



CITY COUNCIL WORK SESSION AGENDA

September 3, 2014
12:00 p.m.

Marc D. Tall, Mayor
Ronald J. Beauchamp, Mayor Pro-Tem
Patricia A. Baribeau, Council Member
Michael Sattem, Council Member
Ralph B. Blasier, Council Member

James V. O'Toole, City Manager
Robert S. Richards, CMC, City Clerk
Ralph B.K. Peterson, City Attorney

City Council Chambers located at: City Hall - 410 Ludington Street - Room C101 - Escanaba, MI 49829

The Council has adopted a policy to use a Consent Agenda, when appropriate. All items listed with an asterisk (*) are considered routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member or citizen so requests, in which event the item will be removed from the General Order of Business and considered in its normal sequence on the Agenda.

Work Session

Wednesday, September 3, 2014

CALL TO ORDER
ROLL CALL
APPROVAL/ADJUSTMENTS TO THE AGENDA
CONFLICT OF INTEREST DECLARATION

NEW BUSINESS

- 1. Discussion - Superior Trade Corridor Next Michigan Development Corporation**
Explanation: The City Council and Administration will discuss a draft interlocal agreement which creates the Superior Trade Corridor Next Michigan Development Corporation and a resolution to adopt the agreement so that the City of Escanaba becomes a voting participant in the Superior Trade Zone.

GENERAL PUBLIC COMMENT
ANNOUNCEMENTS
ADJOURNMENT

Respectfully Submitted,

James V. O'Toole
City Manager



CITY OF ESCANABA

COUNTY OF DELTA

STATE OF MICHIGAN

NOTICE OF SPECIAL MEETING OF THE CITY COUNCIL

PLEASE TAKE NOTICE that a work session will be conducted by the Escanaba City Council on September 3, 2014, 12:00 p.m. in Room C101, of City Hall. The purpose of the meeting is to discuss the Interlocal Agreement creating the "Superior Trade Corridor Next Michigan Development Corporation", and/or any other items for discussion.

September 3, 2014; 12:00 p.m., City Hall, Room C101

This notice is given in accordance with Act 267 of the 1976 Public Acts of State of Michigan and Chapter II, Section 5, of the Escanaba City Charter. The City of Escanaba will provide necessary, reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon five (5) days notice to the City of Escanaba. Individuals with disabilities requiring auxiliary aids or services should contact the City of Escanaba by writing or calling the below named City Clerk. Public notice will be given regarding any changes of the above meeting.

James O'Toole, City Manager
(906) 786-9402

or

Robert S. Richards, CMC
City Clerk
(906) 786-1194

TAW/bms

posted 8/18/2014 9:07 AM



NEXT MICHIGAN DEVELOPMENT ACT

The Next Michigan Development Act was established by PA 275 of 2010. The Act is to encourage the creation of Next Michigan Development Corporations (NMDC) to foster economic opportunities in the State of Michigan.

As a result, there are currently five (and a sixth under consideration) active NMDCs that can grant incentives not only to new businesses but also to expanding businesses currently residing in Michigan. The designated NMDCs are as follows:

Northern Nexus NMDC

Website: northernnexus.org

Located within the Northwest Region of Michigan hosting five participating jurisdictions. This region offers the use of Traverse City's Cherry Capital Airport and road infrastructure to create great opportunities for business.

I-69 International Trade Corridor NMDC

Website: i-69internationaltradecorridor.com

Located in the East Central Region of Michigan with a depth of 33 participating jurisdictions. Resources of interest include Flint's Bishop International Airport, deep water ports, several interstate and state highway systems and the St. Clair Tunnel.

Port Lansing NMDC

Website: portlansing.com

Located within the Central Region of Michigan with participation from the City of Lansing and Ingham County. Port Lansing's supply chain assets include the Capital Region International Airport, which has the Global Logistics Centre, Foreign Trade Zone (FTZ) No. 275 and adjacent rail. The airport is minutes from I-69, I-96 and US-127 highways.

VantagePort NMDC

Website: vantageport.org

Located within Southeast Michigan spanning across nine jurisdictions. This region offers expansive transportation infrastructure driving investment in and around Wayne County's Detroit Metro and Willow Run Airport system.

West Michigan Economic Partnership NMDC

Website: grcity.us

Located within the West Central Region of Michigan involving participation from seven jurisdictions. The benefits of this region include economical energy and abundant natural resources such as nearby Lake Michigan and the Gerald R. Ford International Airport.

Upper Peninsula NMDC

New legislation allows for a sixth NMDC which is anticipated for the Upper Peninsula of Michigan. The application to the Michigan Economic Development CorporationSM (MEDC) for this designation is presently in the early stages.

WHY DO BUSINESS IN MICHIGAN?

Next Michigan Businesses are those located or locating within the NMDC regions that utilize multi-modal transportation in their supply or production chains. NMDCs aim to assist these logistics-based companies and the opportunities offered are as follows:

Renaissance Zones, PA 376 of 1996

Renaissance Zones established by a NMDC offer 100% relief from both real and personal property taxes and, if applicable, city corporate income tax, within the boundaries. The Renaissance Zones may be approved for up to 10 years and are phased out in 25% increments in the last three years.

Prior to creating a Renaissance Zone, the NMDC must first designate a Marketing Zone within its district. The Marketing Zones may be designated for up to 10 years within which time, an NMDC may recommend the creation of a Renaissance Zone within the boundaries of the Marketing Zone. The Michigan Strategic Fund approves the creation of both zones.

Local Development Financing Act, PA 281 of 1986

Allows a NMDC to utilize tax increment financing to fund public infrastructure improvements. There are several financing options for LDFA activities that allows for the capture of incremental growth of local property taxes over a period of time to fund these improvements.

New Personal Property Tax Exemption, PA 328 of 1998

Offers a 100% property tax exemption for an unlimited number of years on new personal property for companies within certain industries.

Industrial Facilities Tax Exemption pursuant to Act 198 of 1974

An Industrial Facilities Exemption certificate can be used to obtain a 50% property tax reduction for new, qualified real and personal property for a period of up to 12 years.

CONTACT INFORMATION

For more information contact the MEDC Customer Contact Center at 517.373.9808.

DRAFT RESOLUTION

A RESOLUTION ADOPTING AN INTERGOVERNMENTAL AGREEMENT TO CREATE THE SUPERIOR TRADE ZONE UNDER THE URBAN COOPERATION ACT

FILL IN (LOCAL GOVERNMENT)

INSERT (DATE), 2014

WHEREAS, subject to the approval of the Michigan Strategic Fund (the "MSF"), the Next Michigan Development Act, 2010 P.A. 275, MCL, allows for the creation of a Next Michigan Development Corporation ("NMDC") among local government parties for economic development purposes; and

WHEREAS, Act 275 provides, in part, that there first be in place an Interlocal Agreement under the Urban Cooperation Act of 1967, 1967 P.A. 7, MCL 124.501-512 ("ACT 7") as amended by PA 238 and PA 239 of 2013; and

WHEREAS, it is further provided in Act 275 that the Act 7 Interlocal Agreement be approved by the Governor of the State of Michigan before submitted to the MSF; and

WHEREAS, this (insert Board of Commissioners / City Council / Township Board) has been presented an Interlocal Agreement creating the **Superior Trade Zone** Next Michigan Development Corporation (the "Interlocal Agreement") for economic development purposes and deems it to be in the best interest of (insert local government) to approve the Interlocal Agreement and become a voting participate in the Super Trade Zone.

WHEREAS, the acceleration of business growth in Delta and Marquette counties is consistent with community goals and objectives to provide jobs for residents, make efficient use of existing resources, improve infrastructure and promote the use of regional assets as provided for in comprehensive regional plans; and

NOW THEREFORE BE IT RESOLVED, by this (insert Board of Commissioners / City Council / Township Board), Michigan, that the request by the (County Administrator / City Manager / Planning Commission / Financial Office or Metropolitan Planning Commission to approve the local Interlocal Agreement is approved; and

BE IT FURTHER RESOLVED that the (insert Board Chairperson / Mayor) is authorized to execute the local Agreement on behalf of (insert local government), Michigan, and to consent to non-material adjustments and corrections to the Interlocal Agreement as may be required by the State of Michigan officers and agencies.

DRAFT

Execution Copy – October 2014

INTERLOCAL AGREEMENT

Creating the

SUPERIOR TRADE CORRIDOR NEXT MICHIGAN
DEVELOPMENT CORPORATION

This is an Interlocal Agreement ("Agreement") entered into by and among the signatory public agencies (each a "Public Agency" or collectively the "Public Agencies") pursuant to, and as defined in, the Urban Cooperation Act of 1967, Act No. 7 of the Public Acts of Michigan, 1967 (Ex Sess), as amended, MCL 124.501 to 124.512 ("Act 7"). The Public Agencies signing this Agreement may also be referred to as "Parties", or each a "Party". Certain of the Parties are Counties and these Parties may be referred to as "County Parties" or each a "County Party". "Local Government Party" shall mean any Party organized as a Michigan city, village, charter township, or township.

