

**MEETING OF THE
MONROE NORTH TAX INCREMENT FINANCING AUTHORITY**

Wednesday, August 12, 2015

9:15 a.m. Meeting, or immediately following the DDA meeting

Downtown Grand Rapids Inc. office, 29 Pearl St. NW, Suite 1
AGENDA

1. Call to order
2. Approval of minutes of June 10, 2015..... *Motion* *Hansen*
(enclosed)
3. Authorize Financial Audit Services Contract for FY15 *Motion* *Wallace*
(enclosed)
4. Request for Funding to Relocate Existing Overhead Power Lines..... *Motion* *Pratt*
Underground
(enclosed)
5. GR Forward Presentation: Projects in Monroe North *Info Item* *Kelly*
6. Board Member Discussion
7. Public Comment
8. Adjournment

Meeting of the City of Grand Rapids Tax Increment Financing Authority

June 10, 2015

1. Call to Order – The meeting was called to order by Chair Howard Hansen at 9:53 a.m.
2. Attendance:

Present: Shaun Biel, Howard Hansen, Kayem Dunn, Jane Gietzen, Mayor George Heartwell, Carl Kelly, Jim Talen

Absent: Elissa Hillary, Mark Roys

Others Present: Kristopher Larson (DDA Executive Director), Mary Sierawski (Exec Asst/Office Manager), Jana Wallace (Treasurer), Eric Pratt (staff), Dick Wendt (Counsel), Jeff McCaul, and others.

3. Approval of Minutes of May 13, 2015

Motion: Mayor George Heartwell, supported by Jane Gietzen, moved approval of the minutes of the May 13, 2015 meeting of the TIFA as submitted. Motion carried unanimously.

4. Financial reports for the period ending May 31, 2015

Ms. Wallace presented the MNTIFA financial statements for the first eleven months of the fiscal year ending June 30, 2015.

Motion: Jane Gietzen, supported by Jim Talen, moved to approve Statement C – Preliminary Schedule of April 1 – May 31, 2015 expenditures as recommended. Motion carried unanimously.

5. Adoption of the MNTIFA Annual Budget for FY2016

Mr. Pratt said the MNTIFA Board is being asked to adopt the attached budget. Mr. Pratt said the proposed budget includes all anticipated sources of revenues and expenses of the Authority for FY 2016, including debt service payments and administration. The recommended budget also includes operational costs, general obligations, development projects, and infrastructure improvements.

Motion: Jane Gietzen, supported by Kayem Dunn, moved to approve the MNTIFA Annual Budget for FY16. Motion carried unanimously.

6. Approval of the MNTIFA Share of Costs for the Canal Street Park River Walk Extension.

Mr. Pratt introduced Jeff McCaul from the City of Grand Rapids Engineering Department to talk about the Canal Street Park River Walk extension. Mr. McCaul said the River Plan is nearing completion and the City and DGRI now desire to construct elements from that plan in conjunction with the Grand River Walkway to demonstrate features plan implementation will deliver. Some of the additional work required includes increasing the berm height east of the proposed trail in order to achieve FEMA Flood Zone Protection. Some other features include a wider trail, a boardwalk overlook, additional landscape and irrigation, and removing portions of the floodwall to provide access to the river. Mayor Heartwell asked about the chain link fencing dividing the parking lot from the green space and asked if more of a solid privacy fence may be more appropriate. Ms. Gietzen asked why there is fencing needed at all. Mr. McCaul said the fencing in the renderings is existing, not being installed. Mr. Kelly added that more tree plantings may help to screen some of the fencing. Ms. Dunn asked about the end of the trail and if there is access to Monroe Avenue. Mr. McCaul said there is a sidewalk to Leonard St. Ms. Gietzen asked about bike lanes and how those would reach Leonard St. Mr. McCaul said he would investigate that question for Ms. Gietzen. Ms. Dunn asked about the resin bonded surface in terms of material being used. Mr. McCaul said the path will actually be concrete. Ms. Gietzen asked if the trail will be cleared in the winter. Mr. Pratt replied that is possible as the Parks Department has a facility near that location. Mr. McCaul said he would follow up on the snow removal process. Mr. Talen asked about the height of the street lamps in relation to the river. Mr. McCaul said there is pedestrian lighting present, but that the foundations of the street lamps are above the 100 year flood level. Mr. Hansen asked if this project will be viable for many years and not tore out in a couple of years due to it being a project to demonstrate aspects of the River Plan. Mr. McCaul said he doesn't see a reason why the trail would be tore out and it is intended to be permanent. Mr. Biel said he is pleased with these renderings. Mr. Pratt confirmed that there are sufficient funds available for this project. Mr. Hansen asked if there are funds available for winter maintenance if necessary. Mr. Pratt said operational costs are not something the MNTIFA has participated in before, but we could explore that option.

