



NOTICE OF PONTIAC CITY COUNCIL MEETING
September 15, 2020
at 6:00 p.m.

THE MEETING WILL BE HELD ELECTRONICALLY

The City Council of the City of Pontiac will hold a Formal Meeting on September 15, 2020 at 6:00 p.m. This meeting will be held electronically pursuant to the Open Meetings Act and Governor Whitmer's Executive Order 2020-154. The agenda of the Formal Meeting is attached. Pursuant to Executive Order 2020-129, the Pontiac City Council gives notice of the following:

1. **Reason for Electronic Meeting.** The Pontiac City Council is meeting electronically because of Executive Order 2020-154.
2. **Procedures.** The public may view the meeting electronically through the following method.
<http://pontiac.mi.us/council/pontiacv/index.php>
3. **Public Comment.** For individuals who desire to make a public comment, please submit your name and comment in writing to publiccomments@pontiac.mi.us. Additionally, you may submit your public comment in writing directly to the Office of the City Clerk during regular business hours. All public comments must be received no later than 5:30 p.m. on September 15, 2020. Public comments are limited to three (3) minutes. The City Clerk will read your comments during the public comment section of the meeting.
4. **Persons with Disabilities.** Persons with disabilities may participate in the meeting through the methods set forth in paragraph 2. Individuals with disabilities requiring auxiliary aids or services in order to attend electronically should notify the Interim City Clerk, Garland Doyle at (248) 758-3200 or clerk@pontiac.mi.us at least 24 hours in advance of the meeting.

Dated 9-11-2020, 5:00 p.m.

Garland S. Doyle, Interim City Clerk

City of Pontiac

47450 Woodward Ave. Pontiac, MI 48342 Phone: (248) 758-3200

PONTIAC CITY COUNCIL

Kermit Williams, District 7
President
Randy Carter, District 4
President Pro Tem



Patrice Waterman, District 1
Megan Shramski, District 2
Mary Pietila, District 3
Gloria Miller, District 5
Dr. Doris Taylor Burks, District 6

It is this Council's mission "To serve the citizens of Pontiac by committing to help provide an enhanced quality of life for its residents, fostering the vision of a family-friendly community that is a great place to live, work and play."

Website: http://pontiac.mi.us/council/meeting_agendas_and_minutes/index.php

FORMAL MEETING

September 15, 2020

6:00 P.M.

189th Session of the 10th Council

Call to order

Invocation

Pledge of Allegiance

Roll Call

Authorization to Excuse Councilmembers

Amendments to and Approval of the Agenda

Approval of the Minutes

1. September 8, 2020

Subcommittee Report

2. Public Safety- August 2020
3. Real Estate- September 9, 2020

Special Presentations (Special Presentations are limited to 10 minutes.)

4. City of Pontiac Retired Employees Association (CPREA) Status Update
Presentation Presenters: Mayor Waterman, City Attorney John Clark and Attorney Samantha Kopaz, Miller Canfield
5. Introduction of Candidate for Finance Director- Darin Carrington
Presentation Presenters: Mayor Deirdre Waterman and Darin Carrington
6. Report following the Real Estate Subcommittee Meeting on Proposed Private Partnership-
Presentation Presenters: Attorney Matt Gibb, Special Counsel and City Attorney Antony Chubb

Garland S. Doyle, M.P.A., Interim City Clerk

Office of the City Clerk 47450 Woodward Pontiac, Michigan 48342 Phone (248) 758-3200

Website: <http://pontiaccityclerk.com>

Recognition of Elected Officials

Agenda Address

Resolutions

City Clerk

7. Resolution to approve the grant agreement between the City of Pontiac and Center for Tech and Civic Life (CTCL). The Office of the City Clerk has received a \$405,564.00 grant from CTCL to support the City of Pontiac Safe Voting Plan. The grant period is June 15-December 31, 2020. The grant award was presented by the Interim City Clerk during the City Council Meeting on September 8, 2020.

Community Development

8. Resolution to approve the 2020 Oakland County Brownfield Consortium Agreement between Oakland County and the City of Pontiac.

Department of Public Works

9. Resolution to extend contract with Great Lakes Power and Lighting until January 1, 2021.

Finance

10. Resolution to authorize the Interim City Clerk to publish a notice in a newspaper of general circulation at least one week before consideration of the proposed budget amendment to increase account 101-000-532.000 in the amount of \$90,000.00. The City has received two grants for the U.S. Census from the Michigan Municipal League (\$25,000.00) and the Community Foundation of Southeast Michigan (\$65,000.00).

Public Comment

Mayor, Clerk and Council Closing Comments

Adjournment

Upcoming Special Presentations

September 29, 2020

1. Office of the City Clerk Election 2020 Initiatives
2. Office of the City Clerk Medical Marihuana Application Review Process Monthly Update

#1

MINUTES

September 8, 2020 Study

**Official Proceedings
Pontiac City Council
188th Session of the Tenth Council**

Call to order

A Study Session of the City Council of Pontiac, Michigan was called to order electronically on Tuesday, September 8, 2020 at 6:00 p.m. by Council President Kermit Williams.

Roll Call

Members Present: Miller, Pietila, Shramski, Taylor-Burks, Waterman and Williams.

Members Absent: Carter.

Mayor Waterman was present.

Clerk announced a quorum.

Excuse Council Members

20-414 **Excuse Councilmember Randy Carter for personal reasons.** Moved by Councilperson Taylor-Burks and second by Councilperson Waterman.

Ayes: Miller, Pietila, Shramski, Taylor-Burks, Waterman and Williams

No: None

Motion Carried

Amendments to and Approval of the Agenda

20-415 **Approval of the Agenda.** Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

Ayes: Pietila, Shramski, Taylor-Burks, Waterman, Williams and Miller

No: None

Motion Carried

President Pro-Tem Randy Carter arrived at 6:03 p.m.

Approval of the Minutes

20-416 **Approval of minutes for September 1, 2020.** Moved by Councilperson Taylor-Burks and second by Councilperson Waterman.

Ayes: Shramski, Taylor-Burks, Waterman, Williams, Carter, miller and Pietila

No: None

Motion Carried.

Public Comment

Two (2) individuals submitted a public comment read by the City Clerk

Discussion

Status Update on Dream Cruise Budget Allocation

September 8, 2020 Study

Special Presentations

Election 2020 Update

Presentation Presenter: Garland Doyle, Interim City Clerk

Suspend the Rules/Resolutions

20-417 **Suspend the rules.** Moved by Councilperson Pietila and second by Councilperson Miller.

Ayes: Taylor-Burks, Waterman, Williams, Carter, Miller, Pietila and Shramski

No: None

Motion Carried.

20-418 **Resolution to support Letter of Apology to Detroit Regional Parking Authority.**
Moved by Councilperson Pietila and second by Councilperson Miller.

Whereas, the City of Pontiac embraces a positive business environment that encourages new businesses to build in our community; and

Whereas, the City of Pontiac is committed to professional integrity and sound business relationships; and

Whereas, the City of Pontiac understands the importance of building good partnerships with the business community.

Now, therefore, the City Council joins the Mayor of Pontiac by supporting the attached letter of apology to the Detroit Regional Convention Parking Authority.

Ayes: Pietila

No: Waterman, Williams, Carter, Miller, Shramski and Taylor-Burks

Resolution Failed

20-419 **Suspend the rules.** Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

Ayes: Williams, Carter, Miller, Pietila, Shramski, Taylor-Burks and Waterman

No: None

Motion Carried

20-420 **Resolution to approve contract with Ricoh to update printers in City Hall not to exceed \$77,062.80.** Moved by Councilperson Pietila and second by Councilperson Waterman.

Whereas, City Hall utilizes eight Ricoh printers' costs approximately \$1,845 per month; and

Whereas, the current vendor can replace these printers with new printers on a lease for \$1,855.24 per month, including maintenance; and

Whereas, at the end of the 60-month lease the City will own the printers;

Now Therefore, Be It Resolved that the Pontiac City Council approves the lease and maintenance of the new Ricoh printers at a rate of \$1,858.24 per month for a period of 60 months, and authorizes the Mayor to execute contracts necessary to complete the transaction.

September 8, 2020 Study

Ayes: Carter, Miller, Pietila, Shramski, Taylor-Burks, Waterman and Williams'

No: None

Resolution Passed

20-421 **Suspend the rules.** Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

Ayes: Miller, Shramski, Tylor-Burks, Waterman, Williams and Carter

No: Pietila

Motion Carried

20-422 **Motion to receive communication from the Mayor regarding Tax Impact of Pontiac Residents and Businesses in the event of Phoenix Center Default Report.** Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

Ayes: Shramski, Taylor-Burks, Waterman, Williams, Carter and Miller

No: Pietila

Motion Carried

Adjournment

Council President Kermit Williams adjourned the meeting at 7:06 p.m.

GARLAND S DOYLE
INTERIM CITY CLERK

#2

SUB

COMMITTEE

REPORT

Garland Doyle

From: Mary Pietila <marypietila@gmail.com>
Sent: Thursday, September 10, 2020 4:15 PM
To: Garland Doyle
Cc: Megan Shramski; Randolph Carter
Subject: Public Safety Subcommittee report,
Attachments: August MONTHLY REPORT for Pontiac Fire.pdf; August2020 DB.xlsx;
PONTIACStarREPORTMONTHLY August 2020.xlsx

Follow Up Flag: Follow up
Flag Status: Flagged

WARNING: This email originated from outside of City of Pontiac. **DO NOT** click on any links or open any attachments unless you recognize the sender and are expecting the message.

Due to the Covid-19 event and the additional workloads of some departments, we have chosen to submit reports, and not have a. m. meeting the month of September, but will meet in October on the 9th at 9:30 a.m. in the Lions Den..

The following is a narrative from Star EMS: Car seat Checks are still on hold through September

WE hired 4 new B_(basic)EMT's and put them through orientation. I should mention that all our orientations for the last few years have included a class on Cultural Diversity.

WE have not purchased any new trucks due to COVID shutting down plants that are just now returning to production with a large backlog.

During Conversation with Command Staff of the Oakland County Sheriff's Department Friday September 3, the shootings which occurred on Dudley and Spring Lake Apartments, are determined to be two separate incidents and unrelated.

If Council or the Administration has any other questions regarding any of the departments. Please feel free to contact Fire Chief Matt Covey regarding Waterford Regional Fir, Lt R. Ford at the Pontiac Substation, or Brian Long with Star EMS

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Sincerely,

Mary Pietila, HHA

Councilwoman District 3, City of Pontiac

Phone: 248-758-3019 Cell:248-499-4622

Fax: 248-758-3164



WATERFORD REGIONAL FIRE DEPARTMENT

2495 Crescent Lake Road • Waterford, MI 48329

Phone: 248.673.0405 • Fax: 248.674.4095

www.waterfordmi.gov

• **Matthew Covey** Fire Chief • **Carl Wallace** Deputy Fire Chief • **John Phebus** Fire Marshal

MONTHLY FIRE DEPARTMENT REPORT For the City of Pontiac August 2020

Total Pontiac Fire Station calls - month: **405** Average Response Time **5.16** per call

Total calls for Pontiac Stations - YTD: **3076**

City Calls: Fires: **25** EMS: **243** False Alarms: **30** Other: **107**

Pontiac YTD, Fires: **194** 6.31% EMS: **1801** 58.55% False Alarms: **227** 7.61% Other: **854** 27.76%

Month Count	Response Times month average	YTD Count
FS-6 Fires – 7	5.43	56
EMS – 51	4.44	380
FS-7: Fires – 11	5.13	74
EMS – 97	5.26	704
FS-8: Fires – 5	5.02	32
EMS – 48	5.10	374
FS-9: Fires – 2	4.51	22
EMS – 41	4.32	323

Fire Injuries to personnel: 0

Fire Injuries to civilian: 0

Incidents for month:

Call volume has decrease year to date -7.03%, due to the COVID-19 Pandemic.

Notable Event:

- Additional supplies from Federal and State agency being delivered to the FD
- Purchased Victory Sprayer for all stations used to decon vehicles and fire station
- Entire Department conducted CPR training, Hazardous Material training and officer development training
- Roof fire McLaren Oakland

Oakland County Sheriff's Office

Pontiac Substation

2020

9/11/2020 15:57

Road Patrol/DB	January	February	March	April	May	June	July	August	Sept	October	November	December	Totals
Road Patrol Arrests:	369	366	333	265	348	321	300	362					2,664
Traffic Citations:	786	646	508	152	243	256	281	252					3,124
Detective Bureau Warrants:	83	77	99	139	127	111	94	146					876
Cases Assigned to Detectives:	380	304	381	327	370	410	381	464					3,017
Appearance Citations:	6	6	6	5	6	11	7	10					57
DNA Swabs	0	0	0	0	0	0	0	1					1

Domestic Violence Arrests

State Law Warrants:	28	21	40	43	46	47	47	57					
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Directed Patrol Unit

Felony Arrests:	22	19	42	75	72	44	47	40					361
Misdemeanor Arrests in Custody:	0	1	12	12	9	14	3	5					56
Appearance Citations:	1	1	1	0	2	4	2	3					14
Traffic Citations:	2	0	0	0	0	0	9	0					11
Controlled Buys:	0	0	0	0	0	0	0	0					0
Handguns Seized:	3	1	9	13	14	14	16	16					86
Long Guns Seized:	0	0	0	1	0	4	2	2					9
Search Warrants Executed:	0	0	0	0	0	0	0	0					0

Violent Crimes Statistics

Armed Robberies	12	11	5	10	7	7	6	10					68
Homicides:	1	0	1	1	0	1	1	3					8
Discharged Firearm (Injuries):	3	1	1	3	1	3	3	5					20

	Jan-20	Feb-20	Mar-20	PR 20	20-May	20-Jun	
48340	4.9	5	4.8	4.7	4.6	4.8	
48341	5	5	5.1	5	4.9	4.9	
48342	4.9	4.8	4.8	4.9	4.9	4.75	
Monthly	4.93	4.93	4.9	4.86	4.8	4.78	
	20-Jul	Aug-20					
48340	5	5.1					
48341	4.8	4.7					
48342	4.8	4.8					
Monthly	4.89	4.86					

#3

**SUB
COMMITTEE
REPORT**

REAL ESTATE SUBCOMMITTEE NOTES

September 9, 2020

In attendance:

Council members: Chair President Kermit Williams and Patrice Waterman

City Attorney: John Clark

Attorney: Matt Gibb

Start time: 12:30 p.m.

AGENDA

I. Welcome

II. Twenty Minutes Provided for Phoenix Center Partnership/Proposals

A. Three groups were present and presented proposals

1. Pimpernel Developments LLC

Provided a proposed binding letter of intent (PCSA LOI) dated September 15, 2020

2. Omega Investments LTD and Lawrence F. Jasper II, CEO.

Provided an Official Memorandum dated December 16, 2019

3. A third group

Documentation to be provided by Friday, September 11, 2020.

- Each group is to provide a letter of credit/proof of funds guaranteeing investment before the Council meeting, Tuesday, September 15, 2020.

- All documentation for each group will be given to the Council for the Tuesday, September 15, 2020 meeting.

- Attorney Gibb will prepare resolutions for each of the proposals, to be included in the Tuesday, September 15, 2020 Council Agenda.

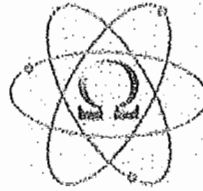
- Council will be able to vote on the proposals and determine whether the body would like to explore a proposal further and from that point, Council can determine next steps.

- A favorable vote for a proposal will not bind either party, but will allow for further investigation, additional information to be provided and due diligence.

III. Announcements

IV. Adjournment

2:35 p.m.



Omega Investments Ltd.

OFFICIAL MEMORANDUM

TO: City of Pontiac, Honorable Mayor, Council President and City Council Members

FROM: OMEGA INVESTMENTS LTD. AND LAWRENCE F. JASPER II, CEO

DATE: December 16, 2019

RE: Emergency Resolution to acquire Ottawa Towers through the formation of a Public Private Partnership (PPP) underneath the Municipal Partnership Act, Act 258 of 2011 between the City of Pontiac and Omega Investments Ltd. and acquire the rights to the Settlement Agreement, suspending the default of the City of Pontiac's failure to meet the November 1, 2020 deadline. To provide and escrow and have Omega prepare the acquisition of the Ottawa Towers and to manage the repairs, refurbishments, and technological updates for the Phoenix Facility and Ottawa Towers I & II. In doing so create a mixed used development infrastructure for the community called the Park Place Little City franchise.

