013, _____,
executed the foregoing document before me and, being duly sworn, stated that he/she is the
_____ of Bank of Ann Arbor, with its full authority and as its free act and deed.

Notary Public
My commission expires: _____
_____ County, Michigan
Acting in the County of _____

Form Drafted By:
Thomas R. Schultz, Esq.
Johnson, Rosati, Schultz & Joppich, PC
34405 West Twelve Mile Road, Suite 200
Farmington Hills, MI 48331-5627

After Recording Return To:
Sue Halberstadt, Clerk
City of Farmington
23600 Liberty Street
Farmington, MI 48335

This instrument is exempt from County and State transfer taxes pursuant to MCL 207.505(a) and MCL 207.526(a), respectively.

EXHIBIT I

**CITY OF FARMINGTON
COUNTY OF OAKLAND
STATE OF MICHIGAN**

LICENSE AGREEMENT FOR SIGN IN RIGHT-OF-WAY
[THE GROVES CENTER]

This License Agreement ("Agreement") is made, entered into, and effective this ___ day of February, 2013 and is between the City of Farmington, a Michigan municipal corporation ("City"), whose address is 23600 Liberty Street, Farmington, Michigan 48335, and The Groves Center, L.L.C. ("Groves"), whose address is 37000 Grand River, Suite 370, Farmington Hills, MI 48335, and shall be effective upon the demolition of the sign referred to herein.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Grant of License. For and in consideration of the payment of One (\$1.00) Dollar by Groves, receipt of which is hereby acknowledged, the City hereby grants a nonexclusive, revocable license to Groves to construct, maintain, and use a Business Center sign as defined in the City's Code of Ordinances ("Sign") for the purpose of identifying the name of Groves' Shopping center adjacent to Grove Street and the names of tenants located therein, within the right-of-way of Grove Street, subject to and in accordance with all of the terms and conditions of this Agreement.

2. Location, Permit, and Conditions for Improvements. The Sign shall be in the location shown on the plan attached as **Exhibit A** and legally described on **Exhibit B** (the "Licensed Premises"). No work to construct the Sign shall be performed until Groves has applied for and received a Sign Permit from the City as provided in the City's Code of Ordinances, and has complied with all Permit conditions and applicable laws, codes, and ordinances applicable to construction and installation of a Sign in the City of Farmington. The cost and expense of construction and installation of the Sign, all City reviews, inspections, approvals and permits for the Sign, shall be borne solely by Groves.

3. Construction and Maintenance. Groves agrees to construct, maintain, and use the Sign in a clean, safe, and good condition, in accordance with the City's Code of Ordinances and to repair or replace the Sign as determined to be necessary by the City.

4. Indemnification and Insurance. Groves shall defend, pay on behalf of, indemnify and hold harmless the City, its elected and appointed officials, employees, and volunteers, and other persons working on behalf of the City, from and against any and all claims, demands, suits, or loss, including all costs and attorneys fees connected therewith, and from any and all damages that may be asserted, claimed, or recovered for personal injury, including bodily injury

or death and/or property damage, including loss of use thereof, arising out of or in any way connected or associated with this Agreement and the design, location, construction, maintenance, and use of the Sign. The City shall provide notice to Groves within a reasonable time of the receipt of any claim arising under this Agreement or relating to the Improvements.

- A. Groves shall secure and maintain during the entire duration of this Agreement the following insurance coverages from a good and reputable company or companies doing business in the State of Michigan: a Workers' Compensation & Employers' Liability Insurance, Michigan Statutory Limits of Liability.
- B. Commercial General Liability Insurance on an occurrence basis with limits of liability not less than one million dollars (\$1,000,000.00) per occurrence and aggregate combined single limit for Personal Injury, Bodily Injury, Property Damage and Liquor Liability. Coverage shall include extensions for Contractual Liability and Independent Contractors Coverage.
- C. Motor Vehicle Liability Insurance, including Michigan No-Fault Coverage, with limits of liability not less than one million dollars (\$1,000,000.00) per occurrence combined single limit for Bodily Injury and Property Damage. Coverage shall include all owner vehicles, all non-owned vehicles, and all hired vehicles.
- D. Umbrella Liability Insurance with limits of liability not less than two million dollars (\$2,000,000.00) per occurrence.
- E. All certificates of insurance other than Workers' Compensation & Employers' Liability Insurance, shall name the City as the additional insured as follows: "City of Farmington, and including all elected and appointed officials, all employees and volunteers, all boards, commissions and/or authorities of the City, including the Downtown Development Authority (DDA), and their board members, employees and volunteers."

5. Termination/Revocation. The term of this Agreement is perpetual; however, this Agreement does not grant Groves an interest in the Licensed Premises, and as a revocable license, may be terminated or revoked by resolution of the City Council if at any time it becomes necessary to move the Sign due to required roadway, parking, or utility improvements, as determined in good faith by the City. In the event of such change in location of the Sign, the City agrees that the Sign will be placed in a mutually agreed-upon location that is visible by vehicular traffic moving in both directions on Grand River Ave. on a portion of the City-owned right-of-way shown in the attached **Exhibit C** or on the adjacent City property known as "Riley Park".

6. Notices. Notices may be given by personal delivery or certified or first class mail, postage pre-paid, at the addresses in the first paragraph of this Agreement, with notices to the City to be to the attention of the City Manager and only one notice being required to be given to Groves.

7. Recording. After this Agreement takes effect as provided in the first paragraph on Page 1, it shall be recorded at the Oakland County Register of Deeds for the Premises so as to provide notice of its existence, terms, and conditions and not as any indication that any real property interest has been or will ever be granted by the City in or for the Licensed Premises.

8. Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of the Parties and their successors and assigns. [H1]

9. No Third-Party Beneficiaries. This Agreement is not intended to confer any benefit on any person or entity that is not a Party to this Agreement.

10. Severability. If any section, subsection, clause, phrase or portion of this Agreement is for any reason held invalid or unconstitutional by any court of competent jurisdiction, that portion shall be considered a separate, distinct and independent portion of this Agreement, and the remaining portions of this Agreement shall remain in full force and effect.

11. Amendments. This Agreement may be amended at any time, in writing, by mutual consent of the Parties. No amendment to this Agreement shall be effective and binding upon the Parties unless it expressly makes reference to this Agreement, is in writing, and is signed and acknowledged by duly authorized representatives of both Parties and approved by the City Council.

12. No Tenant. Groves shall not by virtue of this Agreement be deemed to have become the tenant of the City or the License Premises, nor to have been given or accorded, as against the City, possession of the License Premises.

12. Nonwaiver. Unless otherwise expressly provided herein, no waiver by any Party of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the waiving Party. No delay or omission in the exercise of any right or remedy accruing to any Party upon any breach under this Agreement by the other Party shall impair such right or remedy or be construed as a waiver of any such breach theretofore or thereafter occurring. The waiver by either Party of any breach of any term, covenant or condition herein stated shall not be deemed to be a waiver of any other term, covenant or condition. All rights or remedies afforded to the Parties hereunder or by law shall be cumulative and not alternative, and the exercise of one right or remedy shall not bar other rights or remedies allowed herein or by law.

13. Governmental Immunity. It is declared that the actions of the City under this Agreement are a governmental function. It is the intention of the Parties hereto that this Agreement shall not, in any manner, be construed to waive the defense of governmental immunity, which the City possessed prior to the execution of this Agreement.

14. Entire Agreement. This Agreement contains the entire agreement among the Parties pertaining to the subject matter hereof and all prior negotiations and agreements are merged herein. Neither the City nor the City's agents have made any representations except

those expressly set forth herein, and no rights or remedies are or shall be acquired by the Licensee by implication or otherwise unless expressly set forth herein.

IN WITNESS WHEREOF, the City and Groves, by and through their duly authorized officers and representatives, have executed this Agreement effective as of the date first above written.

**CITY OF FARMINGTON, a Michigan
Municipal Corporation**

By: J.T. "Tom" Buck
Its: Mayor

By: Susan K. Halberstadt
Its: Clerk

COUNTY OF OAKLAND)
) SS
STATE OF MICHIGAN)

On this _____ day of _____ 2013, J.T. "Tom" Buck, Mayor, and Susan K. Halberstadt, Clerk, of the City of Farmington, executed the foregoing document before me and, being duly sworn for and on behalf of the City of Farmington.

Notary Public
My Commission Expires: _____
Acting in Oakland County

**PROPERTY OWNER
The Groves Center, LLC, a Michigan Limited
Liability Company**

**By: Manifold Ventures, LLC, a Michigan
Limited Liability Company
Its: Managing Member**

By: _____
Charles R. Kughn
Its: Authorized Member

COUNTY OF OAKLAND)
) SS
STATE OF MICHIGAN)

On this _____ day of _____ 2013, _____, executed the foregoing document before me and, being duly sworn, stated that he is the Authorized Member of Manifold Ventures, LLC, a Michigan Limited Liability Company, the Managing Member of The Groves Center, LLC, a Michigan Limited Liability Company, with its full authority and as its free act and deed.

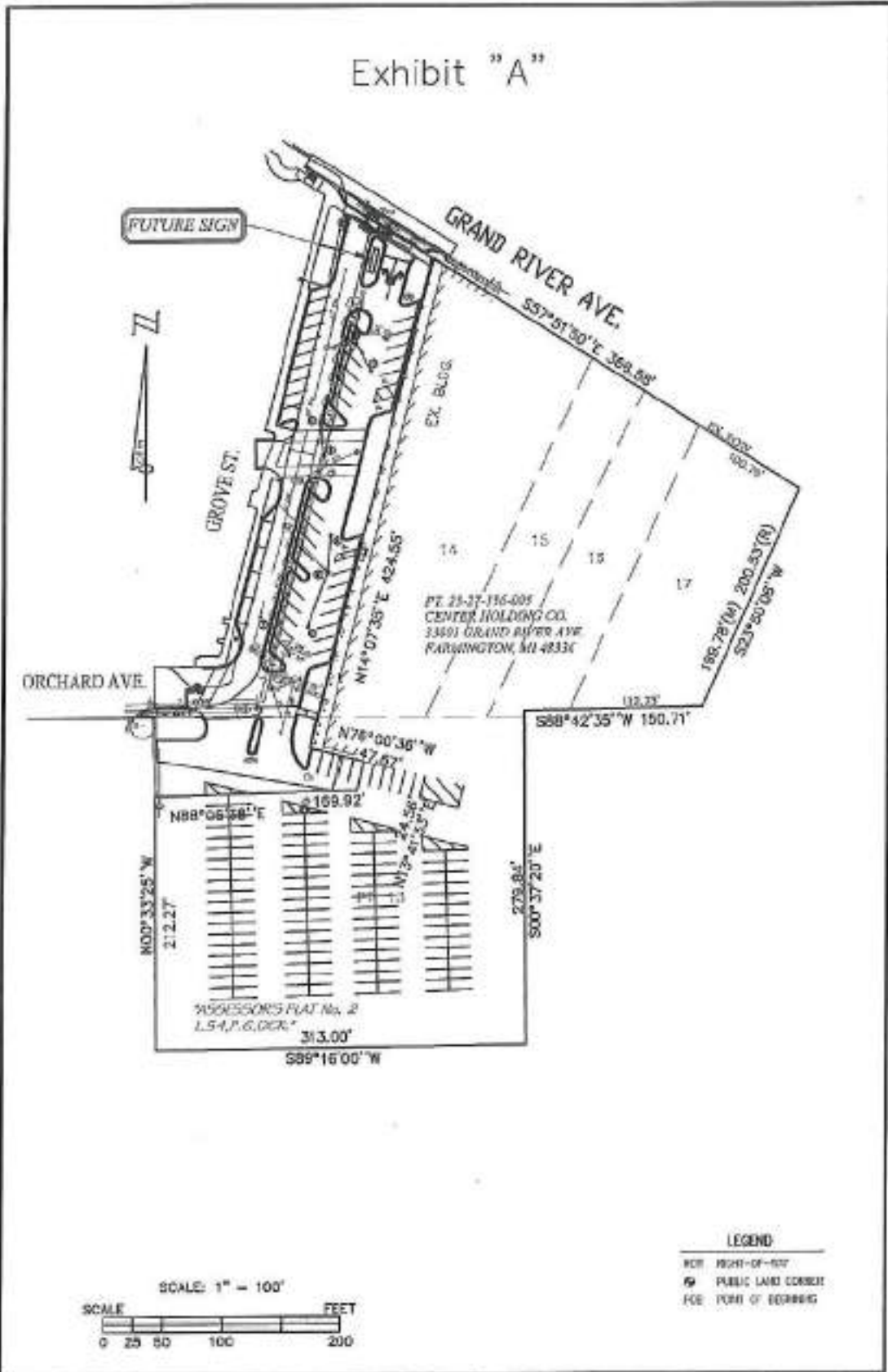
Notary Public, _____ County, MI
My commission expires: _____

Recording Fee: \$ _____
Exempt from transfer taxes: MCL 207.502,
MCL 207.523
Not an interest in or conveyance of real estate
or real property

Drafted by:
Thomas R. Schultz, Esq.
Johnson, Rosati, Schultz & Joppich, P.C.
34405 W. Twelve Mile Rd, #200
Farmington Hills, MI 48331-5627

When recorded return to:
Sue Halberstadt, Clerk
City of Farmington
23600 Liberty Street
Farmington, MI 48335

Exhibit "A"




<p>FUTURE SIGN</p> <p>PART OF THE W 1/2 OF SECTION 27, T.1N., R.9E., CITY OF FARMINGTON, OAKLAND COUNTY, MICHIGAN</p>		 <p>34060 Plymouth Road Livonia, MI 48150 p (734) 522-6711 f (734) 522-6627 <i>Advancing Communities</i></p>	
<p>CLIENT: CITY OF FARMINGTON</p>	<p>DATE: 8-25-11 DRAWN BY: SH DWG. NO: HSC</p>	<p>SHEET: 1 OF 1</p>	<p>AGE NO: 111-07-051</p>

EXHIBIT B

LEGAL DESCRIPTION

2.3.13

TEMPORARY CONSTRUCTION EASEMENT
ROAD AND UTILITIES
[GROVE STREET PROJECT]

The Groves Center, L.L.C., whose address is 37000 Grand River, Suite 370, Farmington Hills, MI 48335 ("Owner"), as the owner of the property as described on the attached **Exhibit A**, more commonly described as 33049 Grand River Avenue, Farmington, Michigan, grants the City of Farmington ("City"), whose address is 23600 Liberty Street, Farmington, Michigan 48335, and its contractors (or subcontractors) permission to access and move men and equipment in, over, on and through, and the right to store materials and excavated earth, remove vegetation, and alter the underlying land in, over, upon and through, the portion of the Property shown in the attached **Exhibit B**.

The work will include:

Grading, storage, re-stripping, and related construction activities required for the installation, maintenance, repair, replacement, improvement, modification, and completion of road improvements and utility lines, and all necessary appurtenances thereto, in the area of the easement herein granted, as shown in the attached **Exhibit C** [redacted].

This Temporary Construction Easement shall commence on the date that the installation, maintenance, repair, replacement, improvement, or modification of road improvements and utility lines for the Grove Street Project, the plans for which are on file with the City, begins, and shall end on the date that such work is completed, or shall automatically terminate twelve (12) months from the date that such work commences.

All portions of the Premises damaged or disturbed by the City's exercise of temporary easement rights shall be reasonably restored by the City to substantially the same condition that existed prior to the damage or disturbance. With regard to the re-stripping of the parking lot and the reconfiguration of parking space layout at the completion of the Project, the City agrees to meet with Owner to mutually agree on such re-stripping and parking space layout [redacted].

Owner understands that this Easement only grants permission to the City and its contractors and subcontractors to perform work directly relating to the Grove Street Project, and upon completion of required operations the property will be fully restored.

City shall defend, pay on behalf of, indemnify and hold harmless the Owner, its members, managers, employees, agents, and other persons working on behalf of the Owner, from and against any and all claims, demands, suits, or loss, including all costs and attorneys fees connected therewith, and from any and all damages that may be asserted, claimed, or recovered for personal injury, including bodily injury or death and/or property damage, including loss of use thereof, arising out of or in any way connected or associated with this Temporary Construction Easement, and the design, location, construction, maintenance, and access provided and work performed under this Temporary Construction Easement. The Owner shall provide notice to City within a reasonable time of the receipt of any claim arising under this Agreement or relating to access provided or work performed under this Temporary

Construction Easement. City shall also require its Contractor for the Grove Street project to carry insurance as described in the Contract Documents for the Project and to name Owner and its agents and employees and all Tenants and their agents and employees as additional insured.

This instrument shall be binding upon and inure to the benefit of the Owner, the City, and their respective heirs, representatives, successors and assigns. This instrument shall not be recorded by either party.

IN WITNESS WHEREOF, the undersigned Grantor has affixed _____ signature this ____ day of _____, 2013.

GRANTOR:
The Groves Center, LLC, a Michigan Limited Liability Company

By: Manifold Ventures, LLC, a Michigan Limited Liability Company
Its: Managing Member

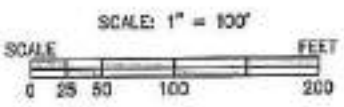
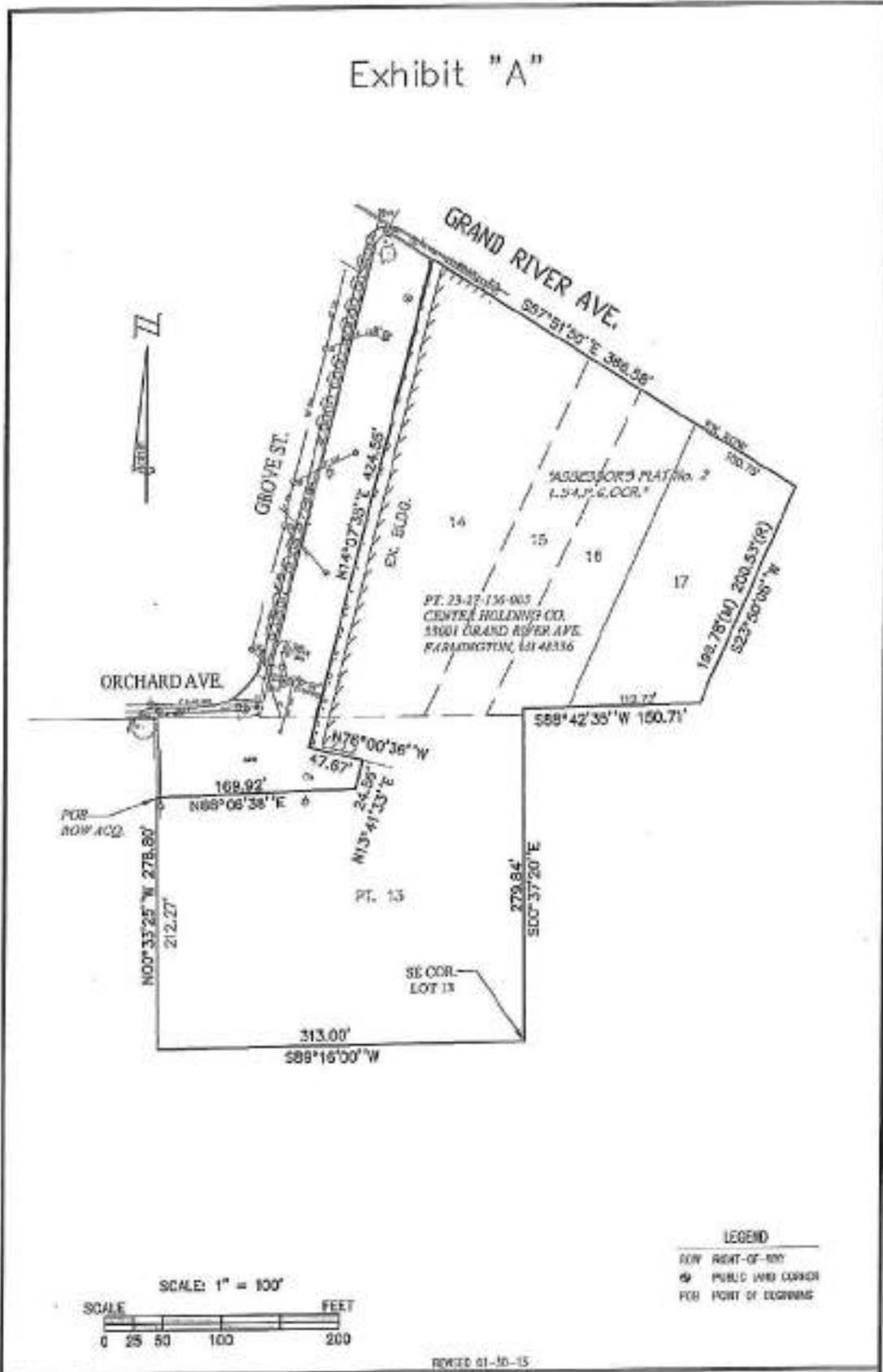
By: _____
Charles R. Kughn
Its: Authorized Member

COUNTY OF OAKLAND)
) SS
STATE OF MICHIGAN)

On this _____ day of _____ 2013, _____, executed the foregoing document before me and, being duly sworn, stated that he is the Authorized Member of Manifold Ventures, LLC, a Michigan Limited Liability Company, the Managing Member of The Groves Center, LLC, a Michigan Limited Liability Company, with its full authority and as its free act and deed.