Motion: Kayem Dunn, supported by Jane Gietzen,, moved to authorize its share of estimated expenditures in the amount of \$150,000. (of which \$75,000 was previously authorized on November 12, 2014). Motion carried unanimously.

7. Board Member Discussion

Mr. Pratt said the banner installation project is coming to completion. Mr. Pratt said he is currently reaching out to volunteers for possible streetscape enhancements. Ms. Gietzen requested the latest statistics concerning the DASH North shuttle. Mr. Kirk said he will forward those numbers to the Board.

8. Public Comment

None.

10. Adjournment

The meeting adjourned at 10:15 a.m.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: August 5, 2015

TO: Howard Hansen, Chair
Monroe North Tax Increment Finance Authority

FROM: Jana M. Wallace
Monroe North Tax Increment Finance Authority Treasurer

SUBJECT: Auditing Services Contract for Fiscal Year Ended June 30, 2015

In January, 2011, a Request for Proposal (RFP) was mailed to twenty-two accounting firms for professional financial auditing services for the City and its seven associated authorities, including the MNTIFA, for the fiscal years ended June 30, 2011; June 30, 2012, and June 30, 2013. In addition to typical considerations, the RFP referenced the City's planned accounting and financial software replacement.

Five proposals were received by the deadline. The City received competitive prices from each accounting firm with a difference of only \$6,430 between the highest fee proposed and the lowest. In 2011, the staff team ranked BDO USA LLP as the best proposal based on the criteria specified in the RFP. In particular, BDO's prior experience with the City's financial records would be valuable during the financial system conversion.

Due to changes in the ownership of the Cogsdale Financial Management System (CFMS) software installed in December 2011, the "new accounting system" anticipated when the RFP was issued is being replaced since there is little technical support for the CFMS. The City has awarded a contract to CGI Financial Management Systems (CGI) to replace the CFMS. City staff began system design and implementation work in March, 2015.

Hiring a new auditing firm now would require significant effort to train a new auditing firm to use the defective CFMS system software, then a year later additional effort to train a new firm to use the CGI system software. It will be more efficient to rebid auditing services after 'going live' with the CGI system.

Prior to their February, 2011 proposal, BDO decreased their fees for the FY2009 and FY2010 City and authority audits due to negative impacts on revenues resulting from the 2008 Recession. Since then, BDO has increased its annual fees by approximately 2% annually. However, for the fiscal year ending June 30, 2015, BDO increased nearly all of its fees by 30%.

BDO's 30% fee increase for the FY2015 audits is due to the City's inadequate CFMS accounting software which increases the time required for staff and auditors to compile and verify financial data. BDO's low fees for the FY2009 through FY2014 did not fully reflect their actual costs of providing auditing services. BDO's FY2014 auditing services fees are compared to their FY2015 fees in the schedule below:

| Entity To Be Audited | FY2015 Fees | FY2014 Fees |
|--|----------------|----------------|
| City of Grand Rapids | | |
| including federal single audit | \$ 112,000 | \$ 86,200 |
| Grand Rapids Brownfield Redevelopment Authority | 5,050 | 3,900 |
| Grand Rapids Downtown Development Authority | 6,500 | 5,000 |
| Grand Rapids SmartZone LDFA | 6,250 | 4,800 |
| Grand Rapids/Kent County Joint Building Authority | 6,250 | 4,800 |
| Grand Rapids Building Authority | 6,750 | 5,200 |
| Grand Rapids Tax Increment Finance Authority | 5,600 | 4,300 |
| Grand Valley Regional Biosolids Authority | 4,000 | 3,000 |
| Audits Total Cost | \$ 152,400 | \$ 117,200 |
| Due Diligence - Official Statements for City Bonds | \$ 2,500 | \$ 2,200 |

During the past seven years BDO has provided exemplary auditing and consulting services. In February, 2015, the City Commission awarded an extension to the BDO USA, LLP contract to include financial audit and due diligence services for the fiscal year ended June 30, 2015.