In Phase I, the City of Pontiac Council to transfer \$7,000,000 (Seven Million) dollars of unassigned funds to fund the repairs in the Settlement Agreement for the Phoenix Parking structure entered by the Mayor and the Council prior to November 1, 2018. Those funds shall be used to sign this Memorandum of Understanding and create a Public Private Partnership (PPP) between City of Pontiac and Omega.

Funds that have been allotted in the General Ledger 2020 of the City of Pontiac for the Settlement Agreement payout \$2,100,000 (Two Million One Hundred Thousand), and the Recreation Center, \$3,200,000 (Three Million Two Hundred Thousand), totaling \$5,300,000 (Five Million Three Hundred Thousand). These funds shall be transferred to Settlement Agreement fund and used for acquisition of the Ottawa Towers establishing 5 additional properties overseen by this PPP and controlled by this Memorandum of Understanding, until Partnership documents are drafted by Clark Hill.

Omega shall acquire the Ottawa Towers for \$20,000,000 (Twenty Million) dollars as stipulated by Chuck Stevens in email sent to Council President Kermit Williams and acquire the rights for the Settlement Agreement, suspending the November 1, 2020 deadline for completion of the repairs

for the City of Pontiac, eliminating the risk presently facing the City of Pontiac through our Public Private Partnership. **Exhibit A (email from Chuck and Mike Stevens) Terms specific**

In Phase II, Omega, and the City of Pontiac shall hold a close door session to review the full plan of the Public Private Partnership to create Park Place Little City development. The funding mechanism shall be decided that best represents the most cost effective and beneficial to the Partnership. The development shall become a franchise of Omega's that shall be run by the City of Pontiac, as the franchisee after its completion. The City of Pontiac shall reinstate the attorney fund for the Phoenix Center to create the Public Private Partnership and franchise documents. Clark Hill will be hired to create and provide all terms agreed to during those special meetings. The City of Pontiac and Omega Investments shall sign the PPP. Additional Funds shall be allocated for the needed materials, educational and childcare facility to train the workforce and needed completion of Park Place Little City

In Phase III, the City of Pontiac and Omega shall initiate the terms outlined in the Memorandum of Understanding and shall execute the rap around insurance rider on the Phoenix Center and Ottawa Towers to provide local small businesses and self-employed workforce for construction and operations to be hired for the necessary repair, renovation, and retooling work to operate the franchise. The Public Private Partnership shall give a 10-point preference for jobs to Pontiac Voters registered by November 1, 2020.

Omega shall refinance said properties within 2 to 3 years from the date of acquisition and pay the City back its investment with 20% interest. Additionally, the new entity of title shall provide a 10% equity ownership for the City to be split between the voters of Pontiac. Furthermore, the City shall retain the franchisee rights of the Little City franchise and receive a franchisee fee of 3% from Park Place Little City franchise for the mix use development total gross proceeds for oversight of the LC's operations, for a period of 10 years, from thereon the franchisee will be reassessed for any extensions.

WHEREAS, Omega Investments did submit an RFP for the City of Pontiac to enter into a Private Public Partnership on December 16, 2019. Additionally, Omega submitting on behalf of the City of Pontiac a supplement to the RFP detailing its benefits of the Partnership on December 17, 2019. Furthermore, provided the City of Pontiac with a PowerPoint presentation and illustrations of the propose Park Place Little City, through the acquisition of the Ottawa Towers, connecting the Phoenix Parking Facility.

WHEREAS, The City of Pontiac is destine to DEFAULT settlement agreement deadline of the November 1, 2020. Specifically, Section 6.3 provides that the City undertake "all electrical, lighting, elevator and structural repairs and improvements in the north and south sections of the Deck to be completed within the first two years after the effective date [November 1, 2018] of this Agreement...effectively causing a debt of approximately \$51,000,000 (Fifty One Million).

WHEREAS, on August 17th Chuck Stevens offered the City of Pontiac an opportunity to purchase the Ottawa Towers to avoid their defaulting the Settlement Agreement. The cost to the City is \$20,000,000.00 (Twenty Million) for 5 Properties (2) eight stories office buildings and (3) schools.

WHEREAS, the City of Pontiac will transfer \$921,627.00 (Nine Hundred and Twenty One Thousand Six Hundred and Twenty Seven) dollars in escrow. The tower located at 51111 Woodward shall sell for \$12,700,000.00 with 10% down payment, the Seller would provide a land contract for a period of 3 years @ 7% at \$35,850.00 (Thirty-Five Thousand Eight Hundred and Fifty) dollars per month. An extension for another 3 years @ 8% is an option. The City shall pay Cash for 31 Judson of \$6,375,373.00 (Six Million Three Hundred and Seventy-Five Thousand Three Hundred and Seventy-Three) dollars.

WHEREAS, the City shall escrow the amount of \$12,300,000.00 (Twelve Million Three Hundred Thousand) dollars for the acquisition of the Ottawa Towers I & II, the transference of their rights for the Settlement Agreement to the PPP, excluding 3 remaining payments of \$700,000 (Seven Hundred Thousand) due yearly until 2022. The funds shall be allocated in escrow immediately for initiating the PPP between Omega Investments Ltd and the City of Pontiac for the Ottawa towers, acquisition, after signing the Memorandum of Understanding,

WHEREAS, \$7,000,000.00 (Seven Million) dollars was approved by Council for the Settlement Agreement. Additionally, the General Ledger shall be adjusted to reflect the \$700,000 payment in accordance with the Settlement Agreement terms, \$2,100,000.00 (Two Million One Hundred Thousand) dollars shall be used for the escrow funds of the PPP. Also \$3,200,000.00 (Three Million Two Hundred Thousand) allocated in the General Ledger for the Recreation Center shall be removed in accordance with Council's rejection of the sale, and transferred to the PPP escrow fund, providing the total of \$12,300,000.00 (Twelve Million Three Hundred Thousand) dollars.

WHEREAS, the City of Pontiac and Omega shall have a special meeting to discuss the best financial mechanism to raise Twenty Million Dollars (\$20,000,000) to be put in an escrow account for the repairs, renovations, training, and updating Park Place Little City. All funds distribution will require the Signature of Omega Managing Member (Lawrence F. Jasper II) and the Mayor of Pontiac. However, funds shall be taken out in lump sums monthly, once released from escrow the Managing Member shall be able to disperse it to various entities, for the PPP's operational and development management and oversight.

WHEREAS, for any reason Omega's refinance doesn't happen prior to the end of the 3-year term, Park Place Little City shall be sold. The City will be paid in full Twenty Million dollars (\$20,000,000) plus 20% interest at term, and the voters will split a 10% percent of the net proceeds, paid first. The remainder of the proceeds will be split between Omega and the City.

WHEREAS, for any reason the money's, zoning, approvals, and/or any city obligation is not in a timely fashion and/or speedy resolution; Omega may reinstate the Settlement Agreement, and the City shall be in default. Omega shall provide written notice to the City within 7 days of any violation. The City shall have 7 days to remedy the violation or be considered in default of the

Settlement Agreement. All mediation shall occur within 30 days of remedy's timeline. Omega shall be entitled to free and clear title of the Phoenix Facility, Amphitheater, and shall receive a payment of Thirty Million Dollars (\$30,000,000) as a penalty, within 1 years of the violation from the City, and an order shall be issued by the Court.

WHEREAS, The Pontiac City Council shall oversee the Public Private Partnership responsibilities and approve them monthly. In order to be transparent Omega shall provide reports on a monthly basis at City Council Meetings outlining the status of the Park Place Little City development, the digital platform, educational and small business benefits respectively, for the voters of Pontiac.

WHEREAS, Omega shall use as many small businesses as possible in the restoration, construction, technology systems with the citizens of Pontiac, they shall be given priority in the hiring process of its workforce through this Memorandum of Understanding and future operations. Pontiac voters shall be given preference for all of the jobs from develop to operations.

WHEREAS, Omega and the City agree to hire the attorney firm Clark Hill to write the Public Private Partnership (PPP), the franchise agreements and all legal documents outlined for Park Place Little City in this Memorandum of Understanding. The fees shall be paid out of the Partnership.

NOW, THEREFORE, BE IT RESOLVED, The Pontiac City Council authorized the Mayor to enter into a Public Private Partnership with Omega Investments Ltd. The City to supply Capital Bonds in the amount of Twenty Million dollars (\$20,000,000) for the acquisition and conversion of the Ottawa Towers and the Phoenix Facility, creating the new development called the Park Place Little City a new mixed use development, commencing April 15, 2020.

**MEMORANDUM OF UNDERSTANDING AND AGREEMENT TO FORM A
PUBLIC PRIVATE PARTNERSHIP FOR THE ACQUISITION OF THE
OTTAWA TOWERS AND COMBINING THEM WITH THE PHOENIX
FACILITY CREATING THE PARK PLACE LITTLE CITY**

This Memorandum of Understanding and Agreement to form a Public Private Partnership for the Acquisition of the Ottawa Towers AND combining them with Phoenix Facility creating the Park Place Little City ("Memorandum of Understanding"), dated this 15th Day of April, 2020 is by and between Omega Investments Ltd., 265 Marlborough, Bloomfield Hills, Michigan, 48302 ("Omega") and the City of Pontiac, 450 E. Wide Track Drive, Pontiac, Michigan 48342 ("City").

IT IS HEREBY UNDERSTOOD AND AGREED that the Omega is a Corporation for profit established by the BUSINESS CORPORATION ACT, Act 284 of 1972, as amended.

IT IS HEREBY UNDERSTOOD AND AGREED that the City is a municipal corporation operating under the City Charter pursuant to the Home Rule Act, Act 279 of 1909, as amended.

IT IS HEREBY UNDERSTOOD AND AGREED that the City is the owner of the Phoenix Center Parking, Pontiac, MI 48342 ("Parking Deck").

IT IS HEREBY UNDERSTOOD AND AGREED that the City & Omega shall use the Municipal Partnership Act, Act 258 of 2011 for jurisdiction to form the Private Public Partnership.

IT IS HEREBY UNDERSTOOD AND AGREED that Omega has extensive real estate experience and expertise in the purchasing, management, development, technology systems and franchising for the construction of new green, clean, and digitalized mix used developments.

IT IS HEREBY UNDERSTOOD AND AGREED that on December 16, 2019 Omega submitted an RFP and supplement that met the needs of the City of Pontiac, and during a close-door session approved the selection of Omega to suspend the Settlement Agreement's default and enter into a Public Private Partnership to convert the Ottawa Towers and the Phoenix Center into Omega's Park Place Little City franchised digitalized mixed use development overseeing and managing the LC operations, and training the City of Pontiac to be the franchisee.

IT IS HEREBY UNDERSTOOD AND AGREED that Omega and the City desire to enter into and be legally bound by this Memorandum of Understanding and a Public Private Partnership for the restoration of the Ottawa Towers and Phoenix Parking Deck.

NOW THEREFORE, intending to be legally bound hereby, in consideration of the premises and mutual agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto further understand and agree as follows:

1. Appointment. The City hereby appoints Omega Managing Member of the PPP to manage and supervise, directly or indirectly, where applicable, the ongoing business operations of the Ottawa Towers and Phoenix parking Deck, and agrees that during the term of this Memorandum of Understanding, that Omega may take such actions as it deems reasonably necessary to render such management services to the City. The City shall provide Capital Bonds set aside in escrow to acquire the Ottawa Towers, and any improvements for the Parking Deck, and sufficient funds for Omega to perform the Management Services as set forth in this Memorandum of Understanding.
2. Acceptance. That Omega hereby accepts such appointment by the City and agrees to act in accordance with the duties and responsibilities set forth in this Memorandum of Understanding and to take such actions as may reasonably be required to discharge such duties and responsibilities.
3. Term. This Memorandum of Understanding shall become effective April 15, 2020 and shall expire on November 30, 2020, except if the PPP is signed by both parties. The parties may mutually agree to extend the Term, with extension terms as mutually agreed upon, by either party providing written notice of intent to exercise extension option on or

before June 1, 2020. Any extensions of the stated term of this Memorandum of Understanding must be made expressly, in writing, and executed by both parties.

4. City Obligations. The City shall comply with the following obligations under this Memorandum of Understanding.

- (a) The City shall provide City Capital Bonds in the amount of Twenty Million dollars (\$20,000,000), required to support the PPP into compliance with applicable local, state and federal health and safety regulations as set forth, including, but not limited to the acquisition of the Ottawa Towers I & II and Settlement Agreement Rights, its renovation, and repairs to the foundation, concrete, electrical systems, lighting, circuits, gates, stairs, elevators and its technology systems of the Parking Deck throughout the Term of this Memorandum of Understanding;
- (b) The City shall grant Omega access and use of any existing management, financial and/or accounting systems(s) used to operate the Parking Deck. If such systems do not exist, Omega will obtain such systems as it deems appropriate to operate the Parking Deck and the Ottawa Towers in accordance to the PPP. Any systems obtained by Omega will remain the property of Omega throughout the Term of this Memorandum of Understanding.
- (c) The City shall provide adequate security for the PPP as determined by Omega, including, but not limited to, mobile patrol by the Oakland County Sheriff; and
- (d) The City shall provide Five Million Six Hundred Thousand dollars (\$5,600,000) in up front working capital for Omega acquisition of the Ottawa Towers and initiate the duties as set forth in this Memorandum of Understanding and pay expenses associated with the operations of the restorations of the Ottawa Towers I & II, and the Parking Deck repairs, including maintenance fees, operations cost, and supplies/incidentals as set forth in Exhibits A & B. The working capital will remain the property of the City and shall be returned to the City at the conclusion of the Term of this Memorandum of Understanding or the PPP through the refinance or sale of the development. It is expressly understood and agreed that the City shall remain solely responsible for paying all utility expenses associated with the operation of development of the Park Place Little City during the Term of this Memorandum of Understanding.

5. Park Place Little City Operations and Management Services. Omega shall provide all labor personnel necessary to manage and operate the Ottawa Towers I & II and Parking Deck, including Omega's executives and a staff to oversee restoration, technology systems, PPP

updates, and maintenance. Omega shall also provide general management advice with respect to the following:

- (a) Financial matters including, acquisition, cash flow management, accounting data processing systems and procedures, budgeting, equipment purchases, business forecast, capital expenditures, and annual budgets and projections;
- (b) Administration and operation matters included in operational development digital green and clean technology, research, marketing, and promotions;
- (c) Management of Authority personnel assigned to the development and operations of the PPP;
- (d) Design and implementation of the Park Place Little City franchise renovations and construction of capital improvements; and
- (e) Acquisition of the Ottawa Towers I & II with the Settlement Agreement between the City and owners of the Ottawa Towers presently, excluding the 4 payments of Seven Hundred Thousand (\$700,000) owed by the City.

6. Insurance and Indemnification.

- (a) The City shall be responsible for maintaining insurance to cover the real property and structures of the Ottawa Towers and Parking Deck, as well as any fixtures. The City shall name Omega as an additional insured on all applicable policies that the City maintains relative to the PPP.
- (b) The City shall be responsible for maintaining an umbrella policy to cover any small business companies used during the Term, that reside their businesses in Pontiac and used by Omega as subcontractors for any of the operations for the PPP.
- (c) Omega shall be responsible for maintaining insurance to cover all business personal property belonging to, procured by, and/or leased by Omega, and Omega shall also be responsible for maintaining worker's compensation insurance for Omega employees associated to the Ottawa Towers I & II operations.
- (d) The City shall, at its own expense, secure and deliver to Omega, and shall keep in force at all times during the Term, the following insurance policies which shall name Omega as an additional insured, in form acceptable to Omega. The City's insurance policies shall be primary over any policies Omega may have.

6.1 Types of Insurance.

6.1.1 Commercial general liability insurance policy in an amount of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury and property damage. Coverage should include premises/operation of PPP, products/completed operations, personal and advertising injury, contractual liability and fire damage legal liability.