Notary Public, _____ County, MI
My commission expires: _____

Exhibit "A"



LEGEND

- ROW RIGHT-OF-WAY
- ★ PUBLIC LAND CORNER
- PCB POINT OF BEGINNING

REVISED 01-10-15


RIGHT OF WAY ACQUISITION		 3400 Plymouth Road Livonia, MI 48150 p (734) 622-6711 f (734) 522-8427 <i>Advancing Communities</i>
PART OF THE W 1/2 OF SECTION 27, T.1N., R.9E., CITY OF FARMINGTON, OAKLAND COUNTY, MICHIGAN		
CLIENT:	CITY OF FARMINGTON	DATE: 1-10-08 DRAWN BY: JBI CTS: GROUNDWORK-DASH
		SHEET: 1 OF 4 JOB NO.: 111-07-051

Exhibit "A"

PARCEL DESCRIPTION (PT. 23-27-156-005)

A parcel of land being part of the W 1/2 of Section 27, Town 1 North, Range 9 East, City of Farmington, Oakland County, Michigan, described as:
 Part of Lots 13 & 14 and all of Lots 15, 16 & 17, "Assessor's Plat No. 2", as recorded in Liber 54 of Plats, Page 6, Oakland County Records, all being described as: Beginning at the SE corner of said Lot 13; thence S 89°16'00" W 313.00 feet; thence N 00°33'25" W 212.27 feet; thence N 88°06'38" E 169.92 feet; thence N 13°41'33" E 24.56 feet; thence N 76°00'36" W 47.67 feet; thence N 14°07'35" E 424.55 feet; thence S 57°51'50" E 366.58 feet; thence S 23°50'06" W 199.78 feet; thence S 88°42'33" W 150.71 feet; thence S 00°37'20" E 279.84 feet to the Point of Beginning.
 All contains 176,137 square feet or 4.044 acres of land. Subject to all easements and restrictions of records, if any.

RECEIVED 01-30-13

RIGHT OF WAY ACQUISITION

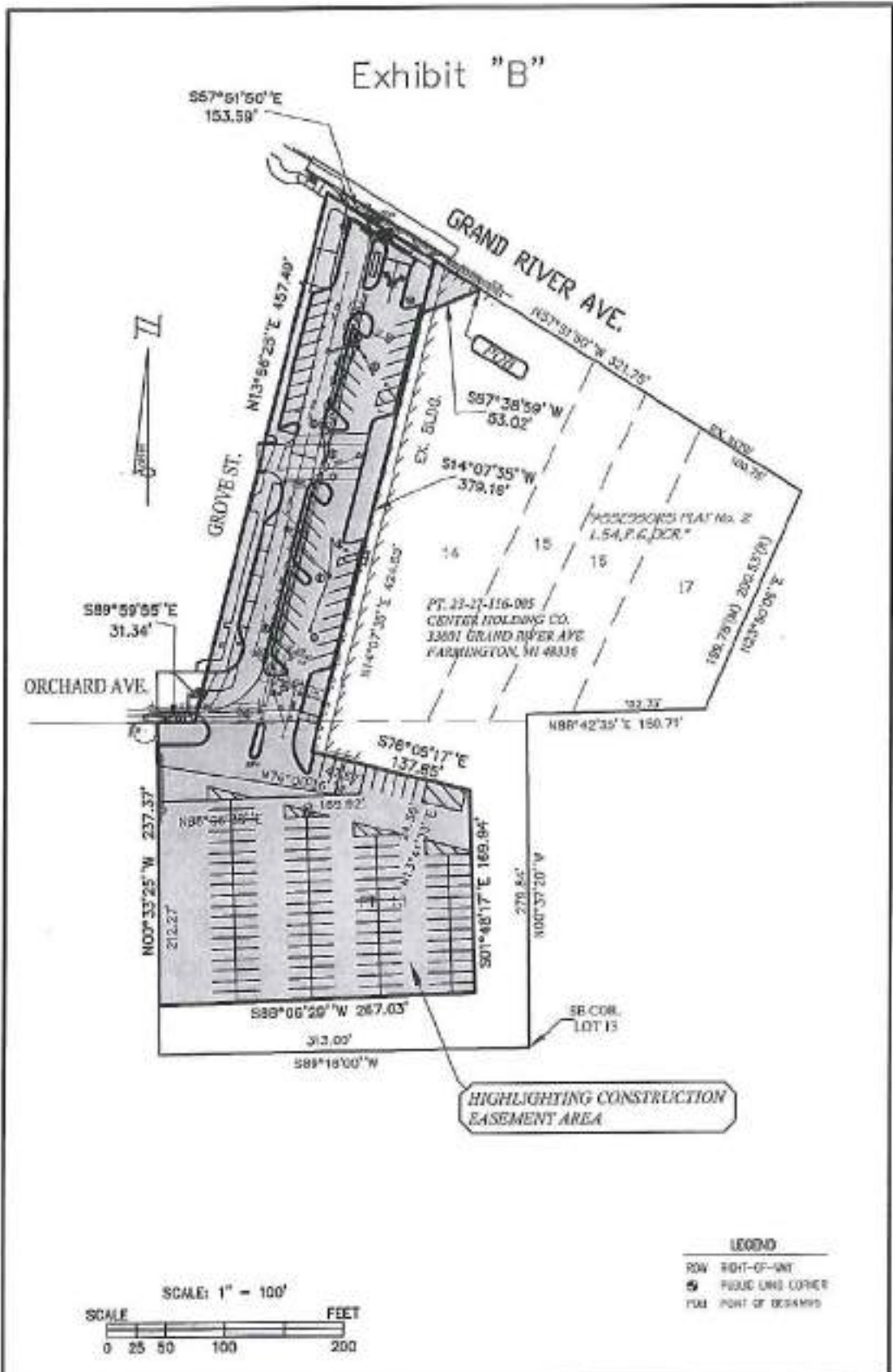
PART OF THE W 1/2 OF SECTION 27,
 T.1N., R.9E., CITY OF FARMINGTON,
 OAKLAND COUNTY, MICHIGAN



34000 Plymouth Road | Livonia, MI 48150
 p (734) 522-6711 | f (734) 522-6427

Advancing Communities

CLIENT:	CITY OF FARMINGTON	DWG NO:	1-18-06	SHEET:	2 OF 4	JOB NO.:	111-07-051
		DRAWN BY:	SH				
		DATE:	09/29/10-CASH				



HIGHLIGHTING CONSTRUCTION EASEMENT AREA

PART OF THE W 1/2 OF SECTION 27,
T.1N., R.9E., CITY OF FARMINGTON,
OAKLAND COUNTY, MICHIGAN

CLIENT: CITY OF FARMINGTON

OHM 34000 Plymouth Road | Livonia, MI 48150
p (734) 522-6711 | f (734) 522-6427
Advancing Communities

DATE: 1-31-13	SHEET: 1 OF 2	DWG. NO.: 111-07-051
BY: GJ		
CHK: MSC		

Exhibit "B"

HIGHLIGHTING CONSTRUCTION EASEMENT AREA

A parcel of land being part of the W 1/2 of Section 27, Town 1 North, Range 9 East, City of Farmington, Oakland County, Michigan, described as:
 Commencing at the SE corner of Lot 13, "Assessor's Plat No. 3", as recorded in Liber 54 of Plats, Page 6, Oakland County Records; thence N 00°37'20" W 279.84 feet; thence N 81°42'35" E 150.71 feet; thence N 23°50'06" E 199.78 feet to a point on the Southerly right of way line of Grand River Ave.; thence along said Southerly line N 57°51'50" W 321.75 feet to the Point of Beginning; thence S 67°38'59" W 53.02 feet; thence S 14°07'35" W 379.16 feet; thence S 76°03'17" E 137.85 feet; thence S 01°48'17" E 169.94 feet; thence S 88°06'29" W 267.03 feet; thence N 00°33'25" W 237.37 feet; thence S 89°59'55" E 31.34 feet; thence N 13°56'25" E 457.49 feet; thence S 57°51'50" E 153.59 feet to the Point of Beginning. Subject to all easements and restrictions of records, if any.

HIGHLIGHTING CONSTRUCTION EASEMENT AREA

PART OF THE W 1/2 OF SECTION 27,
 T.1N., R.9E., CITY OF FARMINGTON,
 OAKLAND COUNTY, MICHIGAN



3400 Plymouth Road | Livonia, MI 48150
 p (734) 522-6711 | f (734) 522-6127

Advancing Communities

CLIENT: CITY OF FARMINGTON

DATE: 1-31-13
 DRAWN BY: SS
 ERC: BIC

SHEET
 2 OF 2

JOB NO.
 111-07-051

**Farmington City Council
Staff Report**

Council Meeting Date:
February 4, 2013

**Reference
Number
(ID # 1167)**

Submitted by: Vincent Pastue, City Manager

Description: Consideration to Approve Special Assessment District (SAD) Financing Agreement with the Groves, L.L.C.

Requested Action:

Move to approve "Agreement for the Financing of Street and Utility Improvements and Creation of Special Assessment on Property" with The Groves Center, L.L.C. and to authorize the Mayor and Clerk to sign the agreement, subject to final administrative review and approval of all final terms and conditions, including necessary corrections and amendments for minor and non-substantive matters, by the City Manager and City attorney, after (1) approval of the "Agreement for Conveyance of Land" by the City; (2) approval of the "Agreement Regarding Façade Grant and Declaration of Covenants" and Agreement for Conveyance of Open Space Easement and Undertaking of Façade Improvements" with The Groves Center, L.L.C. by the Downtown Development Authority' and (3) signature by The Groves Center, L.L.C.

Background:

The cost of the Grove Street Project is estimated to be approximately \$1,700,000. The City and the DDA intend to defray approximately \$1,100,000 of that cost. The remaining \$600,000 will be assessed through the SAD process to Groves/Manifold as the owner of the TJ Maxx property that is benefiting from the road and parking improvements as a special assessment under the SAD. The SAD is technically being created through the 5-resolution process. This agreement complements the SAD Resolution No. 5 that the Council will also be considering on this agenda relating to the Groves/Manifold SAD. The agreement is intended to work in addition to that process to confirm the terms and conditions of the SAD and to verify Groves/Manifold's agreement to the assessment.

As noted in the prior agenda item, the repayment period is fifteen (15) years. The annual special assessment will begin in July 2013. The interest rate will be 4.5%, unless the net interest cost of the bonds to be issued for the financing of the Project exceeds such amount, in which case the interest will be the net interest cost of the bonds, not to exceed 6.0%. Remaining annual special assessments will be placed on the subsequent July tax bills pursuant to the schedule approved with the SAD.

The approval of the agreement is made contingent on final administrative approval because there are still some minor details to work out with the property owner, and because the implementation of the SAD depends on various other agreements between the City and Groves/Manifold and the DDA and Groves/Manifold.

Agenda Review

Review:

Vincent Pastue Pending
City Manager Pending
City Council Pending

Draft Only -- 2.3.13

**CITY OF FARMINGTON
COUNTY OF OAKLAND
STATE OF MICHIGAN**

**AGREEMENT FOR THE FINANCING OF STREET AND UTILITY IMPROVEMENTS
AND THE CREATION OF SPECIAL ASSESSMENT ON PROPERTY
[GROVE STREET PROJECT]**

THIS AGREEMENT, effective this ___ day of February, 2013, is by and between The Groves Center, L.L.C., a Michigan Limited Liability Company, whose address is 37000 Grand River, Suite 370, Farmington Hills, MI 48335 ("Property Owner"), the City of Farmington, a Michigan Municipal Corporation whose address is 23600 Liberty Street, Farmington MI, 48335 ("City") and the Bank of Ann Arbor, whose address is 125 S. Fifth Ave., Ann Arbor, MI, 48104 (Bank).

RECITATIONS:

The Property Owner owns the property described on the Special Assessment Roll attached to this Agreement (the "Property"), located at 33025 Grand River Avenue. The Property is a single parcel of land improved with a commercial building, known as the The Groves Center. There is a mortgage on the Property held by the Bank dated August 29, 2012, and recorded at Liber 44640, Page 779, Oakland County Records.

The City has determined to improve the street adjacent to Owner's Property, Grove Street, with road, utility, and parking improvements, referred to herein as the "Grove Street Project" or the "Improvements."

Simultaneous to the execution of this Agreement, the City and Owner are entering into a separate agreement under which the City will acquire a portion of the Property free and clear of Bank of Ann Arbor's mortgage encumbrance to be utilized in connection with the Grove Street Project.

The estimated cost of the Grove Street Project is \$1,700,000. Approximately \$1,100,000 of the cost will be borne by the City and/or the Farmington Downtown Development Authority (DDA). The City has determined to assess the remaining portion of the Grove Street Project costs to Owner, in the amount of \$600,000. In furtherance of this determination, the City has commenced and completed the process in its Code of Ordinances for special assessments. Owner has been aware of and has consented to each of the steps and resolutions by the City to do so.

The City, Property Owner, and Bank therefore desire to confirm, by this agreement, the Special Assessment District, consisting of the Property, for the payment of Owner's agreed-upon share of the cost of the Improvements.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. The City, Property Owner, and Bank have concluded that the Improvements are necessary and appropriate, and are hereby approved.
2. It is the intent and purpose of this Agreement to bind and obligate the Property Owner, and the Property identified on the attached Special Assessment Roll, for payment of the amounts set forth on the Special Assessment Roll to be expended for the Improvements, and to create a lien upon the Property to secure payment therefor.
3. The City Council and the Property Owner have determined and agreed that the Improvements will specially benefit the Property that is identified on the Special Assessment Roll, and further specifically agree that the special benefit will be in sufficient amount and proportion to increase the market value of such Property, after the Improvements are completed, in proportion to the cost of the Improvements, and that there shall not be any substantial excess of the cost of the Improvements over the benefits that shall accrue to such Property as a result of the Improvements. It is further agreed by the Property Owner that there is a fair and reasonable relationship between the amount of the assessment upon the Property and the amount of the special benefit that shall accrue to the Property as a result of the Improvements.
4. The City Council has determined that a public purpose would be served by the Improvements, and the Property Owner fully and completely agrees with such determination.
5. The City Council has determined to proceed with the finance of the Improvements and to partially defray the above-referenced cost of the Improvements by Special Assessment upon the Property, it having been determined by the City Council and the Property Owner that the Property shall be specially benefited by the Improvements.
6. The City and the Property Owner have agreed that specially assessing the amount determined against the Property exclusively is lawful, constitutional, necessary, and appropriate, and that contributions from and/or on behalf of the public and/or from or on behalf of any other property for that amount would be inappropriate and unnecessary.
7. The City Council has approved the cost estimate for the Improvements in the amounts set forth on the attached Special Assessment Roll.

8. The City Council has determined, with the concurrence of the Property Owner, that the Property shall constitute the Special Assessment District, with the proportional cost of the Improvements being assessed to the Property Owner as shown on the attached Special Assessment Roll.
9. The City Assessor has prepared a Special Assessment Roll that includes the Property of the Property Owner, and also includes the total amount to be assessed against the Property.
10. The Assessor has affixed his certificate to the Special Assessment Roll, stating that the roll was made pursuant to authorization of the City Council, and that the roll was made according to his best judgment, and conforms in all respects to the directions of the City Council and with the statutes of the State of Michigan.
11. The Special Assessment Roll for the Improvements, attached and incorporated as part of this Agreement, has been approved, adopted, and confirmed by the City Council.
12. The Special Assessment against the Property as made on the Roll, or any part of such Special Assessment, may be paid in cash subject to the terms and conditions herein. The amount assessed shall be assessed against the Property Owner in 15 installments, the first of which shall be due and payable with the summer 2013 taxes beginning on July 1, 2013, in the amount of \$57,000, payable without penalty on or before August 31, 2013, and with a 4% penalty thereafter. If such installment is not paid on or before August 31, 2013, it shall be certified as delinquent to the Council by the Treasurer and the Council shall place such delinquent assessment on the tax roll for that year together as one item with all accrued collection fees and penalties.

The remaining 14 installments shall be in the amounts set forth on the attached Special Assessment Roll, and the first of such several subsequent installments (\$55,650) shall be due and payable on the summer 2014 tax roll, beginning on July 1, 2014, payable without penalty on or before August 31, 2014, and with a 4% penalty thereafter. If such installment is not paid on or before August 31, 2014, it shall be certified as delinquent to the Council by the Treasurer and the Council shall place such delinquent assessment on the tax roll for that year together as one item with all accrued collection fees and penalties. Subsequent installments shall be payable on the succeeding July 1, with payment deadlines and collection penalties and procedures as indicated above. Special Assessments that have been placed on the City tax roll shall be collected in all respects as are City taxes due on such date and shall be returned to the county treasurer with such taxes if unpaid on the following March 1.

The interest rate will be 4.5%, unless the net interest cost of the bonds to be issued for the financing of the Improvements exceeds such amount, in which case the interest will be the net interest cost of the bonds, not to exceed 6.0%.

Because the City intends to defray a portion of the cost of the Project and Improvements by the sale of Bonds, pre-payment of the amounts due shall not be permitted; however, the Property Owner may remit to the City all amounts due and owing pursuant to the attached Debt Schedule, including all interest, to be accrued or paid to the City at any time.