Attached for your review is BDO's proposed "Agreement to Provide Audit Services" for the MNTIFA's June 30, 2015 financial audit. The City Commission has already approved BDO as the June 30, 2015 auditing services provider. However, BDO's internal policies require the approval of the "Agreement to Provide Audit Services" from each authority board.

Please contact me at jwallace@grcity.us or at 616-456-4514 if you have any questions.

Attachment



Tel: 616-774-7000
Fax: 616-776-3680
www.bdo.com

200 Ottawa Avenue NW, Suite 300
Grand Rapids, MI 49503

Agreement to Provide Audit Services

This Agreement is made as of July 27, 2015 between The Grand Rapids Tax Increment Financing Authority, a Michigan municipal corporation, 300 Monroe Avenue NW, Grand Rapids, Michigan ("the Client") and BDO USA, LLP, a limited liability partnership ("BDO" or "the Auditor").

Objectives and Scope of the Audit

BDO USA, LLP will audit the financial statements of the Client as of and for the year ended June 30, 2015. Management's discussion and analysis and the supplementary schedules of projects, net position by district and activities by district accompanying the financial statements will not be subjected to the auditing procedures applied in the audit of the basic financial statements, and the auditor's report will not provide an opinion or any assurance on such information.

Responsibilities of BDO

The Auditor will conduct the audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Those standards require that the Auditor plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. The Auditor's work will be based primarily upon selected tests of evidence supporting the amounts and disclosures in the financial statements and, therefore, will not include a detailed check of all of the Client's transactions for the period. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

An audit is not designed to detect errors or fraud or violations of laws or governmental regulations that are immaterial to the financial statements or to major programs. However, the Auditor will inform the Client of any material errors or fraud that comes to their attention. The Auditor will also inform the Client of possible illegal acts that come to their attention unless they are clearly inconsequential. In addition, during the course of the audit, financial statement misstatements may be identified, either through the audit procedures or through communication by Client employees to the Auditor and the Auditor will bring these misstatements to the Client's attention as proposed adjustments. At the conclusion of the engagement the Auditor will communicate to those charged with governance (as defined below) all uncorrected misstatements.

The term "those charged with governance" is defined as the persons with responsibility for overseeing the strategic direction of the Client and obligations related to the accountability of the Client, including overseeing the financial reporting process. For the Client, the Auditor and Client agree that the Board of the Grand Rapids Tax Increment Financing Authority (the Board) meets that definition.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

In making risk assessments, the Auditor will consider internal control relevant to the Client's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Client's internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses in internal control. However, the Auditor will communicate to the Client and the Board in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that the Auditor identifies during the audit. The Client authorizes the Auditor to immediately disclose any and all findings of suspected fraud to the Deputy State Treasurer in charge of the Local Audit Division of the State of Michigan Department of Treasury.

The Auditor is also responsible for communicating with the Fiscal Committee what the Auditor's responsibilities are under GAAS, an overview of the planned scope and timing of the audit, and significant findings from the audit.

Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

The audit will be conducted on the basis that the Client and the Board acknowledge and understand that the Client has responsibility (1) for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; (2) for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; (3) for identifying and ensuring that the Client complies with the laws and regulations applicable to its activities; and (4) to provide the Auditor with access to all information of which the Client and the Board are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters.

