



**GRAND TRAVERSE COUNTY ECONOMIC DEVELOPMENT CORPORATION
EXECUTIVE COMMITTEE**

Monday, July 24, 2023, at 1:30 pm
Governmental Center, Great Lakes Conference Room
400 Boardman Ave. Traverse City MI, 49684

General Meeting Policies:

- ❖ Please turn off all cell phones or switch them to silent mode.
- ❖ Any person may make a video, audio or other record of this meeting. Standing equipment, cords, or portable microphones must be located so as not to block audience's view.

1. CALL TO ORDER:

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT/INPUT

Any person shall be permitted to address a meeting of the Economic Development Corporation Board of Directors, which is required to be open to the public under the provisions of the Michigan Open Meetings Act, as amended. (MCLA 15.261, et. seq.) Public comment shall be carried out in accordance with the following County Board Rules and Procedures:

- Any person wishing to address the Corporation Board shall state his or her name and address.
- Persons may address the Corporation Board on matters, which are relevant to county government issues.
- No person shall be allowed to speak more than once on the same matter, excluding time *needed* to answer Corporation Board questions. The Chairperson shall control the amount of time each person shall be allowed to speak, which shall not exceed three (3) minutes; except as follows:
 - › Chairperson may at his or her discretion, extend the amount of time any person is allowed to speak.
 - › Whenever a group wishes to address the Authority, the Chairperson may require that the group designates a spokesperson; the Chairperson shall control the amount of time the spokesperson shall be allowed to speak, which shall not exceed fifteen (15) minutes.

4. APPROVAL OF AGENDA

5. ORDER OF BUSINESS:

1. Request to support proposal from Traverse Connect (Attached)
2. Update on strategic plan tasks (Attached)

6. OLD BUSINESS:

7. SECOND PUBLIC COMMENT (Refer to Rules under Public Comment/Input above.)

8. NOTICES:

9. CLOSED SESSION: (IF NEEDED)

10. ADJOURNMENT



Proposal: Industry Cluster Business Attraction & Marketing Campaign

Drawing on GT EDC's Strategic Plan's stated goal to "Support initiatives, events, or programs that promote the area to new businesses or will help grow local businesses", Traverse Connect proposes the following services:

Goal / Call to Action: *Get Inspired to Move Your Business - a targeted outreach and marketing campaign to reach businesses seeking new locations, expansion/satellite offices, new HQs*

Outcome: *Let us help you Move Your Business - i.e., building the pipeline of businesses Traverse Connect can support with its business relocation and expansion concierge services, as outlined in the existing Grand Traverse County contract*

Deliverables:

- LinkedIn Social Media Campaign: targeting industry-specific innovation hubs, startups, manufacturers in target industries
- Promotional and print material for expos that highlights Grand Traverse County as a 'great place to locate a business' e.g.: Move Your Blue Economy Business postcard, Business Attraction for industry-specific clusters
- Outreach Templates: One-pagers by industry cluster, PPT templates
- "Move Your Business" webpage upgrade and revamp with direct call to action
- Direct Outreach: Research and targeted outreach to target companies to build out a pipeline
- Attendance at strategically targeted industry-cluster events both locally and elsewhere such as e-mobility, outdoor recreation technology, blue economy/marine technology, life sciences/rural health innovation, value-added agtech, drone aviation, equine technology
 - Attendance/sponsorship at 2-3 x locally held events: e.g. CAR conference, Lakebed 2030, North American Space Summit, Outdoor Rec
 - Attendance/sponsorship at 2-3 x conferences/expos elsewhere: e.g. e-boat innovation demos/expos, mobility/auto events in Detroit
- Recognition of GT EDC 'sponsorship' via co-branded graphics and print and digital marketing collateral used in business attraction social media narratives, distributed print materials, and at events and presentations.

Timeline: This sponsorship agreement begins September 1, 2023, and continues through August 31, 2024.

Sponsorship: \$40,000



**EXPAND YOUR
BLUE ECONOMY BUSINESS TO
TRAVERSE CITY
MICHIGAN**

THE EPICENTER FOR
FRESHWATER
RESEARCH, INDUSTRY &
INNOVATION



234
MILES OF LAKE
MICHIGAN SHORELINE
10,418 ACRES OF
INLAND LAKES

MICHIGAN'S
COMMITMENT TO
E-MOBILITY

**MOVE
YOUR
BUSINESS
HERE**

BOATING
CAPITAL
OF THE
MIDWEST

21%
EARTH'S FRESHWATER
SUPPLY IN THE
GREAT LAKES

traverseconnect.com/northern-michigans-blue-economy



EDC Strategic Plan

EDC Board of Directors -- adopted
December 8, 2022



Vision: Grand Traverse County Economic Development Corporation -- helping Northern Michigan residents economically thrive.

Mission: The Grand Traverse County Economic Development Corporation, primarily through the issuance of revenue bonds, will support projects and initiatives that positively impact the regional economy.

Strategic Goals and Objectives

INTERNAL AND ORGANIZATIONAL		
Strategies	Tasks	Completion
Reduce the size of the EDC board and the frequency of meetings.	Review and revise EDC bylaws as may be necessary.	First quarter of 2023
Establish an executive committee to review potential revenue bond projects.	Review and revise EDC bylaws as may be necessary.	First quarter of 2023

Use fees generated from the issuance of tax-exempt revenue bonds to support the following strategies and other strategies that may be authorized under Public Act 338 of 1974.

