



City of
Jonesville

265 E. Chicago Street, Jonesville, MI 49250

(517) 849-2104
(517) 849-9037 Fax
www.jonesville.org

**CITY OF JONESVILLE
LOCAL DEVELOPMENT FINANCE AUTHORITY
REGULAR MEETING AGENDA
DECEMBER 20, 2023, 8:30 A.M.
JONESVILLE CITY HALL, 265 E. CHICAGO STREET**

LDFA Project Priorities:

1. Entrepreneurial Park Development
2. Workforce and Training Support
3. Housing Development Support

1. CALL TO ORDER

2. PRESENTATIONS AND RECOGNITIONS

- A. None

3. APPROVAL OF AGENDA

[Action Item]

4. APPROVAL OF MINUTES

- A. August 16, 2023 Meeting

[Action Item]

5. PUBLIC COMMENT

6. FINANCIAL REPORTS

- A. Through July 31, 2023

[Action Item]

7. NEW BUSINESS

- A. FY 2022-23 Annual Report

[Action Item]

- i. PA 57 Treasury Report

- ii. Activity Synopsis

- B. 2024 Economic Development Investment – Economic Development
Partnership of Hillsdale County

[Action Item]

- C. 2024 Meeting Calendar

[Action Item]

- D. Letter of Intent – Cellular Tower Lease

[Discussion/Action Item]

8. OTHER BUSINESS

- A. Economic Development Partnership Report

- B. Staff Updates

9. ROUNDTABLE DISCUSSION

- A. LDFA Board Member Updates

10. ADJOURNMENT– Next Scheduled Meeting: Wednesday, October 18, 2023 8:30 a.m.

City of Jonesville
Local Development Finance Authority
Minutes of August 16, 2023

Present: Gerry Arno, Jim Parker, Rick Schaerer, Steve Lanius, Eric Weatherwax, Linda Garcia and Manager Jeff Gray.

Absent: Scott Campbell, Steve Harding and one vacancy.

Also Present: Sue Smith (EDP), Craig Herschel and Kyle Passage (Cushman and Wakefield Realty).

Chairman Schaerer called the meeting to order at the Jonesville City Hall, 265 E Chicago Street, Jonesville, MI at 8:30 a.m.

Gerry Arno made a motion and was supported by Steve Lanius to approve the agenda as presented. All in favor. Absent: Scott Campbell and Steve Harding. Motion carried.

A motion was made by Jim Parker and supported by Eric Weatherwax to approve the minutes of April 19, 2023. All in favor. Absent: Scott Campbell and Steve Harding. Motion carried.

Craig Herschel and Kyle Passage of Cushman and Wakefield Realty spoke briefly regarding the sale of property located in the Jonesville Industrial Park.

Jim Parker made a motion and was supported by Eric Weatherwax to accept the financial report through June 30, 2023. All in favor. Absent: Scott Campbell and Steve Harding. Motion carried.

Discussion ensued regarding the interest of purchasing Lot 5 in the Jonesville Industrial Park from McLaren Industries of Jacksonville, Florida, which manufactures rubber equipment tires, tracks and skid steer attachments. McLaren Industries is looking to purchase the former Interdyne building, as well as Lot 5, located directly north of the property. The intended purpose of Lot 5 is for the outdoor testing of tracks and tires. The Deed Restrictions require new building investment within one year of sale, and the extent of property reimbursement is negotiable, depending upon the level of investment.

After lengthy discussion, a motion was made by Steve Lanius and supported by Jim Parker to offer the following to McLaren Industries; 1) Right of First Refusal required, 2) to offer Market Rate, 3) Detail Plans are required showing screening and security of property along with the possible option of a warehouse for indoor storage, 4) Provide the decibel levels and 5) provide the hours of operation of testing. All in favor. Absent: Scott Campbell and Steve Harding. Motion carried.

Sue Smith, Executive Director of Economic Development Partnership of Hillsdale County, provided updates.


Manager Gray and LDFA members provided updates.

The meeting was adjourned at 9:45 a.m.

Submitted by,

Cynthia D. Means
Clerk



To: Jonesville LDFA Board
From: Jeffrey M. Gray, City Manager 
Date: December 15, 2023
Re: Manager Report and Recommendations – December 20, 2023 LDFA Meeting

6. A. Financial Report

[Action]

Attached is a revenue and expenditure report for the LDFA through June 30th. The report shows revenue and expenditure activity for the month of June and year-to-date. It also illustrates the amount budgeted for each line item and the available balance in that line. Also attached is a report of the current cash balances in all accounts as of October 31st. I recommend a motion to accept the financial report through October 31, 2023. *Please refer to the attached revenue and expenditure report and cash balance report.*

7. A. FY 2022-23 Annual Report

[Action Item]

Public Act 57 of 2018 mandated reporting requirements for the LDFA. The first is a financial report to the Michigan Department of Treasury on a form provided by the Department. The second is an annual synopsis of LDFA activities. Motions to approve the attached reports, as presented or with amendments, are necessary. I recommend a motion to approve the Annual Report on Status of Tax Increment Financing Plan and to authorize staff to submit the same to the Michigan Department of Treasury. I also recommend a motion to approve the Fiscal Year 2022-23 Annual Report and to post the same on the LDFA section of the City website. *Please refer to the Annual Report on Status of Tax Increment Financing Plan, and the Fiscal Year 2022-23 Annual Report.*

**7. B. 2024 Economic Development Investment – Economic Development
Partnership of Hillsdale County**

[Action]

Attached is the request for renewal of our annual investment in the Economic Development Partnership of Hillsdale County. The \$15,000 request is consistent with last fiscal year and the expense has been budgeted. The EDP plays a significant role in retention and recruitment calls, infrastructure support and the like. Executive Director, Sue Smith will be in attendance at the meeting to review the services that the EDP provides and to answer questions. I would recommend that the LDFA consider a motion to approve the investment in the EDP in the amount requested. *Please refer to the attached invoice.*

7. C. 2024 Meeting Calendar

[Action]

Consistent with the current meeting calendar, the proposed 2024 calendar proposes meeting every other month on the third Wednesday at 8:30 a.m. The LDFA may change the meeting date and/or time if desired. A motion is necessary to adopt the meeting calendar. *Please refer to the attached proposed 2024 Meeting Calendar.*

7. D. Letter of Intent – Cellular Tower Lease

[Discussion/Action]

This agenda item is reserved for discussion and possible action regarding the attached letter of intent to purchase future lease proceeds for the cell tower in the Industrial Park. The tower owner holds a land lease and pays the LDFA a percentage of revenues received from individual antenna owners. The letter of intent proposes buying out the lease for \$10, then making a payment of \$290,000, plus 50% of future antenna rental revenues for a perpetual easement over the property that would capture future rental revenues.

The current lease is set to expire in 2031, and based on current tenants has a remaining value of just over \$183,000. Provided that the technology remains valid, there would be potential future lease value beyond

2031 to be negotiated with the tower owner. *Please refer to the attached letter of intent, easement agreement, and community testimonials.*

8. A. Economic Development Partnership Report

This item is reserved for and additional updates from Executive Director Sue Smith.

8. B. Staff Updates

This item is reserved for updates by staff regarding LDFA projects and other City business.

9. A. LDFA Board Member Organization Updates

This item reserved for updates from members of the Board to provide updates regarding their organizations and other activities of interest to the LDFA.