6.1.2. Excess liability insurance in an amount not less than Ten Million Dollars (\$10,000,000) for each occurrence; this coverage is to provide excess limits over the commercial general liability, commercial automobile liability, workers compensation, and employee's liability.

6.1.3. Comprehensive automotive bodily injury and property damage insurance covering all vehicles whether owned or non-owned by City or operated by Omega's Employee's or on behalf of the City or small businesses attached to the PPP in the performance of the Services, with a combined single limit of not less than One Million Dollars (\$1,000,000).

6.1.4. Employer's liability insurance in an amount not less than Five Hundred Thousand Dollars (\$500,000) for each accident.

6.1.5. Workers compensation insurance for City or Small Businesses Employees assigned to the Ottawa Towers I & II and Parking Deck in the duration of the PPP, as required by all applicable laws;

6.2 General Insurance Requirements. All of the foregoing policies of Insurance shall provide and/or include the following terms, requirements and provisions:

6.2.1 A valid provision or endorsement stating, "This policy will not be canceled or materially changed or altered without first giving thirty (30) days' advance written notice thereof to Omega.

6.2.2 Not less than thirty (30) days prior to the expiration of any insurance policy during the Term, the City shall provide evidencing the renewal of such policy or policies.

6.2.3. The coverage shall be occurrence-based, not claims made unless approved by Omega.

6.2.4 The insurance described shall be obtained from one or more insurance companies duly authorized to issue such policies in the State of Michigan and carry an

A.M. Best rating of at least "A XI" or successor or substitute rating service acceptable to Omega.

6.3 Minimum Requirements. The City hereby acknowledges that the insurance policy terms, limits and conditions set forth herein, constitute Minimum Insurance Requirements and shall in no way be interpreted to limit or restrict the amount of insurance that the City should secure. Nor shall the foregoing Minimum Insurance Requirements limit the liabilities or obligations of the City under this Memorandum of Understanding, including without limitations, the City's indemnification obligations set forth herein.

6.4 City Subcontractors. Any Subcontractor hired by Omega in supporting the City's small businesses, by the City shall include Omega and its Directors, Officers, and Employees or Contracted Employees as additional insured under its policies in a form acceptable to Omega. All insurance requirements set forth herein, including minimum requirements and terms related to cancellation and/or modification of insurance, shall apply to all City Subcontractors, to the fullest extent applicable to the portion of the services they provide at the Ottawa Towers I & II and the Parking Deck. It is expressly understood and agreed that the requirements of Section 6.4 do not apply to Omega as an Independent Contractor hired by the City or Omega in the PPP.

6.5 Suspension of Services due to Lack of Insurance. Omega shall notify the City whenever it has a reasonable belief that the City has failed to secure or maintain insurance as required by this Memorandum of Understanding. Notwithstanding any other provision of the Memorandum of Understanding, after its receipt of any such notice, Omega and Omega Employees and Contracted Employees shall not enter the Ottawa Towers I & II and/or the Parking Structure until the City has secured and is maintaining insurance as required by this Memorandum of Understanding. It is expressly understood and agreed that Omega has no duty to perform or continue management services if there is a lapse in insurance as required by this Memorandum of Understanding.

(e) Indemnification. To the greatest extent permissible by law, the City shall indemnify, defend, and hold harmless Omega, its Directors, Officers and Employees and contracted Employees from and against any and all losses, claims, damages and expenses (including reasonable cost of investigation and attorneys' fees) (collectively, the "Losses") arising from (i) City's failure to comply with any and all federal, state, foreign, local, and/or municipal regulations, ordinances, statutes, rules, laws, and/or constitutional provisions (collectively the "Laws") applicable to performance under this Memorandum of Understanding, (ii) any unlawful acts on the part of City, City Employees and/or City Subcontractors and/or City small businesses working for Omega, (iii) personal or bodily injury to or death of persons or damage to the Ottawa Towers I & II, the Parking Deck and/or property of Omega which has been alleged to have been caused by the negligent and/or intentional acts, errors, and/or omissions, or the willful misconduct of City, City Employees and/or City Subcontractors and/or Subcontractors under the City's umbrella policy (iv) City's failure to pay any wages,

invoices, taxes, and/or other amounts to be paid by City as and when they are due, and/or (v) the material breach or default by City, City Employees and/or City Subcontractors and/or local Small Business Subcontractors of any provisions of this Memorandum of Understanding, including, but not limited to the acts and/or failures to act of City, its Employees, and/or City Subcontractors and/or local Small Business Subcontractors in completing capital improvements, and any and all liability, statutory, or otherwise, alleged to arise from operations of the Ottawa Towers I & II and Parking Deck. To the greatest extent permissible by law, Omega agrees to indemnify and hold harmless the City against and from any and all liabilities, obligations, damages, penalties, claims, costs, charges, losses and expenses which may be imposed upon, incurred by or asserted against the City where a loss is alleged to have been caused by the gross negligence and/or willful or wanton misconduct of Omega and/or its Employees and/or Contracted Employees in performing Services pursuant to this Memorandum of Understanding.

(f) Survival of Indemnity. The indemnity provisions set forth in this paragraph shall survive the termination of this Memorandum of Understanding.

(g) Authority Not Responsible. Omega shall not be responsible for any goods, merchandise, inventory or equipment owned or leased by the City and used, maintained or stored at the Ottawa Towers I & II and/or the Parking Deck. Nor will Omega be responsible for any damage resulting from a power failure, flood, fire, explosion, vandalism, theft, and/or other causes.

7. Compensation: In consideration for Acquisition of the Ottawa Towers and Management Services rendered by Omega as provided in this Memorandum of Understanding, the City agrees to compensate and pay the Omega as follows.

(a) The City shall pay Omega an Acquisition Fee of 5% of the Sale price of the Ottawa Towers I & II, at time of closing.

(b) The City shall pay Omega 12.5% of the total fund established and held in escrow for Management of the restoration of the Ottawa Tower I & II, and the Phoenix Parking Deck to include repairs, technology, and electrical and water purification updates to form the new entity called Park Place Little City. The City shall pay out this amount in monthly checks for a period of 2 years.

(c) Any profit derived from the new multi-use development during the Term of this Memorandum of Understanding shall be split 50% between the Omega and the City. The Profit shall be calculated based on net Park Place Little City revenue less any costs incurred by Omega for performance of the Management Services.

8. Status as Independent Contractor. Omega recognizes that it is being engaged as an independent contractor and not as an agent or employee of the City. Omega acknowledges that as an independent contractor it is undertaking certain risks of loss not associated with an employment relationship. Under no circumstances is Omega considered to be the agent of the City. Except as authorized under the terms of this Memorandum of Understanding, Omega shall have no authority to act in City's name or on its behalf or to enter into any contract or agreement on behalf of City or obligate City in any manner whatsoever. Omega shall be solely liable and responsible for paying its own employees, subcontractors, and agents, if any, and for paying all taxes imposed, levied or assessed by any governmental agency, as applicable, on the compensation it receives from City.
9. Subordination. This Memorandum of Understanding shall be subordinate to the Settlement Agreement and Released dated November 1, 2018, ("Released") attached as Exhibit B. It is expressly understood and agreed that any conflicting obligations of the Parties set forth in this Memorandum of Understanding are superseded by the terms of the release.
- (a) The City under this Memorandum of Understanding shall receive a suspension of the Settlement Agreement release dated November 1, 2018, except the payments to Ottawa Towers I & II totaling Two Million Eight Hundred Thousand (\$2,800,000) however if for any reason Omega is now allowed to get the necessary approvals, funds, licensing, or any other needed from the City to complete the Park Place Little City project, the City shall be in default of the Settlement Agreement dated November 1, 2018 immediately owned by Omega.
10. Default. If City neglects or fails to perform its obligation to make all necessary structural repairs to the Ottawa Towers I & II, and the Parking Deck and attached fixtures, reimburse Omega or pay compensation or fees when due; If City neglects or fails to perform any other covenants or obligations set forth in this Memorandum of Understanding to be observed and performed on its part for 7 days after written notice by Omega of the default; if City makes any assignment for the benefit of creditors or a receiver or Emergency Manager is appointed for City or its property; or if any proceedings are insolvency or against City in bankruptcy (including reorganization) or under any insolvency laws, Omega may cease Services and terminate this Memorandum of Understanding and initiate the Settlement Agreement released on November 1, 2018 shall be imposed and defaulted; all rights belonging to Omega.
11. Communications of Notices. Omega and the City shall each designate in writing a person to be advised as to any and all matters under this Memorandum of Understanding. Any notices to be given hereunder by any party to any other party may be affected by personal

delivery, in writing, or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing below, but each party may change its address by written notice to the other party in accordance with the Paragraph 9. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of five (5) days after mailing.

To the Authority: Omega Investments Ltd.
265 Marlborough
Bloomfield Hills, MI 48302
Attn: Lawrence F. Jasper II, CEO
With Copy to:

To the City City of Pontiac
47450 Woodward Ave.
Pontiac, Michigan 48342
Attn: Randy Carter, Council Member
With Copy to:

12. No Waiver of Rights. All waivers hereunder must be made in writing and failure by any party at any time to require any other party's performance of any obligation under this Memorandum of Understanding shall not affect the right subsequently to require performance of that obligation. Any waiver of any breach of any provision of this Memorandum of Understanding shall not be construed as a waiver of any continuing or succeeding breach of such provision or a waiver or modification of the provision.
13. Assignment. Neither party shall assign or attempt to assign any of its rights or obligations hereunder without the prior written consent of the other party.
14. Amendment and Modification. No amendment or modification of this Memorandum of Understanding shall be binding unless executed in writing by the party to be bound thereby.
15. Entire Agreement. This Memorandum of Understanding constitutes the complete and exclusive statement of this Agreement between the parties and supersedes all prior representations, understandings, and communications, or and written, between the parties relating to the subject matter thereof.
16. Severability. The parties expressly agree and contract that it is not the intention of either them to violate any public policy, statutory or common laws, rules, regulations, treaties or decisions of any government or agency thereof. If any paragraph, sentence, clause, word or combination thereof in this Memorandum of Understanding is judicially or administratively interpreted or construed as being in violation of any such provision of any jurisdiction, such paragraph, sentence, word, clause or combination thereof shall be

inoperative in each such jurisdiction and the remainder of this Agreement shall remain binding upon the parties and the Agreement as a whole shall be unaffected elsewhere.

17. Exclusive. This memorandum of Understanding and Agreement for Management of the Ottawa Towers I & II and Phoenix Facility Parking Deck is exclusive. The City may not hire other entities to provide similar Services as being provided by Omega hereunder.

This Memorandum of Understanding and Agreement is recognized and accepted by the undersigned as a contractual agreement and obligation bound upon the consideration of services and/or monies as described herein. The obligation of this Memorandum of Understanding and Agreement shall be performed by the undersigned or those lawfully acting on their behalf in conjunction with the completion and fulfillment of the terms, conditions and provisions as set forth, and shall be interpreted in accordance with the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding and Agreement for Management and Operation of Park Place Little City including the restoration and renovation of the Ottawa Towers I & II along with the Phoenix Parking Facility and any attached fixtures to be signed by their duly authorized officers and representatives.

Omega Investments Ltd.:

Lawrence F. Jasper II, CEO

Date

Witness

Date

City of Pontiac

Deirdre Waterman, Mayor

Date

Kermit Williams, President of Council Members Date

Randy Carter, Council Member Date

Gloria Miller, Council Member Date

Patrice Waterman, Council Member Date

George Williams, Council Member Date

Taylor Burks, Council Member Date

Mary Pietila Date

Witness Date

Pimpernel Developments LLC ("Purchaser")
36400 Woodward Ave Ste 111
Bloomfield Hills, MI 48304

September 15, 2020

City of Pontiac ("City")
47450 Woodward Ave
Pontiac, MI 48342

RE: PHOENIX CENTER SETTLEMENT AGREEMENT LETTER OF INTENT ("PCSA LOI")

Dear City of Pontiac,

Please accept this binding Letter of Intent ("PCSA LOI") to purchase the Phoenix Center ("PC") and fully release the City from its obligations and liabilities according to its Phoenix Center Settlement Agreement ("PCSA") under the following proposed terms:

- Purchaser:** Pimpernel Developments LLC, Red Pimpernel LLC, or an entity to be formed.
- Terms:** Purchaser to purchase Ottawa Towers and PC then release City from PCSA in exchange for City contributing to Purchaser Sum Certain Amount ("SCA") of no less than Seven Million Two Hundred Ninety-Six Thousand Sixty Dollars (\$7,296,060.00) and no greater than Twenty Million Seven Hundred Eighty-Two Thousand Four Hundred Eighty-Two Dollars (\$20,782,482.00), Six Million Dollars (\$6,000,000.00) over a ten (10) year period, master development agreement, preapprovals, incentives and miscellaneous (collectively, "PCSA LOI Terms").
- Deposit:** City shall select A or B and submit Deposit into Purchaser's Escrow Account within three (3) business days of day and year first written above by 5:00 PM EST. Deposit amounts becoming immediately nonrefundable and available to Purchaser shall be applicable to the SCA, or in the event Purchaser assigns its Ottawa PSA to City, the Purchase Price of the offer Seller presented to City on August 18, 2020, or in the event City defaults, the amount of monetary ramifications of its default. Upon Purchaser's receipt of Deposit, Seller shall extend City's deadline of its Phoenix Center Settlement Agreement ("PCSA") entered into effective with Seller on November 1, 2018 and Purchaser's deadline of its Agreement of Purchase and Sale Ottawa Towers and PCSA Assignment entered into effective with Seller on November 15, 2019 ("Ottawa PSA") as follows (collectively "Deadlines"):
- A. Seven Million Two Hundred Ninety-Six Thousand Sixty Dollars (\$7,296,060.00), with One Million Two Hundred Ninety-Six Thousand Dollars (\$1,296,000.00) becoming immediately nonrefundable and available to Purchaser but applicable to the SCA. Upon Purchaser's receipt of Deposit, Seller shall extend Deadlines by One Hundred Twenty (120) Days, from November 1, 2020 to March 1, 2021 ("Initial Deadlines Extension"). City shall then have the option to further extend Initial Deadlines Extension by up to Four (4) Periods of Thirty (30) Days by informing Purchaser in writing of each extension at least sixty (60) days prior to Deadlines, with One Million Five Hundred Thousand Dollars (\$1,500,000.00) per Period becoming immediately nonrefundable and available to Purchaser but applicable to the SCA, thus extending Deadlines One Hundred Twenty (120) Days, from March 1, 2020 to June 29, 2021 ("Deadlines Extension").
 - B. One Million Two Hundred Ninety-Six Thousand Dollars (\$1,296,000.00) immediately nonrefundable and available to Purchaser but applicable to SCA. Upon Purchaser's receipt of Deposit, Seller shall extend Deadlines by Ninety (90) Days, from November 1, 2020 to January 30, 2021 ("Initial Deadlines Extension"). City shall then have the option to further extend Initial Deadlines Extension by up to Three (3) Periods of Thirty (30) Days by informing Purchaser in writing of each extension at least sixty (60) days prior to Deadlines, with Two Million Dollars (\$2,000,000.00) per Period becoming immediately nonrefundable and available to Purchaser but applicable to SCA, thus extending Deadlines an additional Ninety (90) Days, from January 30, 2021 to April 30, 2021 ("Deadlines Extension").
- Installment:** SCA LESS Deposit LESS outstanding due yet unpayable FY 2020-21 ("Installment") to be deposited by City into Purchaser's Escrow by Deadlines Extension 5:00 PM EST becoming immediately nonrefundable and available to Purchaser but applicable to SCA. SCA LESS Deposit LESS Installment ("Installments") TBD by the Agreement.
- Conditions:** Purchase contingent upon the following conditions:
- **This LOI.** This LOI shall be made exclusive wholly to Purchaser and assignable in whole or in part by Purchaser. Upon Purchaser's receipt of Deposit, Purchaser shall submit its Ottawa PSA into escrow and the Parties shall be bound to completing a transaction conveying ownership of Ottawa Towers and PC to

Purchaser then Purchaser fully releasing City from its obligations and liabilities according to its PCSA. In the event Purchaser does not close Ottawa Towers, City shall have the right of first refusal to accept Purchaser's assignment of its Ottawa PSA. City commits to conveying ownership of PC and contributing PCSA LOI Terms to Purchaser. Seller commits to extending both City's November 1, 2020 deadline of its PCSA and Purchaser's deadline of its Ottawa PSA and granting Purchaser a land contract option according to the terms of an email sent by Purchaser to Seller on Friday, July 31, 2020 at 12:18 PM EST. Purchaser commits to purchasing Ottawa Towers and PC, and upon closing Ottawa Towers and contingent upon City fulfilling its PCSA LOI Terms according to the terms and conditions of the Agreement, fully releasing City from the PCSA. Purchaser is open to idea of City retaining and/or attaining a percent ownership of PC and/or Ottawa, but unless otherwise agreed to in writing according to the terms and conditions of the Agreement, City shall transfer full ownership and responsibility of PC to Purchaser in exchange for its full release from the PCSA.