RECITALS

A. The Parties are cognizant of the need in this state, and within their respective jurisdictions, for programs to encourage economic development and investment, job creation and job retention, and ancillary growth.

B. Act 7 permits a Public Agency to exercise jointly with any other Public Agency any power, privilege or authority that such Public Agencies share in common and which each might exercise separately. All Parties to this Agreement are Public Agencies under Act 7.

C. As one means for addressing the above-recited need, the Parties desire to enter into this Agreement, pursuant to Act 7, to jointly create and exercise the economic development powers shared by the Parties. The County Parties and the Local Government Parties desire to create a Next Michigan Development Corporation pursuant to the Next Michigan Development Act, Public Act 275 of 2010, MCL 125.2951-125.2959, as the same may be amended from time to time, (the "Next Michigan Development Act").

D. Each Party has the power, privilege and authority to perform various economic development activities and administrative functions supportive of economic development activities and to enter into this Agreement.

E. Each Party, pursuant to resolution of its governing body, is authorized to execute and deliver this Agreement.

IN WITNESS WHEREOF, the Parties covenant and agree as follows:

ARTICLE I DEFINITIONS

The following words and expressions, whenever initially capitalized, whether used in the singular or plural, possessive or non-possessive and/or either within or without quotation marks shall be defined and interpreted as follows:

Section 1.01 "Act 7" means the Urban Cooperation Act of 1967, Act No.7 of the Public Acts of Michigan, 1967 (Ex Sess), MCL 124.501 to 124.512.

Section 1.02 "Act 24" means 1995 PA 24, Michigan Economic Growth Authority, as amended, MCL 207.801 – 207.810.

Section 1.03 "Act 198" means Act No. 198 of the Public Acts of Michigan, 1974, as amended, MCL 207.551 to 207.572

Section 1.04 "Act 206" means the General Property Tax Act, Act No. 206 of the Public Acts of Michigan, 1893, as amended, MCL 211.1 to 211.157.

Section 1.05 "Act 275" means 2010 PA 275, the Next Michigan Development Act, MCL 125.2951 – 125. 2959.

Section 1.06 "Act 281" means the Local Development Financing Act, Act No. 281 of the Public Acts of Michigan, 1986, as amended, MCL 125.2151 to 125.2174.

Section 1.07 "Act 376" means the Renaissance Zone Act, Act No. 376 of the Public Acts of Michigan, 1996, as amended, MCL 125.2681 to 125.2696.

Section 1.08 "Act 381" means the Brownfield Redevelopment Financing Act, Act No. 381 of the Public Acts of Michigan 1996, as amended, MCL 125.2651 to 125.2672.

Section 1.09 "Agreement" means this Interlocal Agreement, dated as of the Effective Date.

Section 1.10 "Authority District" means that term as defined in Act 281 (MCL 125.2152 (f))

Section 1.11 "Budget Act" means the Uniform Budgeting and Accounting Act, Act No.2 of the Public Acts of Michigan, 1968, as amended, MCL 141.421 to 141.440a.

Section 1.12 "Corporation" means the Superior ~~I-69 International~~ Trade Corridor Next Michigan Development Corporation created by this Agreement, a separate legal entity and public body corporate and politic, to administer the economic development objectives and purposes set forth herein.

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Section 1.13 "Corporation Board" means the board of the Corporation created by Article VI of this Agreement.

Section 1.14 "Effective Date" means the later of the dates on which a fully executed copy of this Agreement is (1) first filed with the Michigan Department of State, Office of the Great Seal, and (2) filed with the County Clerk of each county in which a Party to this Agreement is located.

Section 1.15 "Eligible Next Michigan Business" means that term as defined in Act 24 (MCL 207.803 (h))

Section 1.16 "Executive Committee" means any executive committee of the Corporation Board created pursuant to Article VII of this Agreement.

Section 1.17 "Fiscal Year" means the fiscal year of the Corporation, which shall begin on January 1 of each year and end on December 31 of each year, or such other fiscal year as may be determined from time to time by the Corporation.

Section 1.18 "FOIA" or "Freedom of Information Act" means the Freedom of Information Act, Act No. 442 of the Public Acts of Michigan, 1976, as amended, MCL 15.231 to 15.246.

Section 1.19 "Superior ~~I-69 International~~ Trade Corridor Master Design Plan" or "Master Design Plan" means an overall design plan adopted by the Corporation pursuant to Section 5.03

of this Agreement for the coordinated and orderly development of the corridor, including the recommended designation of, and uses by, the Local Government Parties under relevant provisions of the Zoning Act. The Master Design Plan shall have no binding force or effect within or upon any portion of the territory of any Local Government Party except to the extent expressly approved by resolution of the governing body of the Local Government Party.

Section 1.20 "Local Government Party" shall mean any Party organized as a Michigan city, village, charter township, or township.

Section 1.21 "Michigan Strategic Fund" or "MSF" means the Michigan Strategic Fund created pursuant to Act No. 270 of the Public Act of Michigan, 1984, as amended, MCL 125.2001 to 125.2094.

Section 1.22 "Next Michigan Development Area" or "NMDA" means that term as defined in Act 281 (MCL 125.2152 (aa))

Section 1.23 "Next Michigan Renaissance Zone" or "Renaissance Zone" means that term as defined in Act 376 (MCL 125.2683 (l))

Section 1.24 "OMA" or "Open Meetings Act" means the Open Meetings Act, Act No. 267 of the Public Acts of Michigan, 1976, as amended, MCL 15.261 to 15.275.

Section 1.25 "Participation Agreement" means an agreement as described in Article IX of this Agreement.

Section 1.26 "Party" or "Parties" means, either individually or collectively as applicable, each County Party and Local Government Party.

Section 1.27 "Permit" shall mean a permit, license or approval required to be granted by a Local Government Party as a condition of the operation of a business.

Section 1.28 "Person" means any individual, authority, profit or non-profit corporation, partnership, limited liability company, university, joint venture, trust, association, chamber of commerce, travel and visitors center, Public Agency, or other legal entity.

Section 1.29 "Public Agency" means that term as defined in Act 7.

Section 1.30 "Site Plan" means that term as defined in the Zoning Act.

Section 1.31 "State" means the State of Michigan.

Section 1.32 "Territory of the Corporation" shall mean the area within the collective boundaries of the Local Government Parties.

Section 1.33 "Tax Increment Revenues" means that term as defined in Act 281, provided that notwithstanding other provisions of State law, for purposes of the Corporation, "Tax Increment Revenues" shall not include any of the following: The amount of ad valorem property taxes or specific taxes captured by a downtown development authority under Act No. 197, Public Acts of Michigan, 1975, as amended, MCL 125.1651 to 125.1681, a tax increment financing authority under Act No. 450, Public Acts of Michigan, 1980, as amended, MCL 125.1801 to 125.1830, a

local development finance authority under Act 281, or a brownfield redevelopment authority under Act 38 I, if those taxes were being captured by such other authorities on the Effective Date.

Section 1.34 "TIF Plan" means a Development Plan and a tax increment financing plan as those terms are defined and used in Act 281.

Section 1.35 "Zone" means a Next Michigan Renaissance Zone.

Section 1.36 "Zoning Act" means the Michigan Zoning Enabling Act, Act No. 110 of the Public Acts of Michigan, 2006, as amended, MCL 125.3101 to 125.3702.

ARTICLE II

CREATION OF THE Superior Trade Corridor ~~I-69~~ NEXT MICHIGAN DEVELOPMENT CORPORATION

Section 2.01 Creation and Legal Status of the Superior ~~I-69~~ International Trade Corridor Next Michigan Development Corporation. There is hereby created a separate legal entity and public body corporate and politic to be known as the "Superior ~~I-69~~ International Trade Corridor Next Michigan Development Corporation" for the purpose of administering and executing this Agreement. The Corporation shall have all of the powers granted in this Agreement.

Section 2.02 Geographic Boundaries. The boundaries of the Corporation within which it may exercise its powers shall be the area within the collective political boundaries of the Local Government Parties. The Corporation shall have no extraterritorial power or authority.

Section 2.03 Principal Office. The initial principal office of the Corporation is 234 W. Baraga Ave, Marquette, Michigan 49855 ~~519 S. Saginaw Street, Suite 200, Flint, Michigan 48502~~ or such other location as may be determined from time to time by the Corporation Board.

Section 2.04 Title to Corporation Assets. Except as otherwise provided under the terms of a transfer of programs and/or funding from a Party or Person to the Corporation, the Corporation shall have exclusive title to all its property, and no Party or Person shall have an ownership interest in Corporation property.