EXTERNAL AND PROGRAMMATIC		
Strategies	Tasks	Completion
Partner with Traverse Connect to market EDC tax-exempt bonds to businesses, financial institutions, nonprofits, and developers.	<ol style="list-style-type: none">1. Market EDC tax-exempt bonds to businesses2. Publish a website or webpage dedicated to tax-exempt revenue bonds3. Assist applicants in applying for EDC bonds	First quarter of 2023 Completed

<p>In partnership with Traverse Connect, support initiatives, events, or programs that promote the area to new businesses or will help grow local businesses.</p>	<ol style="list-style-type: none"> 1. Participation in key economic development events. Examples: <ol style="list-style-type: none"> a. CAR conference b. North American Space Summit c. NMC Lakebed 2030 Conference 2. Support or provide funding for specific initiatives and studies. Examples: <ol style="list-style-type: none"> a. Drone Infrastructure b. Marine Electrification c. Mobility and Outdoor Recreation 	<p>On Going</p>
<p>Support efforts to make the zoning and construction permitting and inspection processes “business friendly”, i.e. fast fair and predictive.</p>	<ol style="list-style-type: none"> 1. Re-start Northern Nexus as means to better coordinate planning and zoning 2. Perform a comprehensive evaluation of the area’s development approval and permit processes 3. Seek home builders’ association and NW builders exchange input on improvements to the processes 4. Develop a universal land use permit application to be used by all local units of government 5. Develop a plan to coordinate inspections 6. Promote the expansion of EPIC GT to all local units of government 	<p>Fourth quarter of 2024</p> <ul style="list-style-type: none"> • Item 1: Meeting held in June with Township and City officials to discuss restarting Northern Nexus • Item 2: No progress • Item 3: Meeting held in March with HBA and Builders Exchange. A follow up presentation to HBA members in May • Item 4: No progress • Item 5: No progress • Item 6: EPIC GT being implemented for Cherry Capital Airport and plan to be implemented for Long Lake and Acme Townships



Memorandum

Grand Traverse County
County Administration
400 Boardman Avenue
Traverse City, Michigan 49684
(231) 922-4780

TO: Beth Friend, East Bay Township Supervisor
Chuck Korn, Garfield Township Supervisor
Nate Alger, County Administrator
Nate Geinzer, Interim City Manager
Nicole Blonshine, Blair Township Supervisor

FROM: Chris Forsyth, Deputy County Administrator *CJF*

DATE: June 13, 2023

SUBJECT: Next Michigan Development Corporation; Northern Nexus

I am providing you with this memo to aid in the discussion of the future of Northern Nexus, which is a Next Michigan Development Corporation (NMDC). In 2022, the County Economic Development Corporation (EDC) Board of Directors updated its strategic plan. The EDC's strategic plan includes the long-term goal of making local zoning and construction permitting processes "business friendly". The Board identified the task of restarting Northern Nexus as the means to achieve this goal. Specifically, the EDC Board envisioned Northern Nexus as a mechanism to better "coordinate planning and zoning."

Northern Nexus is an NMDC created under the Next Michigan Development Act, Public Act 275 of 2010. This Act authorizes the Michigan Strategic Fund (MSF) Board, the oversight board for the Michigan Economic Development Corporation, to designate up to seven NMDCs in Michigan. An NMDC is composed of local government units – county, city, village, township, or charter township. The local governmental units can establish the NMDC through an application to the MSF board that also includes an interlocal agreement executed by the local governmental units intending to create the NMDC.

If the MSF Board approves the application and the NMDC is created, it is then empowered to offer tax and TIF incentives with the boundaries of a NMDC district for the purpose of assisting or encouraging multi-modal transportation businesses to build or expand within the NMDC's territorial boundaries. A multi-modal transportation business is a "logistics" based business engaged in one of the following:

1. Shipment of tangible personal property via two or more of air, road, rail, or water;

2. A supply chain business that is mostly involved in the shipment or inventory via multi-modal transportation;
3. Manufacturing or assembly facility receiving majority of its components via multimodal commerce;
4. Light manufacturing or assembly facility that packages, kits, labels or customizes products or ships these products via multimodal commerce.

The incentives an NMDC can offer are establishing renaissance zones, personal property tax exemptions, and industrial facilities tax exemptions. In addition, an NMDC can also utilize tax increment financing to fund public infrastructure improvements. An NMDC is also empowered to assist in site selection, marketing, and business attraction. It can also recommend to the local governmental units streamlining local permitting processes.

As indicated, Northern Nexus is one of the seven NMDCs in Michigan. The other six are:

1. I-69 International Trade Corridor
2. Port Lansing
3. Detroit Regional Aerotropolis
4. West Michigan Economic Partnership
5. Superior Trade Zone
6. Detroit NMDC

The MSF Board approved the creation of Northern Nexus in 2012. My understanding is that the efforts to establish an NMDC in our region came out of a workgroup composed of representatives with NMC, Cherry Capital Airport, the Traverse Bay Economic Development Corporation (defunct), and the Chamber of Commerce (now Traverse Connect). After its formation, it has only approved two or three tax exemptions. The Northern Nexus Board has not met regularly for the last seven or eight years.

I have attached to this memo the interlocal agreement creating Northern Nexus, a short presentation that describes the background in the creation of Northern Nexus as well as its objectives and tools, and a memo from John Sych, former County Planning Director (currently Garfield Township Planning Director) that provides comments and recommendations related to streamlining permitting.

Please let me know if you have any questions concerning the above.



**GRAND TRAVERSE COUNTY
ADMINISTRATION OFFICE**

400 BOARDMAN AVENUE
TRAVERSE CITY, MI 49684-2577

DENNIS ALOIA, ADMINISTRATOR 231/922-4780
BOARD OF COMMISSIONERS 231/922-4797

November 21, 2011

The Honorable Governor Rick Snyder
P.O. Box 30013
Lansing, Michigan 48909

**Re: Grand Traverse Region
Next Michigan Development Corporation Interlocal Agreement**

Dear Governor:

The Grand Traverse region is proud to submit a completed and signed interlocal agreement for the formation of a Next Michigan Development Corporation. The agreement is based upon the partnership of Grand Traverse County, City of Traverse City, Garfield Charter Township, East Bay Charter Township and Blair Township. However, the agreement allows for additional communities to join in the future. This partnership, in collaboration with the Michigan Economic Development Corporation (MEDC), is engaged and ready to implement the tools of a Next Michigan Development Corporation to create jobs and facilitate the growth of businesses engaged in multi-modal commerce in northwest Michigan.