PERIOD ENDING 10/31/2023

GL NUMBER	DESCRIPTION	ACTIVITY FOR	YTD BALANCE	2023-24		AVAILABLE	% BDGT
		MONTH 10/31/2023	10/31/2023	2023-24	BALANCE		
		INCREASE (DECREASE)	NORMAL (ABNORMAL)	AMENDED BUDGET	NORMAL (ABNORMAL)	USED	
Fund 247 - LOCAL DEVELOPMENT FINANCE AUTHORITY							
Revenues							
Dept 000 - BALANCE SHEET/REVENUE							
247-000-403.000	REAL PROPERTY TAXES	0.00	0.00	87,400.00	87,400.00	0.00	
247-000-403.075	PERSONAL PROP TAX REIMBURSEMENT	319,492.09	319,492.09	300,000.00	(19,492.09)	106.50	
247-000-664.000	LEASE/IND PARK RADIO TOWER	1,683.55	8,048.82	17,000.00	8,951.18	47.35	
247-000-665.000	INTEREST EARNINGS	14,191.43	57,383.98	10,000.00	(47,383.98)	573.84	
247-000-694.100	OTHER INCOME - FARM LAND	0.00	0.00	4,200.00	4,200.00	0.00	
Total Dept 000 - BALANCE SHEET/REVENUE		335,367.07	384,924.89	418,600.00	33,675.11	91.96	
TOTAL REVENUES		335,367.07	384,924.89	418,600.00	33,675.11	91.96	
Expenditures							
Dept 729 - DEVELOPMENT ACTIVITIES							
247-729-702.000	SALARIES AND WAGES	246.34	925.19	2,500.00	1,574.81	37.01	
247-729-715.000	EMPLOYERS SHARE - FICA & MEDICARE	18.44	69.83	150.00	80.17	46.55	
247-729-716.000	HEALTH INSURANCE	11.65	26.85	200.00	173.15	13.43	
247-729-718.000	DISABILITY	1.46	6.54	25.00	18.46	26.16	
247-729-719.000	RETIREMENT - EMPLOYER PORTION	15.46	55.52	150.00	94.48	37.01	
247-729-721.000	LIFE INSURANCE	1.30	4.85	20.00	15.15	24.25	
247-729-722.000	EMPLOYEE ASSISTANCE PROGRAM	0.14	0.51	5.00	4.49	10.20	
247-729-723.000	DENTAL INSURANCE	4.81	10.80	40.00	29.20	27.00	
247-729-724.000	OPTICAL INSURANCE	0.89	2.10	10.00	7.90	21.00	
247-729-727.000	OFFICE SUPPLIES	100.24	100.24	100.00	(0.24)	100.24	
247-729-740.000	OPERATING SUPPLIES	0.00	90.87	1,000.00	909.13	9.09	
247-729-801.000	PROFESSIONAL SERVICES	0.00	0.00	20,000.00	20,000.00	0.00	
247-729-801.100	PROF SERVICES - EDP PARTNERSHIP	0.00	0.00	15,000.00	15,000.00	0.00	
247-729-818.000	CONTRACTUAL	3,353.34	4,565.64	27,000.00	22,434.36	16.91	
247-729-818.300	CONTRACTUAL	0.00	0.00	38,500.00	38,500.00	0.00	
247-729-900.000	PRINTING & PUBLISHING	0.00	0.00	5,000.00	5,000.00	0.00	
247-729-921.000	ELECTRICITY	187.33	372.89	1,200.00	827.11	31.07	
247-729-924.000	WATER AND SEWER	0.00	0.00	500.00	500.00	0.00	
247-729-930.000	REPAIRS & MAINTENANCE	0.00	0.00	500.00	500.00	0.00	
247-729-940.000	EQUIPMENT RENTAL	276.79	695.30	1,500.00	804.70	46.35	
247-729-965.000	CONTRIB TO GEN FUND-ADMIN WAGES/BENE	0.00	8,512.25	34,049.00	25,536.75	25.00	
247-729-965.100	CONTRIB TO GEN FUND - ST LIGHT ELEC	0.00	0.00	5,304.00	5,304.00	0.00	
247-729-965.400	CONTRIB TO WATER DEBT PAYMENT	0.00	0.00	25,000.00	25,000.00	0.00	
247-729-965.600	CONTRIB TO GEN FUND	0.00	0.00	1,578.00	1,578.00	0.00	
247-729-966.000	RESERVE FOR FUTURE EXPANSION	0.00	0.00	45,000.00	45,000.00	0.00	
247-729-967.000	RESERVE FOR SPECIAL PROJECTS	0.00	0.00	35,000.00	35,000.00	0.00	
247-729-967.500	RESERVE FOR INFRASTRUCTURE IMPROVEMENTS	0.00	0.00	35,000.00	35,000.00	0.00	
Total Dept 729 - DEVELOPMENT ACTIVITIES		4,218.19	15,439.38	294,331.00	278,891.62	5.25	
TOTAL EXPENDITURES		4,218.19	15,439.38	294,331.00	278,891.62	5.25	
Fund 247 - LOCAL DEVELOPMENT FINANCE AUTHORITY:							
TOTAL REVENUES		335,367.07	384,924.89	418,600.00	33,675.11	91.96	
TOTAL EXPENDITURES		4,218.19	15,439.38	294,331.00	278,891.62	5.25	
NET OF REVENUES & EXPENDITURES		331,148.88	369,485.51	124,269.00	(245,216.51)	297.33	

12/14/2023 12:22 PM
User: LSPAHR
DB: Jonesville

BALANCE SHEET FOR CITY OF JONESVILLE
Period Ending 10/31/2023

Page: 1/1

Fund 247 LOCAL DEVELOPMENT FINANCE AUTHORITY

GL Number	Description	Balance
*** Assets ***		
247-000-001.000	CASH - CHECKING	3,310.40
247-000-003.200	CASH - CD - FLAGSTAR BANK	250,000.00
247-000-003.300	CASH - CD - SO MI BANK & TRUST	250,000.00
247-000-007.000	CASH - MI CLASS INVESTMENT ACCT	3,017,725.33
247-000-130.000	LAND	97,544.00
Total Assets		3,618,579.73
*** Liabilities ***		
247-000-202.000	ACCOUNTS PAYABLE	498.06
Total Liabilities		498.06
*** Fund Balance ***		
247-000-390.000	FUND BALANCE	2,799,720.95
Total Fund Balance		2,799,720.95
Beginning Fund Balance - 22-23		2,799,720.95
Net of Revenues VS Expenditures - 22-23		448,875.21
*22-23 End FB/23-24 Beg FB		3,248,596.16
Net of Revenues VS Expenditures - Current Year		369,485.51
Ending Fund Balance		3,618,081.67
Total Liabilities And Fund Balance		3,618,579.73

* Year Not Closed

Annual Report on Status of Tax Increment Financing Plan

Send completed form to: Treas-StateSharePropTaxes@michigan.gov	CITY OF JONESVILLE	TIF Plan Name	For Fiscal Years ending in
Issued pursuant to 2018 PA 57, MCL 125.4911 Filing is required within 180 days of end of authority's fiscal year ending in 2022. MCL 125.4911(2)	Local Development Finance Authority		2023
Year AUTHORITY (not TIF plan) was created:		1989	
Year TIF plan was created or last amended to extend its duration:		2010	
Current TIF plan scheduled expiration date:		2036	
Did TIF plan expire in FY22?		No	
Year of first tax increment revenue capture:		1990	
Does the authority capture taxes from local or intermediate school districts, or capture the state education tax? Yes or no?		No	
If yes, authorization for capturing school tax:			
Year school tax capture is scheduled to expire:			