Management is responsible for recording proposed audit adjustments in the financial statements, after evaluating their propriety based on a review of both the applicable authoritative literature and the underlying supporting evidence from the Client's files; or otherwise concluding and confirming in a representation letter (as further described below) provided to the Auditor at the conclusion of the audit that the effects of any uncorrected misstatements are, both individually and in the aggregate, immaterial to the financial statements taken as a whole. The Auditor will communicate to the City Comptroller and the Chief Financial Officer, and when the Auditor deems it appropriate, to the Client's governing body (Commission, Board or Authority) all such unrecorded adjustments. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a corrective action plan.

As required by GAAS, the Auditor will request certain written representations from management at the close of the audit to confirm oral representations given to the Auditor and to indicate and document the continuing appropriateness of such representations and reduce the possibility of misunderstanding concerning matters that are the subject of the representations. Because of the importance of management's representations to an effective audit, the Client agrees, subject to prevailing laws and regulations, to release and indemnify BDO and its employees from any liability and costs relating to our services rendered under this Agreement attributable to any knowing misrepresentations by management.

Expected Form and Content of the Auditor's Report

At the conclusion of the audit, the Auditor will submit to the Client a report containing the Auditor's opinion as to whether the financial statements, taken as a whole, are fairly presented based on accounting principles generally accepted in the United States of America. The Client will distribute the reports to the governing bodies at their next scheduled meetings. The examination shall begin as soon after the signing of this agreement as shall be convenient to both parties and shall be completed no later than November 30 of each year, assuming appropriate cooperation by the Client to enable the Auditor to complete such audit by November 30, or as otherwise mutually agreed to by the parties. If, during the course of the Auditor's work, it appears for any reason that the Auditor will not be in a position to render an unmodified opinion on the financial statements, the Auditor will discuss this with the Client. It is possible, that because of unexpected circumstances, the Auditor may determine that they cannot render a report or otherwise complete the engagement. If, for any reason, the Auditor is unable to complete the audit or are unable to form or have not formed an opinion, the Auditor may decline to express an opinion or decline to issue a report as a result of the engagement. If, in the Auditor's professional judgment, the circumstances require, the Auditor may resign from the engagement prior to completion.

Client Reacceptance Matters

BDO is retaining The Grand Rapids Tax Increment Financing Authority as a client in reliance on information obtained during the course of the Auditor's continuing client reacceptance procedures. Kevin Muntter has been assigned the role of engagement partner, and he is responsible for directing the engagement and issuing the appropriate report on the Client's financial statements.

Email Communication

In connection with this engagement, the parties may communicate with each other or others via email transmission. The parties acknowledge that emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties. The parties agree that any material that will end up as part of a public document is suitable to transmit by email, as well as all matters of a routine nature such as setting up meetings. However, the parties agree to exercise care and discretion in their communications regarding sensitive matters; for such matters, they agree to use personal contact. The Client, upon request, will continue to disclose what is required by law under the Freedom of Information Act (FOIA).

Ownership of Working Papers

The working papers prepared in conjunction with the audit are the property of BDO, constitute confidential information, and will be retained by the Auditor in accordance with BDO's policies and procedures. However, upon request by the Client, the Auditor may provide the Client, without charge, copies of such workpapers, as appropriately redacted by the Auditor, if necessary.

However, pursuant to authority given by law or regulation, the Auditor may be requested to make certain working papers available to authorized representatives of the State Treasurer upon formal request by the State Treasurer, the Client's oversight agency, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. The Auditor will notify the Client of any such request. If requested,

access to such working papers will be provided under the supervision of BDO personnel and at a location designated by BDO. Furthermore, upon request, the Auditor may provide photocopies of selected working papers to the aforementioned parties. These parties may intend or decide to distribute the photocopies of information contained therein to others, including other governmental agencies.

Reproduction of Audit Report

If the Client plans any reproduction or publication of the audit report, or any portion of it, copies of masters' or printers' proofs of the entire document should be submitted to BDO in sufficient time for its review and approval before printing. The Client agrees to provide BDO with a copy of the final reproduced material for its approval before it is distributed.

Posting of Audit Report and Financial Statements on City's Website

The Client agrees to indemnify BDO from any and all claims that may arise from any differences between the electronic version of the financial statements and audit report presented on the Client's website, now and in the future, and the signed version of the financial statements and audit report provided to the Client's management by BDO.