According to PA 275 of 2010, the Next Michigan Development Act, the interlocal agreement shall be approved by the Governor prior to submission of a formal application to the Michigan Strategic Fund Board. Please accept this interlocal agreement for your consideration and approval. To comply with the timeline put in place by the MEDC, we are requesting your approval by December 15th to enable a formal application to be made to MEDC in January, 2012.

If you have any questions or require additional information, please contact Mr. John Sych, Grand Traverse County Planning & Development Director at (231) 922-4677 or at jsych@grandtraverse.org

Respectfully submitted,

Dennis Aloia
County Administrator

cc: Michael A. Finney, Michigan Economic Development Corporation



RECYCLED PAPER

INTERLOCAL AGREEMENT

TO CREATE THE

**GRAND TRAVERSE REGION
NEXT MICHIGAN DEVELOPMENT CORPORATION**

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This INTERLOCAL AGREEMENT is entered into pursuant to Act 7 (hereinafter defined), by and among the signatory parties hereto ("Parties") for the purpose of creating the GRAND TRAVERSE REGION NEXT MICHIGAN DEVELOPMENT CORPORATION (hereinafter, the "Corporation"), a separate legal entity and public body corporate, to administer the economic development objectives and purposes set forth herein. Each of the Parties is a "public agency" as defined in Act 7 with the power to carry out the programs described in this Agreement.

RECITALS

A. The Parties have determined that attracting businesses engaged in multi-modal commerce offers significant economic development opportunities and benefits.

B. The Urban Cooperation Act of 1967, Act No.7 of the Public Acts of Michigan, 1967, Ex. Sess., MCL 124.501 *et seq.* ("Act 7"), permits a public agency of the state to exercise jointly with any other public agency any power, privilege or authority which such public agencies share in common and which each might exercise separately.

C. The Parties desire to enter into an interlocal agreement, pursuant to Act 7, to jointly create a Next Michigan Development Corporation in the Grand Traverse region, and to exercise the economic development powers shared by the Parties.

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. To the extent that State law is enacted or amended subsequent to the execution date of this Agreement to provide for powers which may be exercised by the Corporation, the Parties desire and intend that the Corporation created herein be fully empowered and authorized to exercise such powers to the full extent authorized by law from and after such enactment or amendment, without further amendment to this Agreement, subject only to the limitations set forth in this Agreement.

F. 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), as amended, MCL 124.501 to 124.512.

Section 1.02 “Act 34” means the Revised Municipal Finance Act, Act No. 34 of the Public Acts of Michigan, 2001, as amended, MCL 141.2101 to 141.2821.

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 the Next Michigan Development Act, Act No. 275 of the Public Acts of Michigan, 2010, as amended, MCL 125.2951 to 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 Michigan 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 “Corporation” means the Grand Traverse Region Next Michigan Development Corporation created by this Agreement, a separate legal entity and public body corporate, to administer the economic development objectives and purposes set forth herein.

Section 1.10 “Next Michigan Development Area” or “NMDA” means that term as may be hereafter defined in Act 281, as amended.

Section 1.11 “Next Michigan Development Zone” or “Zone” means that term as may be hereafter defined in Act 376, as amended.

Section 1.12 “Grand Traverse Region Coordinated Development Plan” means an overall conceptual design plan adopted by the Corporation pursuant to Section 5.03 of this Agreement to encourage the coordinated and orderly development of the Grand Traverse region, including the recommended designation of land uses by the Local Government Parties under relevant provisions of the Zoning Act. The Grand Traverse Region Coordinated Development 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 and any necessary implementing ordinance of the governing body of the Local Government Party.

Section 1.13 “Agreement” means this Interlocal Agreement, dated as of the Effective Date.

Section 1.14 “Authority District” means that term as defined in Act 281.

Section 1.15 “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 1.16 “Corporation Board” means the board of the Corporation created by section 6.01 of this Agreement.

Section 1.17 “County Party” shall mean any Party organized as a Michigan county.

Section 1.18 “Days” means calendar days, unless otherwise expressly provided.

Section 1.19 “Effective Date” means the later of the dates on which a fully executed copy of this Agreement, pursuant to Section 10 of Act 7, is (i) filed with Michigan Department of State, Office of the Great Seal, and (ii) filed with the County Clerk of each county where a Party to this Agreement is located.

Section 1.20 “Eligible Next Michigan Business” means that term as may be hereafter defined in Act 275, as amended, and in Section 3 of the Michigan Economic Growth Authority Act, Act No. 24 of the Public Acts of Michigan, 1995, as amended, MCL 207.801 to 207.810, and other relevant state law.

Section 1.21 “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.

Section 1.22 “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 1.23 “Local Government Party” shall mean any Party organized as a Michigan city, village or township.

Section 1.24 “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 1.25 “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 1.26 “Party” or “Parties” means, either individually or collectively as applicable, each County Party and Local Government Party which is a signatory to this Agreement.

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 (hereinafter defined).

Section 1.31 “State” means the State of Michigan.

Section 1.32 “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 381, if those taxes were being captured by such other authorities on the Effective Date.

Section 1.33 “TIF Plan” means a Development Plan and a tax increment financing plan as those terms are defined and used in Act 281.

Section 1.34 “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 GRAND TRAVERSE REGION
NEXT MICHIGAN DEVELOPMENT CORPORATION

Section 2.01 Creation and Legal Status of the Grand Traverse Region Next Michigan Development Corporation. There is hereby created a separate legal entity and public body corporate to be known as the “Grand Traverse Region Next Michigan Development Corporation” for the purpose of administering and executing this Agreement. The Corporation shall have all of the powers granted by law and in this Agreement.

Section 2.02 Geographic Boundaries. The boundaries of the Corporation within which it may exercise its powers shall be 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 400 Boardman Avenue, Traverse City, Michigan 49684, 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 U.S.C. §115, or any corresponding provisions of any future tax code. The Parties also intend and declare the activities of the Corporation to be of the same character as “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 tax under the Michigan Business Tax Act, Act No. 36, Public Acts of Michigan, 2007, as amended, MCL 208.1101 to 208.1601, and ad valorem property taxes under Act No.

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, state, and local laws, rules, regulations, and orders applicable to this Agreement.