Section 2.05 Tax-exempt Status. The Parties intend and declare the activities of the Corporation to be governmental functions carried out by an instrumentality or political subdivision of government as described in Section 115 of the Internal Revenue Code of 1986, 26 USC 115, or any corresponding provisions of any future tax code. The Parties also intend and declare the activities of the Corporation to be governmental functions carried out by a political subdivision of this State, exempt to the extent provided under Michigan law from taxation by this State, including, but not limited to, the business taxes and ad valorem property taxes under Act 206, and exempt to the extent provided under Michigan law from all governmental assessments and fees otherwise applicable to private entities.

Section 2.06 Compliance with Law. The Corporation shall comply with all federal and state laws, rules, regulations, and orders applicable to this Agreement, including duties and obligations that may from time to time be transferred to the Corporation from each of the respective Parties or to which the Corporation shall be subject by direction of the Parties.

Section 2.07 Independent Contractor. The Parties agree that at all times and for all purposes under the terms of this Agreement each Party's relationship to each other shall be that of an independent contractor. Each Party will be solely responsible for the acts of its own employees, agents, and servants. No liability, right or benefit arising out of any employer/employee relationship, either express or implied, shall arise or accrue to any Party as a result of this Agreement.

Section 2.08 No Third Party Beneficiaries. Except as expressly provided herein, this Agreement does not, and is not intended to, create, by implication or otherwise, any direct or indirect obligation, duty, promise, benefit, right to be indemnified (i.e., contractually, legally, equitably, or by implication) and/or any right to be subrogated to any Party's rights in this Agreement, and/or any other right of any kind, in favor of any Person.

Section 2.09 Ethics: Conflicts of Interest. Members of the Corporate Board and Executive Committee and the officers, appointees and employees of the Corporation shall be considered "public servants" as defined in, and shall be subject to, Act No. 317, Public Acts of Michigan, 1968, as amended, MCL 15.321 to 15.330, and shall be considered "public officers" or "employees," as applicable, as defined in, and shall be subject to, Act No. 196, Public Acts of Michigan, 1973, as amended, MCL 15.341 to 15.348.

Section 2.10 Limitation of Liability. To the extent that a Party has transferred any administrative obligation or responsibility imposed upon it by law to the Corporation, and to the extent that such Party has provided funding as may be required by agreement with the Corporation, actual and timely performance by the Corporation shall be deemed satisfaction of the Party's obligation or responsibility. In such cases, the transferring Party shall not be responsible in any way for performance of the transferred obligation or responsibility. An agreement respecting transfers of administrative obligations or responsibilities may limit the liability of a transferring Party for any actions taken by the Corporation. The Corporation may insure against any such potential loss/damage.

Section 2.11 Assumed Name. The Corporation shall have the power and authority to operate under an assumed name as determined from time to time by the Corporation Board.

ARTICLE III PURPOSE

Section 3.01 Purpose. The purpose of the Corporation shall be to take advantage of the provisions of State law, now or hereafter enacted, enabling the creation and implementation of economic development activities generally and of Next Michigan Development Corporations as defined in Act 275, in particular, and to attract Eligible Next Michigan Businesses, as that term is defined in Act 24, and shall include the exercise of power granted by State law and the joint exercise of shared powers, privileges or authority of the Parties to perform successful, effective and efficient economic development programs and functions throughout the Territory of the Corporation. Shared powers shall include the coordination of complementary local programs and functions of the Parties. The Parties desire and intend that the Corporation created hereby be fully empowered and authorized to exercise such powers as granted by Act 7 and Act 275, as the same may be amended from time to time, and any laws subsequently enacted allowing for the creation and governance of investment zones for economic development purposes, of whatsoever nature, to the fullest extent authorized by law without further amendment to this Agreement, subject only to the limitations set forth in this Agreement.

**ARTICLE IV
GENERAL POWERS OF CORPORATION**

Section 4.01 Powers Granted Under Act 7. In carrying out its purposes, the Corporation may perform, or perform with any Person, as applicable, any power, privilege, or Corporation that the Parties share in common and that each might exercise separately to the fullest extent permitted by Act 7 and in accordance with relevant law, except as expressly otherwise provided in this Agreement. The Corporation shall not have the power to bind a Party, unless otherwise agreed to by the Party. The enumeration of a power in this Agreement shall not be construed as a limitation upon the powers of the Corporation, and is in addition to any powers authorized by law. Among other things, the Corporation, in its own name, shall have the power to:

- (a) Make or enter into contracts;
- (b) Employ agencies or employees;
- (c) Acquire, construct, manage, maintain, or operate buildings, works, or improvements;
- (d) Acquire, own, hold, operate, maintain, lease, or sell real or personal property and dispose of, divide, or distribute any property.
- (e) Incur debts, liabilities, or obligations that, except as expressly authorized in writing by the Parties, do not constitute the debts, liabilities, or obligations of any of the Parties;
- (f) Cooperate with a Public Agency, an agency or instrumentality of the Public Agency, or another legal or administrative entity created by the Public Agency under Act 7;
- (g) Make loans from the proceeds of gifts, grants, assistance funds, or bequests in order to further its purposes;
- (h) Form other entities necessary to further the purposes of the Agreement; and
- (i) Sue and be sued.

Section 4.02 Additional Powers Granted Under Act 7. The Corporation shall also have the power to:

- (a) Employ, engage, compensate, transfer, or discharge necessary personnel, subject to the provisions of applicable civil service and merit systems and Act 7;
- (b) Fix and collect charges, rates, rents, fees, loan repayments, loan interest rates, or other charges on loans;
- (c) Promulgate necessary rules and provision for their enforcement by or with the assistance of the Parties to accomplish the purposes of this Agreement;
- (d) Accept gifts, grants, assistance funds, or bequests and use the same for the purposes of this Agreement. The Corporation may apply for and accept grants, loans, or contributions from any source. The Corporation may do anything within its power to secure the grants, loans, or other contributions;

(e) Make claims for federal or state aid payable to a Party on account of the execution of this Agreement;

(f) Respond for any liabilities that might be incurred through performance of the Agreement and insure against any such liability;

(g) Adjudicate disputes or disagreements, the effects of failure of the Parties to pay their shares of the costs and expenses, and the rights of the other Parties in such cases;

(h) Engage auditors to perform independent audits of the financial statements of the Corporation;

(i) Invest surplus funds or proceeds of grants, gifts, or bequests and adopt an investment policy in connection therewith;

(j) Employ legal, financial and technical experts, other officers, agents, or employees, and accept voluntary provision of such services and functions from donor individuals and entities;

(k) Study, develop, and prepare the reports or plans the Corporation considers necessary to further the purposes of this Agreement and to monitor and evaluate performance under this Agreement; and

(l) Indemnify, as permitted by law, and procure insurance indemnifying any members of the Corporation Board or officers or employees of the Corporation from personal loss or accountability from liability asserted by any Person for any acts or omissions of the Corporation.

Section 4.03 Powers Under Other State Law. In addition to all general powers granted under Act 7, the Corporation also shall have all of the powers granted to a Next Michigan Development Corporation created under Act 275 and under other applicable State law, now existing or as hereafter amended, including specifically by way of example and not limitation, Act 376, Act 281, Act 198 and Act 206, it being the intent of the Parties that the Corporation be empowered to accomplish its purposes to the full extent authorized by law.

Furthermore, by way of example and not limitation, the Corporation shall have all the powers granted under existing law, or subsequently enacted, allowing for the establishment of investment zones for economic development purposes throughout the state. Such powers shall include, but not be limited to, powers to establish the location, administration, management, requirements, and duration of such investment zones for economic development purposes.

Section 4.04 Bonds or Notes: Limitations. The Corporation shall not issue any type of bond in its own name or in any way indebted a Party except as provided below. The Corporation may borrow money and issue bonds or notes in its name for local public improvements or for economic development purposes provided that the Corporation shall not borrow money or issue bonds or notes for a sum that, together with the total outstanding bonded indebtedness of the Corporation, exceeds 2 mills of the taxable value of the taxable property within the Parties as determined under section 27a of The General Property Tax Act, 1893 PA 206, MCL 211.27a, unless otherwise authorized by Act 7. Bonds or notes issued by the Corporation are the debt of the Corporation and not of the Parties. Bonds or notes issued by the Corporation are for an

essential public and governmental purpose. Pursuant to Section 7(7) of Act 7, bonds or notes, together with the interest on the bonds or notes and income from the bonds or notes, are exempt from all taxes. Bonds or notes issued by the Corporation are subject to Act 34 as required by Section 7(8) of Act 7.

Section 4.05 Tax Limitation. The Corporation shall not levy any type of tax within the boundaries of any Party. Nothing contained in this Agreement, however, prevents the Parties from levying taxes in their own right and assigning the revenue from such taxes to the Corporation, to the extent permitted by law.