Review of Documents for Issuance of Debt

The audited financial statements and our report thereon should not be provided or otherwise made available by the Client to recipients of any document to be used in connection with the issuance of debt without first submitting copies of the document to the Auditor in sufficient time for the Auditor's review and approval.

Availability of Records and Personnel

The Client shall complete and balance all accounts and prepare financial statements and schedules for all funds, operations and agencies to be audited by the Auditor, and shall provide the Auditor with space deemed adequate by the Auditor for the efficient conduct of the audit. The Client shall provide the Auditor, for its use and retention, with copies of these financial statements and schedules and shall provide the Auditor with trial balances of the various funds, operations and agencies in a form acceptable to the Auditor. The Auditor shall be responsible for the typing and proofing of the financial reports.

The Client agrees that all records, documentation and information the Auditor requests in connection with the audit will be made available to the Auditor (including those pertaining to related parties), that all material information will be disclosed to the Auditor and that the Auditor will have full cooperation of, and unrestricted access to, the Client's personnel during the course of the engagement.

The Client also agrees to ensure that any third party valuation reports that the Client provides to the Auditor to support amounts or disclosures in the financial statements (a) indicate the purpose for which they were intended, which is consistent with the actual use of such reports; and (b) do not contain any restrictive language that would preclude the Auditor from using such reports as audit evidence.

Assistance by the City's Personnel

The Auditor also asks that the Client's personnel, to the extent possible, prepare various schedules and analyses for the Auditor's staff. This assistance by the Client's personnel will serve to facilitate the progress of the Auditor's work and minimize costs to the Client.

Other Services

The Auditor shall always be available to meet with the Client's management at various times throughout the year to discuss current business, operational, accounting and auditing matters affecting the Client. Whenever the Client's management feels such meetings are desirable, the Client shall notify the Auditor. The Auditor is also prepared to provide services to assist the Client in any of these areas. The Auditor also agrees, at the request of Client's management, to attend meetings of the Client's governing body.

Independence

Professional standards require the Auditor to be independent with respect to the Client in the performance of its services. Any discussions that the Client's management has with the Auditor's personnel regarding employment could pose a threat to the Auditor's independence. Therefore, the Auditor requests that the Client inform the Auditor prior to any such discussions so that the Auditor can implement appropriate safeguards to maintain its independence.

Insurance and Hold Harmless

Prior to execution of this Agreement, the Auditor provided the Client with documentation that it has professional liability, general liability and workers' compensation insurance. The Client has found such insurance to be acceptable. The Auditor agrees to keep similar levels and types of insurance coverages in force throughout the period it performs services pursuant to this Agreement, or to advise the Client in advance in writing if it intends to significantly reduce any such coverage.

The Auditor agrees to hold the Client harmless from any and all physical injury to the person or damage to the property of, or any loss or expense incurred by any employee of the Client pursuant to such physical injury or damage, which arises out of or pursuant to the Auditor's performance under this Agreement. The Auditor shall also hold the Client harmless from any claims by the Auditor's employees arising out of, or pursuant to, the Auditor's and/or employee's performance under this Agreement, except to the extent cause by the negligence, gross negligence or intentional misconduct on the part of Client or its employees or agents. The Auditor agrees to hold the Client harmless for any injuries to persons, or any injury, loss, expense or damage to property caused by the Auditor's employees except to the extent cause by the negligence, gross negligence or intentional misconduct on the part of Client or its employees or agents.

Equal Opportunity

The Auditor agrees not to discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to her/his hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of her/his race, color, religion, national origin, age, sex, height, weight or marital status. Breach of this covenant may be regarded as material breach of this Agreement as provided for in Act 453 of the Public Acts of 1976, as amended, entitled "Michigan Civil Rights Act." The Auditor further agrees to review and examine with the Client relevant employment data and other information pertaining to its hiring practices. The Auditor further agrees that it will require similar covenants from any subcontractor under this Agreement.