13. The Property Owner, after conferring with its own legal counsel, agrees that it is the sole owner of record of the Property and that the undersigned individual is authorized to execute this Agreement on behalf of the Property Owner and that notice of all hearings, the right to make objections to the Special Assessment District and to the Special Assessment Roll, and the right of appearance and protest at public hearings in order to appeal the establishment and/or amount of the Special assessment to the state tax tribunal, and the right of an owner or party in interest, or his or her agent, to appear at the hearing to protest the Special Assessment or appear by filing his or her appearance or protest by letter, and the right to in any other respect or manner object to the assessment and/or this Agreement, are all *waived*, and the Property Owner hereby confirms such waiver. Moreover, the Property Owner agrees that the Improvements, the Special Assessment, the Special Assessment District, the terms of this Agreement, and the Special Assessment Roll are all lawful, fair, just, and equitable and that each of the assessments contained on the assessment roll results in a Special Assessment in accordance with the benefits to be derived by the respective Property. [rejected proposed change to this language]
14. Bank of Ann Arbor, as mortgagee, hereby consents to the Special Assessment and the creation of the lien created hereby, and agrees to subordinate its lien to that created hereby.
15. This Agreement contains the entire understanding and agreement between the City, the Property Owner, and the Bank and no statements, promises, or inducements have been made by any party, or by the agent of any party, that are not contained in this written Agreement. This Agreement constitutes the full and complete agreement of the parties, and shall not be enlarged, modified or altered, except in writing signed by the parties.
15. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties, and their respective successors and assigns and transferees, and shall run with the land constituting the properties.
16. This Agreement shall be recorded at the Oakland County Register of Deeds. A copy of this Agreement shall be kept on file with the City Clerk.

IN WITNESS WHEREOF, Buyer and Seller, by and through their duly-authorized representatives, have executed this Agreement effective the as of the date set forth above.

**CITY OF FARMINGTON,
a Michigan municipal corporation**

By: _____
J.T. "Tom" Buck, Mayor

COUNTY OF OAKLAND)
) SS
STATE OF MICHIGAN)

On this _____ day of _____ 2013, J.T. "Tom" Buck, executed the foregoing document before me and, being duly sworn, stated that he is the Mayor of the City of Farmington with its full authority and as its free act and deed.

Notary Public
My commission expires: _____
Oakland County, Michigan
Acting in the County of _____

By: _____
Susan K. Halberstadt, Clerk

COUNTY OF OAKLAND)
) SS
STATE OF MICHIGAN)

On this _____ day of _____ 2013, Susan K. Halberstadt, executed the foregoing document before me and, being duly sworn, stated that she is the Clerk of the City of Farmington with its full authority and as its free act and deed.

Notary Public
My commission expires: _____
Oakland County, Michigan
Acting in the County of _____

PROPERTY OWNER
The Groves Center, LLC, a Michigan Limited Liability Company

By: Manifold Ventures, LLC, a Michigan Limited Liability Company
Its: Managing Member

By: _____
Charles R. Kughn
Its: Authorized Member

COUNTY OF OAKLAND)
) SS
STATE OF MICHIGAN)

On this _____ day of _____ 2013, _____, executed the foregoing document before me and, being duly sworn, stated that he is the Authorized Member of Manifold Ventures, LLC, a Michigan Limited Liability Company, the Managing Member of The Groves Center, LLC, a Michigan Limited Liability Company, with its full authority and as its free act and deed.

Notary Public
My commission expires: _____
Oakland County, Michigan
Acting in the County of _____

**BANK OF ANN ARBOR,
Mortgagee**

By: _____

Its:

COUNTY OF _____)
) SS
STATE OF MICHIGAN)

On this _____ day of _____ 2013, _____, executed the foregoing document before me and, being duly sworn, stated that he/she is the _____ of Bank of Ann Arbor, with its full authority and as its free act and deed.

Notary Public
My commission expires: _____
_____ County, Michigan
Acting in the County of _____

SPECIAL ASSESSMENT ROLL

See attached

SPECIAL ASSESSMENT ROLL
2012-0619

SAD-2012-080-1

TO FUND GROVE STREET IMPROVEMENT PROJECT
STATEMENT OF INTENT:

THIS SPECIAL ASSESSMENT DISTRICT HAS BEEN ESTABLISHED AND THE ROLL PREPARED, PURSUANT TO I.C. 8-10-1-10, COMPLETED UNDER 117-AM AND CHAPTER 11 OF THE WASHINGTON CITY CHARTER, TO COLLECT A TOTAL OF \$400,000 OVER A FIFTEEN (15) YEAR PERIOD. ANNUAL COLLECTIONS WILL BEGIN WITH THE JULY 2013 TAX BILL AND CONTINUE THROUGH THE JULY 2027 TAX BILL. FOR THE PURPOSES OF ASSESSING AND THE RECONSTRUCTION OF GROVE STREET CREATING A BOULEVARD WITH 60-FOOT STREET PAVING, LANDSCAPE IMPROVEMENTS, SIDEWALK WITH BRICK PAVINGS, RECOGNITION AND FLAGMOUNT OF ADDITIONAL PEDESTRIAN STREET LIGHTS, PARK BENCHES, INSTANTANEOUS SIGNAL AT THE BRADDOCK RIVER AND GROVE STREET INTERSECTION, REMOVAL AND REPLACEMENT OF COMMERCIAL PULCHER'S SIGN, WATERMAIN REPLACEMENT, LAND ACQUISITION AND ENGINEERING SERVICES.

THIS PROJECT IS COMMONLY KNOWN AS THE GROVE STREET IMPROVEMENT PROJECT.

TOTAL COST: 1,796,666
CITY PORTION: 1,166,000
1/3 SPECIAL ASSESSMENT
669,666

PARCEL NUMBER	PROPERTY OWNERS/ADDRESS	PROPERTY ADDRESS	LEGAL DESCRIPTION	YEAR	ALLOCATION OF SPECIAL ASSESSMENT				TOTAL PAYMENT	CURING BALANCE
					BEGINNING BALANCE	INTEREST PAYMENT	MUNICIPAL PAYMENT	PAYMENT		
05-33-27-256-265	THE GROVES CENTRAL, LLC 3700 GRAND BRICKWAY, STE 200 WASHINGTON HILLS, W 40211-2802	3000 S 2700 W URBAN RIVER AVE	1/4, 1/2, 3/4, 5/8, 7/8, 9/8, 11/8, 13/8, 15/8, 17/8, 19/8, 21/8, 23/8, 25/8, 27/8, 29/8, 31/8, 33/8, 35/8, 37/8, 39/8, 41/8, 43/8, 45/8, 47/8, 49/8, 51/8, 53/8, 55/8, 57/8, 59/8, 61/8, 63/8, 65/8, 67/8, 69/8, 71/8, 73/8, 75/8, 77/8, 79/8, 81/8, 83/8, 85/8, 87/8, 89/8, 91/8, 93/8, 95/8, 97/8, 99/8, 101/8, 103/8, 105/8, 107/8, 109/8, 111/8, 113/8, 115/8, 117/8, 119/8, 121/8, 123/8, 125/8, 127/8, 129/8, 131/8, 133/8, 135/8, 137/8, 139/8, 141/8, 143/8, 145/8, 147/8, 149/8, 151/8, 153/8, 155/8, 157/8, 159/8, 161/8, 163/8, 165/8, 167/8, 169/8, 171/8, 173/8, 175/8, 177/8, 179/8, 181/8, 183/8, 185/8, 187/8, 189/8, 191/8, 193/8, 195/8, 197/8, 199/8, 201/8, 203/8, 205/8, 207/8, 209/8, 211/8, 213/8, 215/8, 217/8, 219/8, 221/8, 223/8, 225/8, 227/8, 229/8, 231/8, 233/8, 235/8, 237/8, 239/8, 241/8, 243/8, 245/8, 247/8, 249/8, 251/8, 253/8, 255/8, 257/8, 259/8, 261/8, 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SAD-2012-009-2

I, DAVID M. HIEBER, MANAGER OF OAKLAND COUNTY EQUALIZATION ASSESSOR FOR THE CITY OF FARMINGTON, DO HEREBY CERTIFY THAT THIS SPECIAL ASSESSMENT ROLL NO. 2012-009, REPRESENTING FIFTEEN (15) INSTALLMENTS, IS TO FUND A PORTION OF THE EXPENSE OF WIDENING AND THE RECONSTRUCTION OF GROVE STREET CREATING A BOULEVARD WITH ON-STREET PARKING, LANDSCAPE IMPROVEMENTS, SIDEWALK WITH BRICK PATTERS, RELOCATION AND PLACEMENT OF ADDITIONAL PEDESTRIAN STREET LIGHTS, PARK BENCHES, MAST-ARM SIGNAL AT THE GRAND RIVER AND GROVE STREET INTERSECTION, REMOVAL AND REPLACEMENT OF COMMERCIAL PYLON SIGN, WATER MAIN REPLACEMENT, LAND ACQUISITION AND ENGINEERING SERVICES. FURTHER, THAT THIS SPECIAL ASSESSMENT ROLL WAS PREPARED THE RESULT OF THE CITY COUNCIL OF THE CITY OF FARMINGTON HAVING APPROVED SAME WITH RESOLUTION NO. xxxxxxxx, APPROVED ON JANUARY xx, 2013. I ALSO CERTIFY THAT THIS ASSESSMENT WAS BASED UPON BENEFIT AND THAT SUCH BENEFIT EQUALS THAT PORTION OF THE TOTAL COST ASSESSED AGAINST THIS PARCEL IN SUCH SPECIAL ASSESSMENT DISTRICT.

(To be signed once confirmed by City Council)

DATED THIS xx DAY OF JANUARY, 2013

DAVID M. HIEBER, MANAGER OAKLAND COUNTY EQUALIZATION ASSESSOR CITY OF FARMINGTON

**Farmington City Council
Staff Report**

Council Meeting Date:
February 4, 2013

**Reference
Number
(ID # 1168)**

Submitted by: Vincent Pastue, City Manager

Description: Consideration of Partial Approval of Proposed DDA Budget Amendment for Portion Relating to Grove Street Façade Improvements

Requested Action:

Motion to approve portion of proposed budget amendment to downtown Development Authority budget as requested in the amount of \$160,000, in order to allow the DDA to enter into, and contingent upon the DDA's entry into, with The Groves Center, L.L.C., the "Agreement Regarding Façade Grant and Declaration of Covenants" and the "Agreement for Conveyance of Open Space Easement and Undertaking of Façade Improvements."

Background:

As part of the Agreement for Conveyance of Land being considered by the City Council for this agenda, Groves/Manifold, as the owner of the TJ Maxx Shopping Center, has agreed to use the proceeds of the sale of its land to the City as part of the Grove Street Project in order to make certain façade improvements--both to the entire front façade of the building fronting Grove Street and the demolition of a corner of the existing building and reconfiguration of that tenant entrance. Additional funds for those façade improvements are coming from the Downtown Development Authority (DDA), which will be entering into separate agreements with Groves/Manifold.

The City Council does not need to approve these agreements (although the proposed motion for Council's acceptance of the Agreement for Conveyance of Land is contingent on these agreements being finalized). However, the Council does need to approve a budget amendment as proposed by the DDA for the façade grant agreement. The DDA has approved the change to its budget, and this item would do the same, subject to approval of the other agreements as part of this transaction

Agenda Review

Review:

Vincent Pastue Pending

City Manager Pending

City Council Pending

2-3-13
CITY OF FARMINGTON
COUNTY OF OAKLAND
STATE OF MICHIGAN

**AGREEMENT REGARDING FAÇADE GRANT AND
DECLARATION OF COVENANTS
[GROVE STREET FAÇADE]**

This Agreement Regarding Façade Grant and Declaration of Covenants, effective this ____ day of February, 2013, is by and between The Groves Center, LLC, a Michigan Limited Liability Company, whose address is 37000 Grand River, Suite 370, Farmington Hills, MI 48335 (Groves), and the Farmington Downtown Development Authority (DDA), a Michigan Municipal Corporation, whose address is 33316 Grand River Avenue, Farmington MI 48336.

RECITALS

1. **WHEREAS**, Groves is the owner of the real property more fully described on the attached **Exhibit A**, which has a commercial structure on it, located at 33025 Grand River Avenue, in the City of Farmington, County of Oakland, State of Michigan, known as the The Groves Center, and hereinafter referred to as the Building;
2. **WHEREAS**, the DDA has developed a Façade Incentive Program ("Program") to utilize tax increment revenues available to the DDA to revitalize exterior components of commercial buildings in the business district consistent with the City of Farmington Downtown Design Standards and criteria adopted by the DDA.
3. **WHEREAS**, the purposes of the Program are (1) to directly stimulate design improvements to business district buildings consistent with the Downtown Design Standards; (2) to assist with building improvements sensitive to the unique context of the business district's commercial architectural character; (3) to encourage physical improvements to buildings to make them attractive to Farmington's consumer market; (4) to encourage adaptive reuse and creative projects which add to the economic diversity of the Farmington business district; and (5) to encourage preservation of historic buildings.
4. **WHEREAS**, Groves applied to the DDA to participate in the Program.

5. **WHEREAS**, Groves' proposed façade improvement project included both the "Façade Improvements" shown on the plan ("Plan"), attached as **Exhibit B**, as well as possible additional changes to doors and windows on the Building (the "Future Façade Changes").

6. **WHEREAS**, the Plan was reviewed by the DDA's Design Committee and approved by the DDA's Board of Directors for consistency with the Downtown Design Standards, subject to final site plan approval by the City of Farmington Planning Commission.

7. **WHEREAS**, the DDA approved Groves' Plan and authorized a grant under the Program in the amount of 20% of the cost of the Façade Improvements shown in the Plan as well as the Future Façade Changes, up to a maximum of \$160,000.

8. **WHEREAS**, in order to receive reimbursement from the DDA for completion of the Façade in accordance with the Plan, Declarant has agreed to certain conditions pertaining to preservation and maintenance of the façade for a period of five (5) years, to be set forth in a Declaration of Covenants, substantially in the form attached as **Exhibit C**.

NOW, THEREFORE, for and in consideration of the Grant described herein, Groves and the DDA agree as follows:

A. The DDA agrees to reimburse Groves 20% of the cost of the Façade Improvements, up to \$160,000, subject to the following terms and conditions:

(i) The Façade Improvements must be completed in accordance with the site and façade plans approved by the City of Farmington Planning Commission, by or before the date established in the Agreement for Conveyance of Open Space Easement and Undertaking of Façade Improvements, by and between Groves and the DDA, dated February ____, 2013.

(ii) Groves shall submit a statement to the DDA setting forth the cost of the façade improvements, and DDA shall be permitted to confirm and/or audit compliance and verify the cost by reasonable inquiry, with the determination of the cost being at the sole discretion of the DDA.

(iii) Within 30 days after it has verified compliance and cost, the DDA shall reimburse to Groves 20% of the amount verified for the costs of the Façade Improvements.

(iv) If, after reimbursing the amount for the Façade Improvements, there remain any amounts left from the grant of up to a maximum of \$160,000, such amount shall be applied for reimbursement of the cost of the Future Façade Changes for doors and windows that have been reviewed and approved by the City and the DDA. The right to apply such remaining amounts to the Future Façade Changes shall expire three (3) years from the date of the reimbursement for the initial Façade Improvements as set forth in (iii) above.

B. As a condition of receiving the reimbursement, Groves agrees to execute and record the attached "Declaration of Covenants" with the Oakland County Register of Deeds.

C. No third party, other than the heirs, personal representatives, successors and assigns of the DDA and Groves, shall have any rights to enforce or rely upon this Agreement, which is

binding upon and made solely for the benefit of the DDA and Groves, their heirs, personal representatives, successors and assigns, and not for the benefit of any other third party.

D. This Agreement does not grant the DDA an interest in the Building.

E. If Groves fails to complete the façade improvements by or before the date set forth in the Agreement for Conveyance of Open Space Easement and Undertaking of Façade Improvements, by and between Groves and the DDA, dated February ____, 2013, then the DDA may, by resolution of its governing Board, declare this Agreement and its obligation to provide the reimbursement null and void.

IN WITNESS WHEREOF, the DDA and Groves, by and through their duly-authorized representatives, have executed this Agreement effective the as of the date set forth above.

The Groves Center, LLC, a Michigan Limited Liability Company

**By: Manifold Ventures, LLC, a Michigan Limited Liability Company
Its: Managing Member**

By: _____
Charles R. Kughn
Its: Authorized Member

COUNTY OF OAKLAND)
) SS
STATE OF MICHIGAN)

On this _____ day of _____ 2013, _____, executed the foregoing document before me and, being duly sworn, stated that he is the Authorized Member of Manifold Ventures, LLC, a Michigan Limited Liability Company, the Managing Member of The Groves Center, LLC, a Michigan Limited Liability Company, with its full authority and as its free act and deed.