Section 4.06 Limitation on Political Activities. The Corporation shall not spend any public funds on political activities. This section is not intended to prohibit the Corporation from engaging in activities permitted under the Michigan Campaign Finance Act, 1976 PA 388, MCL 169.201 to 169.282.

Section 4.07 No Waiver of Governmental Immunity. The Parties agree that no provision of the Agreement is intended, nor shall it be construed, as a waiver by any Party of any governmental immunity provided under Act 7 or other law.

ARTICLE V SPECIFIC POWERS OF CORPORATION; LIMITATIONS

Section 5.01 Development Criteria. The Corporation shall have the power to develop and establish development criteria and development-ready preconditions for the use of Parties for in economic development assistance for application within the geographic territory of the Corporation.

Section 5.02 Design Standards. The Corporation shall promulgate specific design standards to be applied to property and developments which receive economic development incentives under this Agreement and relevant law. The design standards shall be submitted to the Local Government Party / Parties and applicable County Party for approval prior to implementation.

To the extent reasonably practicable, in the promulgation of design standards the Corporation shall take into reasonable consideration the protective covenants and zoning ordinance provisions recommended by the Michigan Economic Development Corporation and the Michigan Economic Developers Association (or any similar successor organization(s)) for "Certified Business Parks" or any similar subsequently- recognized designation by Michigan economic developer associations or groups.

Section 5.03 Superior I-69 International Trade Corridor Master Design Plan. The Corporation, in collaboration with the Local Government Parties / applicable County Parties, shall have the power to promulgate a Master Design Plan for areas within the Territory of the Corporation. The Master Design Plan may include proposed land uses, and shall be submitted to the Local Government Party / Parties, and applicable County Party for approval prior to implementation.

Section 5.04 Application Criteria and Review; Incentives. The Corporation shall have the power to promulgate application materials; to seek and accept applications from prospective developers and businesses; to establish criteria for Eligible Next Michigan

Businesses; to establish criteria and review applications for incentives from prospective developers and businesses; to make determinations in its sole discretion in respect of the approval, in whole or in part, of such applications and of economic development incentives under relevant law (including, by way of example and not limitation, under Act 376, Act 281, Act 198 and Act 206), except as such discretion is expressly limited by this Agreement or law; to consult with the Michigan Strategic Fund in respect of applications and approvals; to monitor the performance of applicants; and to make recommendations in respect of applications to the Michigan Strategic Fund, a Local Government Party, County Party, or any other Person having subject matter jurisdiction.

Section 5.05 Infrastructure Planning and Development. The Corporation shall have the power to work with State and local government officials in the planning and development of infrastructure within the Territory of the Corporation.

Section 5.06 Site Selection. The Corporation shall have the power to assist prospective developers and businesses with selection of development sites within the Territory of the Corporation.

Section 5.07 Marketing: Business Attraction. The Corporation shall have the power to conduct marketing and business attraction efforts.

Section 5.08 Real Estate Development. The Corporation shall have the power to assist any Person in respect of the development of real estate for use by an eligible Next Michigan Business within the Territory of the Corporation.

Section 5.09 Regulatory Assistance and Processing. The Corporation shall have the power to provide assistance to prospective developers and businesses in respect of applying for and obtaining any necessary or advisable licenses, permits or approvals from federal, State and local government entities.

Section 5.10 Streamlined Permitting Processes. The Parties recognize the need for uniform and streamlined local permitting processes, and therefore the Corporation shall have the power to promulgate and recommend for approval to the Local Government Parties streamlined permitting and approval processes for projects within the Territory of the Corporation.

Section 5.11 Local Government Assistance. The Corporation shall have the power to provide assistance to Local Government Parties with the implementation and coordination of economic development programs within the Territory of the Corporation.

Section 5.12 Designation of Next Michigan Renaissance Zones: Criteria: Local Government Party /County Party Disapproval. Subject to the provisions of Act 376 and herein, the Corporation shall have the power to designate property within the Corporation's geographic territory as a Next Michigan Renaissance Zone (Zone). Prior to any such designation, the Corporation shall receive a resolution of approval from the Local Government Party and applicable County Party within which the Zone is proposed to be located. Within the first six months following the approval of this Corporation as a Next Michigan Development Corporation by the Michigan Strategic Fund (MSF), each initial Local Government Party shall be entitled to designate and request by resolution to the Corporation of one Zone within its territory for the Corporation's consideration provided: that such Zone shall be consistent with the Superior ~~1-69~~ International Trade Corridor Master Design Plan; shall adhere to the permitting, zoning and design standards adopted by the Corporation; and each respective Local Government Party and

applicable County Party shall assist with the preparation of the development plan in respect of such Zone within its territory. The Corporation shall consider the criteria set forth in section 7 of Act 376, MCL 125.2687, in designating a Zone. The Corporation shall provide written notice of the proposed recommendation of property as a Zone to each Local Government Party and applicable County Party within 10 days of such recommendation. The Corporation shall have no power to designate, and shall not designate, a Zone if the Local Government Party or applicable County Party within which the proposed Zone is to be located delivers to the Corporation, either prior to any such recommendation by the Corporation or not later than 45 30 days after the Local Government Party / County Party has received written notice from the Corporation of the designation, a resolution from the Local Government Party's and applicable County Party's governing body stating its disapproval of a Zone recommendation; provided, however, that a Local Government Party / County Party may revoke or rescind its disapproval resolution at any time. If the disapproval resolution is revoked or rescinded, the Local Government Party thereafter may not disapprove of the Zone recommendation to which the original disapproval applied.

Section 5.13 Designation of Next Michigan Development Areas ("NMDA"): Criteria: Conditions: Local Government Party/ County Party Disapproval. The Corporation shall establish criteria for and may establish an Authority under Act 281 and an Authority District and designate a NMDA within the Authority District. Prior to the establishment of a NMDA, the Corporation shall receive a resolution of approval from any Local Government Party / County Party within which the NMDA is proposed to be located. Except as provided below, the Corporation shall not use Tax Increment Revenues derived from ad valorem taxes levied by a Local Government Party for any project or purpose outside the territory of the Local Government Party / County Party without the Local Government Party's / County Party written consent to the use. Notwithstanding the foregoing, the Corporation may use Tax Increment Revenues for the purpose of paying the Corporation's operating expenses to the extent permitted by law. This Agreement shall be deemed to be an agreement with taxing jurisdictions to share a portion of the captured assessed value or to distribute tax increment revenues among taxing jurisdictions as contemplated by section 12(5) of Act 281. The Corporation shall provide written notice of the proposed designation of an NMDA to each Local Government Party and applicable County Party within 10 days of such designation. The Corporation shall have no power to designate, and shall not designate, an NMDA if the Local Government Party within which the proposed NMDA is to be located delivers to the Corporation, either prior to any such designation by the Corporation or not later than 45 30 days after the Local Government Party and applicable County Party has received written notice from the Corporation of the designation, a resolution from the Local Government Party's governing body stating its disapproval of NMDA designation; provided, however, that a Local Government Party and applicable County Party may revoke or rescind its disapproval resolution at any time. If the disapproval resolution is revoked or rescinded, the Local Government Party / County Party thereafter may not disapprove of the NMDA designation to which the original disapproval applied.

Section 5.14 Designation of Eligible Next Michigan Business: Local Government Party / County Party Disapproval. Subject to the provisions of Act 376 and herein, the Corporation shall have the power to designate a business for certification as an Eligible Next Michigan Business. The Corporation shall provide written notice of the proposed designation of a business as an Eligible Next Michigan Business to each Local Government Party and applicable County Party within 10 days of such designation. The Corporation shall have no power to designate, and shall not designate, a business as an Eligible Next Michigan Business if the Local Government Party or applicable County Party within which the proposed Eligible Next Michigan Business proposes to locate or is located delivers to the Corporation, either prior to any such

designation by the Corporation or not later than 45 ~~30~~ days after the Local Government Party / applicable County Party has received written notice from the Corporation of the designation, a resolution from the Local Government Party's and applicable County Party's governing body stating its disapproval of an Eligible Next Michigan Business designation; provided, however, that a Local Government Party / County Party may revoke or rescind its disapproval resolution at any time. If the disapproval resolution is revoked or rescinded, the Local Government Party / County Party thereafter may not disapprove of the Eligible Next Michigan Business designation to which the original disapproval applied. An eligible Next Michigan Business shall be designated only with respect to a particular proposed project for which tax incentives are sought. Each separate proposal submitted by a business for consideration for tax incentives shall require that the business be separately designated as a Eligible Next Michigan Business in respect of that specific proposal, notwithstanding any prior designation as an Eligible Next Michigan Business in respect of another proposal. For purposes of the foregoing limitation, "particular proposed project" shall mean a project as described by the business applicant with reasonable specificity satisfactory to the Corporation as to location, development components, operating characteristics, site improvements, capital investment, ancillary improvements, and other relevant information. No separate Eligible Next Michigan Business designation shall be required for any expansion of an existing project which does not exceed a capital investment of 100% of the capital investment previously made by the Eligible Next Michigan Business in respect of that existing project.