- **The Agreement.** An agreement shall be made and executed by and between Purchaser and City, upon full execution of this LOI and by at least sixty (60) days prior to the Deadlines Extension ("Agreement"), exclusive wholly to Purchaser and assignable in whole or in part by Purchaser and shall include but is not limited to the Terms of this LOI, with SCA, Deposit and Installment(s) amounts and terms determined by Purchaser and City Interim Financial Director ("IFD") and master development agreement, preapprovals, incentives and miscellaneous by Purchaser and City Legal Counsel Economic Development and Business Plans ("LC-EDBP").
- **The Schools.** In good faith and in return for Deposit, Purchaser shall transfer to City ownership of Longfellow School, Perdue Academy, and Jefferson School (the "Schools"), with Purchaser deciding whether transferred by sales or donations and City taking titles within sixty (60) days of the day and year first written above, unless otherwise extended in writing by and only by Purchaser for up to four (4) periods of thirty (30) days.
- **Confidentiality.** City shall henceforth obtain explicit prior written consent of Purchaser before disclosing any information in whole or in part to maximum legally permissible extent regarding this LOI and the Agreement.

Upon City's acceptance of this LOI, Seller shall accept and Purchaser present City a deposit agreement within two (2) business days.

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

PURCHASER:

PIMPERNEL DEVELOPMENTS LLC, RED PIMPERNEL LLC, OR AN ETBF

By: _____
Name: Niccolò G. Mastromatteo
Title: Authorized Manager

CITY:

CITY OF PONTIAC

By: _____
Name: Deirdre Waterman
Title: Mayor

By: _____
Name: Kermit Williams
Title: Council President

By: _____
Name: John Clark
Title: Attorney

SELLER:

NORTH BAY DRYWALL, INC. PROFIT SHARING PLAN & TRUST,
OTTAWA TOWER II, L.L.C., PONTIAC INVESTMENT PROPERTIES, LLC

By: _____
Name: Charles R. Stephens
Title: Authorized Trustee / Manager

#4

**SPECIAL
PRESENTATION**

CPREA v. City of Pontiac

PRESENTATION TO PONTIAC CITY COUNCIL

Settlement Agreement in *CPREA v. City of Pontiac*

September 15, 2020

LITIGATION

- CPREA FILED A CLASS ACTION COMPLAINT ON JUNE 27, 2012;
- CPREA CLAIMS THAT THE CITY MADE PROMISES TO GERS RETIREES IN COLLECTIVE BARGAINING AGREEMENTS THAT THEY WOULD RECEIVE LIFETIME RETIREE HEALTH BENEFITS FULLY PAID FOR BY CITY;
- PLAINTIFFS CLAIM THAT EMERGENCY MANAGER SCHIMMEL BROKE THOSE PROMISES BY, IN DECEMBER 2011, CHANGING BENEFITS AND SHIFTING RETIREE HEALTH COSTS TO THE RETIREES;
- THE LAWSUIT ASKS THE COURT TO FORCE THE CITY TO REINSTATE BENEFITS AT 2011 LEVELS AND PAY RETIREES FOR ALL DAMAGES THEY'VE SUFFERED BETWEEN 2011 AND TODAY;
- PLAINTIFFS ALSO ASKED THE COURT TO CERTIFY A CLASS OF OVER 1,000 CITY OF PONTIAC RETIREES.

MEDIATION

- CPREA AND THE CITY BEGAN THE MEDIATION PROCESS IN EARLY 2015;
- THEY UTILIZED A FACILITATOR NAMED EUGENE DRIKER TO ATTEMPT TO FIND COMMON GROUND BETWEEN THE PARTIES;
- MEDIATION CONTINUED THROUGH 2015 AND 2016, BUT DID NOT RESULT IN SETTLEMENT;
- THE PARTIES DECIDED TO USE A NEW FACILITATOR NAMED KATHLEEN BOGAS, BEGINNING IN DECEMBER 2016;
- ON MARCH 31, 2017, THE PARTIES REACHED A TENTATIVE AGREEMENT ON THE TERMS OF A WRITTEN SETTLEMENT OF THE CPREA V. CITY OF PONTIAC;
- SETTLEMENT AGREEMENT WAS GIVEN FINAL APPROVAL BY COURT ON NOVEMBER 19, 2018.

TERMS OF THE SETTLEMENT AGREEMENT

- CURRENT GERS PLAN IS OVERFUNDED. GERS PLAN WILL BE TERMINATED, NEW GERS PLAN CREATED;
- SOME OF THE OVERFUNDING WILL BE PLACED INTO A NEW VEBA TO FUND HEALTH BENEFITS TO THE RETIREES;
- NEW GERS PLAN WILL KEEP ASSETS EQUAL TO 130% OF THE PENSION LIABILITIES OF THE OLD PLAN;
- ELIGIBLE RETIREES / EMPLOYEES RECEIVING / ENTITLED TO RECEIVE PENSION BENEFITS UNDER THE NEW GERS PLAN WILL BE IDENTICAL TO THOSE RECEIVING / ENTITLED TO RECEIVE BENEFITS UNDER THE OLD GERS PLAN;
- NEW GERS PLAN WILL KEEP THE VERY SAME BOARD MEMBERSHIP AND PROPORTIONAL REPRESENTATION AS THE OLD PLAN;
- NEW GERS PLAN WILL REQUIRE A SUPERMAJORITY FOR ALTERNATIVE INVESTMENTS AND IF IT EVER BECOMES LESS THAN 90% FUNDED.

TERMS OF THE SETTLEMENT AGREEMENT (Cont.)

- THE POLICE & FIRE VEBA WILL BE MERGED INTO THE NEW VEBA;
- THE CITY WILL INITIALLY CONTRIBUTE UP TO \$4.25 MILLION TO THE NEW VEBA;
- THAT PAYMENT WILL ALSO RESOLVE A SEPARATE POLICE & FIRE LAWSUIT AGAINST THE CITY;
- THE CITY WILL CONTRIBUTE, FOR THE LIFE OF THE NEW VEBA, UP TO \$1.5 MILLION ANNUALLY IF ACTUARIES DETERMINE THAT A CONTRIBUTION IS REQUIRED IN ANY GIVEN YEAR;
- CITY'S ANNUAL CONTRIBUTION IS CAPPED AT \$1.5 MILLION;
- THE NEW VEBA WILL PROVIDE 1,573 RETIREES, SPOUSES, AND DEPENDENTS WITH HEALTH, VISION AND DENTAL INSURANCE, WITH PREMIUMS PAID BY THE VEBA.

EFFECTUATION OF THE SETTLEMENT AGREEMENT

PROCESS

- TERMINATE THE OLD GERS (SETTLEMENT AGREEMENT § 6)
- ESTABLISH THE NEW GERS WHICH WILL ASSUME 130% OF THE PENSION LIABILITIES OF THE OLD GERS (SETTLEMENT AGREEMENT § 6)
- ESTABLISH A VEBA TO RECEIVE THE EXCESS ASSETS TO FUND RETIREE HEALTH BENEFITS (SETTLEMENT AGREEMENT § 6)
- MERGE THE POLICE AND FIRE VEBA INTO THE NEWLY CREATED VEBA (SETTLEMENT AGREEMENT § 7)

EFFECTUATION OF THE SETTLEMENT AGREEMENT (CONT.)

IRS APPROVAL - - FOUR SUBMISSIONS WERE MADE TO THE IRS ON MAY 22, 2020 PURSUANT TO SETTLEMENT AGREEMENT § 6:

•**OLD GERS TERMINATION APPLICATION** – SEEKING DETERMINATION FROM THE IRS THAT THE GERS IS QUALIFIED UNDER THE IRC UPON ITS TERMINATION

•**NEW GERS APPLICATION** – SEEKING DETERMINATION FROM THE IRS THAT THE NEW GERS IS QUALIFIED UNDER THE IRC UPON ITS ESTABLISHMENT

•**VEBA APPLICATION** – SEEKING DETERMINATION THAT THE VEBA IS TAX-EXEMPT (APPROVED BY THE IRS ON AUGUST 10, 2020)

•**PRIVATE LETTER RULING REQUEST** – SEEKING A RULING THAT THE TRANSFER OF THE EXCESS ASSETS TO THE VEBA WILL NOT PRESENT ADVERSE TAX CONSEQUENCES TO THE CITY OR RETIREES

NEXT STEPS

- UPON APPROVAL BY THE IRS OF THE VARIOUS SUBMISSIONS, THE P&F VEBA MUST BE MERGED INTO THE NEW VEBA
- CITY COUNCIL MUST ADOPT THE TERMINATION AMENDMENT FOR THE GERS AND ESTABLISH A TERMINATION DATE
- CITY COUNCIL MUST ADOPT THE NEW GERS ORDINANCE AND ESTABLISH AN EFFECTIVE DATE
- CITY COUNCIL MUST APPROVE THE MERGER OF THE VEBAS

END RESULT

- PENSION BENEFITS WILL BE PROVIDED THROUGH THE NEW GERS TO THE SAME EXTENT AS PREVIOUSLY PROVIDED THROUGH THE OLD GERS
- APPROXIMATELY 1,500 RETIREES, DEPENDENTS, AND BENEFICIARIES HAVE CITY-FUNDED RETIREE HEALTH BENEFITS RESTORED***

The City of Pontiac Retired Employees Association, et. al.
vs.
Louis Schimmel, et. al.

U.S. District Case No. 12-cv-12830

CHRONOLOGY OF SETTLEMENT	
July 13, 2017	Pontiac City Council approval of proposed settlement between the City and Pontiac Retirees ("CPREA")
September 2017	Hospital Retirees file Motion to Intervene in the Lawsuit and seek an Order from the Court ruling the proposed settlement unlawful
October 2017	CPREA and the City file Response to Motion to Intervene
November 2017	Hearing on Motion to Intervene. Court defers a ruling on the Motion to Intervene
January to March 2018	Initial preparation of motion for tentative approval of settlement agreement. This is a highly complicated and detailed court pleading that must meet several specific court rules and mandates.
April 2018	Hospital Retirees file response to motion for approval of settlement asking for a ruling that the Settlement is unlawful
June 13, 2018	Order Granting Joint Motion for Class Certification, Preliminary Approval of Class Action Settlement, Approval of Proposed Class Notice, and Set Fairness Hearing
August 13, 2018	City and CPREA file Joint Motion for Final Approval of Class Action Settlement
August 29, 2018	Hospital Retirees' file Objections to Proposed Settlement
August - September 2018	City analysis of methods of termination of the GERS plan, with a reversion to the City, that will meet IRS requirement
September 12, 2018	Fairness Hearing – USDC – Judge Avern Cohn
November 19, 2018	Order Granting Motion for Final Approval of Class Action Settlement
November 2018 – March 2019	Analysis of history of GERS retirement plan, actuarial valuations and prior ordinances entered by former boards, to determine that plan termination and reversion is consistent with those prior documents

	and decisions, and to confirm the required process for plan termination
January – March 2019	Draft VEBA trust documents and associated documents
April 19, 2019	Initial draft of new VEBA trust agreement presented to CPREA Board attorney
July 25, 2019	Receipt of CPREA Board attorney's initial comments on draft VEBA trust agreement
August to October 2019	Several drafts of the VEBA trust agreement are exchanged between the City attorneys and attorney for the CPREA Board
November 8, 2019	Finalize VEBA trust agreement and related documents
November 19, 2019	City provides drafts to GERS Board of (1) proposed termination amendment to GERS; and (2) proposed Reestablished GERS
November 26, 2019	Pontiac City Council approved resolution authorizing adoption of the VEBA trust agreement
December 18, 2019	GERS Board meeting to discuss drafts provided by City; GERS Board directs its attorney to review
January 30, 2020	GERS Board special meeting to discuss drafts provided by City. GERS Board directs its attorney to meet with City attorney to finalize proposed termination amendment to GERS and proposed Reestablished GERS documents
February 4, 2020	City provides updated drafts to GERS Board attorney and GERS Executive director accounting for GERS Board comments discussed at January 30, 2020 special meeting
February 11, 2020	City attorney and GERS Board attorney meet to finalize terms of documents.
February 12, 2020	City provides updated final drafts to GERS Board's attorney reflecting terms agreed to during February 11, 2020 meeting
March 23, 2020	VEBA documents fully executed
March 24, 2020	GERS Board introduces a new reestablished GERS document
April 29, 2020	GERS Board meeting includes further discussion of its newly introduced document
May 22, 2020	Applications filed with IRS (4 separate applications filed)
August 10, 2020	IRS approves application for tax-exempt status of VEBA (application 1 of 4)

#5

**SPECIAL
PRESENTATION**

Darin S. Carrington

Career Summary

Experienced accounting and finance management professional with an accomplished track record with both public and private sector entities. Strong background in preparing, analyzing and advising on financial statements, budgets, cash flows and financial projections. Excellent record with effectively leading and working with teams and in crisis environments.

Professional Experience

CITY OF INKSTER, INKSTER, MICHIGAN

Treasurer/Chief Financial Officer – 2016 - Present

Appointed by the Mayor as the City's top financial official

- Handle and oversee all financial matters for City operations including budgeting, purchasing, tax collections and treasury management
- Lead the budget and funding process for all City departments and for water and road infrastructure projects
- Work with the Mayor and Department heads to help determine and develop budget priorities and to ensure that City operations are in-line with budgeted funds
- Prepare and present monthly and quarterly financial reports to City Council and residents
- Analyze and review the City's cash flow needs to ensure effective use of cash and ensure ability to meet all financial obligations
- Serve as one of the lead negotiators with labor unions and successfully negotiated agreements with all bargaining units
- Serve as Administrator for City's pension funds and manage the City's retiree healthcare activities

CITY OF DETROIT, DETROIT, MICHIGAN

Assistant Director, Office of Chief Financial Officer - 2012 - 2016

Served as Project Manager and Special Advisor to Finance Director working on key projects for City's financial operations and restructuring.