Notary Public, _____ County, MI
My commission expires: _____

**FARMINGTON DOWNTOWN
DEVELOPMENT AUTHORITY, a
Michigan municipal corporation**

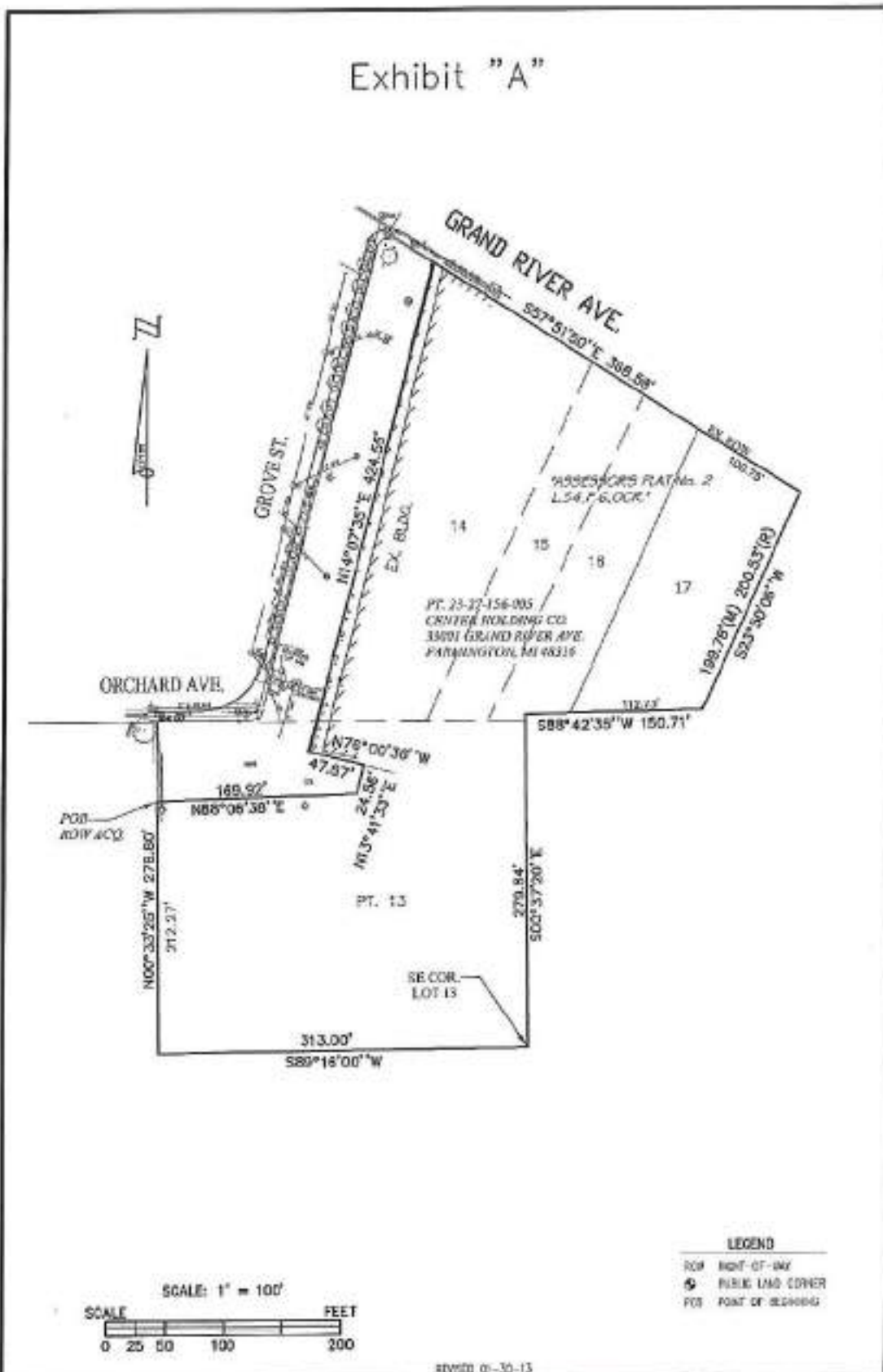
By: _____
Its:

STATE OF MICHIGAN)
)ss
COUNTY OF OAKLAND)

On this _____ day of _____ 2013, _____,
executed the foregoing document before me and, being duly sworn before me, stated that he is
the _____ of the Farmington Downtown Development Authority, with its
full authority and as its free act and deed

Notary Public, County, MI
My commission expires: _____

Exhibit "A"



RIGHT OF WAY ACQUISITION

PART OF THE W 1/2 OF SECTION 27,
T.1N., R.9E., CITY OF FARMINGTON,
OAKLAND COUNTY, MICHIGAN

CLIENT: CITY OF FARMINGTON



84000 Plymouth Road | Livonia, MI 48150
p (734) 622-6711 | f (734) 622-9427

Advancing Communities

DATE: 1-10-08
DRAWN BY: SH
BY: G200/030 - DSA

SHEET

1 OF 4

JOB NO.

111-07-051

REVISED 01-30-13

Exhibit "A"

PARCEL DESCRIPTION (PT. 23-27-156-005)

A parcel of land being part of the W 1/2 of Section 27, Town 1 North, Range 9 East, City of Farmington, Oakland County, Michigan, described as:

Part of Lots 13 & 14 and all of Lots 15, 16 & 17, "Assessor's Plat No. 2", as recorded in Liber 54 of Plats, Page 6, Oakland County Records, all being described as: Beginning at the SE corner of said Lot 13; thence S 89°16'00" W 313.00 feet; thence N 00°37'25" W 212.27 feet; thence N 88°06'38" E 169.92 feet; thence N 13°41'33" E 24.56 feet; thence N 76°00'36" W 47.67 feet; thence N 14°07'35" E 424.55 feet; thence S 57°51'50" E 366.58 feet; thence S 23°50'05" W 199.78 feet; thence S 88°42'33" W 150.71 feet; thence S 06°37'20" E 279.84 feet to the Point of Beginning.

All contains 176,137 square feet or 4.044 acres of land. Subject to all easements and restrictions of records, if any.

REVISED 07-22-13

RIGHT OF WAY ACQUISITION

PART OF THE W 1/2 OF SECTION 27,
T.1N., R.9E., CITY OF FARMINGTON,
OAKLAND COUNTY, MICHIGAN



34000 Plymouth Road | Livonia, MI 48150
p (734) 922-8711 | f (734) 922-9427

Advancing Communities

CLIENT: CITY OF FARMINGTON

DATE: 7-22-13
DRAWN BY: JH
DWG. NUMBER: 0154

SHEET
2 OF 4

JOB NO.
111-07-051

EXHIBIT B

FACADE

IMPROVEMENTS

2.3.13

EXHIBIT C

DECLARATION OF COVENANTS
[THE GROVES FAÇADE IMPROVEMENTS]

This Declaration of Covenants is by The Groves Center, LLC, a Michigan Limited Liability Company, whose address is 37000 Grand River, Suite 370, Farmington Hills, MI 48335 (Declarant), for the benefit of the Farmington Downtown Development Authority (DDA), a Michigan Municipal Corporation, whose address is 33316 Grand River Avenue, Farmington MI 48336.

WHEREAS, Declarant owns the property located at 33025 Grand River Avenue, Farmington MI 48335 on which is located a shopping center known as The Groves Shopping Center, identified on **Exhibit A** (the Shopping Center); and

WHEREAS, Declarant undertook certain façade improvements to the Shopping Center in order to update the appearance of the building, improve signage visibility, and enhance the aesthetic appearance of the Downtown Center area, with the understanding that, upon successful completion of the improvements as approved by the City of Farmington, Declarant would be eligible to receive reimbursement from the DDA pursuant to its Façade Incentive Program, in the amount of 20% of the costs of the façade improvements, up to a maximum grant of \$160,000; and

WHEREAS, the DDA's grant under its Façade Incentive Program requires Declarant to enter into certain covenants relating to the grant.

WHEREAS, Declarant has completed the façade improvements ("Façade"), and received the grant from the DDA;

NOW, THEREFORE, in consideration of the DDA's grant, Declarant, for itself and its successors, assigns, and transferees, does hereby covenant, declare, and agree that the Façade shall be used, owned, held, and sold expressly subject to the following conditions in preserving and maintaining the designated character of Farmington's Business District as follows:

A. Declarant shall preserve, protect, enhance, maintain, and perpetuate the Façade pursuant to and in accordance with the approved Plans which are on file with the DDA, for a period of five (5) years from the date of the completion of the Façade;

B. The Façade shall be considered a public improvement until such time as this Declaration expires, and any and all unauthorized modifications of the Façade shall result in forfeiture and required repayment of the monies reimbursed to the Declarant by the DDA;

C. During the five (5) year time period, the Declarant shall not undertake or allow to be undertaken any changes to the Facade without the express written consent of the DDA or its successor;

D. Declarant shall, at its expense (i) keep the premises insured under a standard form of insurance policy against loss or damage resulting from fire and other perils normally insured under a uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in the State of Michigan, and (ii) carry and maintain comprehensive public liability insurance. The public liability policy shall name the DDA as an additional insured as to the Facade only and shall provide for not less than thirty (30) days prior written notice to the DDA by the insurer of any proposed cancellation of any such insurance. The Declarant shall deliver to the DDA a certificate of insurance prior to the recording of this Declaration and, on renewal, a new certificate shall be sent to the DDA.

E. During the five (5) year period, in the event that the Building or any part thereof shall be damaged by fire or other casualty, then the proceeds of the insurance required to be carried pursuant to Section D above shall be applied to reconstructing the Facade constructed in a plan approved by the DDA. If the premises are damaged to such an extent that the Declarant determines that reconstruction is not feasible and provides the DDA with a statement from an independent engineer to the same effect, then this Declaration shall be void and of no further force and effect, provided that a portion of the initial reimbursement in proportion to the percentage of the Façade that was significantly damaged and is not being reconstructed, shall be returned to the DDA.

F. In the event that the DDA shall at any time in the future become the fee-simple owner of the Subject Property, or shall cease to exist, the rights and obligations herein accepted by the DDA shall pass to and be vested in the actual successor of the DDA or the City of Farmington. The DDA may at any time release Declarant from the terms of this Declaration.

G. Except as otherwise stated herein, Declaration shall be effective for a period of five (5) years from the date of completion of the Facade. This Declaration shall run with the land, and shall be binding upon the Declarant and its successors, assigns, transferees, heirs, and personal representatives.

H. This grant made pursuant to and in connection with this Declaration is made pursuant to applicable law, but the invalidity of such act or any part of it shall not affect the validity and enforceability of this Declaration, it being the intent of the parties that this grant constitutes a common-law easement and a restrictive covenant.

I. Nothing contained in this Declaration shall be interpreted to (i) limit Declarant's right or ability to transfer any development or other rights that may exist now or at any time in the future, (ii) limit Declarant's obligation to pay when due and owing, all real estate taxes, water charges, sewer service charges and other charges which may become a lien on the

premises; provided, however, that the Declarant may make payment under protest where permitted by law, or (iii) limit Declarant's right to sell, lease expand, renovate, mortgage, or pledge all or any portion of the Property or the Shopping Center located thereon.

J. Declarant reserves for itself, its successors, assigns, mortgagees, and lessees the right to continue to use and occupy the Building for all lawful purposes not inconsistent with this Declaration, and subject to the City of Farmington Code of Ordinances, and the DDA agrees to sign any and all documents (including but not limited to future leases or mortgages, as required by lessee or mortgagee) that Declarant shall at any time and from time to time request to further such end or purpose and not inconsistent with this Declaration.

K. The Declarant, with the DDA's written approval, may amend this instrument from time to time in writing and such amendment shall become effective upon its signing.

L. At the conclusion of the five (5) year period of this Agreement, the Declarant shall prepare a "Termination of Declaration of Covenants" to be signed by Declarant and the DDA, or their successors, and recorded in a manner similar to this Declaration.

IN WITNESS WHEREOF, Declarant has executed this Declaration on the day and year first written above.

The Groves Center, LLC, a Michigan Limited Liability Company

**By: Manifold Ventures, LLC, a Michigan Limited Liability Company
Its: Managing Member**

By: _____

Its: Authorized Member

COUNTY OF OAKLAND)
) SS
STATE OF MICHIGAN)

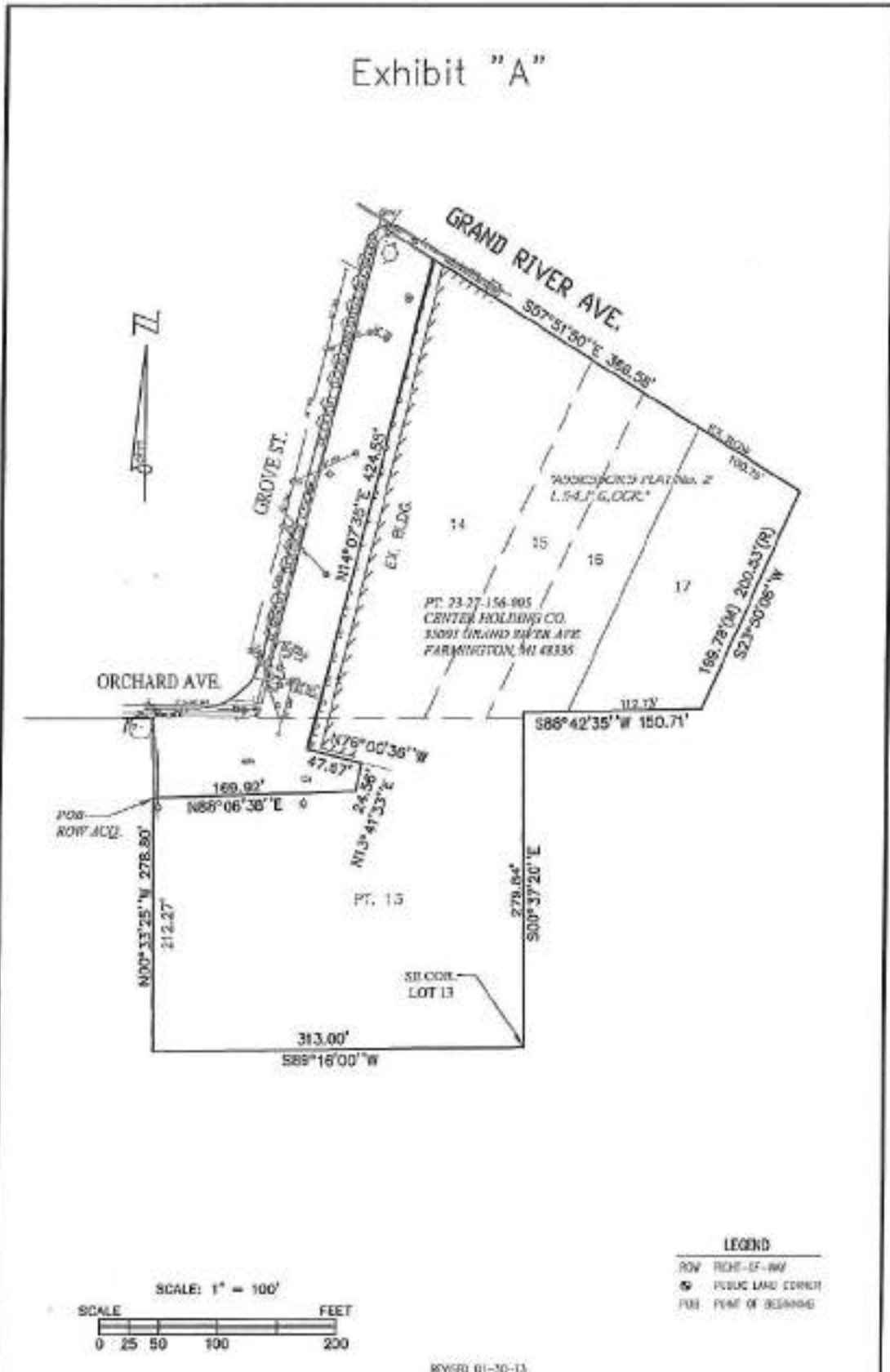
On this _____ day of _____ 2013, _____, executed the foregoing document before me and, being duly sworn, stated that he is the Authorized Member of Manifold Ventures, LLC, a Michigan Limited Liability Company, the Managing Member of The Groves Center, LLC, a Michigan Limited Liability Company, with its full authority and as its free act and deed.

Notary Public, County, MI
My commission expires: _____

Drafted by:
Thomas R. Schultz, Esq.
Johnson, Rosati, Schultz & Joppich, P.C.
34405 W. Twelve Mile Rd, #200
Farmington Hills, MI 48331-5627

When recorded return to:
Sue Halberstadt, Clerk
City of Farmington
23600 Liberty Street
Farmington, MI 48335

Exhibit "A"



RIGHT OF WAY ACQUISITION

PART OF THE W 1/2 OF SECTION 27,
T.1N., R.9E., CITY OF FARMINGTON,
OAKLAND COUNTY, MICHIGAN

CLIENT: CITY OF FARMINGTON



34000 Plymouth Road | Livonia, MI 48150
p (734) 522-0711 | f (734) 522-8427

Advancing Communities

S&P: 1-10-08
DRAWN BY: 91
ORG: 18348300-EGM

SHEET
1 OF 4

JOB NO.
111-07-051

Exhibit "A"

PARCEL DESCRIPTION (PT. 23-27-156-005)

A parcel of land being part of the W 1/2 of Section 27, Town 1 North, Range 9 East, City of Farmington, Oakland County, Michigan, described as:

Part of Lots 13 & 14 and all of Lots 15, 16 & 17, "Assessor's Plat No. 2", as recorded in Liber 54 of Plats, Page 6, Oakland County Records, all being described as: Beginning at the SE corner of said Lot 13; thence S 89°16'00" W 313.00 feet; thence N 00°33'25" W 212.27 feet; thence N 88°00'38" E 169.92 feet; thence N 13°41'33" E 24.56 feet; thence N 76°00'36" W 47.67 feet; thence N 14°07'35" E 424.55 feet; thence S 57°51'50" E 366.58 feet; thence S 23°50'06" W 199.78 feet; thence S 88°42'35" W 150.71 feet; thence S 00°37'20" E 279.84 feet to the Point of Beginning.

All contains 176,137 square feet or 4.044 acres of land. Subject to all easements and restrictions of records, if any.

REVISED 01-30-15

RIGHT OF WAY ACQUISITION

PART OF THE W 1/2 OF SECTION 27,
T.1N., R.9E., CITY OF FARMINGTON,
OAKLAND COUNTY, MICHIGAN



3400 Plymouth Road | Livonia, MI 48150
p (734) 522-9711 | f (734) 522-6427

Advancing Communities

DATE: 1-10-08
DRAWN BY: SH
ENG. CONTROLLED-TASK

SHEET
2 OF 4

JOB NO.
111-07-051

CLIENT: CITY OF FARMINGTON

**Farmington City Council
Staff Report**

Council Meeting Date:
February 4, 2013

**Reference
Number**

Submitted by: Vincent Pastue, City Manager

Description: Consideration of Bond Authorization Resolution for 2013 Capital Improvement Bonds

Requested Action:

Move to adopt resolution authorizing the issuance of 2013 City of Farmington Capital Improvement Bonds in the amount of \$1,300,000.

Background:

City Administration is requesting that the City Council adopt the attached Bond Authorization Resolution for the 2013 Capital Improvement Bonds in the amount of \$1,300,000. The resolution was prepared by the City's bond counsel: Miller, Canfield, Paddock and Stone. The bonds would be utilized toward the Grove Street Improvement Project (\$600,000), improvements to the southeast corner of Grove and Grand River (\$300,000), Streetscape Improvements on Warner Street from Grand River to Thomas Street (\$150,000), improvements to convert the Dimitri's parking lot for municipal use (\$100,000), land acquisition for Orchard's property (\$100,000) and bond issuance expenses (\$50,000). The sources for repayment of bonds will be special assessments and the DDA's tax increment finance revenues. While the debt is an obligation of the City, there will be no intent to utilize General Fund contributions toward this debt obligation.

In November, the City Council adopted a Notice of Intent resolution authorizing \$1,400,000 in bonds. The 45 day period to file a petition for referendum passed without any petitions being filed. The amount of the bond authorization was reduced in anticipation of higher amount for the Grove Street segment.

The attached Bond Authorization Resolution specifies the conditions for bidding on the bonds and the obligations for the City associated with the issuance of the debt and administration of the debt payments. The Resolution also specifies the form of the bonds. The resolution grants the City Clerk the authority to schedule the bid opening for the issuance of the bonds. City Administration intends for this to take place on Monday, March 18. Furthermore, the intent is to provide the City Council with a resolution approving the bids for the bonds at the meeting that night. It should be mentioned that the resolution also grants the City Manager the authority to accept the bids as well.

Agenda Review

Review:

Vincent Pastue Pending
City Manager Pending
City Council Pending

RESOLUTION NO. (ID # 1160)
RESOLUTION AUTHORIZING
2013 CAPITAL IMPROVEMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)

CITY OF FARMINGTON
COUNTY OF OAKLAND, STATE OF MICHIGAN

Minutes of a regular meeting of the City Council of the City of Farmington, County of Oakland, State of Michigan (the "City"), held on February 4, 2013, at 7:00 o'clock p.m., prevailing Eastern Time.