Section 5.15 Approval of Act 198 Tax Abatements; Local Government Party and County Party Disapproval.

Subject to the provisions of Act 198 and herein, the Corporation shall have the power to establish plant rehabilitation districts and industrial development districts and exercise the other powers under Act 198. The Corporation shall provide written notice of the proposed approval of a plant rehabilitation district or an industrial development district to each Local Government Party within 10 days of such approval. The Corporation shall have no power to approve, and shall not approve, a plant rehabilitation district or an industrial development district if the Local Government Party and applicable County Party within which the proposed plant rehabilitation district or industrial development district is located delivers to the Corporation, either prior to any such approval by the Corporation or not later than 45 ~~30~~ days after the Local Government Party and applicable County Party has received written notice from the Corporation of the approval, a resolution from the Local Government Party's /County Party's governing body stating its disapproval of the establishment of the district; provided, however, that a Local Government Party / County Party may revoke or rescind its disapproval resolution at any time. If the disapproval resolution is revoked or rescinded, the Local Government Party County Party thereafter may not disapprove of the district to which the original disapproval applied.

Section 5.16 Approval of Personal Property Tax Exemptions; Local Government Party / County Party Disapproval.

Subject to the provisions of Act 206 and herein, the Corporation shall have the power to exempt new personal property under section 9f of Act 206. The Corporation shall provide written notice of the proposed resolution exempting such property to each Local Government Party and applicable County Party within 10 days of the approval of such resolution. The Corporation shall have no power to approve, and shall not approve, any exemption of new personal property under Act 206 if the Local Government Party and applicable County Party within which the new personal property proposed to be exempted is located delivers to the Corporation, either prior to any such approval by the Corporation or not later than 45 ~~30~~ days after the Local Government Party / County Party has received written notice from the Corporation of the approval, a resolution from the Local Government Party's / County Party's governing body stating its disapproval of the exemption; provided, however, that a Local Government Party / County Party may revoke or rescind its disapproval resolution at any time. If

the disapproval resolution is revoked or rescinded, the Local Government Party / County Party thereafter may not disapprove of the exemption to which the original disapproval applied.

ARTICLE VI CORPORATION BOARD

Section 6.01 Corporation Board Composition. The appointing authority of each Party shall appoint one (1) member of the Corporation Board. Members of the Corporation Board shall serve at the pleasure of the appointing Party for terms established by each Party, but not to exceed Three (3) ~~four~~(4) years.

(a) Each Party entitled to membership on the Corporation Board shall have the ability to appoint one (1) alternate to serve in a permanent member's place and stead if the permanent member is absent from a Corporation Board meeting. Appointment of the alternate shall be made by the appointing authority in writing.

(b) A vacancy on the Corporation Board shall be filled in the same manner as the original appointment for the balance of the unexpired term.

(c) A Corporation Board member may be removed by the appointing authority at will.

Section 6.02 Meetings. The Corporation Board shall meet at least annually at the place, date, and time the Corporation Board shall determine. Meetings shall comply with the Open Meetings Act. To the extent permissible by Michigan law, the conduct of, and the participation in, meetings may occur through electronic or telephonic means.

Section 6.03 Quorum and Voting. A majority of the Corporation Board then in office and present in person shall be required to constitute a quorum for the transaction of business, and a majority vote at a meeting at which a quorum is present shall be necessary for the transaction of business.

Section 6.04 Corporation Board Powers and Responsibilities. The Corporation Board shall do all of the following by a majority vote:

- (1) Adopt rules of procedure governing the Corporation Board and its actions and meetings. Initial rules of procedure shall be adopted within six (6) months of the first meeting of the Corporation Board. The rules of procedure shall contain provisions for, and a process governing, dispute resolution between and among the Parties.
- (2) Exercise all powers of the Corporation granted to the Corporation by this Agreement and under law.
- (3) Elect officers of the Corporation, which shall be a Chair, Vice-Chair, Secretary and Treasurer, and such other officers or assistant officers as the Corporation Board may determine. The offices of Secretary and Treasurer may be combined. Approve policies to govern and implement the day-to-day operations of the Corporation.
- (4) Provide a system of accounts and approve the Corporation budget.
- (5) Adopt an investment policy.
- (6) Cause to be conducted an annual independent audit of the Corporation in accordance with the Budget Act.

- (7) Take such other actions and steps as shall be necessary or advisable to accomplish the purposes of this Agreement

Section 6.05 Fiduciary Duty. The members of the Corporation Board are under a fiduciary duty to conduct the activities and affairs of the Corporation in the best interests of the Corporation, including the safekeeping and use of all Corporation monies and assets for the benefit of the Corporation. The members of the Corporation Board shall discharge this duty in good faith, with the care an ordinarily prudent individual in a like position would exercise under similar circumstances.

Section 6.06 Compensation. The members of the Corporation Board shall receive no compensation for the performance of their duties, but each member may ~~shall~~ be reimbursed for such member's reasonable expenses in carrying out those duties, as reviewed and approved by Corporation Board. A member of the Corporation Board may engage in private or public employment, or in a profession or business.

Section 6.07 Conflicts of Interest. The Corporation Board may establish policies and procedures requiring periodic disclosure of any relationship that may give rise to a conflict of interest. The Corporation Board may require that a member who has a direct interest in any matter before the Corporation disclose the member's interest and any reasons reasonably known to the member of the Corporation Board why the transaction may not be in the best interest of the public before the Corporation Board takes any action with respect to the matter. The disclosure shall become part of the record of the Corporation's proceedings. The Corporation Board also may establish policies to preclude the opportunity for and the occurrence of transactions by the Corporation that would create a conflict of interest involving members of the Corporation Board, and employees of the Corporation. At a minimum, these policies to be established for the Corporation should include compliance by each member of the Corporation Board and employees of the Corporation who regularly exercise significant discretion over the award and management of Corporation projects with policies governing the following:

- (a) Immediate disclosure of the existence and nature of any financial interest of an individual or immediate family member that would reasonably be expected to create a conflict of interest.
- (b) Withdrawal by an employee or member from participation in or discussion or evaluation of any recommendation or decision involving a Corporation project that would reasonably be expected to create a conflict of interest for that employee or member.

ARTICLE VII EXECUTIVE COMMITTEE AND CHIEF EXECUTIVE OFFICER

Section 7.01 Executive Committee. By a two-thirds vote of the voting members of the Corporation Board then serving in office, the Corporation may establish an Executive Committee with such powers, duties, rules, and procedures as may be set forth in the resolution of the Board establishing the Executive Committee. Until such time as an Executive Committee is established and empowered by the Corporation Board, the Corporation Board shall be the sole governing body of the Corporation.

Section 7.02 Chief Executive Officer. The Corporation Board may select and retain a Chief Executive Officer. The Chief Executive Officer shall administer the Corporation in accordance with the direction of the Corporation Board, the operating budget, the general policy guidelines established by the Corporation Board, other applicable governmental procedures and policies, and this Agreement. The Chief Executive Officer shall be responsible for the day-to-day operation of the Corporation; the control, management and oversight of the Corporation's functions; and supervision of all Corporation employees. All terms and conditions of the Chief Executive Officer's employment, compensation, including length of service, shall be specified in a written contract between the Chief Executive Officer and the Corporation Board, provided that the Chief Executive Officer shall serve at the pleasure of the Corporation Board, and the Corporation Board may remove or discharge the Chief Executive Officer by a vote of not less than three-fifths (3/5) of its voting members then serving in office.

**ARTICLE VIII
DURATION OF, WITHDRAWAL FROM, AND TERMINATION OF INTERLOCAL
AGREEMENT**

Section 8.01 Duration. The Corporation commences on the Effective Date and continues for a term of twenty-five (25) years unless earlier terminated in accordance with this Article VIII.

Section 8.02 Withdrawal by a Party. Any Party may withdraw from the Agreement at any time upon notice given six (6) months in advance to Corporation, or in accordance with section 14.10 of this Agreement, and the Corporation thereafter shall exercise no power or authority within the territory of the withdrawing Party; provided that if the Corporation has incurred debts or obligations in reliance upon the payment by the Party of a share of the debt or obligation, the Party shall remain obligated for any such payment following its withdrawal from the Agreement; and provided further that the withdrawal of a Party shall not invalidate nor terminate prior to its stated termination date any Next Michigan Renaissance Zone, Next Michigan Development Area, TIF Plan or the collection of Tax Increment Revenues, or any other economic development incentive previously established or granted prior to the withdrawal of the Party, and the withdrawing Party shall be deemed to remain a Party if necessary for the limited purpose of preserving any of the foregoing incentives, and provided further, that in the event of a withdrawal by a Party, the Corporation shall not extend the effective term of any of the foregoing incentives beyond its stated termination date.