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 Corporation Board 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 subject to the standards of conduct set forth in Act No. 196, Public Acts of Michigan, 1973, as amended, MCL 15.341 to 15.348.

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 in particular, as may be hereafter recognized by statute, and to attract facilities engaged in the shipment of tangible personal property via multi-modal commerce in accordance with State law, and shall further 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 geographic boundaries of the Corporation. Shared powers shall include the coordination of complementary local programs and functions of the Parties. To the extent that State law is enacted or amended subsequent to the execution date of this Agreement to provide for powers which may be exercised by the Corporation, as may be hereafter recognized by statute, including, by way of example and not limitation, the powers to designate Next Michigan Development Zones and Next Michigan Development Areas and to grant tax abatements to eligible businesses, as may be hereafter recognized by statute, the Parties desire and intend that the Corporation created herein be fully empowered and authorized to exercise such powers to the full extent authorized by law from and after such enactment or amendment, 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 authority related to economic development 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 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:

- (1) Make or enter into contracts;
- (2) Employ agencies or employees;
- (3) Acquire, construct, manage, maintain, or operate buildings, works, or improvements;
- (4) Acquire, own, hold, operate, maintain, lease, or sell real or personal property and dispose of, divide, or distribute any property.
- (5) Incur debts, liabilities, or obligations that, except as expressly authorized by resolution of a Party, do not constitute the debts, liabilities, or obligations of any of the Parties;
- (6) 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;
- (7) Make loans from the proceeds of gifts, grants, assistance funds, or bequests in order to further its purposes;
- (8) Form other entities necessary to further the purposes of the Agreement; and
- (9) Sue and be sued.

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

- (1) Fix and collect charges, rates, rents, fees, loan repayments, loan interest rates, or other charges on loans;
- (2) Promulgate necessary rules and provisions for their enforcement by or with the assistance of the Parties to accomplish the purposes of this Agreement;
- (3) 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;

- (4) Make claims for federal or state aid payable to a Party on account of the execution of this Agreement;
- (5) Respond for any liabilities that might be incurred through performance of the Agreement and insure against any such liability;
- (6) 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;
- (7) Engage auditors to perform independent audits of the financial statements of the Corporation;
- (8) Invest surplus funds or proceeds of grants, gifts, or bequests and adopt an investment policy in connection therewith;
- (9) 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;
- (10) 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
- (11) 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 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.

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 informational 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. In accordance with Act 7, the Corporation shall not be operated for profit, and it shall perform governmental and not proprietary functions.

Section 4.08 Agreement to Finance Activities. The Parties may enter into an Agreement to finance the activities of the Corporation, establish a schedule of annual membership fees for the Corporation, utilize Tax Increment Revenues collected by the Corporation under a TIF Plan to cover the Corporation's operating expenses, and/or receive contributions of personal property, assets, and/or employees from any Party or member entity. The reasonable value of employees contributed by a party may be credited against any potential annual membership fee of the Party or other entity thereafter upon approval by the Corporation Board. Reasonable value shall be determined by the Corporation Board, in its sole discretion, based upon a proration of the time worked on behalf of the Corporation to 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.

ARTICLE V SPECIFIC POWERS OF CORPORATION; LIMITATIONS

Section 5.01 Development Criteria. The Corporation shall have the power to develop and establish development criteria for the Parties for economic development assistance. The development criteria shall apply to proposals made to the Corporation for economic development assistance within all or a part of the geographic territory of the Corporation.

Section 5.02 Grand Traverse Region Coordinated Development Plan. The Corporation, in collaboration with the Local Government Parties, shall have the power to promulgate a Grand Traverse Region Coordinated Development Plan (the "Development Plan") for that area within the boundaries of the Corporation in which the Corporation shall offer economic development incentives. The Grand Traverse Region Coordinated Development Plan may include proposed land uses to be recommended to the Local Government Parties' consideration with respect to the Local Government Parties' zoning regulations. The Grand Traverse Region Coordinated Development Plan shall be submitted to the Local Government Parties for approval prior to implementation.

Section 5.03 Application Criteria and Review; Incentives; Approval. 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 with respect to 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 State officials having subject matter jurisdiction in respect of applications and approvals; to monitor the performance of applicants; and to make recommendations with respect to applications to State officials or entities, a Local Government Party, or any other Person having subject matter jurisdiction. In the alternative, if an application for designation as a Eligible Next Michigan Business or for economic development incentives (i) is presented to the Corporation in writing by a Local Government Party and, if the application is for a LDFA or Renaissance Zone incentive the County Party, within which the applicant proposes to locate, (ii) is determined by the Corporation Board to adhere to the development criteria established pursuant to Section 5.01 and the design standards established pursuant to Section 5.02, and (iii) is determined by the Corporation Board to be consistent with the Grand Traverse Region Coordinated Development Plan promulgated pursuant to Section 5.03, then it shall be deemed approved without further action by the Corporation as of the date of the application. Notice of the application and approval shall be given in accordance with Sections 5.12 to 5.16 of this Agreement, as appropriate.

Section 5.04 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 geographic territory of the Corporation.

Section 5.05 Site Selection. The Corporation shall have the power to assist prospective developers and businesses with selection of development sites within the geographic territory of the Corporation.

Section 5.06 Marketing; Business Attraction. The Corporation shall have the power to conduct marketing and business attraction efforts on behalf of itself and the Grand Traverse region.

Section 5.07 Real Estate Development. The Corporation shall have the power to provide consultation to assist any Person in the development of real estate for use by a Eligible Next Michigan Business within the geographic territory of the Corporation.

Section 5.08 Regulatory Assistance and Processing. The Corporation shall have the power to provide assistance to prospective developers and businesses in applying for and obtaining any necessary or advisable licenses, permits or approvals from federal, State and local government entities.

Section 5.9 Streamlined Permitting Processes. The Parties recognize the need for uniform and streamlined local permitting processes, and therefore the Corporation shall have the power to recommend for approval to the Parties streamlined permitting and approval processes for projects within the geographic territory of the Corporation for consideration by the Parties.

Section 5.10 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 geographic territory of the Corporation.