- Worked with Finance Director, Finance Department leaders, City Department heads and outside consultants on a number of critical issues related to City's bankruptcy and financial restructuring
- Served on Critical Vendor Committee to determine payments to key vendors and monitor City's cash flow during pre and post bankruptcy phase when City was experiencing severe cash flow issues
- Tracked and analyzed expenditures to determine financial performance against adopted budget
- Helped the City identify and collect new revenue streams and improve on collection of existing revenue streams by developing, implementing and improving inter-departmental processes
- Identified and prepared accounting journal entries needed to assist with the preparing and completion of the City's annual financial report (CAFR)
- Helped lead effort in assessing the City's IT systems, worked with key stakeholders to develop requirements for City's new ERP system and reviewed vendor proposals for new system

CARRINGTON ADVISORS, WASHINGTON, DC

Consultant - 2010 - 2012

- Served as a consultant to companies and groups for investments, accounting, finance and contracting
- Developed and reviewed proposals for companies seeking financing of investment funds and other projects
- Helped clients raise over \$50 million in funding commitments
- Help lead efforts for launching new investment funds and projects

WATTS COMPANIES, WASHINGTON, DC

Privately held holding and investment company with \$30 million in revenue

Vice President/CFO - Finance - 2003 - 2009

- Led the accounting, finance and tax operations for diverse holding company with 75 employees and \$30 million in revenues
- Assessed and analyzed cash flow needs to determine financing of investments and working capital

- Prepared regular monthly, quarterly and annual financial statements to provide key financial information to officers and board for strategic planning
- Supervised policies and help implement improvements for payments to vendors and revenue collections
- Led the acquisition of two businesses and implemented new accounting and reporting processes

BELLSOUTH CORPORATION, ATLANTA, GA

Fortune 100 telecommunications company

Senior Finance Manager - 2000 - 2003

- Helped company determine short and long term capital needs by analyzing financial projections and actual performance
- Managed five member team that served as an interface with various corporate departments in preparing financial projections, business plans and business cases to assess and determine companies short and long-term capital needs
- Helped company to successfully maintain its credit rating by leading efforts in preparing and presenting to major credit rating agencies

ERNST & YOUNG, CHICAGO, IL

Senior Consultant - 1999 - 2000

- Analyzed clients' short and long term liquidity needs to assist clients with developing options to maintain solvency and continue operations
- Created financial models to project clients cash flow needs and develop pro-forma financial statements
- Help improve clients operating performance by conducting industry research and preparation of strategic and operational plans

SEGUE, FAIR, ADAMS & POPE, DETROIT, MI

Boutique Corporate Law Firm

Attorney - 1994 - 1997

- Worked with issuers and underwriters of municipal securities for financing of public bonds
- Provided legal advice for tax and securities work to public and private clients to ensure transactions met legal requirements and addressed clients' needs
- Drafted and reviewed disclosure documents, contracts and other legal documents

MANUFACTURERS HANOVER BANK, NEW YORK, NY

Financial Analyst - 1990 - 1991

- Worked on lending team to serve clients in bank's North American Corporate Division
- Reviewed, analyzed and assisted with the approval of over \$250 million in new loans and other credit facilities
- Helped ensure that bank's loans and investments remained safe by analyzing clients operational and financial performance each quarter

Education

Masters Business Program

University of Michigan Ross School of Business, Ann Arbor, MI 1997 - 1999

Juris Doctorate

University of Detroit-Mercy Law School, Detroit, MI 1994

Bachelor of Arts, Finance

Morehouse College, Atlanta, GA 1990



CITY OF PONTIAC

Department of Finance

HUMAN RESOURCES DIVISION

47450 Woodward Avenue, Pontiac, Michigan 48342

Phone: (248) 758-3293 | Fax: (248) 758-3197

TO: Honorable City Council President William and City Council Members

FROM: Mayor Deirdre Waterman

CC: Anthony Chubb, City Attorney; and Kiearra Davidson, Human Resources Manager

DATE: September 10, 2020

RE: **Resolution to Confirm Mayor Waterman's Appointment of Mr. Darin Carrington, to the position of Finance Director.**

In accordance with Article 4.106 of the City Charter as shown below, it is my honor and privilege to appoint Mr. Darin Carrington to the position of Finance Director. A copy of the redacted resume is attached for your information.

4.106 Appointment of Directors; Failure to Act on Appointments:

Except as otherwise required by law or this charter, the Mayor shall appoint for each department of the executive branch a director who serves at the pleasure of the Mayor as head of the department. Each appointment is subject to approval by the council.

If a mayoral appointment is not disapproved by the Council within 30 days, the appointment is effective.

Based on his eight years of service in municipal finance, preceded by over twenty years of work experience in the private sector serving in finance and law, Mr. Carrington's experience and education in law and business will be an asset to the City of Pontiac.

Pending no objection, the following resolution is recommended: Whereas, in accordance with Article IV - Executive Branch; Section 4. 106 of the City Charter, the Mayor is responsible for the appointment of a director for each department who serves at the pleasure of the Mayor. Now therefore, it is resolved that Mr. Darin S. Carrington be appointed to the position of Finance Director.

KKD

Attachment

#6

**SPECIAL
PRESENTATION**

MEMORANDUM

TO: Council President Williams, Members of City Council

FROM: Mayor Deirdre Waterman and Matthew Gibb, Special Legal Counsel for Economic Development

DATE: September 10, 2020
For City Council Agenda of 9/15/2020

RE: Special Presentation
Report Following Real Estate Subcommittee – Proposed Public Private Partnerships - Phoenix Center

BACKGROUND

The Real Estate Subcommittee of the Pontiac City Council met on September 9, 2020 wherein the committee heard and discussed several presentations from third parties interested in joining the City of Pontiac in a public private partnership to invest in the Phoenix Center and potentially resolve the commitments of the City contained within the November 2018 Settlement Agreement.

SUMMARY REPORT

The committee asked the administration to coordinate information from the presentations, along with information provided from the administration regarding other third party proposals, and bring to Council at its September 15th meeting a summary of the opportunities with sufficient detail that the Council could provide any acceptance, rejection or direction regarding each proposal.

To allow for confidentiality and nondisclosure while any of the proposals are being negotiated or completed, a summary of the information will be provided separately from this memorandum and included within the Council's agenda packet. As a general summary the proposals included, but were not limited to the following:

1. Use of Allocated fund balance. Each presentation included some aspect of participation by the City in the capital needed to complete the transactions. This would involve authorizing the use of general fund balance at a future time.
2. Additional Commitments. Each presentation has some aspect of additional consideration, including zoning approvals, purchase of additional property, supplemental capital for future improvements, and incentives.
3. Varied Approach to the Phoenix Center Use. The proposals varied in their approach to what becomes of the phoenix center. Some indicated that the center would be demolished in favor of a new development, others want to adapt the center to alternate

uses.

ANTICIPATED AGENDA DISCUSSION

A summary of each proposal will be presented and, to the extent possible based on the provided information, details will be assessed, including;

1. What is the actual cost to the City?
2. What is the long-term financial impact?
3. What additional obligations are in the proposals, or will arise if accepted?
4. What are the obstacles?

There will be additional information provided that includes alternate remedies and impacts, including;

1. What is a possible response to the offer of Ottawa Towers?
2. What is the likely impact if a deal cannot be completed?
3. What affect can a judgment have on the City?

POSSIBLE SCENARIOS POST NOVEMBER 1

- a. A general damage award in the amount of the agreed upon improvements, thereby placing the Plaintiff in a position to complete the work itself. This exposure would result in a money damage award in the amount of the AUCH estimates, plus costs and attorney fees.
- b. A supplemental award for additional lost rents and use.
- c. Whether the ownership of the garage should transfer to the Plaintiff.
- d. Other additional relief including injunctions, demand for completion, and attorney fees.

Possible Damages

Cost to complete

\$16.8 million

Possible Damages

Lost Market Share

\$3.2million

Possible Damages

Attorney fees

\$?????

1. Council President Williams Proffered Concept (Offer to buy Ottawa)

At its meeting of August 18, 2020 Council President Williams read into the record an offer from the owners of the Ottawa Towers to purchase five properties presently owned by them in the City, financing and other relief that would settle the City's obligations and result in a satisfaction of the Settlement Agreement. A copy of that offer is attached, as well as, a summary calculation as to the total cost to the City. A summary of the offer is as follows:

a. The City would purchase five properties:

i. 51111 Woodward	\$12,700,000.00
ii. 31 Judson	\$ 6,378,373.00
iii. Three Schools	<u>\$ 921,627.00</u>

\$20,000,000.00

a. Financing of Debt

i. Down Payment	\$10,000,000.00
ii. Financing (3 years @ 7-8%)	\$ 2,454,015.00

a. Management Debt

\$ 1,290,600.00

b. Settlement Agreement Balance

\$ 2,100,000.00

The total cost to the City to accept this offer is

\$25,844,615.00

Additional anticipated costs to the City (see attached)

\$1,190,537.00 (annually)

Operating expenses

Property mgmt	4%	69,060
Office expense		242
Phone & internet service		2,341

Repairs & maintenance

General	14,671
HVAC	22,352
Plumbing	5,165
Elevators	37,422
Electrical	<u>1,812</u>
	81,222

Gas, diesel, parking & tolls	2,320
Janitorial	126,689
Landscape maintenance & snow removal	18,389
Pest control	1,374
Security	52,947
Fire sprinkler system & monitoring	12,007
Emergency generators	6,293
Electricity	110,871
Natural gas	38,411
Water & sewer	16,866
Garbage	4,563
Advertising & promotion	1,611
Miscellaneous expense	25
Insurance	16,006
Property taxes	<u>51,604</u>

Total operating expenses

612,841

4%	69,060
	242
	2,341

14,671	
22,352	
5,165	
37,422	
<u>1,812</u>	
81,222	

2,320
126,689
18,389
1,374
52,947
12,007
6,293
110,871
38,411
16,866
4,563
1,611
25
16,006

561,237**Operating expenses**

Property mgmt	4%	116,150
Office expense		242
Phone & internet service		2,341

Repairs & maintenance

General	14,671
HVAC	22,352
Plumbing	5,165
Elevators	37,422
Electrical	<u>1,612</u>
	81,222

Gas, diesel, parking & tolls	2,320
Janitorial	126,689
Landscape maintenance & snow removal	18,389
Pest control	1,374
Security	52,947
Fire sprinkler system & monitoring	12,007
Emergency generators	6,293
Electricity	110,871
Natural gas	38,411
Water & sewer	16,866
Garbage	4,563
Advertising & promotion	1,611
Licenses, fees & bonds	-
Miscellaneous expense	25
Insurance	16,006
Property taxes	

Total operating expenses

608,327

1. Authorize the Mayors office to respond to the offer proffered through the Council President, by establishing a potential public private partnership:
 - a. To be discussed in more detail in closed session, but would include an acceptance of terms, and a PPP with investors owning the towers and the City committing to a long term capital contribution.
2. The other option is to authorize a pre-scaled offer for third parties to invest, meaning, a pre-approved offer that could be placed within a PPP to attract investors that need a commitment from the city PRIOR to engaging in ANY substantive discussions.



CITY OF PONTIAC
RFP RESPONSE
ARCTARIS OPPORTUNITY ZONE INITIATIVE

OFFICE OF ECONOMIC DEVELOPMENT
Matthew A. Gibb
mgibb@pontiac.mi.us
(248) 464-0307

EXECUTIVE SUMMARY

The City of Pontiac is one of the Midwest's most dynamic opportunities. Its location and connection to talent have bolstered a rapidly growing investment portfolio that has seen Amazon, United Shore, Williams International and others capture long term revenue and growth through strategic development. As the City continues to climb out of the recession of the last decade, it continues to realize improved housing and job opportunities, and has built a much-improved credit rating and solidly performing budget. The heart of the City's Downtown falls within a dynamic Opportunity Zone where a cross section of eligible and qualified projects is available to purchase, develop and own.

Despite this positive outlook, the City continues to struggle to raise its core demographics, including household incomes, market rate housing and rate of employment. As the City offers excellent upside value to property and business investment, it is also burdened by legacy obligations brought on by its former emergency management. These challenges, however, have given rise to a targeted economic development opportunity that provides support to the City's low and moderate income community and much needed budgetary relief for the City.

This proposal will offer an opportunity for Arctaris to generate revenue for its investors while meeting a substantial economic development need within the community. A public private partnership that uses Arctaris OZ fund sources to acquire the Ottawa Towers, resolve all pending settlement obligations of the City, and restore the vibrancy and revenue generation of the Phoenix Center.

A. ORGANIZATIONAL INFORMATION

This proposal is submitted by:

CITY OF PONTIAC
47450 Woodward Ave.
Pontiac, MI 48342

This project will be coordinated by:

OFFICE OF ECONOMIC DEVELOPMENT
Matthew Gibb, Special Legal Counsel
mgibb@pontiac.mi.us
(248) 464-0307

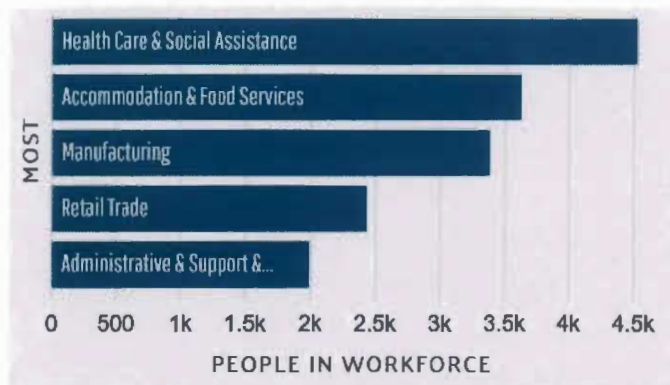
Other persons involved:

Mayor Dierdre Waterman
Dan Ringo, Director DPW
Vince DeLeonardis, President AUCH
Dave DiCuccio, President IDS

B. REGIONAL OZ OVERVIEW AND FOCUS AREAS

Pontiac, in the center of Oakland County, is home to and within minutes of more than 50% of the global Fortune 500. General Motors continues to be an anchor of its economy, but recent investments have seen Amazon build more than one million square feet of distribution space with Williams International planning to match that investment with its own million plus square foot manufacturing facility, adding on to its already significant presence.

United Shore is building the largest pedestrian bridge in Michigan to unify its two Pontiac locations, and is hiring at a rate of 150 new employees per week. Ultimate Soccer, the regions largest sports venue added the Detroit Medical Center as a partner and expanded by more than 20%. Companies are choosing Pontiac, and the job base is growing.



KEY EMPLOYERS

McClaren Health Care
St. Joseph Mercy Health
FANUC Robotics
Posco Daewoo
Gonzalez Production
Irvin Automotive
General Motors
United Shore
FM Sylvan

There are few areas in the Midwest that have seen dramatic increases in household income and market value. Pontiac continues to break the post-recession trends.

Estimated median household income in 2017: \$39,055 (it was \$31,207 in 2000)

Pontiac:  \$39,055

MI:  \$54,909

Estimated median house or condo value in 2017: \$102,963 (it was \$73,400 in 2000)

Pontiac:  \$102,963

MI:  \$155,700

Pontiac has long established relationships with Oakland University, Baker College, Oakland Community College and the strong regional K-12 districts. The City is home to leading non-profits, including Lighthouse, Grace Centers of Hope and United Way.

The history of Pontiac reveals a rich culture, bolstered by decades of hard work in manufacturing and technology. The focus for the future, and for this proposal is summed up within the Congress for New Urbanism Study,

"So what is the challenge with Pontiac? The urban fabric is here, the pioneering entrepreneurs are here, the market demand is here. What is missing is a coherent, continuous, pedestrian-friendly framework for businesses, shops, restaurants and citizens to flourish. When its leaders, residents, and property owners understand that the physical environment is crucial for its renaissance, and when these pieces are woven together, Downtown Pontiac will become a thriving community."

CNU LEGACY CHARRETTE
VISION FOR REVITALIZED
AND TRANSIT-READY
DOWNTOWN PONTIAC



The CNU Study, along with the Pontiac Moving Forward Plan have laid the benchmarks for several key new investments; the Strand Theater, Lafayette Lofts, Allie Cat Café, the Pontiac Little Arts Theater, and more.