Section 8.03 Termination. This Agreement shall continue until terminated by the first to occur of the following:

- (a) When there is one (1) Party;
- (b) A three-fourths (3/4) vote of the voting members of the Corporation Board then serving in office; or
- (c) Expiration of the stated term of the Agreement.

Section 8.04 Disposition upon Termination. As soon as possible after termination of this Agreement, the Corporation shall wind up its affairs as follows:

- (a) All of the Corporation's debts, liabilities, and obligations to its creditors and all expenses incurred in connection with the termination of the Corporation and distribution of its assets shall be paid first; and

(b) The remaining assets, if any, shall be distributed among the remaining Parties in accordance with Act 7 or other relevant law, and otherwise in proportion to their contributions to the Corporation.

ARTICLE IX FEES

Section 9.01 Initial Annual Fees. ~~Commencing on the Effective Date, for the first three (3) term years any government which becomes a County or Local Government Party to this Agreement shall be required to pay an annual fee by itself as a County Party or through a County Party in the case of a Local Government Party. The annual County Party fee for the first three (3) term years is set forth in Exhibit A.~~

Commencing on the Effective Date, for the first three (3) term years the following fee schedule will apply, subject to modification as provided for in Section 9.02. Delta and Marquette Counties will each contribute \$10,000 annually. This fee by the Counties will also allow for any Township to become a Local Government Party to this Agreement. The Cities of Marquette and Escanaba will also contribute \$10,000 annually. This fee paid by the Cities will also allow for any City to become a Local Government Party to this agreement.

Please note, the annual fee does not strictly have to come from each party noted. It can be a shared fee from the other Local Government Parties that also wish to participate within the Corporation.

OPTIONAL - The initial annual fee may be waived in its entirety for the initial Local Government Parties to this agreement in consideration on the in-kind contributions made in support of creating the Corporation and pursuing appropriate supporting legislation. The fixed entry fee for Local Government Parties subsequently joining the Corporation may be waived in whole or in part by the Executive Committee in its sole discretion in consideration of in-kind contribution(s).

Section 9.02 Annual Membership Fees. Except as otherwise provided in Section 9.01, the Corporation Board shall establish and may revise biannually membership classes and a schedule of annual membership fees for the Corporation, including its membership classes. The membership fees shall include fee categories for Parties and for non-Party entities. The Corporation's operating expenses shall be paid for first from the collection of Tax Increment Revenues by the Corporation under a TIF Plan, and the amount of Tax Increment Revenues attributable to a Party's annual millage levy shall be credited against that Party's annual membership fee, provided that for the first five years from the establishment of an Next Michigan Development Area, the credit against the annual membership fee shall not exceed 1/3 of the then applicable fee. The balance of the annual membership fee shall be paid by the Party from any funds legally available for such purpose.

Section 9.03 Personal Property, Assets and Services. Any Party or entity from time to time may make contributions of personal property and assets to the Corporation. The reasonable value of any property and assets contributed may be credited against the Party's or other entity's initial annual membership fee as set forth in Section 9.02 and thereafter upon approval by the Corporation Board. Reasonable value shall be determined by the Corporation

Board, in its sole discretion, by reference to a published market rate of the items in question, competitive quotes, or other objective measure approved by the Corporation Board.

Section 9.04 Employees. Any Party or entity from time to time may contribute employees to the Corporation. The reasonable value of employees contributed shall be credited against the Party's or other entity's initial annual membership fee as set forth in Section 9.02 and thereafter upon approval by the Corporation Board. Reasonable value shall be determined by the Corporation Board, in its sole discretion, based upon a proration for the time worked of the annual total compensation of the employee being loaned or other objective measure approved by the Corporation Board. The Corporation shall have full discretion to return the employee to the Party or other entity for non-performance, in which case the Party shall be subject to and shall promptly pay the Party's or other entity's remaining membership fee.

Section 9.05 Marketing Costs. The Corporation annually shall prepare a marketing budget for the Corporation for the purpose of paying for marketing efforts designed to attract businesses to, and create jobs within, the Territory of the Corporation.

Section 9.06 Acts and Omissions. The Corporation shall only be liable for its own acts or omissions which occur after the Effective Date and none of the Parties shall be liable for any acts or omissions of the Corporation.

Section 9.07 Execution of Documents. The Corporation and each Party shall cooperate in order to execute and deliver to the Corporation any and all documents including bills of sale, assignments, and certificates necessary or appropriate to effectuate each Party's contribution to the Corporation.

Section 9.08 Participation Agreement. The Corporation and a Party may enter into a Participation Agreement for the purpose of executing the purposes and activities contemplated herein.

ARTICLE X ADMISSION OF OTHER PARTIES

Section 10.01 Procedure. Following the Effective Date, a Public Agency may become a Party by submitting a written request to the Corporation Board pursuant to guidelines established by the Corporation Board, payment of the then applicable membership fees, and in accordance with law. The Corporation Board shall approve or deny the request. Approval of this Agreement shall be by resolution of the entity seeking to become a Party.

Section 10.02 Effective Date. The effective date of admission of a Party is the date on which a fully executed copy of this Agreement which contains the name and signatory of the newly admitted Party is filed with Michigan Department of State, Office of the Great Seal, and filed with the County Clerk of each county which is a Party to this Agreement pursuant to Section 10 of Act 7.

Section 10.03 Not an Amendment to Agreement. The admission of additional Parties after the initial Effective Date of this Agreement shall not constitute an amendment to or alternative form of this Agreement nor change the Effective Date. Any amendment to or alternative form of this Agreement may be made only in accordance with Section 14.10

**ARTICLE XI
REVENUE SHARING, JOINT PLANNING COMMISSION**

Section 11.01 Revenue Sharing. The Parties conceptually agree that the Corporation's success in attracting economic development should be shared among all Parties. The Parties therefore agree to investigate a fair and equitable means of sharing all or a portion of revenue derived by and for the benefit of the Parties in accordance with the provisions of Act 7 and other relevant law. However, it is initially anticipated that all revenue earned in the first three (3) term years will be utilized to operate, market, and manage the corporation.

Section 11.02 Joint Planning Commission. The Parties agree to consider the feasibility of establishing a joint planning commission under the Joint Municipal Planning Act, Act No. 226 of 2003, MCL 125.131 to 125.143.

**ARTICLE XII
BOOKS AND REPORTS**

Section 12.01. Accrual Basis. The Corporation shall maintain its books of account on an accrual basis of accounting, except as otherwise required by law.

Section 12.02. Corporation Records. The Corporation shall keep and maintain at the principal office of the Corporation all documents and records of the Corporation. The records of the Corporation shall include a copy of this Agreement along with a listing of the names and addresses of the Parties. Such records and documents shall be maintained until termination of this Agreement.

Section 12.03. Financial Statements and Reports. The Corporation shall cause to be prepared at least annually, at Corporation expense, audited financial statements prepared in accordance with the Budget Act and with generally accepted accounting principles and accompanied by a written opinion of an independent Certified Public Accountant. A copy of the annual financial statement and report shall be filed with the State Department of Treasury within six months after the end of the Corporation's Fiscal Year in accordance with law, with copies filed with each Party.

Section 12.04. Freedom of Information Act. The Corporation is subject to and shall comply with the Freedom of Information Act.

**ARTICLE XIII
FINANCES**

Section 13.01 Annual Budget. The Corporation shall be subject to and comply with the Budget Act. The Corporation Board annually shall prepare and approve a budget for the Corporation for each Fiscal Year. Each budget shall be approved not less than 15 days prior to the beginning of the Fiscal Year.

Section 13.02 Deposits and Investments. The Corporation shall deposit and invest funds of the Corporation, not otherwise employed in carrying out the purposes of the Corporation, in

accordance with an investment policy established by the Corporation Board consistent with State law regarding the investment of public funds.

Section 13.03 Disbursements. Disbursements of funds shall be in accordance with guidelines established by the Corporation Board and in accordance with the Budget Act and law.