Section 5.11 Designation of Next Michigan Development Zones; Criteria; Local Government Party Disapproval. To the extent permitted by Act 376 and herein, the Corporation shall have the power to designate property within the Corporation's geographic territory as a Zone. Prior to any such designation, the Corporation shall receive a resolution of approval from the Local Government Party within which the Zone is proposed to be located. Within the first year following the enactment of the amendatory acts contemplated in this Agreement, each Initial Local Government Party shall be entitled to request by resolution and receive the designation by the Corporation of one Zone within its territory, provided: that such Zone shall be consistent with the Grand Traverse Region Coordinated Development Plan; shall adhere to the permitting, zoning and design standards adopted by the Corporation; each respective Local Government Party shall assist with the preparation of the development plan in respect of such Zone within its territory; but if the number of Zones authorized by State law is fewer than the number of Local Government Parties, this entitlement shall not apply but shall be reviewed by the Corporation and the Local Government Parties to reflect the reduction in the number of Zones authorized. Designation of property as a Zone within the geographic territory of the Corporation shall be accompanied by the Development Plan. 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 a proposed designation of property as a Zone to each Local Government Party within 10 days of such designation. The Corporation shall have no power to designate, and shall not designate, a Zone if the Local Government Party within which the proposed Zone is to be located delivers to the Corporation, either prior to a proposed designation by the Corporation or not later than 45 days after the Local Government Party has received written notice from the Corporation of the proposed designation, a resolution from the Local Government Party's governing body stating its disapproval of a Zone designation; provided, however, that a Local Government 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 designation to which the original disapproval applied.

Section 5.12 Designation of Grand Traverse Region Development Areas; Criteria; Conditions; Local Government Party Disapproval. To the extent permitted by Act 281 and herein, the Corporation shall establish criteria for and may establish Next Michigan Development Areas within the Authority District from time to time. Prior to the establishment of an Next Michigan Development Area, the Corporation shall receive a resolution of approval from the Local Government 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 without the Local Government Party's 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 taxable value or to distribute tax increment revenues among taxing jurisdictions as contemplated by section 12(5) of Act 281 (MCL 125.2162(5)). The Corporation shall provide written notice of the proposed designation of an NMDA to each Local Government Party within 10 days of such proposed 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 proposed designation by the Corporation or not later than 45 days after the Local Government Party has received written notice from the Corporation of the proposed

designation, a resolution from the Local Government Party's governing body stating its disapproval of NMDA designation; provided, however, that a Local Government 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 NMDA designation to which the original disapproval applied.

Section 5.13 Designation of Eligible Next Michigan Business: Local Government Party Disapproval. To the extent permitted by Act 376 and herein, the Corporation shall have the power to designate a business as a Eligible Next Michigan Business. The Corporation shall provide written notice of a proposed designation of a business as a Eligible Next Michigan Business to the Local Government Party within which the Eligible Next Michigan Business intends to locate not more than 10 days following a proposed designation. The Corporation shall have no power to designate, and shall not designate, a business as a Eligible Next Michigan Business if the Local Government Party within which the proposed Eligible Next Michigan Business proposes to locate or is located delivers to the Corporation, either prior to the proposed designation by the Corporation or not later than 45 days after the Local Government Party has received written notice from the Corporation of the proposed designation, a resolution from the Local Government Party's governing body stating its disapproval of a Eligible Next Michigan Business designation; provided, however, that a Local Government 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 Eligible Next Michigan Business designation to which the original disapproval applied. A 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 with respect to that specific proposal, notwithstanding any prior designation as a Eligible Next Michigan Business with respect to 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 with respect to that existing project.

Section 5.14 Approval of Act 198 Tax Abatements: Local Government Party Disapproval. To the extent permitted by 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. To the extent permitted by Act 198, the Corporation shall also have the power to accept an assignment from a Local Government Party qualified, existing plant rehabilitation districts and industrial development districts established by the Local Government Party within the jurisdiction of the Corporation and agreements related thereto subject to the provisions of this Agreement. The Corporation shall provide written notice of the proposed approval or assignment of a plant rehabilitation district or an industrial development district to the Local Government Party within which the district is proposed to be established not more than 10 days following the proposed 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 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 days after the Local Government Party has received written notice from the Corporation of the approval, a resolution from the Local Government Party's

governing body stating its disapproval of the establishment of the district; provided, however, that a Local Government 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 district to which the original disapproval applied.

Section 5.15 Approval of Personal Property Tax Exemptions; Local Government Party Disapproval. To the extent permitted by Act 206 and herein, the Corporation shall have the power to exempt new personal property under section 9f(1) under Act 206. To the extent permitted by Act 206, the Corporation shall also have the power to accept an assignment from a Local Government Party qualified, existing exemptions granted by the Local Government Party under section 9f within the jurisdiction of the Corporation and agreements related thereto subject to the provisions of this Agreement. The Corporation shall provide written notice of the proposed resolution exempting such property or assignment to the Local Government Party within which the personal property is located not more than 10 days following 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 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 days after the Local Government Party has received written notice from the Corporation of the proposed approval, a resolution from the Local Government Party's governing body stating its disapproval of the exemption; provided, however, that a Local Government 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 exemption to which the original disapproval applied.

Section 5.16 Employees. Any Party or entity from time to time may contribute its employees to the Corporation. The reasonable value of employees contributed may be credited against the Party's or other entity's potential membership fee, upon approval of 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 or other entity shall be subject to and shall promptly pay any remaining membership fee.

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 four (4) years.

- (1) 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.
- (2) A vacancy on the Corporation Board shall be filled in the same manner as the original appointment for the balance of the unexpired term.

- (3) Any Party added to this Agreement pursuant to Section 8.01 shall be entitled to appoint a member and an alternate to the Corporation Board pursuant to this Section.
- (4) All Corporation Board members may be removed by the appointing authority at will.

Section 6.02 Meetings. The Corporation Board shall hold meetings at least annually at the place, date, and time as the Corporation Board shall determine. Meetings shall comply with the Open Meetings Act.