PRIORITY FOCUS AREA: THE PHOENIX CENTER

Site Context: Large underutilized parking garage and public plaza closing off the southern end of Saginaw

Development Proposals: Make use of the Center as a civic asset. In time, demolish sections, reconnect Saginaw and infill with mixed uses

Development Approach: Public/Private venture

Please see CNU Study Attached

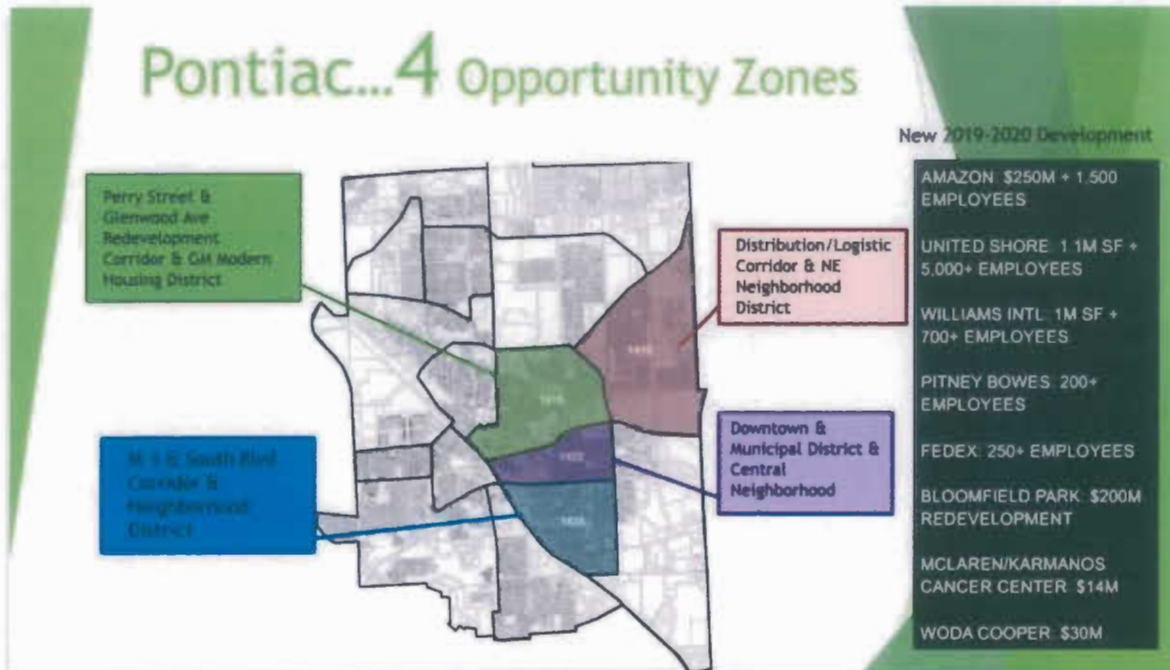
Short-term

- Maintain upkeep of the building and study its structure
- Place civic and recreational facilities on the roof
- Improve access with temporary steps and linear walkway
- Activate frontages and introduce liner structures

Long-term

- In stages remove sections of the Center and reinstate urban grid with infill buildings
- Reconnect Saginaw as an unobstructed North-South Main Street
- Review the parking requirements for Downtown

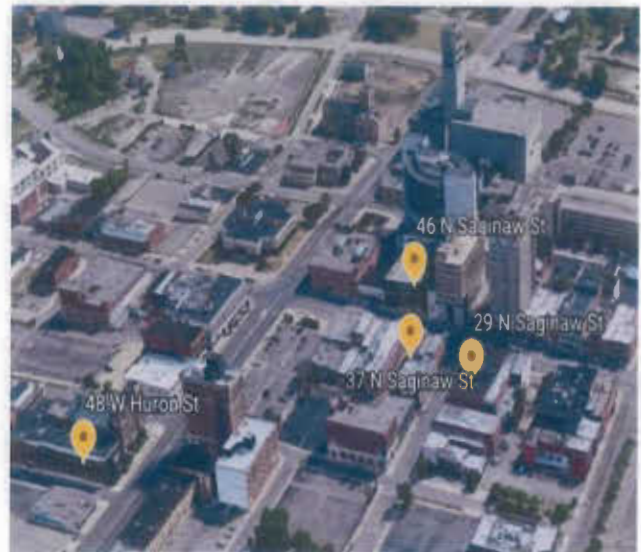
C. INVESTABLE PROJECT AREAS & PAST INVOLVEMENT WITH SIMILAR PROJECTS



Additonal options

48 W Huron

- Mixed use office warehouse
- Approx 60,000 sq.ft. in total
- \$2.2MM purchase
- \$1,000,000.00 renovation budget.
- Approx 3.5 acres of land.



Eastern Gateway Redevelopment M-59-Huron & Woodward Ave



- 19 Parcels "GATEWAY TO DOWNTOWN"
- 1.5 Miles from Amazon's New Development
- 8 Acres in the Opportunity Zone
- 3 Hard Corners of Woodward & M-59 Frontage
- 49,400 SF Former YMCA Building



D. COMMUNITY IMPACT GOALS

Pontiac completed a comprehensive economic recovery plan, attached hereto, that set forth the goals the City has for the impact of this sought after investment. The plan's strategies link the where and what we want to grow through a set of achievable

projects that can make a significant impact and build tremendous momentum towards the overall economic recovery effort of Pontiac. Based on research and input from the Plan's Advisors and Steering Committee, the following set of six strategies rose to the surface as the most tactical starting point for Pontiac's economic recovery effort. It is expected that these projects will stimulate other projects.

The Plan Strategies are listed below:

1. Strengthen Neighborhood and Advocacy Groups
2. Develop a Marketing Plan
3. Grow Business Support Services
4. Expand Business Entrepreneurial + Incubator Services
5. Establish an Arts Collaborative
6. Increase Access to Job Skills Training Programs

E. PROGRAM SIZE AND MATCHING CAPITAL SOURCES

There are several OZ opportunities for the fund to consider, but the City is prioritizing an investment in the Phoenix Center. There is presently a settlement agreement that was approved by the City in October 2018 that remains pending against the budget and commitment of the City. This agreement requires work to be performed on the Phoenix Center for the benefit of the Ottawa Towers, and that work is currently estimated at \$16.8 million. The owners of the Ottawa Towers desire to be bought out of its position.

There is an opportunity to invest in the OZ Area consisting of the Phoenix center and Towers. The investment would be in excess of \$25 million, and would allow an investment to obtain long term ownership of the towers, with the further agreement of the City to convey an interest in the 2600 space parking garage.

MATCHING CAPITAL:

The City has presently allocated \$7,000,000.00 towards its commitment to resolve the Phoenix Center settlement and/or enter a public private partnership to create a joint investment.

INVESTMENT CONCEPT:

Arctaris investment would be used to acquire the interest in the following property:

51111 Woodward

31 Judson

600 Motor St (Jefferson School)

25 S Sanford St (Perdue School)

31 N Astor (longfellow School)

The properties have a total acquisition cost of \$20,000,000.00. The City would commit its allocated general fund reserve in the amount of \$5,000,000.00.

PHOENIX SHARED USE:

The Arctaris investment would also result in ownership of the garage, provided the City would retain a perpetual license to maintain and use the amphitheater for public benefit.

The City would further commit to the use of TIF, Corridor Improvement, application to the Michigan Strategic Fund, and its own budget to fund future improvements.

Prior project experience. The City is well versed in completing incentive and partnered investments in the City. They have approved Renaissance Zones, Industrial Development Districts, applied obsolete property rehabilitation act credits, and more. Of significance for the Funds consideration is the project known as Village at Bloomfield.

The City creatively crafted a brownfield TIF such that it could take advantage of look back expenses from the prior failed development. This tactic, though complex, was used by the city to generate an additional \$14 million of unreimbursed capital into the new plan and allowed Redco to complete site work and attract Henry Ford Health, Menards, Aldi and a variety of other beneficial retailers. The project also brought several hundred units of market rate housing.

F. ATTACHMENTS

Attached please find the following supporting documents:

1. Pontiac Moving Forward – Plan for Economic Recovery
2. Congress for New Urbanism – Vision for Revitalized and Transit Ready Downtown
3. Memorandum to Council – Attachment of Offer



**LUMBERG FREEMAN GLEESON
HICKS & KHALIL PLLC**

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www.LFGLawFirm.com

H. William Freeman, Esq.
wfreeman@LFGLawFirm.com
Direct: (248) 724-3706

**City of Pontiac Council
September 15, 2020**

This firm represents Urban Development of Michigan LLC, a Michigan limited liability company ("UDM"), which is proposing to purchase the Ottawa Towers. The following is a list of requirements which will be necessary for UDM to pursue the mutual objectives for the benefit of the City of Pontiac ("City"):

1. The City will transfer all legal rights of the Phoenix Center to UDM prior or concurrent with to the closing of the Ottawa Towers Deal; and
2. The City will transfer funds in the amount of Seven Million Seven Hundred Thousand and 00/100 Dollars (\$7,700,000.00) to UDM prior to or concurrent with the closing of the Ottawa Towers Deal; and
3. The current budget for the Ottawa Towers for maintenance and cleanup shall continue in the amount of \$700,000.00 per year for 8 years; and

Upon approval of these preliminary requirements, the City and UDM shall enter into negotiations with respect to these items and other revitalization projects to create jobs and attract businesses and people to the City, al to generate additional taxes. This public-private partnership will benefit the City currently and well into the future.

Respectfully Submitted,
**LUMBERG FREEMAN GLEESON
HICKS & KHALIL PLLC**

H. William Freeman

#7

RESOLUTION

GARLAND S. DOYLE, M.P.A.
Interim City Clerk
FOIA Coordinator

SHEILA GRANDISON
Deputy City Clerk



OFFICE OF THE CITY CLERK
47450 Woodward Avenue
Pontiac, Michigan 48342
Phone: (248) 758-3200
Fax: (248) 758-3160

MEMORANDUM

TO: Honorable Mayor and City Council

FR: Garland Doyle, Interim City Clerk

DA: September 11, 2020

RE: Center for Tech and Civic Life (CTCL) Grant

On September 8, 2020, I announced that the Office of the City Clerk on behalf of the City of Pontiac had been awarded a \$405,564.00 grant from the Center for Tech and Civic Life (CTCL), a nationally-recognized, nonpartisan 501(c)(3) nonprofit organization to support the Pontiac Safe Voting Plan 2020.

The grant period is from June 15 – December 31, 2020. I have attached a copy of the grant award and our Pontiac Safe Voting Plan 2020.

Based upon the above attached information, it is the recommendation of the Office of the City Clerk that the Council approve the following resolution to accept the grant.

WHEREAS, The Center for Tech and Civic Life (CTCL) has award a \$405,564.00 to support the Pontiac Safe Voting Plan 2020; and

WHEREAS, the grant period is from June 15 – December 31, 2020; and

WHEREAS, the Interim City Clerk will serve as the grant administrator

NOW THEREFORE BE IT RESOLVED, the Pontiac City Council approves the acceptance of the grant and authorizes the Mayor to sign the grant agreement on behalf of the City of Pontiac.



CENTER FOR
TECH AND
CIVIC LIFE

August 28, 2020

City of Pontiac

Office of the City Clerk

47450 Woodward Ave.

Pontiac, MI 48342

To whom it may concern:

I am pleased to inform you that the Center for Tech and Civic Life ("CTCL") has decided to award you a grant to support the work of the City of Pontiac.

The following is a description of the grant:

AMOUNT OF GRANT: Four-hundred five-thousand, five-hundred sixty-four (USD \$405,564).

PURPOSE: The grant funds must be used exclusively for the public purpose of planning and operationalizing safe and secure election administration in the City of Pontiac in accordance with the attached Pontiac Safe Voting Plan 2020

Before we transmit these funds, we ask that you sign this agreement promising to use the grant funds in compliance with United States tax laws. Specifically, by signing this letter you agree to the following:

1. The City of Pontiac is a local government unit or political subdivision in the meaning of 26 USC 170(c)(1).
2. This grant shall be used *only* for the public purpose described above, and for no other purposes.
3. The City of Pontiac shall not use any part of this grant to give a grant to another organization unless CTCL agrees to the specific grant in writing.

4. The City of Pontiac has produced a plan for safe and secure election administration in 2020, including an assessment of election administration needs, budget estimates for such assessment, and an assessment of the impact of the plan on voters. This plan is attached to this agreement. The City shall expend the amount of this grant for purposes contained in this plan by December 31, 2020.
5. The City of Pontiac shall produce a report documenting how this grant has been expended in support of the activities described in paragraph 4. This report shall be written and sent to CTCL by January 31, 2021 or in any other format approved by CTCL.
6. The City of Pontiac shall not reduce the budget of the City Clerk of Pontiac ("the Clerk") or fail to appropriate or provide previously budgeted funds to the Clerk for the term of this grant. Any amount reduced or not provided in contravention of this paragraph shall be repaid to CTCL up to the total amount of this grant.
7. CTCL may discontinue, modify, withhold part of, or ask for the return all or part of the grant funds if it determines, in its sole judgment, that (a) any of the above conditions have not been met or (b) it must do so to comply with applicable laws or regulations.
8. The grant project period of June 15, 2020 through December 31, 2020 represents the dates between which covered costs may be applied to the grant.

Your acceptance of these agreements should be indicated below. Please have an authorized representative of The City of Pontiac sign below, and return a scanned copy of this letter to us by email at grants@techandcivicliflife.org

On behalf of CTCL, I extend my best wishes in your work.

Sincerely,

Tiana Epps Johnson
Executive Director
Center for Tech and Civic Life



CENTER FOR TECH & CIVIC LIFE
HELLO@TECHANDCIVICLIFE.ORG

CITY OF PONTIAC
A Michigan Municipal Corporation

By: _____

Title: _____

Date: _____



CENTER FOR TECH & CIVIC LIFE
HELLO@TECHANDCIVICLIFE.ORG

City of Pontiac
Safe Voting Plan Application
To Center for Technology and Civic Life

Mayor Deirdre Waterman and Interim City Clerk Garland Doyle are working collaboratively on the November 2020 election to: reduce the risk of exposure to coronavirus for our residents as well as our election staff and poll workers; identify best practices for safe and healthy voting; innovate to efficiently and effectively educate our residents about how to exercise their right to vote during this time of COVID-19; be intentional and strategic in helping historically disenfranchised residents and communities safely vote during unprecedented times; and, above all, ensure the right to healthy voting in our dense and diverse communities. Interim City Clerk Garland Doyle will serve as the Grant Administrator.

2020 Election Administration Climate

Michigan municipalities are faced with conducting two expensive elections in November. First, Michigan election law requires every precinct to be open on election day for in-person voting regardless of the number of voters who cast ballots by mail. Second, the expected skyrocketing volume of mail ballots driven by the COVID-19 pandemic will incur costs for staffing and equipment that will rival typical election day expenses.

Michigan election officials typically conduct presidential elections with 25 – 30% of the voters casting ballots by mail and 70 – 75% casting them in-person on election day. It now appears that mail balloting may account for 65 – 70% of the turnout. This trend is breaking municipal election budgets beginning with the higher-than-expected mail turnout in the August Primary that will continue through the November General Election.

Federal CARES ACT funding does not begin to meet the need of cash-strapped municipal election budgets. These funds disbursed by the Secretary of State have been used to issue August Primary mail ballot applications to all voters and to provide PPE and equipment to election officials. Both Pontiac and Michigan's budgets have been hard hit by the resulting economic downturn making additional funding of the city's election preparations unlikely.

There are many challenges to opening polling places in a pandemic and processing a historically high volume of mail ballots. The time that remains between now and the November Election provides an opportunity to plan for the highest possible voter turnouts in the safest possible ways.

Supplemental Election Administration Needs for 2020

Through careful analysis, we have concluded that crucial, supplemental programs will assist Pontiac voters in fully participating in the presidential election. We are requesting a **\$405,564** grant to meet Pontiac's election administration needs for the remainder of this year as specified in the four strategic recommendations. With the election fast approaching, we are committed to using the grant funds without any unnecessary administrative delays so that they may be effectively applied to these recommendations.

Recommendation I: Encourage and Increase Absentee Voting (By Mail and Early, In-Person)

1. Provide assistance to help voters safely request absentee ballots.
2. Expand in-person early voting opportunities.
3. Utilize secure drop-boxes to facilitate return of absentee ballots.
4. Deploy additional technology to expedite and improve accuracy of mail ballot process

Recommendation II: Ensure Safe Election Day Voting

Recommendation III: Dramatically Expand Strategic Voter Education & Outreach Efforts

Recommendation IV: Launch Poll Worker Recruitment & Training.

Recommendation I: Encourage and Increase Absentee Voting (By Mail and Early, In-Person)

Overview of Mail Voting in Michigan

In 2018 Michigan voters amended the state constitution to provide a series of voting rights to Michigan citizens. Central to the amendment is no reason absentee voting, which is a significant change that eliminated the reasons that entitled a voter to vote absentee. Voters must still apply by application to receive an absentee ballot and they may request both a primary ballot and a general election ballot with a single request, which is commonly referred to as a 'dual' application. Further, the amendment entitles citizens who are not registered by the 15th day before the election to register in-person in a clerk's office during the 14 days prior to an election and on election day – Michigan now has Election Day Registration.

Under the amendment election officials have authority to add satellite offices to register voters and issue absentee ballots. The legislative body of the jurisdiction must approve any satellite office under Michigan election law. All satellite offices must be published at least 30 days before an election.

Historically, absentee voting has been costly as clerks must send applications to voters, receive and verify the completed applications, issue and mail absentee ballots, receive voted ballots and verify the voters' signatures, and finally tabulate ballots beginning on election day. Each of these processes must still be done under mail balloting, requiring a significant number of staff and, as the volume increases, more sophisticated equipment to efficiently process the large amount of paperwork.