ARTICLE XIV MISCELLANEOUS

Section 14.01 Notices. Notice of all meetings of any Executive Committee and of the Corporation Board shall be given by the Chief Executive Officer, if any, or his or her designee in the manner required by the OMA, FOIA, and shall be managed in accordance with State of Michigan Record Management schedules. In addition, at least three (3) days prior to the date set for the holding of any meeting of any Executive Committee or Corporation Board, written notice of the time and place of such meeting shall be sent by email or other electronic means to each Executive Committee member and Corporation Board member, as the case may be, at the email or other appropriate address of such member appearing on the records of the Corporation. Every notice by email or other electronic means shall be deemed duly served as of 5:00 p.m., prevailing Eastern time, next following the actual time when the notice is transmitted, as recorded by the Corporation's communication system. ~~The Chief Executive Officer, if any, or his or her designee may, but shall not be required to, cause additional written notice to be provided to a member or members by mailing such notice via regular U.S. mail not less than seven (7) days prior to the date set for the holding of the meeting to the address of such member or members appearing on the records of the Corporation. Mailed notice shall be deemed duly served on the second business day following the day when the same has been deposited in the United States mail with postage fully prepaid and addressed to the addressee as provided above. Any and all correspondence or notices required, permitted or provided for under this Agreement to be delivered to any Party shall be sent to that Party by email or other electronic means at the email or other appropriate address of such Party appearing on the records of the Corporation, with a written copy by first class mail, provided that notices required by Sections 5.12, 5.13, 5.14, 5.15 and 5.16 and notices of withdrawal shall be sent by certified mail, return receipt requested, in lieu of first class mail. All such written notices including any notice of withdrawal as provided herein shall to be sent to each other Party's signatory to this Agreement, or that signatory's successor at the address as set forth above such Party's signature, or to such other address provided by the Party to the Corporation from time to time. All correspondence shall be considered delivered to a Party as of 5:00 p.m., prevailing Eastern Time, next following the actual time when the notice is transmitted, as recorded by the Corporation's communication system.~~

Section 14.02 Entire Agreement. This Agreement sets forth the entire agreement between the Parties and supersedes any and all prior agreements or understandings between them in any way related to the subject matter hereof. It is further understood and agreed that the terms and conditions herein are contractual and are not a mere recital and that there are no other agreements, understandings, contracts, or representations between the Parties in any way related to the subject matter hereof, except as expressly stated herein.

Section 14.03 No Presumption. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the Party causing this Agreement to be drafted.

Section 14.04 Severability of Provisions. If any provision of this Agreement, or its application to any Person or circumstance, is invalid or unenforceable, the remainder of this

Agreement and the application of that provision to other Persons or circumstances is not affected but will be enforced to the extent permitted by law.

Section 14.05 Governing Law. This Agreement is made and entered into in the State of Michigan and shall in all respects be interpreted, enforced and governed under the laws of the State of Michigan without regard to the doctrine of conflict of laws. The language of all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning, and not construed strictly for or against any Party.

Section 14.06 Captions. The captions, headings, and titles in this Agreement are intended for the convenience of the reader and not intended to have any substantive meaning and are not to be interpreted as part of this Agreement. They are solely for convenience of reference and do not affect this Section.

Section 14.07 Terminology. All terms and words used in this Agreement, regardless of the number or gender in which they are used, are deemed to include any other number and any other gender as the context may require.

Section 14.08 Cross-References. References in this Agreement to any Article include all Sections, subsections, and paragraphs in the Article; references in this Agreement to any Section include all subsections and paragraphs in the Section.

Section 14.09 Jurisdiction and Venue. In the event of any disputes between the Parties over the meaning, interpretation or implementation of the terms, covenants or conditions of this Agreement, the matter under dispute, unless resolved between the parties, shall be submitted to the courts of the State of Michigan, with original jurisdiction and venue vested in a court of competent jurisdiction.

Section 14.10 Amendment. The Agreement may be amended or an alternative form of the Agreement adopted only upon written agreement of all Parties. ~~In the event that an amendment to this Agreement or alternative form of Agreement is approved by less than all Parties, any Party which has not approved of the amendment or alternative form of Agreement may withdraw from the Corporation.~~

Section 14.11 Execution of Agreement; Counterparts. Each Party shall duly execute three (3) counterparts of this agreement, each of which (taken together) is an original but all of which constitute one instrument.

Section 14.12 Signatories. The signatories for the Parties each certify that he or she is authorized to enter into this Agreement and to execute and bind legally each Party to this document.

IN WITNESS WHEREOF, this Agreement is executed by each Party on the date hereafter set forth and effective as of the Effective Date.

FOR THE _____ OF _____

Witness By: _____

Witness Its: _____

Witness Date: _____

FOR THE _____ OF _____

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Witness Its: _____
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EXHIBIT A

(Sections 9.01 and 9.02)

Initial Annual Fee (first three term years)

1. ~~Participating County Party Annual fee - \$10,000~~
2. ~~Local Government Party Annual Fee for first three (3) term years, see Section 9.01, paid through County Party~~

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August 25, 2014

Hannahville Indian Community
N14911 Hannahville B-1 Road
Wilson, MI 49896

Dear Tribal Council Members:

Please find the attached grant application from the City of Escanaba on behalf of the units of government in Delta County. In the application you will see a request for start-up funds for the "Superior Trade Zone" that is being created under the auspices of the Next Michigan Development Act, Public Act 275 of 2010.

The local units of government in the counties of Delta and Marquette have banded together in having Public Act 275 of 2010 amended to give preference for a central Upper Peninsula economic zone which will foster economic opportunities in the central region of the Upper Peninsula. Under this preference, the units of government in Delta and Marquette Counties will be able to utilize economic development tools (Renaissance Zones, Local Developing Financing Programs, and Industrial Facilities Tax Exemptions) which will promote economic growth focused on multi-modal transportation for not only new businesses but also to expanding businesses currently residing within the region.

Thank you for your consideration.

Sincerely,

James V. O'Toole
City Manager

Mission Statement:



Enhancing the enjoyment and livability of our community by providing quality municipal services to our citizens.
The City of Escanaba is an equal opportunity employer and provider.

For Hannahville Indian Community Use	
Date Received:	Received By:
Application Number:	

2% Grant Application

Due March 31 and September 30 each year.

THIS MUST BE THE FIRST PAGE OF THE APPLICATION PACKET

I. General Information

a. Date Application Submitted:

INCLUDE ONLY THOSE COSTS DIRECTLY RELATED TO THE PROPOSED PROJECT

b. Amount of Grant Request: *this amount should be equal to the Total in III-a below*
c. Other Funding for Project: *this amount should be equal to the Total in III-c below*
d. Total Project Budget (All Sources):

e. Name of Eligible Local Unit of Government Submitting the Application:

Address
City State Zip
County Township

f. Printed Name & Title of Authorizing Official of Eligible Local Unit of Government:

g. Signature of Authorizing Official of Eligible Local Unit of Government:

Phone Number:
E-mail Address:

h. Project Name:
Start Date: End Date:

i. Entity Implementing the Project (if different than Eligible Local Unit of Government):

Address
City State Zip

j. Contact Person for questions related to the Application or Project Implementation:
Contact Person Name: Phone Number:
Email Address:

II. Narrative Summary

- a. Briefly explain why your agency is requesting this grant, what outcomes you hope to achieve and how you will spend the funds if the grant is made. Provide detail and important points.

The City of Escanaba, on behalf of the Delta County units of government, is seeking start-up funds for the development of a Next Michigan Development Corporation (NMDC). The Superior Trade Zone (NMDC) will unite inter-governmental partners throughout the region to expand existing businesses and extend grant incentives to new businesses. This collaborative economic development tool would stimulate growth through the creation of investment zones and tax incentives for businesses utilizing multi-modal transportation within an NMDC. Funds will be designated for marketing and implementation of the NMDC.

- b. Who will benefit or what is the service area of the project (i.e. township residents)?

The Superior Trade Zone will benefit Delta and Marquette County, including residents of the cities of Escanaba, Gladstone, the Hannahville Indian Community, and Delta County townships.

- c. Please describe the Authorizing Agency's relationship with the Implementing Agency (if applicable)

III. Budget Narrative

a. Please provide a detailed budget breakdown using the following budget categories:

INCLUDE ONLY 2% BUDGET REQUEST IN THIS SECTION

		2% Grant Amount	Calculation/Description
1	Salary		
2	Fringe		
3	Travel		
4	Supplies		
5	Contractual		
6	Training		
7	Equipment		
8	Construction		
9	Other (Please Describe)	\$20,000.00	Marketing and implementation of activities to stimulate economic development
TOTAL		\$20,000.00	<i>this amount should be equal to item 1-b above</i>

b. List priority items as proposed in the budget above in the event that we are unable to meet your full request.

	Amount	Item Description
1		
2		
3		
4		

c. Are there any other funding sources contributing to the cost of the project? Yes No

If yes, please list the agency and provide the amounts and type of funds they are contributing.

(Include your organization in this list if you will be contributing funds toward the project.)

	Name of Agency	Amount	Cash or Inkind	Committed or Pending
1	City of Marquette	\$10,000.00	Cash	Pending
2	Marquette County	\$10,000.00	Cash	Pending
3	City of Escanaba	\$10,000.00	Cash	Pending
4	Delta County	\$10,000.00	Cash	Pending
TOTAL		\$40,000.00	<i>this amount should be equal to item 1-c above</i>	

IV. Attachments - Optional (3 page limit)

a. Attachments may include a cover letter, a letter of support, an organizational chart, resumes of key staff members, etc. These are not required and should be limited to only those items that will assist with further clarification of the grant request.