Dispute Resolution Procedure

If any dispute, controversy, or claim arises in connection with the performance or breach of this agreement, either party may, upon written notice to the other party, request facilitated negotiations. Such negotiations shall be assisted by a neutral facilitator acceptable to both parties and shall require the best efforts of the parties to discuss with each other in good faith their respective positions and, respecting their different interests, to finally resolve such dispute.

Each party may disclose any facts to the other party or to the facilitator that it, in good faith, considers necessary to resolve the dispute. However, all such disclosures will be deemed in furtherance of settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the facilitator shall keep confidential all information disclosed during negotiations. The facilitator shall not act as a witness for either party in any subsequent arbitration between the parties.

Such facilitated negotiations shall conclude within sixty days from receipt of the written notice unless extended by mutual consent. The parties may also agree at any time to terminate or waive facilitated negotiations. The costs incurred by each party in such negotiations will be borne by it; the fees and expenses of the facilitator, if any, shall be borne equally by the parties.

If the parties are unable to resolve any dispute through the facilitated negotiation, they agree that the state courts of Michigan located in the City of Grand Rapids and the U.S. District Court - Western District of Michigan, are the only proper forums and venues for the filing of any legal proceedings in connection with the agreement and the services provided pursuant to it.

Fees

The Grand Rapids Tax Increment Financing Authority as Client agrees to pay the Auditor for the services described above a flat fee of \$5,600 for the year ending June 30, 2015, plus \$2,500 for each due diligence associated with the issuance of debt during the term of this Agreement. Charges for other services will be agreed to separately in writing. The flat fee includes our out-of-pocket expenses.

Should unusual conditions arise whereby the services of the Auditor are deemed necessary beyond the extent of the work required in the preceding sections, such unusual conditions shall be referred to the Client's management, which shall instruct the Auditor concerning such additional services.

Any additional services must be agreed to in writing by both parties. For additional services agreed to beyond those covered by the fees stated above, detailed bills, specifying hours worked by the various auditor classifications and the hourly rate of each classification, along with the services performed, will be submitted to the Client by the Auditor on a monthly or other periodic basis with payment terms of net due upon receipt. If the Client fails to make payments promptly on receipt of proper bills, the Auditor reserves the right to stop work on the engagement.

Third Party Use

The Auditor will perform the professional services provided in connection with this engagement solely for the information and use of the Client and federal awarding agencies and pass-through entities. The Auditor does not anticipate and does not authorize reliance by any other party on

its professional services. Any amendment to this provision must be made through a written document signed by the Client and BDO.

Miscellaneous

This Agreement is intended to cover only the services specified herein. This Agreement is the whole agreement and may be amended only in a writing executed by all parties. This engagement is a separate and discrete event, and any future services will be covered by a separate agreement to provide services.

Many banks have engaged a third party to electronically process cash or debt audit confirmation requests, and a few of those banks have mandated the use of this service. To the extent applicable, the Client hereby authorizes the Auditor to participate in this electronic confirmation process through the third party's website (e.g., by entering the Client's bank account information to initiate the process and then accessing the bank's confirmation response) and agrees that the Auditor shall have no liability in connection therewith.

This Agreement may be transmitted in electronic format and shall not be denied legal effect solely because it was formed or transmitted, in whole or in part, by electronic record; however, this Agreement must then remain capable of being retained and accurately reproduced, from time to time, by electronic record by the parties to this Agreement and all other persons or entities required by law. An electronically transmitted signature to this Agreement will be deemed an acceptable original for purposes of consummating this Agreement and binding the party providing such electronic signature.

Any portion of the work requiring a license or certification of any type shall be performed only in accordance with the licensing or certification provisions applicable.

The Auditor shall keep itself fully informed of and shall at all times comply with all local, state and federal laws, rules and regulations, applicable to this Agreement and the work to be done and the goods to be provided. The Grand Rapids City Charter shall be the governing document in this and all contractual relations with the Client. The Client retains the right to determine finally all questions as to the proper performance under this Contract or any unfinished portion of it, and in case of improper, dilatory or unsatisfactory performance, to suspend the work and to order the proper performance of the work. The Client, likewise, retains full power to determine all questions arising under this contract according to the true intent and meaning thereof, all in accordance with Section II of Title XVIII of the City Charter. This Agreement shall be construed according to Michigan law.