PRESENT: Members: _____

ABSENT: Members: _____

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS, the City does hereby determine that it is necessary to pay all or part of the costs of certain public improvements in the City, including (1) acquiring land and constructing public plaza and lighting improvements at the corner of Grand River and Grove Street, (2) acquiring and constructing parking lot improvements in the City and (3) acquiring and constructing street and streetscape improvements on Grove Street and Warner Street and related traffic signal upgrades, including all related site improvements, structures, equipment and appurtenances (the "Project"); and

WHEREAS, to finance the cost of the Project, the City Council deems it necessary to borrow the principal amount of not to exceed One Million Three Hundred Thousand Dollars (\$1,300,000) and issue capital improvement bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34") to pay the cost of the Project; and

WHEREAS, a notice of intent for bonds was published in accordance with Act 34 which provides that the capital improvement bonds may be issued without a vote of the electors of the City unless a proper petition for an election on the question of the issuance of the bonds is filed with the City Clerk within a period of forty-five (45) days from the date of publication and as of this date no petition has been filed with the Clerk.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Terms. Bonds of the City designated 2013 CAPITAL IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION) (the "Bonds") are authorized to be issued in the aggregate principal sum of not to exceed One Million Three Hundred Thousand Dollars (\$1,300,000) for the purpose of paying the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Bonds. The issue shall consist of bonds in fully-registered form of the denomination of \$5,000, or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, numbered consecutively in order of registration, dated as of the date of delivery. The Bonds shall bear interest, mature and be payable at the times and in the manner set forth in Sections 6 and 7 hereof.

The Bonds shall be sold at public sale at a price not less than 99.5% or more than 102% of the principal amount thereof.

The Bonds shall be subject to redemption prior to maturity in the manner and at the times and prices set forth in Sections 6 and 7 hereof.

Interest shall be payable to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The record date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future. Interest shall be payable to the registered owner of record as of the 15th day of the month preceding the payment date for each interest payment. The principal of the Bonds shall be payable at at the designated office of a bank or trust company to be selected by the City prior to the publication of the notice of sale for the Bonds as the transfer agent for the Bonds (the "Transfer Agent").

The Bonds shall be issued in book-entry only form through The Depository Trust Company in New York, New York ("DTC") and the City Manager is hereby authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry only form and to make such changes in the Bond Form within the parameters of this resolution as may be required to accomplish the foregoing.

2. Execution of Bonds. The Bonds of this issue shall be executed in the name of the City with the manual or facsimile signatures of the Mayor and City Clerk of the City and shall have the seal of the City, or a facsimile thereof, printed or impressed on the Bonds. No Bond shall be valid until authenticated by an authorized officer or representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser or other person in accordance with instructions from the City Manager upon payment of the purchase price for the Bonds in accordance with the bid therefor when accepted.

3. Transfer of Bonds. The Transfer Agent shall keep the books of registration for this issue on behalf of the City. Any Bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Transfer Agent shall authenticate

Resolution (ID # 1160) Meeting of February 4, 2013
and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the City. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the place where the Bonds called for redemption are to be surrendered for payment; and that interest on the Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

4. Limited Tax Pledge; Debt Retirement Fund; Defeasance of Bonds. The City hereby pledges its limited tax full faith and credit for the prompt payment of the Bonds. The City shall, each year budget the amount of the debt service coming due in the next fiscal year on the principal of and interest on the Bonds and shall advance as a first budget obligation from its general funds available therefor, or, if necessary, levy taxes upon all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations, such sums as may be necessary to pay such debt service in said fiscal year.

The Treasurer is authorized and directed to open a depository account with a bank or trust company designated by the City Council, to be designated 2013 CAPITAL IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION) DEBT RETIREMENT FUND (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds as they mature.

In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the Bonds, shall be deposited in trust, this resolution shall be defeased and the owners of the Bonds shall have no further rights under this resolution except to receive payment of the principal of, premium, if any, and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

5. Construction Fund; Proceeds of Bond Sale. The Treasurer is authorized and directed to open a separate depository account with a bank or trust company designated by the City Council, to be designated 2013 CAPITAL IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION) CONSTRUCTION FUND (the "Construction Fund") and deposit into said Construction Fund the proceeds of the Bonds less accrued interest, if any, which shall be deposited into the Debt Retirement Fund. The moneys in the Construction Fund shall be used solely to pay the costs of the Project and the costs of issuance of the Bonds.

6. Bond Form. The Bonds shall be in substantially the following form with such

Resolution (ID # 1160) Meeting of February 4, 2013
changes as may be required to conform to the final terms of the Bonds established in the Sale
Order:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF OAKLAND

CITY OF FARMINGTON
2013 CAPITAL IMPROVEMENT BOND
(LIMITED TAX GENERAL OBLIGATION)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	May 1, _____	_____, 2013	

Registered Owner:

Principal Amount:

Dollars

The City of Farmington, County of Oakland, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on November 1, 2013 and semiannually thereafter. Principal of this bond is payable at the corporate trust office of _____, _____, _____, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable to the registered owner of record as of the fifteenth (15th) day of the month preceding the interest payment date as shown on the registration books of the City kept by the Transfer Agent by check or draft mailed to the registered owner of record at the registered address. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

This bond is one of a series of bonds aggregating the principal sum of \$_____, issued for the purpose of paying the cost of certain capital improvements for the City. This bond is issued under the provisions of Act 34, Public Acts of Michigan, 2001, as amended and a duly adopted resolution of the City.

Bonds of this issue maturing in the years 2014 to 2021, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds of this issue in multiples of \$5,000 maturing in the year 2022 and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after May 1, 2021, at par and accrued interest to the date fixed for redemption.

[Insert term bond provisions, if necessary]

In case less than the full amount of an outstanding bond is called for redemption, the

Resolution (ID # 1160)

Meeting of February 4, 2013

Transfer Agent, upon presentation of the bond called in part for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the Transfer Agent to redeem said bond or portion thereof.

This bond is transferable only upon the registration books of the City kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

This bond, including the interest thereon, is payable as a first budget obligation from the general funds of the City, and the City is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, statutory and charter tax rate limitations.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this bond and the series of bonds of which this is one, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the City, including this bond, does not exceed any constitutional, statutory or charter debt limitation.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City of Farmington, by its City Council, has caused this bond to be signed in the name of the City by the facsimile signatures of its Mayor and City Clerk and a facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

CITY OF FARMINGTON
County of Oakland
State of Michigan

By: _____

Its: Mayor

By: _____

(SEAL)

Resolution (ID # 1160)

Meeting of February 4, 2013
City Clerk

DATE OF AUTHENTICATION:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned resolution.

Transfer Agent

By: _____
Authorized Signature

[Bond printer to insert form of assignment]

Resolution (ID # 1160)

Meeting of February 4, 2013

7. Notice of Sale. The City Clerk is authorized to fix a date of sale for the Bonds and to publish a notice of sale of the Bonds in *The Bond Buyer*, New York, New York, which notice of sale shall be in substantially the following form:

OFFICIAL NOTICE OF SALE

\$1,300,000

CITY OF FARMINGTON
 COUNTY OF OAKLAND, STATE OF MICHIGAN
 2013 CAPITAL IMPROVEMENT BONDS
 (LIMITED TAX GENERAL OBLIGATION)

SEALED BIDS for the purchase of the above bonds will be received by the City Manager at the Farmington City Hall, 23600 Liberty Street, Farmington, Michigan 48335 on _____, the ____ of _____, 2013 until _____ .m., prevailing Eastern Time, at which time and place said bids will be publicly open and read.

SEALED BIDS will also be received in the alternative on the same date and until the same time at the offices of the Municipal Advisory Council of Michigan (the "MAC"), Buhl Building, 535 Griswold, Suite 1850, Detroit, Michigan 48226, when, simultaneously, the bids will be opened and read.

FAXED BIDS: Signed bids may be submitted by fax to the City at fax number (248) 473-7261, Attention: City Clerk and by MAC members only to the MAC at (313) 963-0943, provided that faxed bids must arrive before the time of sale and the bidder bears all risks of transmission failure and the GOOD FAITH DEPOSIT MUST BE MADE AND RECEIVED as described in the Section "GOOD FAITH" below.

ELECTRONIC BIDS: Electronic bids will also be received on the same date and until the same time by Bidcomp/Parity as agent of the undersigned. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Anthony Leyden or CLIENT SERVICES, 1359 Broadway, Second Floor, New York, New York 10010, (212) 849-5021. IF ANY PROVISION OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BIDCOMP/PARITY, AS THE APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE SHALL CONTROL.

Bidders may choose any means or location to present bids but a bidder may not present a bid in more than one location or by more than one means.

BOND DETAILS: The bonds will be registered bonds of the denomination of \$5,000 or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, originally dated as of the date of initial delivery, numbered in order of registration, and will bear interest from their date payable on November 1, 2013, and semiannually thereafter.

The bonds will mature on the 1st day of May in each of the years, as follows:

2014	\$10,000
2015	55,000
2016	55,000
2017	55,000
2018	55,000
2019	65,000
2020	65,000

2021	65,000
2022	65,000
2023	65,000
2024	65,000
2025	65,000
2026	70,000
2027	70,000
2028	70,000
2029	20,000
2030	95,000
2031	95,000
2032	95,000
2033	100,000

INTEREST RATE AND BIDDING DETAILS: The bonds shall bear interest at rate or rates not exceeding 6% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. The difference between the highest and lowest interest rates bid shall not exceed two and one-half percent (2.5%) per annum. THE INTEREST RATE FOR EACH SERIAL OR TERM BOND MATURITY SHALL BE EQUAL TO OR GREATER THAN THE PRECEDING SERIAL OR TERM BOND MATURITY. No proposal for the purchase of less than all of the bonds or at a price less than 99.5% or more than 102% of their par value will be considered.

PRIOR REDEMPTION OF BONDS: Bonds maturing in the years 2014 to 2021 inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 maturing in the year 2022 and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after May 1, 2021, at par and accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding bond is called for redemption, the transfer agent, upon presentation of the bond called for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the transfer agent to redeem said bond or portion thereof.

TERM BOND OPTION: The initial purchaser of the bonds may designate any one or more maturities from May 1, 2014 through the final maturity as term bonds and the consecutive maturities on or after the year 2014 which shall be aggregated in the term bonds. The amounts of the maturities which are aggregated in a designated term bond shall be subject to mandatory redemption on May 1 of the years and in the amounts set forth in the above maturity schedule at a redemption price of par, plus accrued interest to the date of mandatory redemption. Term bonds or portions thereof mandatorily redeemed shall be selected by lot. Any such designation must be made at the time bids are submitted and must be listed on the bid.

Resolution (ID # 1160)

Meeting of February 4, 2013

BOOK-ENTRY ONLY: The bonds will be issued in book-entry only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the bonds. Purchase of the bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased. It will be the responsibility of the purchaser to obtain DTC eligibility. Failure of the purchaser to obtain DTC eligibility shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the bonds.

TRANSFER AGENT AND REGISTRATION: Principal shall be payable at the principal corporate trust office of _____, _____, _____, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner of record not less than 60 days prior to an interest payment date. Interest shall be paid by check mailed to the registered owner of record as shown on the registration books of the City as of the 15th day prior to an interest payment date. The bonds will be transferred only upon the registration books of the City kept by the transfer agent.

PURPOSE AND SECURITY: The bonds are authorized for the purpose of paying the cost of acquiring and constructing certain capital improvements for the City. The bonds will be a first budget obligation of the City, payable from the general funds of the City including the collection of ad valorem taxes on all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations. The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally now existing or hereafter enacted and by the application of general principles of equity including those relating to equitable subordination.

GOOD FAITH: A good faith deposit in the form of a certified or cashier's check drawn upon an incorporated bank or trust company, or wire transfer, in the amount of \$13,000 payable to the order of the Treasurer of the City will be required of the successful bidder. The successful bidder is required to submit its good faith deposit to the City as instructed by the City not later than Noon, prevailing Eastern Time, on the next business day following the sale. The good faith deposit will be applied to the purchase price of the bonds. In the event the purchaser fails to honor its accepted bid, the good faith deposit will be retained by the City. No interest shall be allowed on the good faith check. The good faith check of the successful bidder will be cashed and payment for the balance of the purchase price of the bonds shall be made at the closing.

AWARD OF BONDS: The bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on November 1, 2013 and semi-annually thereafter) necessary to discount the debt service payments from their respective payment date to _____, 2013, in an amount equal to the price bid, excluding accrued interest. Each bidder shall state in its bid the true interest cost to the City, computed in the manner specified above.

TAX MATTERS: In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., bond counsel, under existing law, assuming compliance with certain covenants, interest on the bonds is excludable from gross income for federal income tax purposes as described in the opinion, and the bonds and interest thereon are exempt from all taxation by the State of Michigan or any

Resolution (ID # 1160) Meeting of February 4, 2013
taxing authority within the State of Michigan except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The successful bidder will be required to furnish, at delivery of the bonds, a certificate in a form acceptable to bond counsel as to the "issue price" of the bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the "Code"). Such certificate will include (i) for those maturities where 10% of each such maturity of the bonds has been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the bonds, the price at which the first 10% of each such maturity was sold to members of the general public, and (ii) for those maturities where 10% of such maturity has not been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the bonds, an agreement by the successful bidder to provide bond counsel with the prices at which the first 10% of each such maturity is ultimately sold to members of the general public.

"QUALIFIED TAX EXEMPT OBLIGATIONS": The City has designated the bonds as "Qualified Tax Exempt Obligations" for purposes of the deduction of interest expense by financial institutions pursuant to the Code.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., attorneys of Detroit, Michigan, a copy of which opinion will be furnished without expense to the purchaser of the bonds at the delivery thereof. The fees of Miller, Canfield, Paddock and Stone, P.L.C. for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to validity of the above bonds, Miller, Canfield, Paddock and Stone, P.L.C. has not been requested to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

DELIVERY OF BONDS: The City will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser through DTC in New York, New York, or such other place to be agreed upon. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of delivery of the bonds. If the bonds are not tendered for delivery by twelve o'clock noon, prevailing Eastern Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the City shall promptly return the good faith deposit. Payment for the bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the bonds shall be paid by the purchaser at the time of delivery.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the bonds, but neither the failure to print such numbers on any bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser.

Resolution (ID # 1160)

Meeting of February 4, 2013

OFFICIAL STATEMENT: A preliminary Official Statement that the City deems to be final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission, has been prepared and may be obtained from Public Financial Management, Inc., financial advisors to the City, at the address and telephone listed under FINANCIAL ADVISOR below. Public Financial Management, Inc. will provide the winning bidder with 100 final Official Statements within 7 business days from the date of sale to permit the purchaser to comply with Securities and Exchange Commission Rule 15c2-12. Additional copies of the Official Statement will be supplied by Public Financial Management, Inc., upon request and agreement by the purchaser to Public Financial Management, Inc., within 24 hours of the time of sale.

BOND INSURANCE AT PURCHASER'S OPTION: If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the option and expense of the purchaser of the Bonds. Any and all increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the purchaser, except that if the City has requested and received a rating on the Bonds from a rating agency, the City shall pay the fee for the requested rating. Any other rating agency fees shall be the responsibility of the purchaser. **FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE CITY.**

CONTINUING DISCLOSURE: As described more fully in the Official Statement, the City has agreed to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, on or prior to the sixth month after the end of each fiscal year commencing with the fiscal year ended June 30, 2012, (i) certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, generally consistent with the information contained or cross-referenced in the Official Statement relating to the bonds, (ii) timely notice of the occurrence of certain material events with respect to the bonds and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in (i) above.

FINANCIAL CONSULTANT: Further information relating to the bonds may be obtained from Public Financial Management, Inc., 305 East Eisenhower, Suite 112, Ann Arbor, Michigan 48108. Telephone (734) 994-9700. Fax (734) 994-9710.

ENVELOPES containing the bids should be plainly marked "Proposal for 2013 Capital Improvement Bonds (Limited Tax General Obligation)."

Susan K. Halberstadt
City Clerk
City of Farmington

8. Useful Life of Project. The estimated period of usefulness of the Project is hereby declared to be not less than twenty (20) years.

9. Tax Covenant. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditures and investment of Bond proceeds and moneys deemed to be Bond proceeds. The City hereby designates the Bonds as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Code.

10. Official Statement; Qualification for Insurance; Ratings. The City Manager is hereby authorized and directed to cause the preparation and circulation of a preliminary and final Official Statement with respect to the Bonds; to procure qualification of the Bonds for a policy of municipal bond insurance, if deemed appropriate by the City's financial advisor and bond counsel; and to obtain ratings on the Bonds.

11. Continuing Disclosure. The City agrees to enter into a continuing disclosure undertaking for the benefit of the holders and beneficial owners of the Bonds in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, and the City Manager is hereby authorized to execute such undertaking prior to delivery of the Bonds.

12. Authorization of Other Actions. The City Manager is hereby authorized to adjust the final Bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing are authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, Public Acts of Michigan, 2001, as amended, including but not limited to, determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters within the parameters described in this resolution. The City Manager is authorized and directed to take all other actions necessary or advisable, and to make such other filings with any parties, including the Michigan Department of Treasury, to enable the sale and delivery of the Bonds as contemplated herein, *provided that* the principal amount of Bonds issued shall not exceed \$1,300,000, the interest rate per annum on the Bonds shall not exceed 6%, and the difference between the highest and lowest interest rates shall not exceed 2.5% per annum. After a competitive sale of the Bonds, the City Manager may, without further direction from the City Council and upon the advice of the City's financial advisor and bond counsel, award the sale of the Bonds to a purchaser pursuant to the execution of an awarding order approving the sale thereof, provided that the final terms of the Bonds shall be within the parameters established by this resolution.

13. Award of Sale of Bonds. The City Manager is hereby authorized on behalf of the City to award the sale of the Bonds to the bidder whose bid meets the requirements of law and which produces the lowest true interest cost to the City computed in accordance with the terms of the Official Notice of Sale as published.

14. Rescission. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members: _____

NAYS: Members: _____

RESOLUTION DECLARED ADOPTED.

Susan K. Halberstadt, City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Farmington, County of Oakland, State of Michigan, at a regular meeting held on February 4, 2013, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Susan K. Halberstadt, City Clerk

20,795,240.1\027756-00031

**Farmington City Council
Staff Report**

Council Meeting Date:
February 4, 2013

**Reference
Number
(ID # 1161)**

Submitted by: Vincent Pastue, City Manager

Description: Consideration to Authorize Purchase of Backup Generator for Public Works Facility and Transfer from General Fund Contingency Line Item

Requested Action:

Move to approve purchase of backup generator for Public Works facility with Bridgewater Cummings in the amount \$16,770, along with a transfer from the General Fund Contingency line item in the amount of \$18,740 to cover the purchase and installation.

Background:

The backup generator for the public works facility is no longer operable. In the event of a power failure, the backup generator provides power to continue operating the building and facility which includes: overhead doors, fueling tanks, security gate and lighting, interior lighting and phones, and offices. The Public Safety Department's emergency operation center is located at the north end of the site and would be reliant on backup power in the event of large natural or manmade disaster.

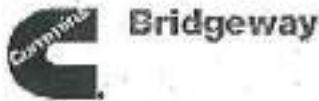
The inoperable backup generator is approximately 32 years old. It was initially used for City Hall/Public Safety and transferred to the public works site approximately 12 years ago. It is the opinion of City Administration that it is most cost effective to replace the emergency backup generator rather than incur several thousands of dollars in repair with questionable longer reliability. As a result, proposals were solicited from two vendors for a new generator. The low proposal was submitted by Bridgeway Cummings in the amount of \$16,770. The removal of the existing backup generator and installation of the new would cost \$1,970.