NEXT MICHIGAN DEVELOPMENT ACT

The Next Michigan Development Act was established by PA 275 of 2010. The Act is to encourage the creation of Next Michigan Development Corporations (NMDC) to foster economic opportunities in the State of Michigan.

As a result, there are currently five (and a sixth under consideration) active NMDCs that can grant incentives not only to new businesses but also to expanding businesses currently residing in Michigan. The designated NMDCs are as follows:

Northern Nexus NMDC

Website: northernnexus.org

Located within the Northwest Region of Michigan hosting five participating jurisdictions. This region offers the use of Traverse City's Cherry Capital Airport and road infrastructure to create great opportunities for business.

I-69 International Trade Corridor NMDC

Website: i-69internationaltradeconnector.com

Located in the East Central Region of Michigan with a depth of 33 participating jurisdictions. Resources of interest include Flint's Bishop International Airport, deep water ports, several interstate and state highway systems and the St. Clair Tunnel.

Port Lansing NMDC

Website: portlansing.com

Located within the Central Region of Michigan with participation from the City of Lansing and Ingham County. Port Lansing's supply chain assets include the Capital Region International Airport, which has the Global Logistics Centre, Foreign Trade Zone (FTZ) No. 275 and adjacent rail. The airport is minutes from I-69, I-96 and US-127 highways.

VantagePort NMDC

Website: vantageport.org

Located within Southeast Michigan spanning across nine jurisdictions. This region offers expansive transportation infrastructure driving investment in and around Wayne County's Detroit Metro and Willow Run Airport system.

West Michigan Economic Partnership NMDC

Website: grcity.us

Located within the West Central Region of Michigan involving participation from seven jurisdictions. The benefits of this region include economical energy and abundant natural resources such as nearby Lake Michigan and the Gerald R. Ford International Airport.

Upper Peninsula NMDC

New legislation allows for a sixth NMDC which is anticipated for the Upper Peninsula of Michigan. The application to the Michigan Economic Development CorporationSM (MEDC) for this designation is presently in the early stages.

WHY DO BUSINESS IN MICHIGAN?

Next Michigan Businesses are those located or locating within the NMDC regions that utilize multi-modal transportation in their supply or production chains. NMDCs aim to assist these logistics-based companies and the opportunities offered are as follows:

Renaissance Zones, PA 376 of 1996

Renaissance Zones established by a NMDC offer 100% relief from both real and personal property taxes and, if applicable, city corporate income tax, within the boundaries. The Renaissance Zones may be approved for up to 10 years and are phased out in 25% increments in the last three years.

Prior to creating a Renaissance Zone, the NMDC must first designate a Marketing Zone within its district. The Marketing Zones may be designated for up to 10 years within which time, an NMDC may recommend the creation of a Renaissance Zone within the boundaries of the Marketing Zone. The Michigan Strategic Fund approves the creation of both zones.

Local Development Financing Act, PA 281 of 1986

Allows a NMDC to utilize tax increment financing to fund public infrastructure improvements. There are several financing options for LDEFA activities that allows for the capture of incremental growth of local property taxes over a period of time to fund these improvements.

New Personal Property Tax Exemption, PA 328 of 1998

Offers a 100% property tax exemption for an unlimited number of years on new personal property for companies within certain industries.

Industrial Facilities Tax Exemption pursuant to Act 198 of 1974

An Industrial Facilities Exemption certificate can be used to obtain a 50% property tax reduction for new, qualified real and personal property for a period of up to 12 years.

CONTACT INFORMATION

For more information contact the MEDC Customer Contact Center at 517.373.9808.



MARQUETTE COUNTY

DRAFT

For Immediate Release

Contact: Scott Erbisch
Marquette County Administrator
Phone: (906) 225.8151
Email: serbisch@mqtco.org

***Historic Community Partnership to Create "Superior Trade Zone"
Accelerating Business Growth in Michigan***

Escanaba, MI – Thursday, August 14, 2014, Governor Rick Snyder held a ceremonial bill signing of SB 397 (PA 238'13) and HB 4782 (PA 239'13) at the Delta County Historical Society, Dr. John Beaumeir Museum Building.

State Senator Tom Casperson (R-Escanaba), Rep. Ed McBroom (R-Vulcan) and Rep. John Kivela (D-Marquette) sponsored bi-partisan legislation that overwhelmingly passed to create the opportunity for a sixth Next Michigan Development District in Michigan.

"We are grateful for the bi-partisan effort and leadership from the Governor to bring a much needed economic development tool to the Upper Peninsula," said Jim O'Toole, City Manager Escanaba. "This is really about people working together to get something done."

The proposed Superior Trade Zone joins the five Next Michigan Development Corporations created under the law in 2010: Vantage Port, Port Lansing, I 69 International Trade Corridor, the Grand Traverse Region and the West Michigan Economic Partnership.

The Superior Trade Zone is a unique platform for collaboration in the Upper Peninsula. The organization will focus on coordinated marketing and business development programs accelerating business growth in the region. Initial community partners include the Marquette County, Delta County, the City of Escanaba and the City of Marquette.

"There is a lot of work to do, but we are excited about the strong community support to harness area talent to encourage investment and job creation," said William Vajda, Marquette City Manager. "Economic development policy must be built upon local strengths and supporting existing business."

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- Introduction
- Application Instructions
- Application Form (fillable)

Introduction

On a bi-annual basis the Hannahville Indian Community distributes revenue, commonly known as 2% funds to local units of government through a grant process. Applications are accepted from all local elected government bodies within Delta and Menominee Counties. Applications are ranked by merit. The Hannahville Indian Community Tribal Council gives final approval to all disbursements. Government sponsorship of ideas and projects originating from volunteer and non-profit groups are accepted, provided there is clear public benefit.

All applications must be submitted by governmental entities. The Tribe favors initiatives that put a premium on uniting local communities behind common purposes, needs and values. As the Hannahville Indian Community continues to grow it is becoming more and more tied to its neighbors. This revenue distribution reflects the Tribe's interest in partnering with local governments to face common challenges.

Application packets can be obtained by visiting the Hannahville website at www.hannahville.net, or by contacting Stephanie Philemon or Jill Beaudou, Resource Development, Hannahville Indian Community, N14911 Hannahville B1 Rd., Wilson, Michigan 49896. You may call Stephanie at (906) 723-2581 or Jill at (906) 723-2625. The deadline for submission is September 30th and March 31st of each year. The Hannahville Indian Community looks forward to working even more closely with its neighbors in future years.

Grant Application Form Instructions

Although projects may be for multiple years, funding will be appropriated yearly and limited to availability of funds. Upon funding, narrative and financial reports will be required. *(Please note that expenses incurred prior to the date of the grant award will not be reimbursable.)*

1. Applications must be submitted through local units of government in Delta and Menominee Counties. This includes without limitation; counties, townships, cities and villages. Multiple applications from local units of government are encouraged.
Projects/programs benefiting the public that are not local units of government are eligible, but must find sponsorship through a local unit of government.

The following are the authorizing officials whose signatures are acceptable:

- a. County Commissioner
- b. County Clerk
- c. County Treasurer
- d. County Administrator (not elected)
- e. County Sheriff
- f. Road Commission Chair
- g. Township Supervisor
- h. Township Trustee
- i. Township Clerk
- j. Township Treasurer
- k. City Council Member
- l. City Manager (not elected)
- m. City Mayor
- n. City Clerk
- o. City Treasurer
- p. School Board President

2. Please type all applications. Digital applications will be available for download on www.hannahville.net. Completed applications must be submitted on paper copy, one original and 10 copies (11 total copies).

***Note for web-based applications:** Data can now be saved in the pdf application form.

3. Answer all the questions in the application form fully. Please note that only text that is visible on the screen will print, therefore all responses must be kept within the allowed space.
4. Print the completed application form and add any appendices (limit 3 pages). Submit 1 unbound original and 10 stapled copies.
5. Please do not include any materials other than those specifically requested. Exception will be granted for materials that directly support the application, i.e. correspondence from mutually participating governments, maps and photographs.
6. Do not send videotapes.

Please note: We no longer require a separate narrative. Please do not submit any more than the application form (3 pages) and relevant attachments if desired (3 page limit).

Note:

All applications must be received, either by mail or hand delivered to Jill Beardo at the Administration Building, by 2 pm EST on the closing date. If the closing date falls on a weekend, the deadline will be 2 pm EST the next business day.

Prior to the award other information may be requested such as:

*A copy of the current IRS determination letter indicating 501(c)(3) tax exempt status.

*Annual report

*Most recent annual financial statement (independently audited, if available; if not available, attach IRS form 990)

If you wish to receive confirmation that your application was received, please enclose a self addressed post card with your application and it will be returned to you as proof of receipt.

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Superior Trade Zone created

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