No failure or delay on the part of a party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Contract preclude any other or further exercise of it or the exercise of any other right, power or privilege. The rights and remedies provided in this Contract are cumulative and not exclusive of any rights or remedies provided by law.

This Agreement shall not be assigned by any party without prior written consent of all parties to the Agreement.

* * * * *

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

THE GRAND RAPIDS TAX INCREMENT FINANCING AUTHORITY

By: _____
Kristopher Larson, Executive Director

Date: _____

By: _____
Howard Hanson, Chair

Date: _____


Attest: _____

Date: _____

BDO USA, LLP

By:  _____
Kevin Muntter, Partner

Date: July 27, 2015

Attest:  _____
John LaFramboise, Director

Date: July 27, 2015


MEMORANDUM

CITY OF GRAND RAPIDS

Agenda Item #4
August 12, 2015
MNTIFA Meeting

DATE: August 7, 2015

TO: Howard Hansen, Chair
Monroe North Tax Increment Financing Authority

FROM: Eric Pratt, Planner 
Project Manager

SUBJECT: Request for Funding to Relocate Existing Overhead Power Lines Underground
along Mason Street, Between Monroe Avenue NW and Ottawa Avenue NW

On January 8, 2014 the MNTIFA Board adopted a resolution consenting to the granting of an Obsolete Property Rehabilitation Exemption Certificate (O.P.R.E.) to Lofts on 820, LLC, for the rehabilitation of the building located at 820 Monroe Avenue NW, otherwise known as the Sackner Products Plant No. 2. If the Board recalls, under the OPRE program, a portion of the taxes that are paid on the improvements are abated for a period of up to 10 years. Work began on this project in the spring of 2014 and substantial completion is expected by either late fall or early winter of this year.

Recently, our office was informed that due to the proximity of a single bank of overhead power lines, the developer would be unable to complete exterior work, including façade restoration and installation of operable window, on approximately six (6) upper level units because of Federal worker safety standards. The Federal Occupational Safety and Health Administration (O.S.H.A.) require that an eight (8) foot buffer be provided when working next to overhead power lines. However, because the power lines are located less than eight (8) feet away from the north face of the building, the developer is unable to comply with this standard.