This is not a budgeted item. As a result, we are requesting a transfer from the contingency line item in the amount of \$18,740 to cover the cost of the purchase and installation.

Agenda Review

Review:

Vincent Pastue **Pending**
City Manager **Pending**
City Council **Pending**



GENERATOR QUOTATION

Mike Kalota
 Cummins Bridgeway LLC
 21810 Clessie Court
 New Hudson MI 48165-8573
 Direct: 248-573-1523
 Fax: 248.573.4014

Thank you for your inquiry. We are pleased to quote as follows:

USD

Item	Description	
	<p><u>Natural Gas spark ignited genset</u></p> <p>Duty Rating-Standby Power (see below for KW rating) Listings-UL 2200, NFPA, ISO, CSA, IEC Fuel System-Natural Gas Enclosure- E-coated Steel, fixed louvers with mounted muffler Onan green color Copper wound Rotor and stator 60Hz 2/3 pitch winding Set control: Power Command digital microprocessor Exciter/Regulator-Torque Match Engine Governor-Electronic, Isochronous Main line circuit breaker Mounted engine cooling radiator Coolant Heater Genset Warranty-2 Year Base Battery rack Battery (delivered at start up) One start up visit including travel</p>	

Automatic Transfer Switch (ATS)

Rating: see below for rating
Voltage sensing
Linear motor actuated
Onan Green color
Programmable exerciser clock
Fixed time delays (start, stop, transfer etc)
3 pole
60 hertz
Battery charger
Nema 1 cabinet
1 year warranty

40KW \$ 14,100.00

225 amp ats \$ 2,670.00

Exclusions:

Cummins Bridgeway Power does not provide any of the following materials/labor/services needed for installation of our system. These include but not limited to:

1. Plumbing of natural gas pipe. Refer to spec sheet for natural gas requirements.
2. Exhaust piping beyond factory mounted components (i.e. tail pipe extensions)
3. Louvers/ducting beyond radiator duct adapter
4. Labor for installation of components after delivery to jobsite.
5. Interconnection materials between transfer switch and generator sets.
6. Cranes/lifting devices for offloading or setting supplied equipment at jobsite.
7. Sizing was performed by others
8. This price is offered in Lieu of any specification for this job.
9. EPA requirements may call for site certification for emissions. These sites test are NOT included with this cost.

Clarifications:

1. This quote is valid for 30 days.
2. All products are shipped via common carrier in a closed top truck to the job site.
3. Voltage to be confirmed by customer at time of order
4. A cancellation fee applies to all orders and is assessed at the time of cancellation. A fee schedule is available at your request
5. A load bank can be supplied (for an adder) at start up to confirm natural gas supply.

Terms of Sale:

The Above Price is Plus State & Local Taxes If Applicable.

Freight is FOB Job Site - Freight Allowed "Unloading by Others"

At this time we estimate Submittals can be provided within one to two weeks after a Purchase Order has been received.

Terms are Net 30 Days from date of invoice with prior credit approval. Start-Up will not be performed until payment has been received, regardless of our invoice date. "Pay when Paid" contract clauses will not be considered by Bridgeway Power. Invoicing will occur on the latter of the requested ship date or when the equipment is available for delivery. Transfer of ownership occurs at the earlier of invoicing or delivery. Once equipment has been released for manufacture, a cancellation fee will be assessed based on a percentage of the equipment value as determined by the manufacturer.

Prices quoted herein will be honored for a period of thirty days from date of quotation, but are subject to increase thereafter.

If you would like to place an Order with Bridgeway Power based on the Bill of Material, Quotation Price and Terms of Sale as detailed above, please complete and sign the following and return the whole quotation to the attention of your Power Generation Sales contact indicated below. By completing the following information, a confirming Purchase Order will not be required.

Company Name: _____

Print Name: _____

Signature: _____

Date: _____

Submitted by

Mike Kalota , Industrial Power Generation Sales

mike.j.kalota@cummins.com

Phone: 248.573.1523

Fax: 248.573.4014

Michigan CAT

13EDP-G40-01
January 18, 2013
Page 2 of 2

Thank you for the opportunity to quote on this project. If you have any questions, please feel free to contact me.

Regards,

Ed Pellegrini

313-350-8911



Michigan Electrical Service, LLC

16452 E. M36 Stockbridge, Mi. 49285-9605

Phone: 517-899-8726

Cell: 734-748-7297

Fax: 517-851-4763

E-mail: mielectricalserv@yahoo.com

Proposal Date: 01/28/2013

Proposal Submitted to:

City of Farmington
33720 West Nine Mile Road
Farmington, Mi. 48335

Work to be performed at:

Farmington DPW Building
33720 West Nine Mile Road
Farmington, Mi. 48335

We hereby propose to provide labor and materials necessary, for the completion of electrical service to meet NEC standards as listed below.

Scope of Services:

- Disconnect and remove existing generator and transfer switch.
- Install customer supplied Cummins model #GGPB 40 kW generator and Cummins OTEC 225A automatic transfer switch.
- Supply and install all necessary wire, conduit, fuses and miscellaneous parts needed to interconnect generator and transfer switch, including control wiring.
- Connect all loads currently fed by existing generator to new generator.
- Supply and install necessary pipe and fittings to make gas connection from 1 1/4 gas line feeding existing generator.
- Haul away old generator, transfer switch and all construction debris.
- Pull necessary electrical permit.
- Pull necessary mechanical permit.

Not Included:

- Generator, Transfer Switch and battery supplied by customer.
- Start up by Cummins Bridgeway.
- Cost of permits if applicable.

Quoted price is: \$1,970.00

Price quotes good on or before: 02/28/2013

Respectfully Submitted: Thomas Watson

Date: 01/28/2013

Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as authorized above.

Signature: _____

Date: _____

**Farmington City Council
Staff Report**

Council Meeting Date:
February 4, 2013

**Reference
Number
(ID # 1162)**

Submitted by: Vincent Pastue, City Manager

Description: Consideration to Approve Agreement with the Michigan Department of Transportation for the Drake Road Resurfacing Project

Requested Action:

Move to approve an agreement with the Michigan Department of Transportation regarding the acceptance of grant funds for the Drake Road Resurfacing Project and administration of the project.

Background:

The City of Farmington received federal grant funds toward the resurfacing of Drake Road from Freedom to Grand River. The project involves milling existing asphalt surface, pavement repair to base, replacing existing curb with new concrete curb and gutter, asphalt resurfacing, sidewalk replacement at intersections, and pavement marking. The grant covers 80% of the eligible construction cost. The City is responsible for the engineering design, which has been completed, and construction engineering. The estimated cost of the construction work is \$627,500 of which the City will contribute \$123,100. This project is contained in the Fiscal Year 2012-13 Budget and sufficient funds exist to cover the City's match for this grant.

The Michigan Department of Transportation will handle administration of the project. This will involve bidding the project and administration of construction contract. The City will simply pay progress invoices as presented by MDOT. The project is anticipated to start in June and should be completed by the end of the summer

Agenda Review

Review:

Vincent Pastue Pending
City Manager Pending
City Council Pending

STP	DA	
	Control Section	STU 63459
	Job Number	118091
	Project	STP 1363(019)
	Federal Item No.	HH 8392
	CFDA No.	20.205 (Highway Research Planning & Construction)
	Contract No.	12-5626

PART I

THIS CONTRACT, consisting of PART I and PART II (Standard Agreement Provisions), is made and entered into this date of _____, by and between the MICHIGAN DEPARTMENT OF TRANSPORTATION, hereinafter referred to as the "DEPARTMENT"; and the CITY OF FARMINGTON, a Michigan municipal corporation, hereinafter referred to as the "REQUESTING PARTY"; for the purpose of fixing the rights and obligations of the parties in agreeing to the following improvements, in the City of Farmington, Michigan, hereinafter referred to as the "PROJECT" and estimated in detail on EXHIBIT "I", dated December 17, 2012, attached hereto and made a part hereof:

PART A – FEDERAL PARTICIPATION

Hot mix asphalt resurfacing work along Drake Road from Freedom Road to Grand River Avenue; including cold milling, pavement repair, concrete curb and gutter, concrete sidewalk, and pavement marking work; and all together with necessary related work.

PART B – NO FEDERAL PARTICIPATION

Irrigation system and audiovisual taping work along Drake Road from Freedom Road to Grand River Avenue; and all together with necessary related work.

WITNESSETH:

WHEREAS, pursuant to Federal law, monies have been provided for the performance of certain improvements on public roads; and

WHEREAS, the reference "FHWA" in PART I and PART II refers to the United States Department of Transportation, Federal Highway Administration; and

WHEREAS, the PROJECT, or portions of the PROJECT, at the request of the REQUESTING PARTY, are being programmed with the FHWA, for implementation with the use of Federal Funds under the following Federal program(s) or funding:

SURFACE TRANSPORTATION PROGRAM

WHEREAS, the parties hereto have reached an understanding with each other regarding the performance of the PROJECT work and desire to set forth this understanding in the form of a written contract.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings of the parties and in conformity with applicable law, it is agreed:

1. The parties hereto shall undertake and complete the PROJECT in accordance with the terms of this contract.

2. The term "PROJECT COST", as herein used, is hereby defined as the cost of the physical construction necessary for the completion of the PROJECT, including any other costs incurred by the DEPARTMENT as a result of this contract, except for construction engineering and inspection.

No charges will be made by the DEPARTMENT to the PROJECT for any inspection work or construction engineering.

The costs incurred by the REQUESTING PARTY for preliminary engineering, construction engineering, construction materials testing, inspection, and right-of-way are excluded from the PROJECT COST as defined by this contract.

3. The DEPARTMENT is authorized by the REQUESTING PARTY to administer on behalf of the REQUESTING PARTY all phases of the PROJECT including advertising and awarding the construction contract for the PROJECT or portions of the PROJECT. Such administration shall be in accordance with PART II, Section II of this contract.

Any items of the PROJECT COST incurred by the DEPARTMENT may be charged to the PROJECT.

4. The REQUESTING PARTY, at no cost to the PROJECT or to the DEPARTMENT, shall:

- A. Design or cause to be designed the plans for the PROJECT.
- B. Appoint a project engineer who shall be in responsible charge of the PROJECT and ensure that the plans and specifications are followed.
- C. Perform or cause to be performed the construction engineering, construction materials testing, and inspection services necessary for the completion of the PROJECT.

The REQUESTING PARTY will furnish the DEPARTMENT proposed timing sequences for trunkline signals that, if any, are being made part of the improvement. No timing adjustments shall be made by the REQUESTING PARTY at any trunkline intersection, without prior issuances by the DEPARTMENT of Standard Traffic Signal Timing Permits.

5. The PROJECT COST shall be met in accordance with the following:

PART A

Federal Surface Transportation Funds shall be applied to the eligible items of the PART A portion of the PROJECT COST at the established Federal participation ratio equal to 81.85 percent. The balance of the PART A portion of the PROJECT COST, after deduction of Federal Funds, shall be charged to and paid by the REQUESTING PARTY in the manner and at the times hereinafter set forth.

PART B

The PART B portion of the PROJECT COST is not eligible for Federal participation and shall be charged to and paid 100 percent by the REQUESTING PARTY in the manner and at the times hereinafter set forth.

Any items of PROJECT COST not reimbursed by Federal Funds will be the sole responsibility of the REQUESTING PARTY.

6. No working capital deposit will be required for this PROJECT.

In order to fulfill the obligations assumed by the REQUESTING PARTY under the provisions of this contract, the REQUESTING PARTY shall make prompt payments of its share of the PROJECT COST upon receipt of progress billings from the DEPARTMENT as herein provided. All payments will be made within 30 days of receipt of billings from the DEPARTMENT. Billings to the REQUESTING PARTY will be based upon the REQUESTING PARTY'S share of the actual costs incurred less Federal Funds earned as the PROJECT progresses.

In the event of any discrepancies between PART I and PART II of this contract, the provisions of PART I shall prevail.

7. Upon completion of construction of the PROJECT, the REQUESTING PARTY will promptly cause to be enacted and enforced such ordinances or regulations as may be necessary to prohibit parking in the roadway right-of-way throughout the limits of the PROJECT.

8. The performance of the entire PROJECT under this contract, whether Federally funded or not, will be subject to the provisions and requirements of PART II that are applicable to a Federally funded project.

Buy America Requirements (23 CFR 365.410) shall apply to the PROJECT and will be adhered to, as applicable, by the parties hereto.

9. The REQUESTING PARTY certifies that a) it is a person under 1995 PA 71 and is not aware of and has no reason to believe that the property is a facility as defined in MSA 13A.20101(1)(l); b) the REQUESTING PARTY further certifies that it has completed the tasks required by MCL 324.20126 (3)(h); MSA 13A.20126(3)(h); c) it conducted a visual inspection of property within the existing right of way on which construction is to be performed to determine if any hazardous substances were present; and at sites on which historically were located businesses that involved hazardous substances, it performed a reasonable investigation to determine whether hazardous substances exist. This reasonable investigation should include, at a minimum, contact with local, state and federal environmental agencies to determine if the site has been identified as, or potentially as, a site containing hazardous substances; d) it did not cause or contribute to the release or threat of release of any hazardous substance found within the PROJECT limits.

The REQUESTING PARTY also certifies that, in addition to reporting the presence of any hazardous substances to the Department of Environmental Quality, it has advised the DEPARTMENT of the presence of any and all hazardous substances which the REQUESTING PARTY found within the PROJECT limits, as a result of performing the investigation and visual inspection required herein. The REQUESTING PARTY also certifies that it has been unable to identify any entity who may be liable for the cost of remediation. As a result, the REQUESTING PARTY has included all estimated costs of remediation of such hazardous substances in its estimated cost of construction of the PROJECT.

10. If, subsequent to execution of this contract, previously unknown hazardous substances are discovered within the PROJECT limits, which require environmental remediation pursuant to either state or federal law, the REQUESTING PARTY, in addition to reporting that fact to the Department of Environmental Quality, shall immediately notify the DEPARTMENT, both orally and in writing of such discovery. The DEPARTMENT shall consult with the REQUESTING PARTY to determine if it is willing to pay for the cost of remediation and, with the FHWA, to determine the eligibility, for reimbursement, of the remediation costs. The REQUESTING PARTY shall be charged for and shall pay all costs associated with such remediation, including all delay costs of the contractor for the PROJECT, in the event that remediation and delay costs are not deemed eligible by the FHWA. If the REQUESTING PARTY refuses to participate in the cost of remediation, the DEPARTMENT shall terminate the PROJECT. The parties agree that any costs or damages that the DEPARTMENT incurs as a result of such termination shall be considered a PROJECT COST.

11. If federal and/or state funds administered by the DEPARTMENT are used to pay the cost of remediating any hazardous substances discovered after the execution of this contract and if there is a reasonable likelihood of recovery, the REQUESTING PARTY, in cooperation with the Department of Environmental Quality and the DEPARTMENT, shall make a diligent

effort to recover such costs from all other possible entities. If recovery is made, the DEPARTMENT shall be reimbursed from such recovery for the proportionate share of the amount paid by the FHWA and/or the DEPARTMENT and the DEPARTMENT shall credit such sums to the appropriate funding source.

12. The DEPARTMENT'S sole reason for entering into this contract is to enable the REQUESTING PARTY to obtain and use funds provided by the Federal Highway Administration pursuant to Title 23 of the United States Code.

Any and all approvals of, reviews of, and recommendations regarding contracts, agreements, permits, plans, specifications, or documents, of any nature, or any inspections of work by the DEPARTMENT or its agents pursuant to the terms of this contract are done to assist the REQUESTING PARTY in meeting program guidelines in order to qualify for available funds. Such approvals, reviews, inspections and recommendations by the DEPARTMENT or its agents shall not relieve the REQUESTING PARTY and the local agencies, as applicable, of their ultimate control and shall not be construed as a warranty of their propriety or that the DEPARTMENT or its agents is assuming any liability, control or jurisdiction.

The providing of recommendations or advice by the DEPARTMENT or its agents does not relieve the REQUESTING PARTY and the local agencies, as applicable of their exclusive jurisdiction of the highway and responsibility under MCL 691.1402, MSA 3.996(102).

When providing approvals, reviews and recommendations under this contract, the DEPARTMENT or its agents is performing a governmental function, as that term is defined in MCL 691.1401, MSA 3.996(101), which is incidental to the completion of the PROJECT.

13. The DEPARTMENT, by executing this contract, and rendering services pursuant to this contract, has not and does not assume jurisdiction of the highway, described as the PROJECT for purposes of MCL 691.1402; MSA 3.996(102). Exclusive jurisdiction of such highway for the purposes of MCL 691.1402; MSA 3.996(102) rests with the REQUESTING PARTY and other local agencies having respective jurisdiction.

14. The REQUESTING PARTY shall approve all of the plans and specifications to be used on the PROJECT and shall be deemed to have approved all changes to the plans and specifications when put into effect. It is agreed that ultimate responsibility and control over the PROJECT rests with the REQUESTING PARTY and local agencies, as applicable.

15. The REQUESTING PARTY agrees that the costs reported to the DEPARTMENT for this contract will represent only those items that are properly chargeable in accordance with this contract. The REQUESTING PARTY also certifies that it has read the contract terms and has made itself aware of the applicable laws, regulations, and terms of this contract that apply to the reporting of costs incurred under the terms of this contract.

16. The parties shall promptly provide comprehensive assistance and cooperation in defending and resolving any claims brought against the DEPARTMENT by the contractor, vendors or suppliers as a result of the DEPARTMENT'S award of the construction contract for the PROJECT. Costs incurred by the DEPARTMENT in defending or resolving such claims shall be considered PROJECT COSTS.

17. The DEPARTMENT shall require the contractor who is awarded the contract for the construction of the PROJECT to provide insurance in the amounts specified and in accordance with the DEPARTMENT'S current Standard Specifications for Construction and to:

- A. Maintain bodily injury and property damage insurance for the duration of the PROJECT.
- B. Provide owner's protective liability insurance naming as insureds the State of Michigan, the Michigan State Transportation Commission, the DEPARTMENT and its officials, agents and employees, the REQUESTING PARTY and any other county, county road commission, or municipality in whose jurisdiction the PROJECT is located, and their employees, for the duration of the PROJECT and to provide, upon request, copies of certificates of insurance to the insureds. It is understood that the DEPARTMENT does not assume jurisdiction of the highway described as the PROJECT as a result of being named as an insured on the owner's protective liability insurance policy.
- C. Comply with the requirements of notice of cancellation and reduction of insurance set forth in the current standard specifications for construction and to provide, upon request, copies of notices and reports prepared to those insured.