Section 6.03 Quorum and Voting. A majority of the Corporation Board then in office shall be required to constitute a quorum for the transaction of business, and a majority vote of those present 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 exercise all of the powers of the Corporation granted to the Corporation by this Agreement and under law. Except as expressly provided otherwise, the Corporation Board shall act by a majority vote. The Corporation Board may do any one or more of the following:

- (1) Adopt bylaws, rules, and procedures governing the Corporation Board, its actions and meetings. Initial bylaws shall be adopted within six (6) months of the first meeting of the Corporation Board and shall be subject to approval of the Parties.
- (2) 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 shall determine from time to time. The offices of Secretary and Treasurer may be combined at the Corporation Board's discretion. Initial officers shall be appointed within thirty (30) days of the first meeting of the Corporation Board;
- (3) Approve policies to implement day-to-day operation of the Corporation, including policies governing the work of staff on behalf of the Corporation;
- (4) Provide for a system of accounts to conform to a uniform system required by law, review and approve the Corporation's annual budget in accordance with the Budget Act;
- (5) Adopt personnel policies and procedures;
- (6) Approve policies and procedures with respect to contracting and procurement;
- (7) Establish policies and procedures with respect to ethics and conflicts of interest consistent with Sections 2.09 and 6.08 of this Agreement.
- (8) Approve an investment policy in accordance with Act No. 20, Public Acts of Michigan, 1943, as amended (MCL 129.91 to 129.97a), and establish commercial banking arrangements;

- (9) Increase the size of the Corporation Board from time to time and establish terms of office therefore;
- (10) Cause to be conducted an annual independent audit of the Corporation in accordance with the Budget Act.
- (11) Evaluate the Corporation's performance under this Agreement and law and suggest changes to the Local Governmental Parties;
- (12) 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 and the employees of the Corporation or employees of any Party contributing its employees to the Corporation 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 shall be reimbursed for such member's reasonable expenses in carrying out those duties as approved by the Corporation Board. A member of the Corporation Board may engage in private or public employment, or in a profession or business.

Section 6.07 Ex Officio Members. The Corporation Board shall have the authority to grant local foundations, governmental bodies, authorities, non-profit organizations, or other entities the privilege of appointing a representative of their organization to a non-voting, Board Membership position. Such Members shall serve at the pleasure of the Corporation Board and the appointing entity for terms established by each appointing entity, but not to exceed four (4) years. Any non-voting Corporation Board Member may be removed by the appointing entity at will, or by a vote of a majority of the Corporation Board.

Section 6.08 Conflicts of Interest. The Corporation Board may approve policies and procedures requiring periodic disclosure of relationships which may give rise to conflicts of interest. The policies and procedures shall require that a member of the Corporation Board 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 may take proceedings. Subject to the relevant provisions of State law, the policies and procedures also shall have the objective of precluding 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 or employees of any party contributing its employees to the Corporation. At a minimum, these policies shall include compliance by each member of the Corporation Board and employees of the Corporation or who regularly exercise significant discretion over the award and management of Corporation projects with policies governing the following:

- (1) 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.
- (2) 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.

Section 6.09 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 6.10 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.

ARTICLE VII

DURATION OF, WITHDRAWAL FROM, AND TERMINATION OF INTERLOCAL AGREEMENT

Section 7.01 Duration. The Corporation commences on the Effective Date and continues for a term of ninety-nine (99) years unless earlier terminated in accordance with this Article VIII.

Section 7.02 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 12.10 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 which also are debts or obligations of a Party on account of having been expressly authorized by the Party in accordance with Sec. 7(2) of Act 7 and Sec. 4.01 of this Agreement, 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 Zone, NMDA, 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 the termination date established prior to the withdrawal of the Party.

Section 7.03 Disposition upon Withdrawal. As soon as a Party withdraws from the Agreement, any tangible asset(s) the withdrawing party has contributed to the Corporation shall be assessed as of the date of withdrawal, and the withdrawing Party shall be paid an amount equal to the percentage share of said asset(s) contributed by the withdrawing Party multiplied by the value of the asset(s) as of the date of withdrawal.

Section 7.04 Termination. This Agreement shall continue until terminated by the first to occur of the following:

- (1) When there is one (1) Party;
- (2) When there is no longer a Local Government Party part of this Agreement that is “a qualified local government unit” as defined in section 2 of the obsolete property rehabilitation act, 200 PA 146, MCL 125. 2782;
- (3) Upon the withdrawal of Grand Traverse County;
- (4) A three-fourths (3/4) vote of the voting members of the Corporation Board then serving on the Corporation Board; or
- (5) Expiration of the stated term of the Agreement.

Section 7.05 Disposition upon Termination. As soon as possible after termination of this Agreement, the Corporation shall wind up its affairs as follows:

- (1) 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
- (2) 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 VIII

ADMISSION OF OTHER PARTIES

Section 8.01 Procedure. Following the Effective Date, a Public Agency may become a Party by submitting a written request to the Corporation Board and, pursuant to guidelines established by the Corporation Board, payment of any then applicable membership fees, and in accordance with law. The Corporation Board shall approve or deny the request. Approval of the request shall require a three-fourths (3/4) vote of the voting members of the Corporation Board then serving in office. Once an application has been approved by the Corporation Board, this Agreement shall be approved by resolution of the entity seeking to become a Party.

Section 8.02 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 where a Party to this Agreement is located pursuant to Section 10 of Act 7.

Section 8.03 Not an Amendment to Agreement. The admission of additional Parties after the 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 12.10.

Section 8.04 Opinion of Legal Counsel. The written request submitted to the Corporation Board shall be accompanied by an opinion of legal counsel to the Public Agency in form and substance satisfactory to counsel to the Corporation, and to the Attorney General of the State if approval by the Attorney General is then required, including but not limited to opinions to the effect that the Public Agency is validly formed, has the powers set forth in Articles IV and V of this Agreement, and that the Agreement, once duly executed and delivered, will be the valid and binding obligation of the Public Agency, enforceable in accordance with its terms.