The back and forth nature of Michigan's mail balloting processes places a heavy burden on voters to learn how to apply for a mail ballot, be aware of the election calendar and apply for a ballot early enough to receive, vote and return the ballot by election day and understand the delays built into the United State Postal Service delivery timelines.

In the 2016 November Presidential Election, Pontiac received 4,604 mail ballots - 23% of total vote. Projections are that between 14,000 and 17,500 mail ballots will be received in November. In fact, Pontiac exceeded the 2016 General Election total of mail ballots in the August primary this year.

To avoid the city clerk's office being inundated with applications to the point of compromising the processing of applications and ballots, we require the grant resources to facilitate our proposals outlined below.

Pontiac will assist as many residents as possible with casting ballots before Election Day, serving as the great opportunity to mitigate the spread of COVID-19 in our community. We have identified four distinct strategies to help voters overcome barriers to successful mail voting.

1. Provide assistance to voters with mail ballot requests

The processing of mail ballot applications and ballots requires additional staff. Seven temporary employees will be added: three for 9 weeks, three for 10 weeks, and one for 20 weeks at \$15 an hour for a total cost of **\$46,200**.

Also, the Clerk's Office will need to hire one temporary employee for 8 weeks to assist with all the post election work for a total cost of \$4,800. In addition to adding temporary staff, we will need to purchase two desktop computers at a cost of \$2,000.

In an effort to encourage absentee voting, we will mail absentee voter applications to all registered voters who have not already requested an absentee ballot. We will be mailing to approximately 36,000 registered voters at a cost of \$20,000.

The Clerk's Office is establishing the Pontiac City Clerk Service Team. Team members will be deputized so they can pick up ballots from the elderly or residents who are unable to make it to a dropbox. The Service Team will also be responsible for retrieving ballots from the dropboxes. They will be available to deliver ballots to voters if necessary as well. The cost of the Service Team is **10,000**.

Subtotal: \$83,000

2. Expand in-person early mail voting opportunities

The City Clerk's Office will extend its hours for voters to register to vote, apply for mail ballots and deliver voted ballots from 8:30 a.m. to 8 p.m. Monday through Thursday starting October 5th-30th. Further, the office will be open the last two weekends before the November election. Saturday, October 24th 9am-1pm, Sunday, October 25th 10:30am-2:30pm, Saturday, October 31st 9am-4pm and Sunday November 1st 9am-4pm. Additional staff cost of \$1,164.

Subtotal: \$1,164

3. Utilize secure drop-boxes to facilitate return of absentee

Pontiac voters, like those across Michigan, will be encouraged to return their mail ballots in-person rather than using USPS, particularly in the last two weeks before the election. USPS is going to be stressed with increased election related mail, as evidenced by recent announcements that some service deterioration is going to occur. Drop boxes, especially drive through boxes, allow voters to easily drop off their voted ballots regardless of where they happen to be in the city.

A drop box costs \$6,000 with security cameras and installation costs. The drop boxes would cost: 7 boxes plus installation @\$6,000 per box = **\$42,000**. In addition, two bollards per box at \$400 per bollard costs **\$4,800**.

Subtotal: \$46,800

4. Deploy additional technology to expedite and improve accuracy of mail ballot process

The city clerk seeks to substantially upgrade its website pontiaccityclerk.com to improve security to allow for interactive service that allow voters to apply to become a precinct inspector, receive supplemental training and take tests. The clerk has a Facebook page, twitter account, Instagram account and YouTube account. This will all be incorporated into the website as well as upgrades for video and live streaming. The cost is **\$50,000**.

To make the website and other communication accounts work in a coordinated manner, a social media consultant is necessary at a cost of **\$5,000**.

Subtotal: \$55,000

Recommendation II: Ensure Safe Election Day Voting

Election day workers who administer elections in the precincts are often referred to as the frontline or face of democracy. These workers are asked to work a very long day for a small stipend. They are often referred to as volunteers. This year they face the hazard of COVID-19 as they serve hundreds of voters throughout the day. The average age of our poll workers is in the late 60s or early 70s, an age group considered at high risk to the virus. Pontiac is having similar experience as communities across the nation of large numbers of our older workers declining to work this election year. And yet the City of Pontiac is committed to opening the same polling sites on election day that the city has opened in recent years. To meet that commitment, the city must enhance its recruitment and retention strategy, including by seeking workers who have not served as poll workers in the past by offering a financial incentive.

There are 146 poll workers and employees assisting at the polling places. An incentive of \$100 is recommended for a cost of **\$14,600**.

To supplement the COVID-19 supplies provided by the Secretary of State in November, the city will need additional materials, supplies and PPE to maintain safe voting for cost of **\$9,000**.

It is important to avoid creating congestion and long lines. By adding scanners and additional electronic poll books, precinct inspectors will process more voters in a shorter amount of time. 30 scanners cost \$5,400, five laptops cost \$3,000 and five printers cost 1,500 for a total of **\$9,900**.

With Same Day Registration and Election Day Registration being implemented for the first time in a presidential election, the clerk is asking for signage for social distancing in the office at **\$500**.

Additional election day material is requested: tables and chairs to distance workers, hand scanners to read barcodes on voters' ID, Verbatim Store N Go flash drives for a total of **\$2,000**.

Subtotal: \$36,000

Recommendation III: Dramatically Expand Strategic Voter Education & Outreach Efforts.

As noted above, the voters play a critical role to a successfully administered election in November. By applying early for mail ballots, voters will distribute the Clerk's Office Elections Division workload across September and October. Normally, voters wait until early to mid-October to apply for a mail ballot, which jams up the process as applications flood the Clerk's Office Elections Division, resulting in longer turnaround times before ballots are issued. To avoid this, voters will be encouraged through a variety of outreach to apply early and vote early.

Voters also must be informed to avoid errors such as forgetting to sign applications and return ballot envelopes and to affix their signatures as they appear on their driver license or state ID. Many people today sign credit card receipts with an informal signature that does not match their formal signature used on official documents. These errors will invalidate ballots. Clerk's Office Elections Division staff will attempt to contact voters making these errors; however, time is usually in short supply. Designing, printing and mailing postcard cost **\$8,600**.

The City Clerk plans include three citywide voter education and outreach initiatives that will address the needs of Pontiac voters. "Pontiac Votes Community Challenge" resulted from a program Secretary of State's office launch to identify and focus on low performing voting precincts across the state. Pontiac has five precincts in this program and is launching a citywide challenge to increase turnout in each precinct. The cost is **\$5,000**.

"Absentee Voting Days" are planned for the end of the first week of October and at the end of the third week of October. Pontiac experience 25% of the ballots being returned on election day in the August Primary. This program is intended to focus voters' attention on returning their ballots ahead of election day. Pontiac is participating in Oakland County Clerk's program to count mail ballot for the city. However, the city must count any ballots received on election day in the precincts. This program will cost **\$5,000**.

Pontiac is a diverse community than includes sizeable Hispanic and Hmong populations that vote in numbers below their proportion of the registered voters. A program is being developed to encourage turnout by a variety groups, including Hispanics, Hmong and African Americans. The cost is **\$45,000**.

The City Clerk's Advisory Board seeks to conduct a media campaign to encourage voter participation under a program "Vote: Pontiac Matters! Campaign". The campaign will consist of media ads, mini-billboards and yard signs which is estimated at **\$45,000**. Outreach will include a citywide mailing of the newsletter with information on registering to vote, requesting a mail ballot and returning ballots to drop boxes of the clerk's office at a cost of **\$20,000**. The campaign will establish partnerships with 7 community partner organizations. There will be one community partner organization for each of the 7 voting districts in Pontiac. The community partner organization will work with the Clerk's Office to promote the campaign and increase voter registration and turnout in the district that they have been assigned too. Each community partner organization will receive \$5,000, for a cost of **\$35,000** (7x\$5,000).

Subtotal \$163,600

Recommendation IV: Launch Poll Worker Recruitment & Training

Recruiting inspectors is a continuing challenge. An aggressive campaign is necessary with businesses, religious communities and other groups in Pontiac to recruit their employees to administer election on election day both in the precincts and the counting boards. An 'All Hands On Deck' call is necessary to meet the minimum requirements to administer the November election. This may require outreach by officials beyond the city clerk. The clerks has planned a marketing campaign to recruit additional poll workers at **\$5,000**.

An additional trainer is needed to assist the Election Administrator with the standard 2.5 hours of training and additional training segments, such as 'Dos and Don'ts of a Poll Worker'. Once poll workers are recruited, it is critical to their retention that they are efficiently managed and receive regular communications about their assignment, election administration and what to expect on election day. Staying connected with all poll workers on a regular basis will keep them engaged in the election process. They may be more likely to communicate with the Clerk's Office Elections Division any reticence about working on election day. This may require additional project managers and improved technology to remain in contact with poll workers. Maintaining communication and additional training will be done by new trainer at **\$3,500**.

The clerk is planning supplemental online training and a follow-up test for **\$11,500**.

Subtotal \$20,000

TOTAL REQUESTED RESOURCES: \$405,564.

#8

RESOLUTION



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable City Council President and City Council Members

FROM: Linnette Phillips, Director, Economic Development

THROUGH: Mayor Deirdre Waterman

DATE: September 8, 2020

RE: Resolution for the City Council to Adopt the Oakland County Brownfield Consortium Agreement between Oakland County and the City of Pontiac

Attached to this memorandum is the 2020 Oakland County Brownfield Consortium Agreement Between Oakland County and the City of Pontiac. Oakland County formed a coalition to apply for and Environmental Protect Agency Consortium, and the agency applied for the EPA 2013 Brownfield Coalition Assessment Grant. Because the Consortium is not a legal entity and because only one member of the consortium could submit the grant application and be the grant recipient, the County submitted the 2020 Brownfield Coalition Assessment Grant on behalf of the members of the Consortium, of which the City of Pontiac is a member.

The County was awarded a \$600,000 Brownfield Coalition Assessment Grant to be used by the Consortium. The 2020 Guidelines for Brownfield Assessment Grants require that the Consortium members execute an agreement documenting the site selections process, distribution of funds and the mechanism for implementing the work to be performed with grant funds.

RESOLUTION ON FOLLOWING PAGE



CITY OF PONTIAC CITY COUNCIL

RESOLUTION TO ADOPT THE OAKLAND COUNTY BROWNFIELD CONSORTIUM AGREEMENT BETWEEN OAKLAND COUNTY AND THE CITY OF PONTIAC

As such, the resolution below is submitted for your consideration:

Whereas, the 2020 Oakland County Brownfield Consortium Agreement is entered into between the County of Oakland and the City of Pontiac.

Whereas, the County and formed a coalition to apply for an Environmental Protection Agency (EPA) 2009 Brownfield Coalition Assessment Grant on behalf of the City of Pontiac along with other cities in Oakland County (Farmington Hills, Ferndale, Hazel Park, Madison Heights and Southfield).

Whereas, the Consortium which is not a legal entity and because only one member of the consortium could submit the grant application and be the grant recipient , the County entered into a Cooperative Agreement, Number BF-00E02004.

Whereas, the County was awarded a \$600,000 Brownfield Coalition Assessment Grant to be used by the Consortium.

Whereas, the 2020 Guidelines for the Brownfield Assessment Grant requires that the Consortium members execute an agreement documenting the site selection process, distribution of funds and the mechanisms for implementing the work to be performed with grant funds.

Now Therefore be it Resolved, that the City Council approves the 2020 Oakland County Brownfield Consortium Agreement Between Oakland County and the City of Pontiac.

Attachment:

2020 Oakland County Brownfield Consortium Agreement

**2020 OAKLAND COUNTY BROWNFIELD CONSORTIUM AGREEMENT
BETWEEN
OAKLAND COUNTY
AND
CITY OF PONTIAC**

The 2020 Oakland County Brownfield Consortium Agreement ("the Agreement") is entered into between the County of Oakland, a Constitutional and Municipal Corporation, 1200 North Telegraph, Pontiac, Michigan 48341 ("County"), and the City of Pontiac, Pontiac, Michigan. 47450 Woodward Avenue, a Michigan Municipal Corporation ("Municipality"). In this Agreement the County and the Municipality may also be referred to individually as "Party" or jointly as "Parties".

PURPOSE OF AGREEMENT. The County and the cities of Farmington Hills, Ferndale, Hazel Park, Madison Heights, and Pontiac formed a coalition to apply for an the Environmental Protect Agency ("EPA") 2009 Brownfield Coalition Assessment Grant. Subsequently, the City of Southfield joined the Consortium, and the Consortium applied for the EPA 2013 Brownfield Coalition Assessment Grant. The consortium now consisting of the County and the cities of Farmington Hills, Ferndale, Hazel Park, Madison Heights, Southfield, and Pontiac (collectively known as the "Oakland County Brownfield Consortium") applied for the EPA 2020 Brownfield Coalition Assessment Grant. Because the Consortium is not a legal entity and because only one member of the Consortium could submit the grant application and be the grant recipient, the County submitted the 2020 Brownfield Coalition Assessment Grant on behalf of the members of the Consortium. Brownfield Assessment grants provide funding for developing inventories of brownfields, prioritizing sites, conducting community involvement activities, and conducting site assessments and clean-up planning related to brownfield sites.

The County was awarded a six hundred thousand dollar (\$600,000.00) Brownfield Coalition Assessment Grant to be used by the Consortium. On July 1, 2020 the EPA and the County entered into a Cooperative Agreement, Number BF-00E02004, with respect to the six hundred thousand dollar (\$600,000.00) Brownfield Coalition Assessment Grant.

The 2020 Guidelines for Brownfield Assessment Grants require that the Consortium members execute an agreement documenting the site selection process, distribution of funds and the mechanisms for implementing the work to be performed with grant funds.

Therefore, pursuant to the 2020 Guidelines for Brownfield Assessment Grant and pursuant to the Urban Cooperation Act of 1967, 1967 PA 7, MCL 124.501, *et seq.*, the County and the Municipality enter into this Agreement for the purpose of delineating the relationship and responsibilities between the County and the Municipality regarding the 2020 Brownfield Coalition Assessment Grant and EPA Cooperative Agreement Number BF-00E02004.

In consideration of the mutual promises, obligations, representations, and assurances in this Agreement, the Parties agree to the following:

1. **DEFINITIONS.** The following words and expressions used throughout this Agreement, whether used in the singular or plural, within or without quotation marks, or possessive or nonpossessive, shall be defined, read, and interpreted as follows:
 - 1.1. **Agreement** means the terms and conditions of this Agreement, the Exhibits attached hereto, and any other mutually agreed to written and executed modification, amendment, or addendum.
 - 1.2. **Claim** means any and all losses, complaints, demands for relief, damages, lawsuits, causes of action, proceedings, judgments, deficiencies, penalties, costs and expenses arising under or relating to this agreement, including, but not limited to, reimbursement for reasonable attorney fees, witness fees, court costs, investigation, litigation expenses, amounts paid in settlement, and/or any other amount for which either Party becomes legally and/or contractually obligated to pay a third party, whether direct, indirect, or consequential, whether based upon any alleged violation of the constitution (federal or state), any statute, rule, regulation, or the common law, whether in law or equity, tort, contract, or otherwise, and/or whether commenced or threatened.
 - 1.3. **Cooperative Agreement** means the agreement awarded to the County by the Environmental Protection Agency Number BF-00E02004 and attached as Exhibit A to this Agreement.
 - 1.4. **County** means the County of Oakland, a Constitutional and Municipal Corporation including, but not limited to, its Board, any and all of its departments, divisions, elected and appointed officials, directors, board members, council members, commissioners, authorities, committees, employees, agents, volunteers, and/or any such persons successors.
 - 1.5. **Day** means any calendar day beginning at 12:00 a.m. and ending at 11:59 p.m.
 - 1.6. **Municipality** means the City of Pontiac, a Michigan Municipal Corporation including, but not limited to, its Council, Board, any and all of its departments, its divisions, elected and appointed officials, directors, board members, council members, commissioners, authorities, committees, employees, agents, subcontractors, attorneys, volunteers, and/or any such persons successors.
 - 1.7. **Oakland County Brownfield Consortium or Consortium** means the coalition formed by the County and the cities of Farmington Hills, Ferndale, Hazel Park, Madison Heights, Pontiac, and Southfield for the purposes of applying for and performance of the 2020 Brownfield Coalition Assessment Grant.
 - 1.8. **Project Manager** means the individual designated by the Municipality to participate in the Consortium and to be the contact person for this Agreement.
2. **AGREEMENT EXHIBITS.** The Exhibits listed below and their properly promulgated amendments are incorporated and are part of this Agreement.
 - 2.1. **Exhibit A** – Cooperative Agreement, Number BF-00E02004, between the County and the EPA

3. COUNTY RESPONSIBILITIES.

- 3.1. The County shall act as the fiscal agent/fiduciary for the Consortium relating only to receipt and disbursement of grant funds for the 2020 Brownfield Coalition Assessment Grant as required by the Cooperative Agreement and this Agreement.
- 3.2. The County shall be responsible for the management of the Cooperative Agreement.
- 3.3. The County shall comply with all terms and conditions of the Cooperative Agreement and all applicable statutes and regulations.
- 3.4. The County shall follow the 2020 Guidelines for Brownfield Assessment Grants.
- 3.5. The County shall promptly inform all members of the Brownfield Consortium of any changes to the Cooperative Agreement and how these changes may apply to the Municipality. The County and EPA may make changes to the Cooperative Agreement without the approval of the Municipality.
- 3.6. The County shall provide the Municipality with timely reports regarding the management of the Cooperative Agreement.
- 3.7. The County shall have quarterly meetings for the Consortium.
- 3.8. The Project Manager and the County shall determine the brownfield sites for assessment.
- 3.9. The County shall select and retain the consultant to perform the assessment of the brownfield site(s) chosen by the Project Manager and the County. The selection and retention of the consultant shall include issuing request for proposals or request for qualifications for a consultant and negotiating and executing a contract with the consultant.