18. This contract shall become binding on the parties hereto and of full force and effect upon the signing thereof by the duly authorized officials for the parties hereto and upon the adoption of the necessary resolutions approving said contract and authorizing the signatures thereto of the respective officials of the REQUESTING PARTY, a certified copy of which resolution shall be attached to this contract.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

CITY OF FARMINGTON

MICHIGAN DEPARTMENT OF TRANSPORTATION

By _____
Title:

By _____
Department Director MDOT

By _____
Title:



APPROVED BY:

[Handwritten Signature]

Administrator
Estate

[Handwritten Date]

Date

December 17, 2012

EXHIBIT I

CONTROL SECTION	STU 63459
JOB NUMBER	118091
PROJECT	STP 1363(019)

ESTIMATED COST

CONTRACTED WORK	<u>PART A</u>	<u>PART B</u>	<u>TOTAL</u>
Estimated Cost	\$616,200	\$11,300	\$627,500

COST PARTICIPATION

GRAND TOTAL ESTIMATED COST	\$616,200	\$11,300	\$627,500
Less Federal Funds	<u>\$504,400</u>	<u>\$ -0-</u>	<u>\$504,400</u>
BALANCE (REQUESTING PARTY'S SHARE)	\$111,800	\$11,300	\$123,100

NO DEPOSIT

DOT

TYPE B
BUREAU OF HIGHWAYS
03-15-93

PART II

STANDARD AGREEMENT PROVISIONS

- SECTION I COMPLIANCE WITH REGULATIONS AND DIRECTIVES
- SECTION II PROJECT ADMINISTRATION AND SUPERVISION
- SECTION III ACCOUNTING AND BILLING
- SECTION IV MAINTENANCE AND OPERATION
- SECTION V SPECIAL PROGRAM AND PROJECT CONDITIONS

SECTION I

COMPLIANCE WITH REGULATIONS AND DIRECTIVES

- A. To qualify for eligible cost, all work shall be documented in accordance with the requirements and procedures of the DEPARTMENT.
- B. All work on projects for which reimbursement with Federal funds is requested shall be performed in accordance with the requirements and guidelines set forth in the following Directives of the Federal-Aid Policy Guide (FAPG) of the FHWA, as applicable, and as referenced in pertinent sections of Title 23 and Title 49 of the Code of Federal Regulations (CFR), and all supplements and amendments thereto.
1. Engineering
 - a. FAPG (6012.1): Preliminary Engineering
 - b. FAPG (23 CFR 172): Administration of Engineering and Design Related Service Contracts
 - c. FAPG (23 CFR 635A): Contract Procedures
 - d. FAPG (49 CFR 18.22): Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments-Allowable Costs
 2. Construction
 - a. FAPG (23 CFR 140B): Administrative Settlement Costs-Contract Claims
 - b. FAPG (23 CFR 140B): Construction Engineering Costs
 - c. FAPG (23 CFR 17): Recordkeeping and Retention Requirements for Federal-Aid Highway Records of State Highway Agencies
 - d. FAPG (23 CFR 635A): Contract Procedures
 - e. FAPG (23 CFR 635B): Force Account Construction
 - f. FAPG (23 CFR 645A): Utility Relocations, Adjustments and Reimbursement

- g. FAPG (23 CFR 645B): Accommodation of Utilities (PPM 30-4.1)
 - h. FAPG (23 CFR 655F): Traffic Control Devices on Federal-Aid and other Streets and Highways
 - i. FAPG (49 CFR 18.22): Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments—Allowable Costs
3. Modification Or Construction Of Railroad Facilities
- a. FAPG (23 CFR 140D): Reimbursement for Railroad Work
 - b. FAPG (23 CFR 646B): Railroad Highway Projects
- C. In conformance with FAPG (23 CFR 630C) Project Agreements, the political subdivisions party to this contract, on those Federally funded projects which exceed a total cost of \$100,000.00 stipulate the following with respect to their specific jurisdictions:
- 1. That any facility to be utilized in performance under or to benefit from this contract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities issued pursuant to the requirements of the Federal Clean Air Act, as amended, and the Federal Water Pollution Control Act, as amended.
 - 2. That they each agree to comply with all of the requirements of Section 114 of the Federal Clean Air Act and Section 308 of the Federal Water Pollution Control Act, and all regulations and guidelines issued thereunder.
 - 3. That as a condition of Federal aid pursuant to this contract they shall notify the DEPARTMENT of the receipt of any advice indicating that a facility to be utilized in performance under or to benefit from this contract is under consideration to be listed on the EPA List of Violating Facilities.
- D. Ensure that the PROJECT is constructed in accordance with and incorporates all committed environmental impact mitigation measures listed in approved environmental documents unless modified or deleted by approval of the FHWA.
- E. All the requirements, guidelines, conditions and restrictions noted in all other pertinent Directives and Instructional Memoranda of the FHWA will apply to this contract and will be adhered to, as applicable, by the parties hereto.

SECTION II

PROJECT ADMINISTRATION AND SUPERVISION

- A. The DEPARTMENT shall provide such administrative guidance as it determines is required by the PROJECT in order to facilitate the obtaining of available federal and/or state funds.
- B. The DEPARTMENT will advertise and award all contracted portions of the PROJECT work. Prior to advertising of the PROJECT for receipt of bids, the REQUESTING PARTY may delete any portion or all of the PROJECT work. After receipt of bids for the PROJECT, the REQUESTING PARTY shall have the right to reject the amount bid for the PROJECT prior to the award of the contract for the PROJECT only if such amount exceeds by ten percent (10%) the final engineer's estimate therefor. If such rejection of the bids is not received in writing within two (2) weeks after letting, the DEPARTMENT will assume concurrence. The DEPARTMENT may, upon request, readvertise the PROJECT. Should the REQUESTING PARTY so request in writing within the aforesaid two (2) week period after letting, the PROJECT will be cancelled and the DEPARTMENT will refund the unused balance of the deposit less all costs incurred by the DEPARTMENT.
- C. The DEPARTMENT will perform such inspection services on PROJECT work performed by the REQUESTING PARTY with its own forces as is required to ensure compliance with the approved plans & specifications.
- D. On those projects funded with Federal monies, the DEPARTMENT shall as may be required secure from the FHWA approval of plans and specifications, and such cost estimates for FHWA participation in the PROJECT COST.
- E. All work in connection with the PROJECT shall be performed in conformance with the Michigan Department of Transportation Standard Specifications for Construction, and the supplemental specifications, Special Provisions and plans pertaining to the PROJECT and all materials furnished and used in the construction of the PROJECT shall conform to the aforesaid specifications. No extra work shall be performed nor changes in plans and specifications made until said work or changes are approved by the project engineer and authorized by the DEPARTMENT.

- F. Should it be necessary or desirable that portions of the work covered by this contract be accomplished by a consulting firm, a railway company, or governmental agency, firm, person, or corporation, under a subcontract with the REQUESTING PARTY at PROJECT expense, such subcontracted arrangements will be covered by formal written agreement between the REQUESTING PARTY and that party.

This formal written agreement shall: include a reference to the specific prime contract to which it pertains; include provisions which clearly set forth the maximum reimbursable and the basis of payment; provide for the maintenance of accounting records in accordance with generally accepted accounting principles, which clearly document the actual cost of the services provided; provide that costs eligible for reimbursement shall be in accordance with clearly defined cost criteria such as 49 CFR Part 18, 48 CFR Part 31, 23 CFR Part 140, OMB Circular A-87, etc. as applicable; provide for access to the department or its representatives to inspect and audit all data and records related to the agreement for a minimum of three years after the department's final payment to the local unit.

All such agreements will be submitted for approval by the DEPARTMENT and, if applicable, by the FHWA prior to execution thereof, except for agreements for amounts less than \$100,000 for preliminary engineering and testing services executed under and in accordance with the provisions of the "Small Purchase Procedures" FAPG (23 CFR 172), which do not require prior approval of the DEPARTMENT or the FHWA.

Any such approval by the DEPARTMENT shall in no way be construed as a warranty of the subcontractor's qualifications, financial integrity, or ability to perform the work being subcontracted.

- G. The REQUESTING PARTY, at no cost to the PROJECT or the DEPARTMENT, shall make such arrangements with railway companies, utilities, etc., as may be necessary for the performance of work required for the PROJECT but for which Federal or other reimbursement will not be requested.
- H. The REQUESTING PARTY, at no cost to the PROJECT, or the DEPARTMENT, shall secure, as necessary, all agreements and approvals of the PROJECT with railway companies, the Railroad Safety & Tariffs Division of the DEPARTMENT and other concerned governmental agencies other than the FHWA, and will forward same to the DEPARTMENT for such reviews and approvals as may be required.
- I. No PROJECT work for which reimbursement will be requested by the REQUESTING PARTY is to be subcontracted or performed until the DEPARTMENT gives written notification that such work may commence.

- J. The REQUESTING PARTY shall be responsible for the payment of all costs and expenses incurred in the performance of the work it agrees to undertake and perform.
- K. The REQUESTING PARTY shall pay directly to the party performing the work all billings for the services performed on the PROJECT which are authorized by or through the REQUESTING PARTY.
- L. The REQUESTING PARTY shall submit to the DEPARTMENT all paid billings for which reimbursement is desired in accordance with DEPARTMENT procedures.
- M. All work by a consulting firm will be performed in compliance with the applicable provisions of 1980 PA 299, Subsection 2001, MCL 339.2001; MSA 18.425(2001), as well as in accordance with the provisions of all previously cited Directives of the FHWA.
- N. The project engineer shall be subject to such administrative guidance as may be deemed necessary to ensure compliance with program requirement and, in those instances where a consultant firm is retained to provide engineering and inspection services, the personnel performing those services shall be subject to the same conditions.
- O. The DEPARTMENT, in administering the PROJECT in accordance with applicable Federal and State requirements and regulations, neither assumes nor becomes liable for any obligations undertaken or arising between the REQUESTING PARTY and any other party with respect to the PROJECT.
- P. In the event it is determined by the DEPARTMENT that there will be either insufficient Federal funds or insufficient time to properly administer such funds for the entire PROJECT or portions thereof, the DEPARTMENT, prior to advertising or issuing authorization for work performance, may cancel the PROJECT, or any portion thereof, and upon written notice to the parties this contract shall be void and of no effect with respect to that cancelled portion of the PROJECT. Any PROJECT deposits previously made by the parties on the cancelled portions of the PROJECT will be promptly refunded.
- Q. Those projects funded with Federal monies will be subject to inspection at all times by the DEPARTMENT and the FHWA.

SECTION III

ACCOUNTING AND BILLING

A. Procedures for billing for work undertaken by the REQUESTING PARTY:

1. The REQUESTING PARTY shall establish and maintain accurate records, in accordance with generally accepted accounting principles, of all expenses incurred for which payment is sought or made under this contract, said records to be hereinafter referred to as the "RECORDS". Separate accounts shall be established and maintained for all costs incurred under this contract.

The REQUESTING PARTY shall maintain the RECORDS for at least three (3) years from the date of final payment of Federal Aid made by the DEPARTMENT under this contract. In the event of a dispute with regard to the allowable expenses or any other issue under this contract, the REQUESTING PARTY shall thereafter continue to maintain the RECORDS at least until that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.

The DEPARTMENT, or its representative, may inspect, copy, or audit the RECORDS at any reasonable time after giving reasonable notice.

If any part of the work is subcontracted, the REQUESTING PARTY shall assure compliance with the above for all subcontracted work.

In the event that an audit performed by or on behalf of the DEPARTMENT indicates an adjustment to the costs reported under this contract, or questions the allowability of an item of expense, the DEPARTMENT shall promptly submit to the REQUESTING PARTY, a Notice of Audit Results and a copy of the audit report which may supplement or modify any tentative findings verbally communicated to the REQUESTING PARTY at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the REQUESTING PARTY shall: (a) respond in writing to the responsible Bureau or the DEPARTMENT indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any disagreement as to a disallowed item of expense and, (c) submit to the DEPARTMENT a written explanation as to any questioned or no opinion expressed item of expense, hereinafter referred to as the "RESPONSE". The RESPONSE shall be clearly stated and provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the REQUESTING PARTY may supply appropriate excerpts and make alternate

arrangements to conveniently and reasonably make that documentation available for review by the DEPARTMENT. The RESPONSE shall refer to and apply the language of the contract. The REQUESTING PARTY agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes the DEPARTMENT to finally disallow any items of questioned or no opinion expressed cost.

The DEPARTMENT shall make its decision with regard to any Notice of Audit Results and RESPONSE within one hundred twenty (120) days after the date of the Notice of Audit Results. If the DEPARTMENT determines that an overpayment has been made to the REQUESTING PARTY, the REQUESTING PARTY shall repay that amount to the DEPARTMENT or reach agreement with the DEPARTMENT on a repayment schedule within thirty (30) days after the date of an invoice from the DEPARTMENT. If the REQUESTING PARTY fails to repay the overpayment or reach agreement with the DEPARTMENT on a repayment schedule within the thirty (30) day period, the REQUESTING PARTY agrees that the DEPARTMENT shall deduct all or a portion of the overpayment from any funds then or thereafter payable by the DEPARTMENT to the REQUESTING PARTY under this contract or any other agreement, or payable to the REQUESTING PARTY under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payments or repayment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The assessment of interest will begin thirty (30) days from the date of the invoice. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by the DEPARTMENT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The REQUESTING PARTY expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to file a lawsuit in the Court of Claims to contest the DEPARTMENT'S decision only as to any item of expense the disallowance of which was disputed by the REQUESTING PARTY in a timely filed RESPONSE.

The REQUESTING PARTY shall comply with the Single Audit Act of 1984, P.L. 98-502.

The REQUESTING PARTY shall adhere to the following requirements associated with audits of accounts and records:

- a. Agencies expending a total of \$500,000 or more in federal funds, from one or more funding sources in its fiscal year, shall comply with the requirements of the federal Office of Management and Budget (OMB) Circular A-133, as revised or amended.

The agency shall submit two copies of:

- The Reporting Package
- The Data Collection Form
- The management letter to the agency, if one issued by the audit firm

The OMB Circular A-133 audit must be submitted to the address below in accordance with the time frame established in the circular, as revised or amended.

b. Agencies expending less than \$500,000 in federal funds must submit a letter to the Department advising that a circular audit was not required. The letter shall indicate the applicable fiscal year, the amount of federal funds spent, the name(s) of the Department federal programs, and the CFDA grant number(s). This information must also be submitted to the address below.

c. Address: Michigan Department of Transportation
Bureau of Highways Technical Services
425 W. Ottawa, P.O. Box 30050
Lansing, MI 48909

d. Agencies must also comply with applicable State laws and regulations relative to audit requirements.

e. Agencies shall not charge audit costs to Department's federal programs which are not in accordance with the OMB Circular A-133 requirements.

f. All agencies are subject to the federally required monitoring activities, which may include limited scope reviews and other on-site monitoring.

2. Agreed Unit Prices Work - All billings for work undertaken by the REQUESTING PARTY on an agreed unit price basis will be submitted in accordance with the Michigan Department of Transportation Standard Specifications for Construction and pertinent FAPG Directives and Guidelines of the FHWA.

3. Force Account Work and Subcontracted Work - All billings submitted to the DEPARTMENT for Federal reimbursement for items of work performed on a force account basis or by any subcontract with a consulting firm, railway company, governmental agency or other party, under the terms of this contract, shall be prepared in accordance with the provisions of the pertinent FHPM Directives and the procedures of the DEPARTMENT. Progress billings may be submitted monthly during the time work is being performed provided, however, that no bill of a lesser amount than \$1,000.00 shall be submitted unless it is a final

or end of fiscal year billing. All billings shall be labeled either "Progress Bill Number _____", or "Final Billing".

4. Final billing under this contract shall be submitted in a timely manner but not later than six months after completion of the work. Billings for work submitted later than six months after completion of the work will not be paid.
5. Upon receipt of billings for reimbursement for work undertaken by the REQUESTING PARTY on projects funded with Federal monies, the DEPARTMENT will act as billing agent for the REQUESTING PARTY, consolidating said billings with those for its own force account work and presenting these consolidated billings to the FHWA for payment. Upon receipt of reimbursement from the FHWA, the DEPARTMENT will promptly forward to the REQUESTING PARTY its share of said reimbursement.
6. Upon receipt of billings for reimbursement for work undertaken by the REQUESTING PARTY on projects funded with non-Federal monies, the DEPARTMENT will promptly forward to the REQUESTING PARTY reimbursement of eligible costs.

B. Payment of Contracted and DEPARTMENT Costs:

1. As work on the PROJECT commences, the initial payments for contracted work and/or costs incurred by the DEPARTMENT will be made from the working capital deposit. Receipt of progress payments of Federal funds, and where applicable, State Critical Bridge funds, will be used to replenish the working capital deposit. The REQUESTING PARTY shall make prompt payments of its share of the contracted and/or DEPARTMENT incurred portion of the PROJECT COST upon receipt of progress billings from the DEPARTMENT. Progress billings will be based upon the REQUESTING PARTY'S share of the actual costs incurred as work on the PROJECT progresses and will be submitted, as required, until it is determined by the DEPARTMENT that there is sufficient available working capital to meet the remaining anticipated PROJECT COSTS. All progress payments will be made within thirty (30) days of receipt of billings. No monthly billing of a lesser amount than \$1,000.00 will be made unless it is a final or end of fiscal year billing. Should the DEPARTMENT determine that the available working capital exceeds the remaining anticipated PROJECT COSTS, the DEPARTMENT may reimburse the REQUESTING PARTY such excess. Upon completion of the PROJECT, payment of all PROJECT COSTS, receipt of all applicable monies from the FHWA, and completion of necessary audits, the REQUESTING PARTY will be reimbursed the balance of its deposit.

2. In the event that the bid, plus contingencies, for the contracted, and/or the DEPARTMENT incurred portion of the PROJECT work exceeds the estimated cost therefor as established by this contract, the REQUESTING PARTY may be advised and billed for the additional amount of its share.

C. General Conditions:

1. The DEPARTMENT, in accordance with its procedures in existence and covering the time period involved, shall make payment for interest earned on the balance of working capital deposits for all projects on account with the DEPARTMENT. The REQUESTING PARTY in accordance with DEPARTMENT procedures in existence and covering the time period involved, shall make payment for interest owed on any deficit balance of working capital deposits for all projects on account with the DEPARTMENT. This payment or billing is processed on an annual basis corresponding to the State of Michigan fiscal year. Upon receipt of billing for interest incurred, the REQUESTING PARTY promises and shall promptly pay the DEPARTMENT said amount.
2. Pursuant to the authority granted by law, the REQUESTING PARTY hereby irrevocably pledges a sufficient amount of funds received by it from the Michigan Transportation Fund to meet its obligations as specified in PART I and PART II. If the REQUESTING PARTY shall fail to make any of its required payments when due, as specified herein, the DEPARTMENT shall immediately notify the REQUESTING PARTY and the State Treasurer of the State of Michigan or such other state officer or agency having charge and control over disbursement of the Michigan Transportation Fund, pursuant to law, of the fact of such default and the amount thereof, and, if such default is not cured by payment within ten (10) days, said State Treasurer or other state officer or agency is then authorized and directed to withhold from the first of such monies thereafter allocated by law to the REQUESTING PARTY from the Michigan Transportation Fund sufficient monies to remove the default, and to credit the REQUESTING PARTY with payment thereof, and to notify the REQUESTING PARTY in writing of such fact.
3. Upon completion of all work under this contract and final audit by the DEPARTMENT or the FHWA, the REQUESTING PARTY promises to promptly repay the DEPARTMENT for any disallowed items of costs previously disbursed by the DEPARTMENT. The REQUESTING PARTY pledges its future receipts from the Michigan Transportation Fund for repayment of all disallowed items and, upon failure to make repayment for any disallowed items within ninety (90) days of demand made by the DEPARTMENT, the DEPARTMENT is hereby authorized to withhold an equal amount from the REQUESTING PARTY'S share of any future distribution of Michigan Transportation Funds in settlement of said claim.