CAPTURED VALUES

PROPERTY CATEGORY	Current Taxable Value		Initial (base year) Assessed Value		Captured Value	Overall Tax rates captured by TIF plan	
						TIF Revenue	
Ad valorem PRE Real	\$	-	\$	-	\$	0.0000000	\$0.00
Ad valorem non-PRE Real	\$	5,956,252	\$	2,282,850	\$	3,673,402	24.2887000 \$89,222.16
Ad valorem industrial personal	\$	1,470,600	\$	1,123,996	\$	346,604	24.2887000 \$8,418.56
Ad valorem commercial personal	\$	-	\$	-	\$	-	0.0000000 \$0.00
Ad valorem utility personal	\$	-	\$	-	\$	-	0.0000000 \$0.00
Ad valorem other personal	\$	-	\$	-	\$	-	0.0000000 \$0.00
IFT New Facility real property, 0% SET exemption	\$	2,411,591	\$	686,000	\$	1,725,591	12.1443500 \$20,956.18
IFT New Facility real property, 50% SET exemption	\$	-	\$	-	\$	-	0.0000000 \$0.00
IFT New Facility real property, 100% SET exemption	\$	-	\$	-	\$	-	0.0000000 \$0.00
IFT New Facility personal property on industrial class land	\$	84,000	\$	3,036,467	\$	(2,952,467)	12.1443500 (\$35,855.79)
IFT New Facility personal property on commercial class land	\$	-	\$	-	\$	-	0.0000000 \$0.00
IFT New Facility personal property, all other	\$	-	\$	-	\$	-	0.0000000 \$0.00
Commercial Facility Tax New Facility	\$	-	\$	-	\$	-	0.0000000 \$0.00
IFT Replacement Facility (frozen values)	\$	-	\$	-	\$	-	0.0000000 \$0.00
Commercial Facility Tax Restored Facility (frozen values)	\$	-	\$	-	\$	-	0.0000000 \$0.00
Commercial Rehabilitation Act	\$	-	\$	-	\$	-	0.0000000 \$0.00
Neighborhood Enterprise Zone Act	\$	-	\$	-	\$	-	0.0000000 \$0.00
Obsolete Property Rehabilitation Act	\$	-	\$	-	\$	-	0.0000000 \$0.00
Eligible Tax Reverted Property (Land Bank Sale)	\$	-	\$	-	\$	-	0.0000000 \$0.00
Exempt (from all property tax) Real Property	\$	-	\$	-	\$	-	0.0000000 \$0.00
Total Captured Value			\$	7,129,313	\$	2,793,130	Total TIF Revenue \$82,741.11



City of Jonesville Local Development Finance Authority FY 2022-23 Annual Report

This report is provided in accordance with the Michigan Recodified Tax Increment Financing Act, Public Act 57 of 2018. It reports the Authority's operations during the 2022-23 fiscal year and is intended to fulfill the requirements of the annual synopsis of activities of the authority, required in Section 910(1)(h) of the Act. The authority fiscal year begins on July 1st and ends June 30th.

Authority Accomplishments

- With a number of capital projects prioritized in other areas of the City, the LDFA engaged in a strategic planning process to develop future project priorities. The Board identified the following three top priorities:
 - Entrepreneurial Park Development
 - Workforce and Training Support
 - Housing Development Support

The complete list of strategic planning projects is attached.

Projects and Investments

- Continued annual investment of \$15,000 to support the collaborative economic development activities of the Hillsdale County EDP.
- Invested in the City's water system improvement project with a commitment of \$25,000 per year for the fourth of 10 years to maximize affordability of water utility costs, especially for industrial customers, with benefits to residential and commercial customers, as well.
- Invested \$105,000 in dedicated reserves for future projects – \$45,000 for future expansion of the Industrial Park, \$35,000 for future infrastructure needs, and \$35,000 for other special projects called out in the development plan. These investments will be key in accomplishing Strategic Planning objectives in the future.

Events and Promotions

- Engaged in business recruiting, marketing parcels. With the Economic Development Partnership of Hillsdale County (EDP) met with prospects for the former Interdyne Building. Have worked collaboratively with a potential user for the former Hillsdale Tool Building and exploring the feasibility of use of some of the space to advance Entrepreneurial Park goals.

Fund Balance and Capital Project Planning

The LDFA retains an estimated fund balance at the close of the fiscal year of approximately \$2.9 million. Due to sizable future projects, as well as uncertainty of future revenues following the elimination of personal property taxes in Michigan, the LDFA has established several designated reserves. \$405,000 is reserved for future expansion, \$325,000 for special projects and development incentives, and \$355,000 for future infrastructure improvements. The balance of the reserve is undesignated for projects authorized in the Development Plan.

Savings will be needed to accomplish the long-term goals of the Development Plan, including Industrial Park expansion. These investments are more likely to take place nearer the end of the term of the plan in 2036.

Projects are summarized in the LDFA Development and Tax Increment Financing Plan, available for review at City Hall or on the City's website, www.jonesville.org.

LDFA Project Priorities

Cumulative Scoring – LDFA Board, December 15, 2022 Meeting

		Score
<i>Combine together:</i>		
1.	Acquisition of underutilized properties – address empty and blighted properties	13
	Develop an “Entrepreneurial Park” smaller lots for employers of industry and tech of around 10 employees	
2.	Workforce/training support – partnership with Jonesville Schools	11
3.	Housing development/support – studies, builder recruitment, identification of available properties, partner with developers, Ritz Craft, etc.	9
4.	Business retention incentive program for existing businesses in the LDFA district	5
4.	Support the County efforts to upgrade to 800 MHz Radios for emergency responders	5
6.	Expansion of the Industrial Park – farmland adjacent to the park	4
7.	Sign along US-12 to market the Industrial Park – marketing plan for available lots	3
7.	Change out entry signs at M-99 and US-12 for electronic displays	3
9.	Make Industrial Park lots “build ready” (grading and other improvements)	2
10.	Construction of a spec building or buildings	0



Economic Development Partnership Of Hillsdale County

*Creating an environment to support opportunity, growth and
Encouragement to innovate - for all communities, business and citizens.*

Board of Directors

Rick Schaerer

Jonesville Paper Tube Corp.,
Chairperson

Don Germann

Hillsdale County National Bank
Vice Chair

Kelly Hodshire

Bailey, Hodshire & Co, PC
Treasurer

Vicki Morris

Century Bank
Secretary

Kym Blythe

Reading City Manager

John Condon

Hillsdale Terminal

Jeff Gray

Jonesville City Manager

Ron Griffith

Spring Arbor University

Jeremiah Hodshire

Hillsdale Hospital

Doug Ingles

Hillsdale County Commissioner

Corey Parker

Michigan Gas Utilities

David Mackie

Hillsdale City Manager

Kelly LoPresto

Hillsdale BPU

Wanda White

White Machine & Automation

Gregory Moore

Consumers Energy

Troy Reehl

Hillsdale County ISD

Sally Clark

Michigan Works! Southeast

Tony Samon

Community Action Agency

Doug Terry

Litchfield City Manager

The EDP provides measurable benefits to businesses and organizations throughout Hillsdale County. Through the cultivation of long-term relationships with Federal, State and local government officials and agencies the EDP brings financial resources to our businesses large and small. Business attraction, supporting our established businesses, and cultivating entrepreneurs in Hillsdale County helps to maintain our economic stability. Our commitment to a skilled workforce is demonstrated by the technical educational opportunities we provide.

Through collaboration with our local businesses, schools and MWSE we are able to integrate education, employment skills, internship opportunities and sustaining careers for our citizens.

The EDP works daily to identify technical and monetary resources for our businesses and communities. We are finishing the EDA Grant, authored by Lenawee Now, that allowed us to provide over \$350,000 in consulting services for Hillsdale employers. Partnering again with Lenawee Now for grant applications we are able to provide resources through the Child Care Network to assist those providers who are critical for our working families. A new Sector Grant with Lenawee Now will provide networking within the healthcare, robotics, construction, HR and Veteran businesses to identify common issues and create solutions. If training is the answer, there will be funding to address the deficiencies. We continue to reinvest \$318,000 through the EDP's USDA Revolving Loan Fund for Hillsdale County business growth and start-ups.

The EDP invests funding to promote our remarkable community emphasizing the availability of a high quality of life, cultural amenities, outdoor adventures, and an affordable lifestyle. The EDP and our Board of Directors greatly appreciates your continued investment as we move forward into the future working on your behalf.