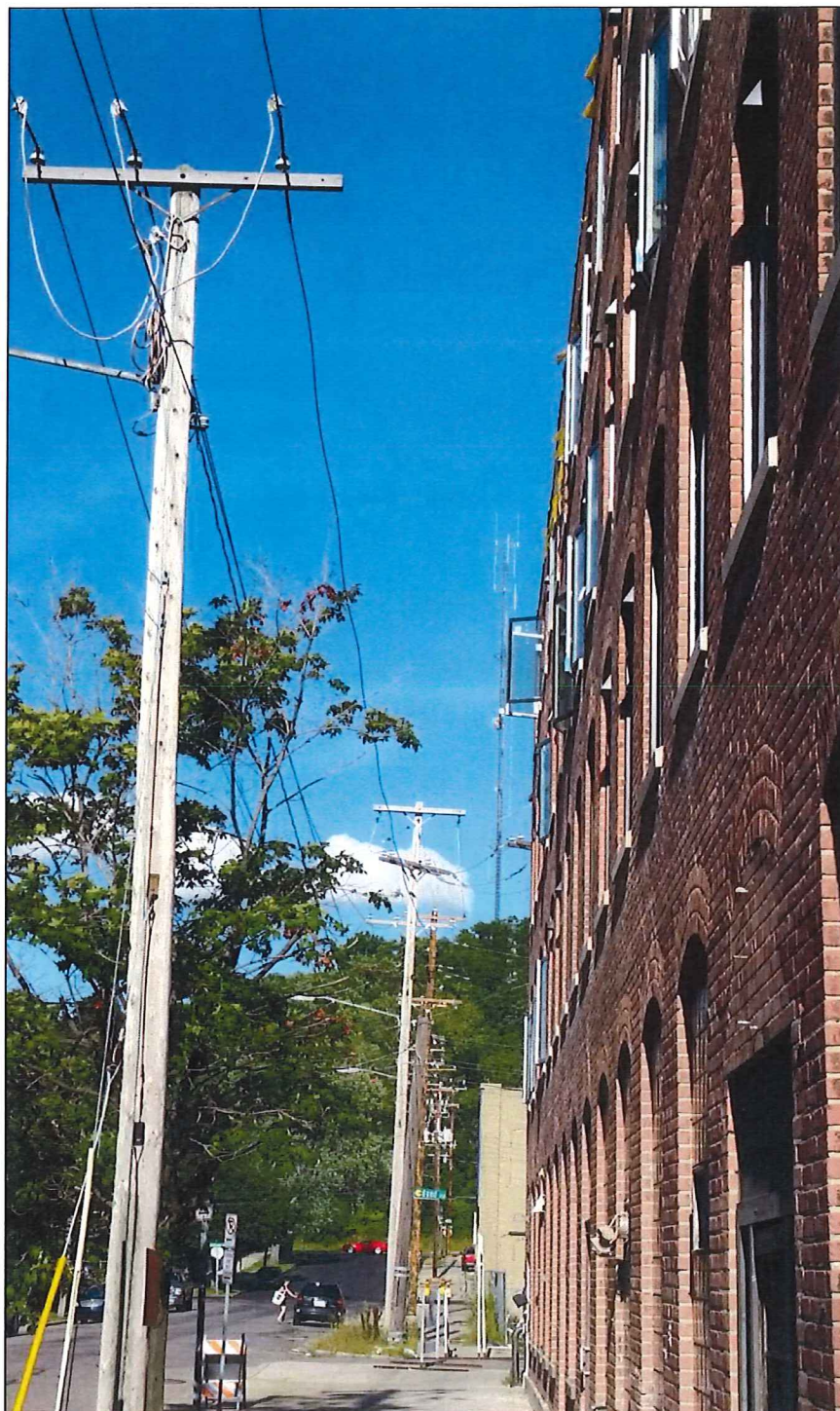
In an attempt to remedy the situation, the developer contacted the owners of the facilities, the City of Grand Rapids, to see if the service could be temporary shut-off so that work on the exterior can be completed. However, because this particular bank of overhead power lines serves as a central connecting point for other city facilities in the neighborhood; the city informed the developer that they would be unable to temporarily discontinue the service.

After additional consideration, it has been determined that the best course of action would be to relocate the overhead facilities underground. Relocation of the facilities underground would allow for compliance with worker safety standards, promote full utilization of the building, improve the appearance of the neighborhood and eliminate what potentially could be an unattractive nuisance, plus allow the installation of operable windows.

Enclosed in your packet is an engineering estimate for this work.

Recommendation: That the MNTIFA Board authorize up to \$86,630.00 for the City of Grand Rapids to relocate existing overhead power lines, located along Mason Street NW, underground.

Attachment.
Existing Conditions – 820 Monroe Avenue NW



820 MONROE - ENGINEERING ESTIMATE FOR PRIMARY RE-LOCATION

| <u>UNITS</u> | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>EXTENDED COST</u> |
|---|------------------------|-------------------------|-----------------------------|
| CONDUIT, CONCRETE ENCASED, (6) - 4" PVC | 300 | 60 | \$18,000 |
| MANHOLE & MANHOLE PACKAGE | 1 | 12000 | \$12,000 |
| PRIMARY RISER | 1 | 2700 | \$2,700 |
| CONDUIT, CONCRETE ENCASED, (4) - 4" PVC | 80 | 50 | \$4,000 |
| PRIMARY CABLE BY CITY | 470 | 30 | \$14,100 |
| POLE AND CUT WORK BY CITY | 1 | 10000 | \$10,000 |
| SIDEWALK REMOVAL | 347 | | \$2,000 |
| SIDEWALK RESTORAL | 347 | | \$4,400 |
| HTMA | | | 1000 |
| SUBTOTAL | | | \$68,200 |
| DESIGN & CEI ENGINEERING | | | \$8,200 |
| CONTINGENCIES (15%) | | | \$10,230 |
| TOTAL | | | \$86,630 |