ARTICLE IX REVENUE SHARING, JOINT PLANNING COMMISSION

Section 9.01 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

Section 9.02 Joint Planning Commission. The Parties agree to consider the feasibility of utilizing an existing regional planning body or joint planning commission under the Joint Municipal Planning Act, Act No. 226 of 2003, MCL 125.131 to 125.143 in order to implement the purpose of this Agreement and the Next Michigan Act.

ARTICLE X BOOKS AND REPORTS

Section 10.01 Accrual Basis. The Corporation shall maintain its books of account on an accrual basis of accounting, except as otherwise required by law.

Section 10.02 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 10.03 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 10.04 Freedom of Information Act. The Corporation is subject to and shall comply with the Freedom of Information Act as set forth in Section 7(2) of Act 275.

ARTICLE XI FINANCES

Section 11.01 Annual Budget. The Corporation shall be subject to and comply with the Budget Act. The Deputy Director or designee shall annually prepare and the Corporation Board shall 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 11.02 Deposits and Investments. The Corporation shall deposit and invest funds of the Corporation, not otherwise employed in calling 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 11.03 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 XII MISCELLANEOUS

Section 12.01 Notices. Notice of all meetings of the Corporation Board shall be given in the manner required by the OMA. In addition, at least three (3) days prior to the date set for the holding of any meeting of the Corporation Board, written notice of the time and place of such meeting shall be sent by email or other electronic means to each Corporate Board 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 Chair 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 sendee 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 email or other electronic means and 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 electronic 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 12.02 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 12.03 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 12.04 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 12.05 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 conflicts of laws principles. 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 12.06 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 Agreement's interpretation.

Section 12.07 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 12.08 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 12.09 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.

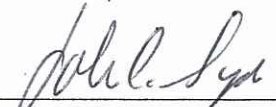
Section 12.10 Amendment. The Agreement may be amended or an alternative form of the Agreement adopted only upon written agreement of all Parties. In the event that an amendment to this Agreement or alternative form of Agreement is approved by less than all Parties, any Party which has not approved of the amendment or alternative form of Agreement may withdraw from the Corporation.

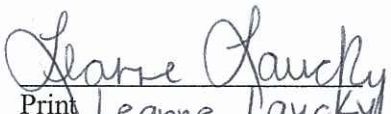
Section 12.11 Execution of Agreement; Counterparts. The Corporation and each Legal Party shall cooperate in order to execute three (3) counterparts of this Agreement, each of which (taken together) is an original but all of which constitute one instrument.

PRIOR TO SIGNING THIS AGREEMENT, GRAND TRAVERSE COUNTY HAS READ, UNDERSTANDS, AND AGREES TO THE AGREEMENT'S TERMS & CONDITIONS.


AS WITNESSED BELOW, the County of Grand Traverse has signed the Agreement on the 15 day of Nov, 2011.

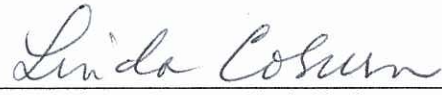
WITNESSES:


Print John C. Sydnor


Print Leanne Lauck


GRAND TRAVERSE COUNTY



Larry Inman, Chairman
County Board of Commissioners


Linda Coburn, County Clerk


PRIOR TO SIGNING THIS AGREEMENT, THE CITY OF TRAVERSE CITY HAS READ, UNDERSTANDS, AND AGREES TO THE AGREEMENT'S TERMS & CONDITIONS. AS WITNESSED BELOW, the City Traverse City has signed the Agreement on the 15 day of NOVEMBER 2011.

WITNESSES:


Print Lauren Tribble-Laucht


Print Katelyn Stroten

Approved as to Form:


Lauren Tribble-Laucht, City Atty

CITY OF TRAVERSE CITY


Michael Estes, Mayor


Benjamin C. Marentette, City Clerk

Approved as to Substance:

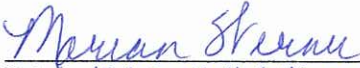

R. Ben Bifoss


PRIOR TO SIGNING THIS AGREEMENT, THE EAST BAY CHARTER TOWNSHIP HAS READ, UNDERSTANDS, AND AGREES TO THE AGREEMENT'S TERMS & CONDITIONS.

AS WITNESSED BELOW, the East Bay Charter Township has signed the Agreement on the 14 day of November, 2011.

WITNESSES:

EAST BAY CHARTER TOWNSHIP


Print MARIAN WERNER


Glen Lile, Township Supervisor


Print KAKEN McINTYRE

PRIOR TO SIGNING THIS AGREEMENT, BLAIR TOWNSHIP HAS READ, UNDERSTANDS, AND AGREES TO THE AGREEMENT'S TERMS & CONDITIONS.

AS WITNESSED BELOW, Blair Township has signed the Agreement on the 17 day of November, 2011.

WITNESSES:

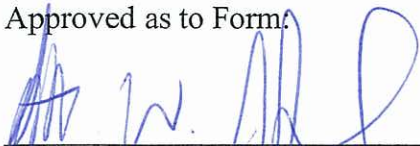
BLAIR TOWNSHIP


Print John C. Syck


Pat Pahl, Township Supervisor

Print

Approved as to Form:



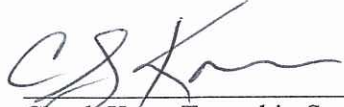
Scott W. Howard (P52028)
Attorney for Grand Traverse County Planning
and Development Department

WITNESSES:


Print DEAN TEMPLETON


Print KAREN MCINTYRE

CHARTER TOWNSHIP OF GARFIELD


Chuck Korn, Township Supervisor

Grand Traverse Next Michigan Development Corporation

What does it mean for the communities of
Grand Traverse County?



Grand Traverse Next Michigan

1. The Intent
2. The Interlocal Agreement
3. The Partners
4. What is an Eligible Business?
5. The Objectives
6. The Tools
7. The Benefits

The Intent

- ▶ The Next Michigan Development Act (PA 275 of 2010) allows for the creation of a Next Michigan Development Corporation, by interlocal agreement, that fosters economic opportunities in this State, prevents conditions of unemployment and underemployment, and promotes economic growth focused on multi-modal transportation.
- ▶ The intent of the Grand Traverse Next Michigan Development Corporation is to create a cooperative partnership with local units of government to use incentives to attract new businesses that depend on multimodal commerce.