Warmest regards,

Susan M. Smith, Executive Director

RECEIVED
NOV 16 2023
BY: _____

EDP of Hillsdale County

115 East Street
Jonesville, MI 49250

Invoice

Date	Invoice #
11/10/2023	415

Bill To
City of Jonesville Jeff Gray 265 E. Chicago Jonesville, MI 49250

RECEIVED
NOV 16 2023

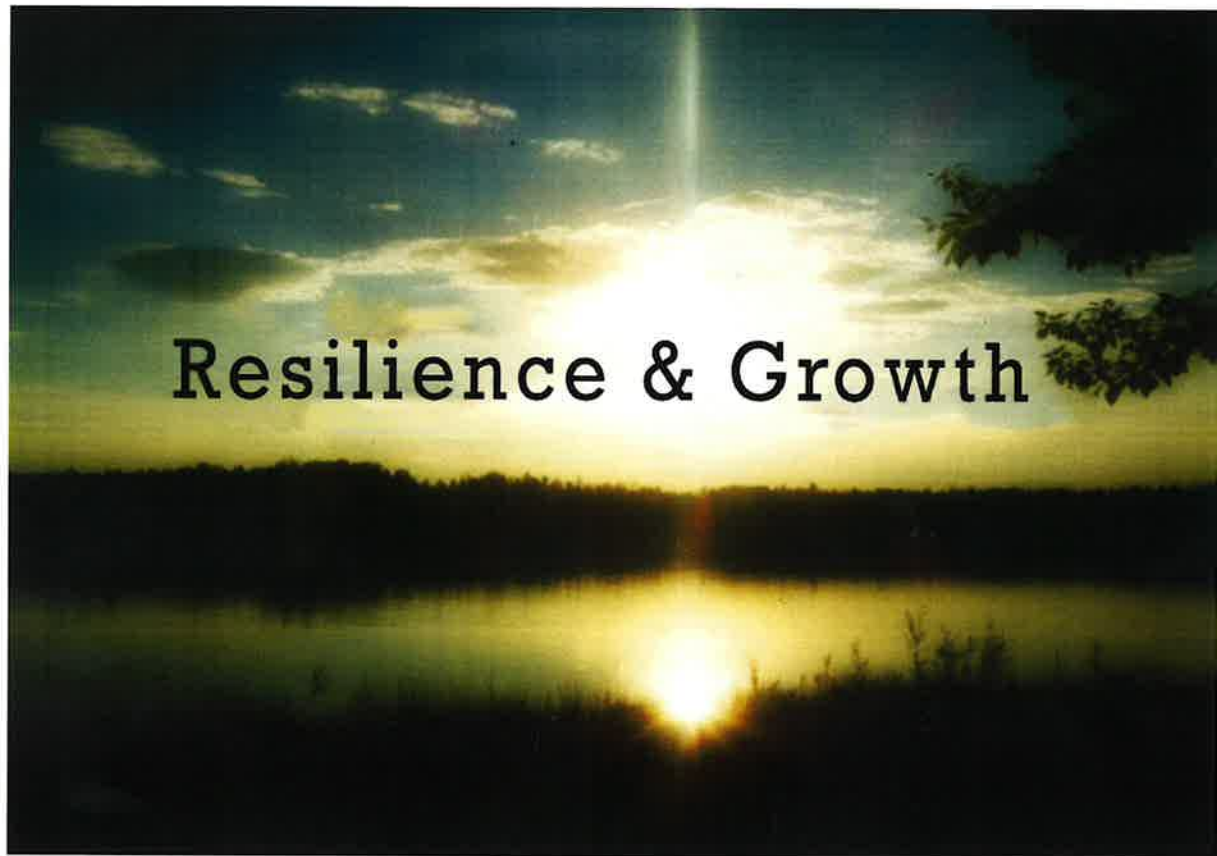
BY: _____

Description	Amount
2024 Economic Development Sponsorship	15,000.00
Federal Tax Identification Number for the EDP as a non-profit corporation is: 20-8088576	
Thank You for your support!	Total \$15,000.00



Capital Campaign 2024

INVESTING IN THE FUTURE OF HILLSDALE COUNTY



Resilience & Growth

Invest in an organization that provides direct benefit to
YOUR Businesses, Citizens and Municipalities in
Hillsdale County.

EDP

**Creating an environment to support opportunity, growth,
and encouragement to innovate for all communities,
businesses and citizens promoting**

**SUSTAINABILITY ■ COLLABORATION
STANDARD OF LIVING ■ ECONOMIC HEALTH AND WELL-BEING**

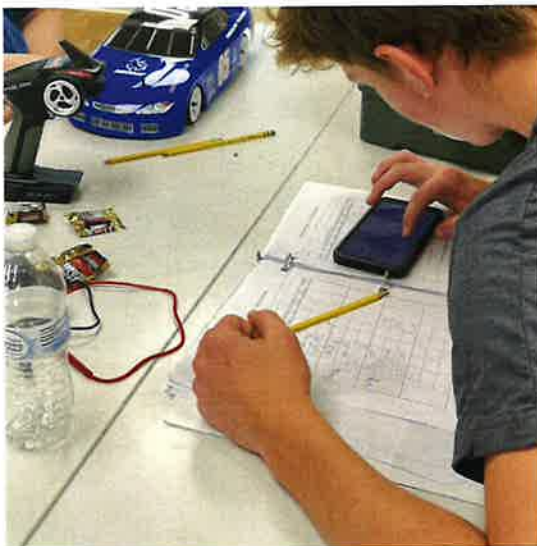
Business Attraction and Retention

- Revolving Loan Fund
- One call Employer Resource

Keeping Our Community Informed

- Public Presentations
- Manufacturing Events
- Radio
- Newspaper
- Social Media
- Visits with Legislators
- Trends Luncheons

**THE EDP WORKS WITH PARTNERS TO PROVIDE OPPORTUNITIES FOR YOUTH SO THEY
CAN MOVE INTO A SUCCESSFUL FUTURE THROUGH TRAINING AND EXPERIENCES**



- Manufacturing Day
- Race Cup Challenge Sponsorship at the LRTC
- Scholarships for Robotic and Welding Certificate Training Including Job Placement!
- Student Interviews
- Career Fairs



We foster partnerships that bring resources to Hillsdale County

MICHIGAN ECONOMIC DEVELOPMENT CORP ■ MICHIGAN WORKS SOUTHEAST
LENAWEE NOW ■ EDA ■ REGION 2 ■ USDA ■ GREATER ANN ARBOR REGION
CONSUMERS ENERGY ■ SPRING ARBOR UNIVERSITY

Funding Obtained by EDP and Distributed in Hillsdale County

\$1,448,420

Michigan Strategic Fund

Small Business Grants distributed throughout Hillsdale County

Grant Award: **\$613,420**

U.S. Department of Commerce Economic Development Administration CARES ACT Grant (Consulting Funds for Business) Funding Still Available

Grant Award: **\$265,000**

Earmark Funding through Senator Shirkey's Office

- Communications upgrade for Sheriff's office
Grant Award: **\$210,000**
- Equipment for the LRTC to train Employees, Students and Citizens
Grant Award: **\$150,000**

Earmark through Congressman Walberg's office

- Communications upgrade for Sheriff Patrol vehicles
Grant Award: **\$210,000**

LEO – Labor and Economic Opportunity Sector Grant Funding Still Available

- Consulting and Training
Grant Award: **\$250,000**



INVESTORS

Barrett Insurance
Bildner and Company, P.C.
Cambria Tool & Machine
Century Bank & Trust
Checker Records
Clark Electric
Cobra Moto
Coldwell Banker
Community Action Agency
Condon, Hecht, Bisher, Wade & Co. P.C.
Elwood Staffing Solution
Fairway Products
Foust Electro-Mold
Hi-Lex Controls
Hillsdale Buick GMC
Hillsdale College
Hillsdale County Road Commission
Hillsdale Terminal
Jack Smith Agency
Jems of Litchfield
Jesco Industries
Jonesville Paper Tube
Jonesville Tool & Manufacturing
Key Opportunities
Livonia Tool & Laser

Market House
Metal Technologies (Precision Gage)
Michigan Rebuild & Automation
NEFCO
Olivia's Chop House
OmniSource
Pittsford Township
R.C. Plastics
Ranger Power
Ritz Craft Corporation of Michigan
Ross Design & Engineering
Saucy Dogs BBQ
Southern Michigan Bank and Trust
Speedrack Products Group
Spring Arbor University
Stillwell Ford Lincoln
Stockhouse Corporation
Techniplas
Tenneco
Total Manufacturing Systems
Vested Risk Strategies
Village of North Adams
W.C.S.R.
White Machine & Automation

CORPORATE SPONSORS

City of Hillsdale/BPU
City of Jonesville
City of Reading
Consumers Energy
County National Bank
Hillsdale Hospital
Hillsdale County ISD
Litchfield TIFA
Paragon Metals, Inc.