4. MUNICIPALITY RESPONSIBILITIES.

- 4.1. The Municipality shall comply with all applicable terms and conditions of the Cooperative Agreement and all applicable statutes and regulations.
- 4.2. The Municipality shall follow the 2020 Guidelines for Brownfield Assessment Grants.
- 4.3. The Municipality shall designate an individual and an alternate to act as a Project Manager. This individual shall act as a liaison between the County and Municipality regarding this Agreement and shall be responsible for the following: (1) meeting with the County to determine brownfield sites to be assessed and (2) acting as a liaison with local or community organizations involved with the application of the Brownfield Coalition Assessment Grant. The names of these individuals shall be conveyed to the individuals listed in Section 17.1.

5. FINANCIAL RESPONSIBILITIES.

- 5.1. Any funds awarded to the County under the Cooperative Agreement shall be allocated and expended only as provided for and permitted by this Agreement, the Cooperative Agreement,

the 2020 Guidelines for Brownfield Assessment Grants, and any applicable statutes or regulations.

- 5.2. The Municipality shall be allocated sixty thousand dollars (\$60,000.00) to be used to assess brownfield sites in its geographic area.
- 5.3. Notwithstanding Section 5.2 or anything else herein to the contrary, the County may reallocate, at its sole discretion, the unused grant funds allocated to Municipality to any other member(s) of the Consortium. Furthermore, Municipality may receive grant funds in excess of the amount allocated in Section 5.2, at the sole discretion of County, if grant funds are reallocated to Municipality from other members of the Consortium.

6. DURATION OF THE AGREEMENT.

- 6.1. The Agreement and any amendments hereto shall be effective when executed by both Parties, with resolutions passed by the governing bodies of each Party and when the Agreement is filed according to MCL 124.510.
- 6.2. Unless terminated pursuant to Section 8 of this Agreement, this Agreement shall end ninety (90) days after the date the Grant period ends (including any extensions to the original Grant period).

7. ASSURANCES/LIABILITY.

- 7.1. Each Party shall comply with all federal, state, and local ordinances, regulations, administrative rules, laws, and requirements applicable to its activities performed under this Agreement, including but not limited to the Cooperative Agreement and the 2020 Guidelines for Brownfield Assessment Grants.
- 7.2. Each Party shall be responsible for any Claims made against that Party by a third party, and for the acts of its employees or agents, arising under or related to this Agreement.
- 7.3. In any Claims that may arise under or relate to this agreement, each Party shall seek its own legal representation and bear the costs associated with such representation, including any attorney fees.
- 7.4. A Party who is non-compliant with this Agreement, the Cooperative Agreement, the 2020 Guidelines for Brownfield Assessment Grants or any applicable federal, state, and local ordinances, regulations, administrative rules or laws assumes sole risk and liability for its non-compliance including but not limited to liability for any penalties imposed by the EPA or other governmental entity or any other fines, fees or costs associated with its non-compliance.
- 7.5. Except as otherwise provided in this Agreement, neither Party shall have any right under any legal principle to be indemnified by the other Party or any of its employees or agents in connection with any Claim.

7.6. The Parties have taken all actions and secured all approvals necessary to authorize and complete this Agreement. The persons signing this Agreement on behalf of each Party have legal authority to sign this Agreement and bind the Parties to the terms and conditions contained herein.

8. **TERMINATION OR CANCELLATION OF AGREEMENT.** Either Party may terminate and/or cancel this Agreement upon thirty (30) Days notice to the other Party. The effective date of termination and/or cancellation shall be clearly stated in the notice if this Agreement is terminated and/or cancelled. Termination of this Agreement does not release any Party from any obligations that Party has pursuant to the 2020 Guidelines for Brownfield Assessment Grants, the Cooperative Agreement or as provided by law. If the Municipality terminates this Agreement, the grant funds which were allocated to the Municipality, but not yet used shall be reallocated to other members of the Consortium at the County's discretion.
9. **NO THIRD PARTY BENEFICIARIES.** Except as provided for the benefit of the Parties, this Agreement does not and is not intended to create any obligation, duty, promise, contractual right or benefit, right to indemnification, right to subrogation, and/or any other right, in favor of any other person or entity.
10. **DISCRIMINATION.** The Parties shall not discriminate against their employees, agents, applicants for employment, or another persons or entities with respect to hire, tenure, terms, conditions, and privileges of employment, or any matter directly or indirectly related to employment in violation of any federal, state or local law.
11. **PERMITS AND LICENSES.** Each Party shall be responsible for obtaining and maintaining, throughout the term of this Agreement, all licenses, permits, certificates, and governmental authorizations necessary to carry out its obligations and duties pursuant to this Agreement.
12. **RESERVATION OF RIGHTS.** This Agreement does not, and is not intended to waive, impair, divest, delegate, or contravene any constitutional, statutory, and/or other legal right, privilege, power, obligation, duty, or immunity of the Parties.
13. **DELEGATION/SUBCONTRACT/ASSIGNMENT.** Neither Party shall delegate, subcontract, and/or assign any obligations or rights under this Agreement without the prior written consent of the other Party.
14. **NO IMPLIED WAIVER.** Absent a written waiver, no act, failure, or delay by a Party to pursue or enforce any rights or remedies under this Agreement shall constitute a waiver of those rights with regard to any existing or subsequent breach of this Agreement. No waiver of any term, condition, or provision of this Agreement, whether by conduct or otherwise, in one or more instances, shall be deemed or construed as a continuing waiver of any term, condition, or provision of this Agreement. No waiver by either Party shall subsequently affect its right to require strict performance of this Agreement.
15. **SEVERABILITY.** If a court of competent jurisdiction finds a term, or condition, of this Agreement to be illegal or invalid, then the term, or condition, shall be deemed severed from this Agreement. All other terms, conditions, and provisions of this Agreement shall remain in full force.

16. **CAPTIONS.** The section and subsection numbers, captions, and any index to such sections and subsections contained in this Agreement are intended for the convenience of the reader and are not intended to have any substantive meaning. The numbers, captions, and indexes shall not be interpreted or be considered as part of this Agreement. Any use of the singular or plural number, any reference to the male, female, or neutral genders, and any possessive or nonpossessive use in this Agreement shall be deemed the appropriate plurality, gender or possession as the context requires.
17. **NOTICES.** Notices given under this Agreement shall be in writing and shall be personally delivered, sent by express delivery service, certified mail, or first class U.S. mail postage prepaid, and addressed to the person listed below. Notice will be deemed given on the date when one of the following first occur: (1) the date of actual receipt; (2) the next business day when notice is sent express delivery service or personal delivery; or (3) three days after mailing first class or certified U.S. mail.
- 17.1. If Notice is sent to the County, it shall be addressed and sent to: Oakland County Board of Commissioners Chairperson, 1200 North Telegraph, Pontiac, Michigan 48341, with a copy to Oakland County Economic Development and Community Affairs, Attention: Environmental Program Coordinator, 2100 Pontiac Lake Road, Waterford, Michigan , 48328.
- 17.2. If Notice is sent to the Municipality, it shall be addressed to: Anthony Chubb, City Attorney, 47450 Woodward Avenue, Pontiac, Michigan 48432, with a copy sent to City of Pontiac Economic Development Department and Procurement Department at the same address.
- 17.3. Either Party may change the address and/or individual to which Notice is sent by notifying the other Party in writing of the change.
18. **GOVERNING LAW.** This Agreement shall be governed, interpreted, and enforced by the laws of the State of Michigan.
19. **AGREEMENT MODIFICATIONS OR AMENDMENTS.** Any modifications, amendments, rescissions, waivers, or releases to this Agreement must be in writing and executed by both Parties.
20. **ENTIRE AGREEMENT.** This Agreement represents the entire agreement and understanding between the Parties. This Agreement supersedes all other oral or written agreements between the Parties. The language of this Agreement shall be construed as a whole according to its fair meaning, and not construed strictly for or against any Party.

IN WITNESS WHEREOF, David T. Woodward, Chairperson, Oakland County Board of Commissioners, hereby acknowledges that he has been authorized by a resolution of the Oakland County Board of Commissioners, a certified copy of which is attached, to execute this Agreement on behalf of the Oakland County, and hereby accepts and binds the Oakland County to the terms and conditions of this Agreement.

EXECUTED: _____
Chairperson

DATE: _____

Oakland County Board of Commissioners

WITNESSED: _____
Clerk/Register of Deeds
County of Oakland

DATE: _____

[Municipality Signature Block]

**USEPA Grant Funds - Oakland County Brownfield Consortium
2016 - 2020**

Project Title	CVT	USEPA \$	Development	Overall Investment*
37 Turk	Pontiac	\$2,250	Light Manufacturing/R&D	\$1,100,000
31 N. Saginaw	Pontiac	\$2,400	Office / coffee shop	
45671 Woodward	Pontiac	\$2,600	Office / coffee shop	\$2,000,000.00
640 W. Huron	Pontiac	\$2,250	Community Center	
640 W. Huron	Pontiac	\$13,550		
23 N. Saginaw	Pontiac	\$2,300	Mixed Use	
111 Oneida	Pontiac	\$2,200	Residential	\$5,600,000.00
2040 CenterPoint	Pontiac	\$8,700	Office	\$4,000,000.00
1059 Featherstone	Pontiac	\$2,200	Pontiac Farm	\$4,300,000.00
Vanguard	Pontiac	\$4,250	FED EX	\$22,500,000.00
1200 Auburn	Pontiac	\$8,875	Peninsula Plastics	\$8,000,000.00
94 Dwight	Pontiac	\$2,400	Residential	\$4,450,000.00
100 N. Saginaw	Pontiac	\$1,500	Incubator	\$500,000.00
28 N. Saginaw	Pontiac	\$24,145	Mixed Use	\$20,000,000.00
46 N. Saginaw	Pontiac	\$2,300	Mixed Use	\$3,000,000.00
50 Wayne	Pontiac	\$6,500	Mixed Use	\$4,600,000.00
5111 Woodward	Pontiac	\$3,000	Office	\$25,000,000.00
28 N. Saginaw	Pontiac	\$4,450		
4501 Woodward	Pontiac	\$11,475	Car Service	\$500,000.00
Vanguard	Pontiac	\$4,250	FED EX	\$22,500,000.00
1200 Auburn	Pontiac	\$8,875	Peninsula Plastics	\$8,000,000.00
94 Dwight	Pontiac	\$2,400	Residential	\$4,450,000.00
100 N. Saginaw	Pontiac	\$1,500	Incubator	\$500,000.00
28 N. Saginaw	Pontiac	\$24,145	Mixed Use	\$20,000,000.00
46 N. Saginaw	Pontiac	\$2,300	Mixed Use	\$3,000,000.00
50 Wayne	Pontiac	\$6,500	Mixed Use	\$4,600,000.00
5111 Woodward	Pontiac	\$3,000	Office	\$25,000,000.00
28 N. Saginaw	Pontiac	\$4,450		
4501 Woodward	Pontiac	\$11,475	Car Service	\$500,000.00

#9

RESOLUTION



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Pontiac City Council

FROM: Deidre Waterman, Mayor, at the request of
Dan Ringo, Interim Director of DPW

DATE: September 2, 2020

RE: **Great Lakes Power & Light Contract Extension**

In 2017, the City of Pontiac advertised for "Street Light Maintenance" and awarded a contract to Great Lakes P&L. This contract was a one-year contract with options for years two and three. In the three years working with Great Lakes P&L, they have been a very responsive company to work with. We feel that their work product and ability to respond to outages and repairs is the best we have seen since contracting out the street light maintenance. Additionally, their pricing is also some of the lowest in the area for parts and labor, saving the City money on costly repairs.

Great Lakes P&L has been a trusted contractor for the 3 years of this contract and has done exemplary work repairing our public lighting system. Their knowledge of the City's public lighting system is unmatched and takes time and effort to figure out and understand.

At this time, the original Great Lakes P&L contract has expired. The Department of Public Works is still in need of assistance for "Street Light Maintenance" until such time as we can prepare a new Request for Proposal and take bids on the work.

We request to extend the current contract with Great Lakes P&L who has agreed to maintain current pricing. We are requesting to extend this for a period of 6 Months to allow for a new RFP to be drafted, advertised, bids to be reviewed and a new contract to be brought to City Council.

Funding for this contract is in the Major Street Fund.

Based upon the above and attached information, it is the recommendation of the Department of Public Works to extend the contract with Great Lakes P&L for 6 Months.

WHEREAS, The City of Pontiac has mutually agreed with Great Lakes P&L to extend the contract for 6 Months at current rates;

WHEREAS, Great Lakes P&L has done exemplary work over the 3 years of their contract;

WHEREAS, The Department of Public Works is still in need of assistance for "Street Light Maintenance";

NOW, THEREFORE,

BE IT RESOLVED,

The Pontiac City Council authorizes the Mayor to extend the contract with Great Lakes P&L until January 1, 2021.

AHC

#10

RESOLUTION



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable City Council President Kermit Williams, and City Council Members

FROM: Irwin Williams, CPA, Interim Finance Director

CC: Honorable Mayor Deirdre Waterman, Jane Bais-DiSessa

DATE: August 18, 2020

RE: **Resolution to approve a budget amendment for fiscal year 2020/2021 to increase budgeted revenues and appropriations related to Census grants**

The City has received two grants for the U.S. Census from the Michigan Municipal League (\$25,000) and the Community Foundation of Southeast Michigan (\$65,000). The grants are to be used for census related expenditures. The expenditures and grant revenue will help to ensure the citizens of Pontiac are counted in the 2020 census, and the City receives the state and federal funding it is entitled to based on population.

As such, the following resolution is recommended for your consideration:

Whereas, the City of Pontiac timely approved the 2020-2021 budget on June 30, 2020 and;

Whereas, the City has received two grants from the Michigan Municipal League and Community Foundation of Southeast Michigan, and;

Whereas, the Mayor is proposing to the City Council to increase the budgeted revenue for the current fiscal year 2020-2021 in the amount of \$90,000 for grant income, and increase the appropriations in the amount of \$90,000, representing reimbursed grant expenditures.

Whereas, the increased appropriations will not cause the fund balance in the General Fund to go below the policy mandated thresholds and;

NOW THEREFORE be resolved that the City Council hereby authorizes the Interim City Clerk to publish a notice in a newspaper of general circulation at least one week before consideration of the proposed budget amendment to increase budgeted revenues in the amount of \$90,000 to the General Fund in account 101-000-532.000 –Grant Income, and appropriations in the amount of \$90,000 to the following General Fund account:

101-690-818.013 Census Expenditures \$ 90,000