4. The DEPARTMENT shall maintain and keep accurate records and accounts relative to the cost of the PROJECT and upon completion of the PROJECT, payment of all items of PROJECT COST, receipt of all Federal Aid, if any, and completion of final audit by the DEPARTMENT and if applicable, by the FHWA, shall make final accounting to the REQUESTING PARTY. The final PROJECT accounting will not include interest earned or charged on working capital deposited for the PROJECT which will be accounted for separately at the close of the State of Michigan fiscal year and as set forth in Section C(1).
5. The costs of engineering and other services performed on those projects involving specific program funds and one hundred percent (100%) local funds will be apportioned to the respective portions of that project in the same ratio as the actual direct construction costs unless otherwise specified in PART I.

SECTION IV

MAINTENANCE AND OPERATION

- A. Upon completion of construction of each part of the PROJECT, at no cost to the DEPARTMENT or the PROJECT, each of the parties hereto, within their respective jurisdictions, will make the following provisions for the maintenance and operation of the completed PROJECT:
1. All Projects:

Properly maintain and operate each part of the project, making ample provisions each year for the performance of such maintenance work as may be required, except as qualified in paragraph 2b of this section.
 2. Projects Financed in Part with Federal Monies:
 - a. Sign and mark each part of the PROJECT, in accordance with the current Michigan Manual of Uniform Traffic Control Devices, and will not install, or permit to be installed, any signs, signals or markings not in conformance with the standards approved by the FHWA, pursuant to 23 USC 109(d).
 - b. Remove, prior to completion of the PROJECT, all encroachments from the roadway right-of-way within the limits of each part of the PROJECT.

With respect to new or existing utility installations within the right-of-way of Federal Aid projects and pursuant to FAPG (23 CFR 645B): Occupancy of non-limited access right-of-way may be allowed based on consideration for traffic safety and necessary preservation of roadside space and aesthetic quality. Longitudinal occupancy of non-limited access right-of-way by private lines will require a finding of significant economic hardship, the unavailability of practicable alternatives or other extenuating circumstances.
 - c. Cause to be enacted, maintained and enforced, ordinances and regulations for proper traffic operations in accordance with the plans of the PROJECT.
 - d. Make no changes to ordinances or regulations enacted, or traffic controls installed in conjunction with the PROJECT work without prior review by the DEPARTMENT and approval of the FHWA, if required.

- B. On projects for the removal of roadside obstacles, the parties, upon completion of construction of each part of the PROJECT, at no cost to the PROJECT or the DEPARTMENT, will, within their respective jurisdictions, take such action as is necessary to assure that the roadway right-of-way, cleared as the PROJECT, will be maintained free of such obstacles.
- C. On projects for the construction of bikeways, the parties will enact no ordinances or regulations prohibiting the use of bicycles on the facility hereinbefore described as the PROJECT, and will amend any existing restrictive ordinances in this regard so as to allow use of this facility by bicycles. No motorized vehicles shall be permitted on such bikeways or walkways constructed as the PROJECT except those for maintenance purposes.
- D. Failure of the parties hereto to fulfill their respective responsibilities as outlined herein may disqualify that party from future Federal-aid participation in projects on roads or streets for which it has maintenance responsibility. Federal Aid may be withheld until such time as deficiencies in regulations have been corrected, and the improvements constructed as the PROJECT are brought to a satisfactory condition of maintenance.

SECTION V

SPECIAL PROGRAM AND PROJECT CONDITIONS

- A. Those projects for which the REQUESTING PARTY has been reimbursed with Federal monies for the acquisition of right-of-way must be under construction by the close of the twentieth (20th) fiscal year following the fiscal year in which the FHWA and the DEPARTMENT projects agreement covering that work is executed, or the REQUESTING PARTY may be required to repay to the DEPARTMENT, for forwarding to the FHWA, all monies distributed as the FHWA'S contribution to that right-of-way.
- B. Those projects for which the REQUESTING PARTY has been reimbursed with Federal monies for the performance of preliminary engineering must be under construction by the close of the tenth (10th) fiscal year following the fiscal year in which the FHWA and the DEPARTMENT projects agreement covering that work is executed, or the REQUESTING PARTY may be required to repay to the DEPARTMENT, for forwarding to the FHWA, all monies distributed as the FHWA'S contribution to that preliminary engineering.
- C. On those projects funded with Federal monies, the REQUESTING PARTY, at no cost to the PROJECT or the DEPARTMENT, will provide such accident information as is available and such other information as may be required under the program in order to make the proper assessment of the safety benefits derived from the work performed as the PROJECT. The REQUESTING PARTY will cooperate with the DEPARTMENT in the development of reports and such analysis as may be required and will, when requested by the DEPARTMENT, forward to the DEPARTMENT, in such form as is necessary, the required information.
- D. In connection with the performance of PROJECT work under this contract the parties hereto (hereinafter in Appendix "A" referred to as the "contractor") agree to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts", as set forth in Appendix A, attached hereto and made a part hereof. The parties further covenant that they will comply with the Civil Rights Acts of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 U.S.C. Sections 1971, 1975a-1975d, and 2000a-2000h-6 and the Regulations of the United States Department of Transportation (49 C.F.R. Part 21) issued pursuant to said Act, including Appendix "B", attached hereto and made a part hereof, and will require similar covenants on the part of any contractor or subcontractor employed in the performance of this contract.
- E. The parties will carry out the applicable requirements of the DEPARTMENT'S Disadvantaged Business Enterprise (DBE) program and 49 CFR, Part 26, including, but not limited to, those requirements set forth in Appendix C.

APPENDIX A
PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants will be regarded as a material breach of this contract.
2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.
3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.
5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of the contractor's commitments under this Appendix.
6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.

7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.
8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.
9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

Revised June 2011

APPENDIX B
TITLE VI ASSURANCE

During the performance of this contract, the contractor, for itself, its assignees, and its successors in interest (hereinafter referred to as the "contractor"), agrees as follows:

1. **Compliance with Regulations:** For all federally assisted programs, the contractor shall comply with the nondiscrimination regulations set forth in 49 CFR Part 21, as may be amended from time to time (hereinafter referred to as the Regulations). Such Regulations are incorporated herein by reference and made a part of this contract.
2. **Nondiscrimination:** The contractor, with regard to the work performed under the contract, shall not discriminate on the grounds of race, color, sex, or national origin in the selection, retention, and treatment of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices, when the contractor covers a program set forth in Appendix B of the Regulations.
3. **Solicitation for Subcontracts, Including Procurements of Materials and Equipment:** All solicitations made by the contractor, either by competitive bidding or by negotiation for subcontract work, including procurement of materials or leases of equipment, must include a notification to each potential subcontractor or supplier of the contractor's obligations under the contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and facilities as may be determined to be pertinent by the Department or the United States Department of Transportation (USDOT) in order to ascertain compliance with such Regulations or directives. If required information concerning the contractor is in the exclusive possession of another who fails or refuses to furnish the required information, the contractor shall certify to the Department or the USDOT, as appropriate, and shall set forth the efforts that it made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Department shall impose such contract sanctions as it or the USDOT may determine to be appropriate, including, but not limited to, the following:
 - a. Withholding payments to the contractor until the contractor complies; and/or
 - b. Canceling, terminating, or suspending the contract, in whole or in part.

6. Incorporation of Provisions: The contractor shall include the provisions of Sections (1) through (6) in every subcontract, including procurement of material and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the Department or the USDOT may direct as a means of enforcing such provisions, including sanctions for non-compliance, provided, however, that in the event a contractor becomes involved in or is threatened with litigation from a subcontractor or supplier as a result of such direction, the contractor may request the Department to enter into such litigation to protect the interests of the state. In addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Revised June 2011

APPENDIX C

TO BE INCLUDED IN ALL FINANCIAL ASSISTANCE
AGREEMENTS WITH LOCAL AGENCIESAssurance that Recipients and Contractors Must Make
(Excerpts from US DOT Regulation 49 CFR 26.13)

- A. Each financial assistance agreement signed with a DOT operating administration (or a primary recipient) must include the following assurance:

The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any US DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26 and as approved by US DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

- B. Each contract MDOT signs with a contractor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance:

The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of US DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.

**Farmington City Council
Staff Report**

Council Meeting Date:
February 4, 2013

**Reference
Number**

Submitted by: Vincent Pastue, City Manager

Description: Consideration to Adopt Resolution Approving Budget Amendment #3

Requested Action:

Move to adopt Budget Amendment #3 as presented involving the General Fund, Major Street Fund, Capital Improvements Fund, and Water and Sewer Fund

Background:

City Administration is requesting that the City Council adopt Budget Amendment #3 which amends the budget appropriations for the General Fund, Major Street, Capital Improvements, and Water and Sewer funds. Contained below is a brief explanation of the major changes. The budget amendments reflect changes to the original budget based on reorganizations, additional grant funds, project carryovers, and updated revenue forecasts.

General Fund - Budget Amendment #3 increases the ending fund balance by \$36,964. Revenues increased by \$205,139 because of transfer from Capital Improvements Fund to cover the cost of the sidewalk replacement program (\$103,000) which was budget in the previous fiscal year, carryover and increase in federal grants for the Public Safety Department (\$37,100), increase in fine collections (\$40,000), and a projected increase in State Revenue Sharing of \$21,796. On the expenditure side, the budget amendment incorporates the first phase of the Economic/Community Development reorganization, expenditures for the sidewalk replacement program, the cost of the dispatch contract and transitional costs which are essentially a wash for Fiscal Year 2012-13 as anticipated, and expenditures associated with Public Safety grants.

Major Street Fund - The budget amendment reduces the appropriation by \$51,240 because the Farmington Road project came significantly under budget.

Capital Improvements Fund - Increases the appropriation by \$103,000. The sidewalk replacement program was budgeted for \$125,000 the prior fiscal year but the work was completed in the current year. This is simply a carried forward of what was appropriated last year.

Water and Sewer Fund - Increase the appropriation by \$62,591. \$75,430 is a carry forward from the prior fiscal year to complete the Floral Park Sewer Lining Project. There is a reduction in the operating budget which is reflected in this budget amendment.

Agenda Review

Review:

Updated: 2/17/2013 8:16 PM by Cheryl Poole

Vincent Pastue
City Manager
City Council Pending

Page 1

RESOLUTION NO. (ID # 1163)

CITY OF FARMINGTON
RESOLUTION _____

Motion by, _____ seconded by, _____, to adopt the following resolution:

BE IT RESOLVED that the Farmington City Council hereby adjusts the FY 2012-13 budget as shown below; Budget Amendment No. 3; and

GENERAL FUND

	From	To	Inc./.(Decr)
Beginning Fund Balance	\$ 2,801,568	\$ 2,801,568	\$ -
Revenues			
Property Taxes	\$ 4,262,952	\$ 4,262,952	\$ -
Licenses & Permits	69,800	69,800	-
Federal Grants	59,778	96,878	37,100
State Shared Revenues & Grants	871,310	893,106	21,796
Charges For Services	1,750,708	1,715,951	(34,757)
Fines & Forfeits	460,500	500,500	40,000
Other Revenues	126,870	164,870	38,000
Transfer, Capital Improvement Fund	-	103,000	103,000
Total Revenues	\$ 7,601,918	\$ 7,807,057	\$ 205,139
Expenditures			
General Government	\$ 1,773,790	\$ 1,756,790	\$ (17,000)
Court	466,538	466,538	-
Public Safety	3,695,911	3,733,911	38,000
Public Services	1,146,123	1,210,598	64,475
Health & Welfare	12,581	12,581	-
Community & Economic Development	102,975	185,675	82,700
Recreation & Cultural	454,570	454,570	-
Transfer Drakeshire Debt Service Fund	203,200	203,200	-
Contingency	19,430	19,430	-
Total Expenditures	\$ 7,875,118	\$ 8,043,293	\$ 168,175
Ending Fund Balance	\$ 2,528,368	\$ 2,565,332	\$ 36,964

STREET FUNDS

MAJOR STREET FUND:			
	From	To	Inc./.(Decr)
Beginning Fund Balance	\$ 365,221	\$ 365,221	\$ -
Revenues			
Federal Grants	\$ 416,000	\$ 416,000	\$ -
State Shared Revenue	383,926	383,926	-
Contracts and Grants	90,320	90,320	-
Other Revenue	150	150	-
Transfer, Capital Improvement Fund	535,000	535,000	-
Transfer, Municipal Street Fund	739,775	739,775	-
Total Revenues	\$ 2,165,171	\$ 2,165,171	\$ -
Expenditures			
Construction	\$ 1,906,985	\$ 1,855,745	\$ (51,240)
Operation & Maintenance	301,338	301,338	-
Transfer, Local Street Fund	3,849	3,849	-
Transfer, Debt Service Fund	139,688	139,688	-
Total Expenditures	\$ 2,351,860	\$ 2,300,620	\$ (51,240)
Ending Fund Balance	\$ 178,532	\$ 229,772	\$ 51,240

Attachment: Budget Resolutions 12-13 Amendment 3 (2) (1163 : Consideration to Adopt Resolution Approving Budget Amendment #3)

CAPITAL PROJECTS FUNDS

CAPITAL IMPROVEMENT			
CAPITAL PROJECTS FUND:			
	<u>From</u>	<u>To</u>	<u>Inc./.(Decr)</u>
Beginning Fund Balance	\$ 1,950,117	\$ 1,950,117	\$ -
Revenues			
Property Taxes	\$ -	\$ -	\$ -
Other Revenue	9,000	9,000	-
Total Revenues	\$ 9,000	\$ 9,000	\$ -
Expenditures			
Transfer, General Operating Fund	\$ -	\$ 103,000	103,000
Transfer, Major Street Fund	535,000	535,000	-
Transfer, Shiawassee Park Fund	29,100	29,100	-
Transfer, Nonvoted Debt Service	170,417	170,417	-
Transfer, Special Assess. Debt Service	112,684	112,684	-
Total Expenditures	\$ 847,201	\$ 950,201	\$ 103,000
Ending Fund Balance	\$ 1,111,916	\$ 1,008,916	\$ (103,000)

ENTERPRISE FUNDS

WATER & SEWER FUND:			
	<u>From</u>	<u>To</u>	<u>Inc./.(Decr)</u>
Beginning Fund Balance	\$ 1,959,029	\$ 1,959,029	\$ -
Revenues			
Water & Sewer Sales	4,025,375	4,025,375	-
Service Fees	50,000	50,000	-
Other Revenues	9,000	9,000	-
Total Revenues	\$ 4,084,375	\$ 4,084,375	\$ -
Expenditures			
Operations & Maintenance	\$ 3,628,650	\$ 3,615,811	\$ (12,839)
Capital Outlay	296,700	372,130	75,430
Debt, Principal and Interest	210,367	210,367	-
Total Expenditures	\$ 4,135,717	\$ 4,198,308	\$ 62,591
Ending Fund Balance	\$ 1,907,687	\$ 1,845,096	\$ (62,591)

BE IT FURTHER RESOLVED that the City Treasurer is hereby authorized to pay all claims and accounts properly chargeable to the forgoing appropriations, as may be amended by the Council from time to time, provided that said claims and accounts have been lawfully incurred and approved by Council or any other elected or appointed officer of the City authorized to make such expenditures; and

BE IT FURTHER RESOLVED that the City Manager shall prepare for the Council a financial report each quarter on the status of City funds as contained within the City budget.

ROLL CALL:
 AYES:
 NAYS:
 ABSENT:
 RESOLUTION DECLARED ADOPTED

 SUSAN K. HALBERSTADT, CITY CLERK

I, Susan K. Halberstadt, duly authorized Clerk for the City of Farmington, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Farmington City Council at a regular meeting held on Monday, February 4, 2013, in the City of Farmington, Oakland County, Michigan.

 SUSAN K. HALBERSTADT, CITY CLERK

Attachment: Budget Resolutions 12-13 Amendment 3 (2) (1163 : Consideration to Adopt Resolution Approving Budget Amendment #3)

**Farmington City Council
Staff Report**

Council Meeting Date:
February 4, 2013

**Reference
Number
(ID # 1164)**

Submitted by: Vincent Pastue, City Manager

Description: Consideration to Cancel February 18 Regular Meeting and Schedule Special Meeting to Initiate Community Visioning Program

Requested Action:

Move to cancel the February 18, 2013 regular meeting and schedule a special meeting to kick-off the Community Visioning Program for February 18, 2013 at 6:30 p.m. in the Farmington High School Cafeteria.

Background:

City Administration is recommending that the City Council cancel the February 18 regular meeting. In turn, schedule a special meeting to kick off the Community Visioning Program. The special meeting will be held that same night at 6:30 p.m. in the Farmington High School cafeteria, 32000 Shiawassee. Attached is the notice that will be sent to all property owners in Farmington receiving an assessment notice in early February.

Agenda Review

Review:

Vincent Pastue Pending
City Manager Pending
City Council Pending



Farmington Vision Plan

Creating a Blueprint For Farmington's Future

You are invited to attend the kick-off meeting for the Farmington Visioning Plan. The Visioning Plan is an opportunity for the community to actively participate in developing Farmington's future. The first meeting will focus on the visioning process; the anticipated schedule and future participation in developing the vision.

Date: Monday, February 18, 2013
Time: 6:30 p.m. – 9:00 p.m.
Location: Farmington High School Cafeteria
32000 Shiawassee
Farmington, Michigan 48335

Farmington City Council Staff Report

Council Meeting Date:
February 4, 2013

**Reference
Number
(ID # 1165)**

Submitted by: Vincent Pastue, City Manager

Description: Board and Committee Appointments

Requested Action:

Appointments on the various Boards and Committees

Background:

Listed below are terms of office for Boards/Commissions that expire February 28, 2013. Each member listed below indicated a desire for reappointment. If City council has no objections, administration recommends reappointment of these members to the Commission and terms as indicated:

Brownfield Redevelopment Authority 3-Year Term

Annette Knowles 3/01/2013 - 2/28/2016

Construction Board of Appeals 2-Year Term

William Ingall 3/01/2013 - 2/28/2015

David Mariner 3/01/2013 - 2/28/2015

Downtown Development Authority 4-Year Term

Melissa Andrade 3/01/2013 - 2/28/2017

Historical Commission 3-Year Term

Keith Grattan 4/01/2013 - 3/31/2016

Jane Gundlach 4/01/2013 - 3/31/2016

Marilyn Weimar 4/01/2013 - 3/31/2016

Library Board 4-Year Term

James McLaughlin 4/01/2013 - 3/31/2017

At the January 22, 2013 Special Council Meeting, City Council interviewed Les Key, a candidate for a position on the Downtown Development Authority. If City council has no objections, administration recommends appointment of Mr. Key to a 4-year term on the DDA beginning March 1, 2013 and ending February 28, 2017.

Agenda Review

Review:

Vincent Pastue Pending
City Manager Pending

City Council Pending