— BOARD OF DIRECTORS — Board Officers

Rick Schaerer,
Board Chair
Jonesville Paper Tube

Don Germann,
Vice Chair
County National Bank

Kelly Hodshire,
Treasurer
Bailey & Hodshire, P.C.

Vicki Morris,
Secretary
Century Bank

Kym Blythe
Reading City Manager

Ron Griffith
Spring Arbor University

David Mackie
Hillsdale City Manager

Tony Samon
Community Action Agency

Sally Clark
Michigan Works Southeast

Jeremiah Hodshire
Hillsdale Hospital

Greg Moore
Consumers Energy

Wanda White
White Machine & Automation

John Condon
Hillsdale Terminal

Doug Ingles
County Commissioner

Corey Parker
Michigan Gas Utilities

Doug Terry
City Of Litchfield

Jeff Gray
Jonesville City Manager

Kelly LoPresto
Hillsdale BPU

Troy Reehl
Hillsdale County ISD



STAFF

Susan Smith
Executive Director
517 260 2544
ssmith@hillsdaleedp.org



Annette Sands
Administrative Coordinator
517 437 3200
asands@hillsdaleedp.org

CONTACT US

115 East Street, Jonesville Michigan 49250

517 437 3200 | info@hillsdaleedp.org

WWW.HILLSDALEEDP.ORG



City of
Jonesville

265 E. Chicago Street, Jonesville, MI 49250

(517) 849-2104
(517) 849-9037 Fax
www.jonesville.org

**LOCAL DEVELOPMENT FINANCE AUTHORITY (LDFA)
2024 ANNUAL MEETING CALENDAR
THIRD WEDNESDAY / EVERY OTHER MONTH**

WEDNESDAY	FEBRUARY 21, 2024	8:30 A.M.
WEDNESDAY	APRIL 17, 2024	8:30 A.M.
WEDNESDAY	JUNE 19, 2024	8:30 A.M.
WEDNESDAY	AUGUST 21, 2024	8:30 A.M.
WEDNESDAY	OCTOBER 16, 2024	8:30 A.M.
WEDNESDAY	DECEMBER 18, 2024	8:30 A.M.

**All meetings are held at the Jonesville City Hall – 265 E. Chicago Street, Jonesville, MI,
unless otherwise noted on the meeting agenda.**

The City of Jonesville will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon 20 days' notice to the City of Jonesville. Individuals with disabilities requiring auxiliary aids or services should contact the City of Jonesville by writing, calling, or e-mailing the following:

**City of Jonesville
265 E. Chicago Street
Jonesville, MI 49250
(517) 849-2104
www.jonesville.org**

**Cindy Means, Clerk
clerk@jonesville.org**



October 30, 2023

Village of Jonesville MI ("Landlord")
265 E Chicago St
Jonesville, MI 49250

Re: Letter of Intent to Purchase Interest in Wireless Site ("LOI")

Dear Cindy Means,

In consideration of ten dollars (\$10), the receipt and sufficiency of which is hereby acknowledged, your signature below grants to TowerPoint Acquisitions, LLC and its successors and assigns (including its asset holding company TPA VI, LLC) ("TowerPoint") exclusivity to purchase your interest in the Lease(s) ("Lease(s)") as further described in Exhibit A) through an assignment of the Lease and the grant of an underlying telecommunications easement pursuant to the terms herein (the "Transaction"). TowerPoint may close on the Transaction no later than fourteen (14) days after the Closing Contingencies listed in Exhibit A are met. The basic terms of the transaction are as follows:

Summary of Terms	
PURCHASE PRICE	\$290,000.00
LEGAL STRUCTURE	Telecommunications Easement
TERM LENGTH	Perpetual
REVENUE SHARING	New Tenant Rent: 50% in favor of Landlord (New Tenant Rent will be generated from tenants locating equipment on the equivalent of up to 500 sq. ft. adjacent to the existing lease area(s).)

- Purchase Price shall be pro-rated at closing based on interim monthly or annual rent payments with TowerPoint retaining from the Purchase Price rent paid by the tenant for any period of time from and after the date of Closing.
- Landlord shall only retain rent checks from Tenant for pro-rated periods and during the rent redirection period¹.
- TowerPoint pays for due diligence costs, the title insurance policy, and standard closing costs. Each party bears its own legal expenses. Landlord pays transfer/stamp or other tax (if any) and recording fees.

From the date you execute this LOI through the date which is thirty (30) days from the date the Closing Contingencies are met, you agree not to directly or indirectly solicit, initiate or participate in any discussions or negotiations with, or encourage or respond to any inquiries or proposals by, any persons, company or group other than TowerPoint concerning your Lease. You agree to promptly notify TowerPoint if any person, company or group seeks to initiate any discussions regarding your Lease. You further agree to work in good faith with TowerPoint to close this Transaction. The terms of this LOI are confidential and may not be disclosed without the prior written consent of TowerPoint, except to professionals engaged to evaluate and conduct the Transaction on your behalf. You acknowledge that TowerPoint has given you no tax or legal advice in evaluating the Transaction.

To the extent the terms of this LOI represent an offer by TowerPoint, the terms herein are subject to change by TowerPoint after November 13, 2023 if this LOI is not mutually executed. TowerPoint reserves the right to change the terms of this LOI following expiration.

Sincerely,
TowerPoint Acquisitions, LLC

Accepted and Agreed:
Village of Jonesville MI

Jesse M. Wellner, Chief Executive Officer
October 30, 2023

Landlord's Signature Date

Print Name:

Title:

¹Tenants delay rent redirection from the Landlord to TowerPoint by several months while the closing documents are recorded and the redirection is processed. Therefore, the Settlement Statement will show a rent credit to TowerPoint in the amount of the two (2) months following closing.)

Exhibit ASite Location and Lease Terms

Site Location: 531 Industrial Pkwy, Jonesville, Michigan 49250

Wireless Tenants	Current Rent	Rent Payment Frequency	Escalation (CPI, % or \$)	Escalation Frequency	Date of Next Escalation
SBA	\$1,322.28	Monthly	3%	Annual	08/01/2024

Pricing is based on the Lease Terms above and is subject to confirmatory due diligence of the Lease Terms.

Closing Contingencies

1. receipt of the due diligence items listed in Exhibit B;
2. receipt of a title commitment from TitleVest Agency, LLC (a subsidiary of First American Title Insurance Company) as the escrow/closing agent showing title clear of any liens, encumbrances, outstanding taxes which are otherwise due and payable, or other unsatisfied title closing requirements necessary for an insured closing with marketable title;
3. your approval of the Easement Agreement in a mutually agreeable form;
4. proper documentation of the Lease and rents, including your affirmation that you have not received any written or verbal notice of termination, modification or other correspondence from the tenant related to the Lease;
5. compliance with any tenant right of first refusal or consent requirement, if applicable, related to Landlord's assignment of the Lease; and
6. TowerPoint's desktop environmental database search returns a determination of "Low" or "Moderate" risk.

