MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM, dated August 12, 2014, is between the ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY (the “DDA”) and the MAIN STREET AREA BUSINESS IMPROVEMENT ZONE (the “BIZ”).

WHEREAS, (A) the DDA has been organized under the Michigan Public Act 197 of 1975 with the charge and authority to promote economic development in the downtown area of the City of Ann Arbor and (B) pursuant that charge and authorization operates and maintains the parking properties owned by the City of Ann Arbor that are situated as follows (the “Specified Properties”);

- 119 E. Washington Street (aka the Fourth and Washington deck)
- 115 E. William Street (aka the Fourth and William deck)
- 353 S. Main Street (aka the Palio lot)
- 309, 337 & 339 S. Ashley Street and 104, 116 & 120 W. William Street (aka the Klein’s lot)

WHEREAS, (A) the BIZ has been organized under the Michigan Public Act 120 of 1961 with the charge and authority to promote the maintenance, security and prosperity of the area in the downtown of the City of Ann Arbor that is bounded on the north by the south side of Huron Street (from east side of South Ashley Street to west side of South Fifth Avenue); on the east by the west side of South Fifth Avenue (from south side of East Huron Street to the north side of East Liberty Street), by the north side of East Liberty Street (from the west side of South Fifth Avenue to the west side of South Fourth Avenue), and by the west side of South Fourth Avenue (from the north side of East Liberty Street to the north side of East William Street); bounded on the south by the north side of East William Street (from the west side of South Fourth Avenue to the east side of South Ashley Street); and bounded on the west by the east side of South Ashley Street (from the north side of West William Street to the south side of West Huron Street) (the “BIZ Zone”) and (B) pursuant to that charge and authorization the BIZ will arrange for sidewalk snow removal, sidewalk sweeping, graffiti removal and related services for property in the BIZ Zone (the “BIZ Services”), with the costs of such services funded by assessments against the properties in the BIZ Zone that are zoned and used for commercial purposes (the “BIZ Assessments”); and

WHEREAS, (A) the Specified Properties are located within the BIZ Zone, (B) the DDA has determined that the BIZ Services would benefit the operations of the Specified Properties particularly and the downtown generally, (B) the BIZ has agreed to provide those BIZ Services for the sidewalks abutting the Specified Properties if the DDA will fund the costs of the BIZ in doing so and (C) the DDA and the BIZ desire by this MEMORANDUM to confirm their agreement regarding the provision of the BIZ Services to the Specified Properties.

NOW THEREFORE, the DDA and the BIZ (each a “Party”) agree as follows:

1. The BIZ agrees to provide the BIZ Services for the Specified Properties for the 12-month period beginning July 1, 2014 and for each 12-month period beginning on July 1st thereafter (each 12-month period is a “Service Year”), subject to the right of either Party to
terminate this agreement as of the last day of any Service Year by written notice delivered to the other Party not later than the March 1st immediately preceding the effective date of termination.

BIZ Service include the following:
- Sidewalk snow removal – Beginning with a snow accumulation of one-half inch, the BIZ will clear snow from the sidewalk, from the building or lot edge, to six-inches into the roadbed, and inclusive of all curb cuts and crosswalks. Serious accumulations will be shoveled, stored, and then hauled from the district within twenty-four hours of the conclusion of the snow event. Continuous snow events will be addressed as snow accumulates. Icy sidewalk conditions will be treated with city-approved ice melting material.
- Sidewalk sweeping – The BIZ will sweep the sidewalk, from the building or lot edge, to the curb, twice weekly, usually from April to November, or as weather dictates. Under special circumstances, the BIZ may sweep the sidewalks more frequently (e.g. after downtown events, evening sports events, etc.).
- Handbill removal/graffiti removal – The BIZ removes all handbills affixed to public property (trash cans, light posts, etc.) twice monthly and attempts to remove graffiti from the same public amenities as it appears.

2. Unless otherwise agreed in writing by the Parties, the BIZ Services provided for the Specified Properties will be identical to the BIZ Services provided for all other sidewalks of the BIZ Zone.

3. For each Service Year during which the BIZ provides BIZ Services for the Specified Properties, the DDA, in lieu of paying a BIZ Assessment, will pay to the BIZ a fee (the “Service Fee”) equal to the amount that the BIZ estimates to be its total cost for providing the BIZ Services for the Specified Properties. The Parties have agreed that the Service Fee will be $33,400 for the Services Year beginning July 1, 2014. For each succeeding Service Year, the BIZ, not later than the April 1st immediately preceding that Service Year, will submit to the DDA its proposal for the Service Fee for that Service Year (and if the BIZ fails for any reason to do so, then the Service Fee for that Service Year will remain unchanged from the Service Fee then in effect). If the BIZ proposes a new Service Fee for a Service Year on or prior to the April 1st immediately preceding that Service Year, then the DDA will have the right to object to that proposed Service Fee by written notice delivered not later than the April 15th immediately preceding that Service Year (and if the DDA fails for any reason to do so, then the Service Fee for that Service Year will be the Service Fee proposed by the BIZ). If the DDA delivers a written notice of objection by that April 15th, then the Parties shall attempt in good faith to reach agreement for the Service Fee by the May 1st following the date of delivery of that objection (and if they fail to do so, then, unless the DDA by written notice delivered on or before that May 1st elects to terminate this Agreement as of the end of the current Service Year, the Service Fee for the next Service Year will be the Service Fee proposed by the BIZ.

4. For each Service Year in which the BIZ provides the BIZ Services for the Specified Properties, the BIZ will invoice the DDA for the Service Fee not later than July 15th of that Service Year and the DDA will pay that invoice in full on or before July 31st following the date the invoice was issued.
5. The parties agree that time shall be of the essence with respect to all aspects of this MEMORANDUM.

EXECUTED as of the date first written above.

DDA:
ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY
BY: Susan Pollay, Executive Director

BIZ:
MAIN STREET AREA BUSINESS IMPROVEMENT ZONE
By: Edward Shaffran, Chairman