The Interlocal Agreement

- ▶ Grand Traverse County
- ▶ City of Traverse City
- ▶ Garfield Charter Township
- ▶ East Bay Charter Township
- ▶ Blair Township
- ▶ Agreement approved by the Governor
- ▶ Five-member Board

The Partners

- ▶ Cherry Capital Airport
- ▶ Northwestern Michigan College
- ▶ Traverse City Area Chamber of Commerce
- ▶ Traverse Bay Economic Development Corporation
- ▶ Grand Traverse County Road Commission
- ▶ TC-TALUS
- ▶ Michigan Economic Development Corporation (MEDC)

What is an Eligible Business?

- ▶ An eligible Next Michigan business is a business engaged in the shipment of tangible personal property via multimodal commerce
- ▶ A **supply chain** business providing a majority of its services to businesses engaged in the shipment of tangible personal property, including inventory, via multimodal commerce
- ▶ A **manufacturing or assembly facility receiving** a majority of its production components via multimodal commerce
- ▶ A **manufacturing or assembly facility shipping** a majority of products via multimodal commerce
- ▶ A **light manufacturing or assembly facility that packages**, kits, labels, or customizes products and ships those products via multimodal commerce.
- ▶ “Multimodal commerce” means companies that move products or services **via 2 or more modes: air, roads, rail or water.**

The Objectives

- ▶ Encourage local cooperation
- ▶ Enable the incentives to be used in a coordinated approach -- not piecemeal
- ▶ Take advantage of existing regional transportation assets
- ▶ Use economic incentive tools with proven track record
- ▶ Streamline permitting processes

The Tools – Tax Abatements

- ▶ Grant real and personal property abatements to any eligible next Michigan businesses
- ▶ Ability to establish a plant rehabilitation district or industrial development district

The Tools – Tax Increment Financing

- ▶ Establish a multi-jurisdictional Local Development Finance Authority (LDFA) to utilize tax increment financing for public infrastructure improvements
- ▶ How is this different than current tool?
 - Allows townships to utilize tool
 - Ability to cross jurisdictional boundaries
 - Ability to capture state taxes – with approval from State Treasurer

The Tools – Renaissance Zones

- ▶ Ability to utilize Renaissance Zone designations
- ▶ Only eligible businesses can seek Renaissance Zone designation
- ▶ “No-poaching” -- Incentive is to attract **new** outside Michigan investment, not move jobs around Michigan
- ▶ Background check is a statutory requirement
- ▶ If Michigan Strategic Fund does not act within 49 days, approval is automatic

The Tools – How are they different?

- ▶ Not subject to MEDC approval
- ▶ Coordinated efforts / all units of government know what tools are being offered throughout the entire County / region
- ▶ Must be utilized on “eligible businesses”

The Benefits

- ▶ Create jobs
- ▶ Allows additional tools to be utilized to attract NEW businesses (including start-ups)
- ▶ Connects business growth with current infrastructure – airport / roads
- ▶ Allows local governments to work together on economic development
- ▶ MEDC will market NMDC communities

For More Information

► Contact:

Grand Traverse County

Planning & Development Department

400 Boardman Avenue

Traverse City MI 49684

Phone: (231) 922-4676

Web: www.grandtraverse.org/planning

NEXT MICHIGAN DEVELOPMENT CORPORATION

SUBJECT: Streamlined Permitting

FROM: John Sych

FOR MEETING DATE: September 27, 2012

On August 14, planners met to discuss the permitting process. The following comments and recommendations were made:

1. Review zoning ordinances to determine where there might be possible changes for streamlining the process. I conducted a review of the zoning ordinances and found the following:

Blair Township: CM – Commercial Manufacturing District

- Many commercial (retail/service) uses not exceeding 11,999 square feet require administrative approval.
- Additional commercial uses (typically those exceeding 11,999 square feet) require Planning Commission approval.
- Manufacturing uses require Special Use Permit and are approved by Township Board with recommendation from Planning Commission.

East Bay Township: IND - Industrial District

- Uses by right require Planning Commission approval.
- Special uses (mainly accessory uses or non-industrial uses) require Planning Commission approval.

Garfield Township: MUIBD - Mixed-Use Industrial Business District

- The Mixed-Use Industrial Business District has two sub-districts; the General Mixed-Use Industrial Business District and the Limited Mixed-Use Industrial Business District. The General MUIBD is intended to permit a variety of limited retail, office, and light industrial uses, while the Limited MUIBD is intended to accommodate more traditional industrial land uses.
- Uses by right in the MUIBD require administrative approval.
- Special uses in the MUIBD require Planning Commission approval.

Traverse City: I – Industrial District

- All uses are by right (except communication towers) and require Planning Commission approval.

Administrative approvals are used in a few cases. There may be opportunity to do some streamlining here in the form of consistent approval processes in all four communities for a typical eligible Next Michigan business. However, before that streamlining can take place, it is important to further define the typical Next Michigan business and determine how it may fall into each of the zoning districts. This definition may be achieved through the business survey.

2. Consider creating standardized forms for the City and the townships.
3. Survey planning/engineering consulting firms who work for private sector businesses to determine how the process may be improved. Consulting firms are often the primary representative of the business during the planning and zoning review and approval process. Other potential associated entities may be real estate agents and commercial finance bankers.
4. If the Land Development Review Committee is utilized, it would need to be revamped to be more effective including full attendances of all public regulatory agencies and that no fees are charged beyond nominal administrative fee for the meeting.
5. Construction and/or building code inspections are a popular complaint by applicants. Construction and/or building inspections are a key part in the process and sometimes can take twice as long as the planning & zoning process. Discussions should take place about the timing of inspections along with the planning & zoning process. In some cases, a preconstruction meeting might be helpful.
6. There was concern about the impact of sewer hook-up fees. There needs to be full disclosure of the fees to businesses as part of understanding the complete cost for development.