Initial
Here:

Exhibit BRequired Due Diligence Items

1. Executed Lease including any and all Amendments thereto (as well as any lease commencement letters, notices, or other correspondence regarding the Lease)
2. Proof of Rent Payments under the Lease (minimum of 3 months received in the last 6 months); e.g.: copies of rent checks/stubs and/or direct deposit statements.
3. Completed Landlord Request for Information (RFI) attached hereto as Exhibit C.
4. Landlord's comments or Landlord's counsel's comments, if any, to the Easement Agreement ("Easement") to be provided under separate cover (to be finalized in a mutually agreeable Easement) or return the Easement with each page initialed showing approval of the form Easement.
5. If an existing mortgage is in place on the property: A Mortgage Statement and Lender contact information for obtaining a non-disturbance agreement from Lender (required only if the property is encumbered by a Mortgage, Deed of Trust, Line of Credit or similar instrument).
6. Legal entity organizational documents (including any Amendments thereto) showing proof of authority, as applicable below, for all entities owning an interest in the Property:

Corporations	LLCs	General Partnership	Ltd. Partnerships	Condo Assoc's	Coop Corp (i.e.: Housing Co-op)	Trust
Articles of Incorporation	Articles of Organization	Certificate of Partnership	Certificate of Limited Partnership	Condominium Declaration	Articles of Incorporation	Trust Agreement
Signed Corporate Bylaws	Signed Operating Agreement	Signed General Partnership Agreement	Signed Limited Partnership Agreement	Signed Condominium Bylaws	Signed Corporate Bylaws	Certificate of Trust

Within 10 days of signing this LOI, I agree to provide to TowerPoint the Required Due Diligence Items listed above to facilitate a timely close under the terms of this LOI.

Initial
Here:

Exhibit C

Landlord Request for Information

EIN for Landlord (if an entity): _____

If Landlord is a natural person, then please circle marital status: **Single or Married***(Please note: if Landlord is a natural person, we will collect their taxpayer identification number prior to closing to include in the closing documents.)*

Access Contact for Site Inspection	Attorney Contact Information
Name: _____	Name: _____
Title: _____	Phone: _____
Phone: _____	Email: _____
Mobile Phone: _____	
Email: _____	

Mortgage/Line of Credit (if none, please indicate below)	
Please check here if there is no mortgage and no line of credit: _____	
<u>Primary Mortgage</u>	<u>Secondary Mortgage (if applicable)</u>
Lender Name: _____	Lender Name: _____
Lender Contact: _____	Lender Contact: _____
Lender Contact Title: _____	Lender Contact Title: _____
Phone: _____	Phone: _____
Fax: _____	Fax: _____
Email: _____	Email: _____
<u>Line of Credit</u>	
Lender Name: _____	
Lender Contact: _____	
Lender Contact Title: _____	
Phone: _____	
Fax: _____	
Email: _____	

Submitted by: Lexie Ramsey, Ph: +16789741235, Email: lexie.ramsey@towerpoint.com

Record and Return to:
Joseph Mangus
TitleVest Agency, LLC
110 E. 42nd Street, 10th Floor
New York, NY 10017
TitleVest Title No.: _____

Prepared by:
TPA VI, LLC
1170 Peachtree Street, Suite 1650
Atlanta, GA 30309

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

EASEMENT AGREEMENT

This telecommunication easement and lease assignment agreement ("Agreement") is made and shall be effective on the ____ day of _____, 2023 ("Effective Date"), by and between _____ ("Grantor") and TPA VI, LLC, a Delaware limited liability company ("Grantee").

- 1. Grantor's Property and the Telecom Tenant Lease.** Grantor represents and warrants that it holds fee simple title to certain real property located at _____, as more fully described in the legal description attached hereto as Exhibit A (the "Parent Property"). Grantor and _____ (the "Telecom Tenant") are parties to that certain lease agreement, including all amendments and modifications thereto, cited in Exhibit B and incorporated by reference herein (the "Telecom Tenant Lease").
- 2. Grant of Easement.** For the sum of TEN AND NO/100 DOLLARS and other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge as paid on or about the Effective Date along with the purchase price pursuant to the settlement statement executed contemporaneously with this Agreement ("Purchase Price"), Grantor grants and conveys unto Grantee, its successors and assigns, an exclusive easement (subject to the Telecom Tenant Lease) for the Permitted Use defined herein, together with a non-exclusive access easement for ingress and egress to and from the exclusive easement, seven days per week, twenty-four hours per day and a non-exclusive utility easement to install, replace and maintain utilities servicing the exclusive easement, including, but not limited to the installation of power and telephone service cable, wires, switches, boxes and the like as may be required by the Permitted Use (collectively "Easement" as further described in Exhibit C). Grantor shall permit Grantee, Easement Tenant(s) (as hereinafter defined), and any of their affiliates, customers, tenants, subtenants, lessees, sublessees, licensees, successors and/or assigns together with any of the employees, contractors, consultants, and or agents of the foregoing to use the Easement for the installation, construction, operation, maintenance, repair, modification, relocation, replacement and removal of improvements and equipment ("Equipment") for the facilitation of telecommunications uses, communications uses and other related uses, including, but not limited to, any uses permitted by the Telecom Tenant Lease ("Permitted Use").

Grantor represents that there is no pending or threatened action that would adversely affect Grantor's ability to enter into this Agreement or grant the Easement and that entering into this Agreement will not violate or conflict with any provision of Grantor's organizational documents (if Grantor is an organization) or conflict with the provisions of any agreement to which Grantor is a party. Grantor further represents and warrants that Grantee shall have peaceful and quiet possession and enjoyment of the Easement during the term of this Agreement without any disturbance of Grantee's possession or Permitted Use hereunder.

3. **Term.** Commencing on the Effective Date, the term of this Agreement and the Easement shall be for a perpetual term (the "Term"). Upon notice to Grantor as provided herein, Grantee may surrender the Easement to Grantor and execute such documents reasonably required to terminate the Agreement and the Easement. Grantor may not unilaterally terminate the Agreement or Easement, but if the Easement is not used for the Permitted Use for a period of five (5) years the Easement shall be deemed abandoned and shall terminate upon Grantor's notice of such default to Grantee as provided herein. **Sections 12 and 13** shall survive expiration or termination of this Agreement and shall remain in effect in perpetuity, subject to applicable law.
4. **Assignment of Lease, Renewal and Right of Replacement.** Grantor hereby assigns to Grantee all of Grantor's right, title and interest in the Telecom Tenant Lease for the Term, including the right to renew the Telecom Tenant Lease throughout the Term. Except as provided herein, Grantee agrees to assume all of Grantor's rights and obligations under the Telecom Tenant Lease. If Telecom Tenant is obligated under the Telecom Tenant Lease to pay to Grantor any fees (other than base rent and any escalations thereto) for the purpose of utility service or access or tax reimbursement, Grantor shall continue to be entitled to such fees, although Grantee may collect and distribute same to Grantor. Grantor shall continue to perform all obligations of the lessor under the Telecom Tenant Lease which relate to the use, ownership, and maintenance of the Parent Property so that Grantee may fulfill all the obligations under the Telecom Tenant Lease without breaching any provision therein, including, but not limited to, Grantor maintaining the Parent Property in a commercially reasonable condition to allow the Permitted Use of the Easement. Grantor represents and warrants that it has delivered to Grantee true and correct copies of the Telecom Tenant Lease and that Grantor owns 100% of the lessor/landlord's interest in the Telecom Tenant Lease, including the right to collect all rent thereunder. To the best of Grantor's knowledge, no party to the Telecom Tenant Lease has breached or is in default of their respective obligations under the Telecom Tenant Lease and **no party has requested or discussed a modification or termination of the Telecom Tenant Lease**. If during the Term the Telecom Tenant terminates the Telecom Tenant Lease or otherwise vacates the Parent Property, Grantee may lease all or a portion of the Easement to a replacement telecommunications tenant ("Replacement Telecom Tenant") on terms consistent with the Telecom Tenant Lease and such Replacement Telecom Tenant shall occupy the Easement rather than locating on other portions of the Parent Property ("Replacement Telecom Tenant Lease").
5. **Rent Sharing.** When a new telecommunications tenant ("Rent Share Tenant"), other than a Replacement Telecom Tenant, executes a lease for space within the Easement outside the Telecom Tenant or Replacement Telecom Tenant lease premises and commences rent payment, Grantee will collect such rent with Grantee retaining _____ percent (___%) of the rent collected and Grantee remitting _____ percent (___%) of the rent collected to Grantor. Notwithstanding the foregoing, Grantee shall be entitled to collect and retain rent from all telecommunications tenants within the Easement in an amount equal to the rent scheduled in the existing Telecom Tenant Lease and any Replacement Telecom Tenant Lease, including scheduled escalators ("Minimum Scheduled Rent"). Should the rent collected equal an amount less than the Minimum Scheduled Rent, such deficit ("Minimum Scheduled Rent Deficit") shall accrue and shall be applied against any and all future rents collected within the Easement, until collected rent payments fully offset the total Minimum Scheduled Rent Deficit. Grantee is permitted and authorized to enter into leases with Rent

Share Tenants subject to the requirements for leasing to Replacement Telecom Tenants as set forth in **Section 4**.

- 6. Right of First Refusal.** Grantor grants to Grantee the right to acquire through assignment, purchase, or other means any lease or similar conveyance for telecommunications purposes in which Grantor retains an interest outside the Easement ("Grantor's Lease"). Grantor shall deliver to Grantee, a copy of any offer to purchase an interest in Grantor's Lease. Grantee shall have thirty (30) business days to match the terms of any offer by delivering written notice of Grantee's intent to match the offer.
- 7. Grantor Cooperation and Non-interference.** Grantor hereby agrees to cooperate with Grantee and/or Telecom Tenant, Replacement Telecom Tenant and Rent Share Tenant (collectively, "Easement Tenants") in obtaining all licenses, permits or authorizations from all applicable governmental and/or regulatory entities and in acquiring any necessary upgrades to or relocation of utility service to support the Permitted Use. In furtherance of the foregoing, Grantor hereby appoints Grantee as Grantor's attorney-in-fact to execute all land use applications, permits, licenses and other approvals on Grantor's behalf in connection with the Permitted Use. Grantor's cooperation shall be at no cost to Grantor and without requiring payment of additional rent or fees by Grantee or Easement Tenants. Grantor shall not interfere with any construction in the Easement so long as such construction is to support the Permitted Use and is proceeding pursuant to a building permit or other required municipal or governmental approvals. Grantor shall not, nor shall Grantor permit its lessees, licensees, employees, invitees or agents to, use any portion of the Parent Property or the Easement in a way which materially interferes with the operations of the Easement Tenants who shall have peaceful and quiet possession and enjoyment of the Easement. Grantor may not directly or indirectly induce, invite, or conspire to induce or invite any Easement Tenants to use or lease space in direct competition with the Easement.
- 8. Assignment.** Grantee may pledge, assign, mortgage, grant a security interest, or otherwise encumber its interest created by this Agreement. Grantee may freely assign this Agreement in part or in its entirety, and any or all of its rights hereunder, including the right to receive rent payments. Upon the absolute assumption of such assignee of all of the obligations of Grantee under this Agreement, then Grantee will be relieved of all obligations and liabilities hereunder.
- 9. Taxes and Other Obligations.** All taxes and other obligations that are or could become liens against the Parent Property or any subdivision of the Parent Property containing the Easement, whether existing as of the Effective Date or hereafter created or imposed, shall be paid by Grantor prior to delinquency or default. Grantor shall be solely responsible for payment of all taxes and assessments now or hereafter levied, assessed or imposed upon the Parent Property, or imposed in connection with the execution, delivery, performance or recordation hereof, including without limitation any sales, income, documentary or other transfer taxes. If Grantor fails to pay when due any taxes or other obligations affecting the Parent Property, Grantee shall have the right but not the obligation to pay such and demand payment therefor from Grantor, which payment Grantor shall make within ten (10) days of such demand by Grantee.
- 10. Insurance.** During the Term, Easement Tenants shall maintain general liability insurance as required under their respective lease. Grantor shall maintain any insurance policies in place on the Parent Property or as required under the Telecom Tenant Lease.
- 11. Subordination and Non-Disturbance.** Grantee agrees to subordinate this Agreement to any existing or future mortgage or deed of trust on the Parent Property ("Security Instrument"), provided the beneficiary or secured party ("Secured Party") under the Security Instrument agrees for itself and its successors in interest and assigns that Grantee's rights under this Agreement and rights to the Easement shall remain in full force and effect and shall not be affected or disturbed by the Secured

Party in the exercise of Secured Party's rights under the Security Instrument during the Term, including Grantee's right to collect and retain, in accordance with the terms of this Agreement, all rents, fees and other payments due from Easement Tenants. Such non-disturbance agreement must apply whether Secured Party exercises its rights under the Security Instrument, including foreclosure, sheriff's or trustee's sale under the power of sale contained in the Security Instrument, and any other transfer, sale or conveyance of Grantor's interest in the Parent Property under peril of foreclosure, including, without limitation to the generality of the foregoing, an assignment or sale in lieu of foreclosure.

12. Mutual General Indemnification. Grantor and Grantee shall each indemnify and hold harmless the other against any and all claims, damages, costs and expenses (including reasonable attorney's fees and disbursements) caused by or arising out of the indemnifying party's breach of this Agreement or the negligent acts or omissions or willful misconduct on the Parent Property by the indemnifying party or the employees, agents, or contractors of the indemnifying party.

13. Environmental Representations and Indemnification.

- a. Grantor represents and warrants that, to the best of Grantor's knowledge, no pollutants or other toxic or hazardous substances, as defined under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. 9601 et seq., or any other federal or state law, including any solid, liquid, gaseous, or thermal irritant or contaminant, such as smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed) (collectively, "Hazardous Substances") have been, or shall be discharged, disbursed, released, stored, treated, generated, disposed of, or allowed to escape or migrate (collectively referred to as the "Release") on or from the Parent Property. Neither Grantor nor Grantee shall introduce or use any Hazardous Substances on the Parent Property or the Easement in violation of any applicable federal, state or local environmental laws.
- b. Grantor and Grantee each agree to defend, indemnify, and hold harmless the other from and against any and all administrative and judicial actions and rulings, claims, causes of action, demands and liability including, but not limited to, damages, costs, expenses, assessments, penalties, fines, cleanup, remedial, removal or restoration work required by any governmental authority, losses, judgments and reasonable attorneys' fees that the indemnified party may suffer or incur due to the existence or discovery of any Hazardous Substances on the Parent Property caused by the other party. Grantee shall not be responsible for and shall not defend, indemnify or hold harmless Grantor for any Release of Hazardous Substances on or before the Effective Date.

14. Dispute Resolution and Notice.

- a. Jurisdiction and venue under this Agreement shall be in the state and county the Parent Property is located. The parties may enforce this Agreement and their rights under applicable law, and may seek specific performance, injunction, appointment of a receiver and any other equitable rights and remedies available under applicable law. Money damages may not be an adequate remedy for the harm caused to Grantee by a breach or default by Grantor hereunder, and Grantor waives the posting of a bond. Damages as against Grantee shall be limited to the amount of consideration received by Grantor under this Agreement, following any insurance settlement which may have effect. The prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs. Neither party shall be liable to the other for consequential, indirect, speculative or punitive damages.

- b. The non-defaulting party shall provide written notice of a default under this Agreement or under an Easement Tenants' lease, not more than thirty (30) days from discovery of the default. Grantor shall have thirty (30) days to cure the default. Grantee shall have thirty (30) days to commence cure of the default.
- c. All communications shall be delivered by certified mail, return receipt requested or a nationally recognized overnight courier to the address beneath each party's signature block or such other address as advised to the other party pursuant to this Section. Notice shall be deemed given upon receipt if by certified mail, return receipt requested or one (1) business day following the date of sending, if sent by nationally recognized overnight courier service or upon attempted delivery if delivery is refused or if delivery is impossible because of failure to provide reasonable means for accomplishing delivery.

15. Miscellaneous.

- a. The terms and conditions of the existing Telecom Tenant Lease shall govern over any conflicting term of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, Grantor and Grantee acknowledge that this Agreement is subject and subordinate to the Telecom Tenant Lease.
- b. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the parties to this Agreement. It is the intention of the parties hereto that all of the various rights, obligations, restrictions and easements created in this Agreement shall run with the Parent Property upon which the Easement is located and be binding upon all future owners and lessees of the Parent Property and all persons claiming under them for the Term.
- c. Casualty and Condemnation. In the event of any casualty or condemnation of the Easement in whole or in part, Grantee shall be entitled to receive any insurance proceeds or condemnation award attributable to the value of the Easement.
- d. Bankruptcy - Grantee does not consent to rejection in bankruptcy, and Grantor shall provide notice and a copy of any bankruptcy or related filing to Grantee and Grantee's Lender.
- e. Severability. If any provision contained in this Agreement (or any portion of such provision) shall be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement (or any portion of any such provision.)
- f. Counterparts. This Agreement may be executed in separate counterparts with each counterpart deemed an original and all of which together shall constitute a single agreement.
- g. Entire Agreement. This Agreement and any documents, certificates, instruments and agreements referred to herein constitute the entire agreement between Grantor and Grantee. Without limiting the generality of the foregoing, Grantor acknowledges that it has not received or relied upon any advice of Grantee or its representatives regarding the merits or tax consequences of this Agreement.

[Signature pages and exhibits follow.]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date on page one above.

GRANTOR:

Grantor Notice Address:

STATE OF _____
COUNTY _____ } ss.

On this ____ day of _____, 2023, before me, the undersigned notary public, personally appeared _____, and proved to me through satisfactory evidence of identification, which was personal knowledge/driver's license/passport/ _____ (circle one), to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily for its stated purpose as _____ of _____.

{ affix notary seal or stamp }

Notary Public
My Commission Expires:

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date on page one above.

GRANTEE: TPA VI, LLC

Jesse M. Wellner, Chief Executive Officer

Grantee Notice Address:

TPA VI, LLC
1170 Peachtree Street, Suite 1650
Atlanta, GA 30309
Attn: Chief Executive Officer

With a copy to:

TPA VI, LLC
1170 Peachtree Street, Suite 1650
Atlanta, GA 30309
Attn: General Counsel

STATE OF GEORGIA

COUNTY OF FULTON

} ss.

On this ____ day of _____, 2023, before me, the undersigned notary public, personally appeared Jesse M. Wellner, and proved to me through satisfactory evidence of identification, which was personal knowledge/driver's license/passport/ _____ (circle one), to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily for its stated purpose as Chief Executive Officer of TPA VI, LLC.

{ affix notary seal or stamp }

Notary Public
My Commission Expires:

EXHIBIT A

LEGAL DESCRIPTION OF THE PARENT PROPERTY

[Insert property legal description.]

EXHIBIT B

TELECOM TENANT LEASE

[Insert Telecom Tenant lease citation.]

EXHIBIT C

EASEMENT AREA DESCRIPTION

[Insert Easement area description.]



CITY COUNCIL AGENDA REPORT



DEPARTMENT: City Manager's Office

MEETING DATE: November 20, 2018

PREPARED BY: Angela Cho, Management Analyst

AGENDA LOCATION: AR-1

TITLE: Letter Agreements with TowerPoint Capital, LLC for Exclusive Option to Purchase Lease Interest in Wireless Communication Sites on City Property

OBJECTIVE: To approve letters of intent to sell the City's interest in three wireless cell tower sites to TowerPoint Capital, LLC,

BACKGROUND: During the past few years, the wireless telecommunications industry has been evolving rapidly to accommodate the pending roll-out of 5G wireless technology. Cell phone carriers, tower companies, and even cable television companies are all gearing up to rollout "small cell" facilities that will accommodate the next generation of wireless connectivity that offer 5G networks speeds. Based on current market trends, the widespread establishment of 5G wireless network speeds has the potential to revolutionize "the internet of things" by facilitating the deployment of everything from smart homes, to autonomous vehicles, to data-centric cities.

To that end, various telecommunication entities are actively – and successfully – lobbying members of the Federal government and state legislatures for the right to install wireless facilities on public property for a fraction of the cost that they are paying today for wireless cell tower leases featuring 4G technology. Currently, there are at least 14 states that have passed small cell legislation in various forms (with all of those laws containing small cell legislative subsidies that cap rents at just \$250 per year per small cell node), and similar legislation was narrowly defeated in California last year. In addition, this past September, the Federal Communications Commission (FCC) established a new regulatory category of "small wireless facilities" which aims to impose substantial restrictions on how state and local jurisdictions regulate 5G wireless facilities in the public rights-of-way, including the imposition of a \$500 cap for any permitting process, and a maximum rent cost of \$270 / year for any single 5G node.

Given this emerging regulatory framework governing small cell sites, municipalities are likely going to have to provide a compelled subsidy for the telecommunication industry by capping the rents that can be charged to private wireless carriers and tower companies for use of public infrastructure. And of particular note, this advantageous cost structure means that in the future, small cell facilities will be significantly cheaper to operate than traditional cell towers, both in terms of acquiring the underlying property rights, as well as for facility and equipment costs.

These factors have provided telecommunication companies, wireless carriers, and cell tower companies tremendous leverage in renegotiating existing lease terms for current 4G cell sites, and furthermore, provides a built in financial incentive for these private companies to more quickly decommission existing tower sites that are more costly to operate and maintain than the new 5G small cell sites.

AR-1

Against that backdrop, the City has spent considerable time these past few months conducting further analysis of our existing 4G cell tower leases. Currently, Monrovia has three such leases, where a cell phone carrier has leased City property for use as a 4G cell tower node. Our agreements include leases with AT&T, T-Mobile, and Verizon.

However, as part of our lease agreements with each entity, all three carriers have the right to terminate their leases with the City for any reason and with no penalties, giving them tremendous leverage to try and renegotiate current lease costs. And to that end, AT&T and T-Mobile have both recently approached the City asking to lower their monthly payment – AT&T is requesting a reduction of 39.3% while T-Mobile has demanded a 36.9% reduction

Given the evolving nature of wireless connectivity, emerging 5G technology, and the relative ease with which cell phone carriers can cancel their existing lease arrangements, staff has spent considerable time assessing our options to identify the best way in which we can protect the City's interests. After extensive review and research, we believe we have identified an option that provides an optimal level of protection for the City from future changes in cell tower technology, while also providing the City with a substantial one-time infusion of cash.

The identified opportunity involves selling the rights to all three of our existing cell tower leases to TowerPoint Capital, LLC (TowerPoint), for an upfront payment. In addition, pursuant to the terms of the proposed transaction, TowerPoint will give the City 55% of any new revenues that they extract from renegotiations with the three current wireless carriers, and also will provide the City with 55% of any new revenues that they earn from finding new tenants. Of note, this particular option also protects the City from any future rent reductions, as TowerPoint will absorb any future losses at no cost to Monrovia.

ANALYSIS: During the past few months, staff has engaged a comprehensive review of current trends in the wireless industry as it relates to our pending transition to the 5G wireless platform through establishment of small cell sites. That analysis has led staff to the conclusion that our existing cell tower leases with AT&T, T-Mobile, and Verizon are all at risk of being modified significantly to the City's detriment, or cancelled altogether.

That sentiment has been reinforced through recent actions by AT&T and T-Mobile, both of whom currently lease property on the City's telecommunication tower in the Civic Center complex at 140 East Lime Avenue. Both carriers have recently requested significant lease payment reductions.

Also, the City leases property to Verizon Wireless in the Sawpit Dam Parking Lot at Canyon Park. And while Verizon Wireless has not yet requested any rent reduction, staff does believe that the request to lower their payments will be coming in the near future.

As a means to mitigate the risks associated with these lease arrangements, especially in light of the evolution of 5G technology and small wireless facilities, staff recommends that the City Council consider selling the rights to all three leases to TowerPoint.

TowerPoint is a financial services firm that specializes in acquiring and managing macro cell tower leases, and has offered to pay the City for the rights to all three of our existing cell tower agreements. Pursuant to the proposed terms of the transaction, in exchange for a payment of \$1.075 million to the City, any future lease revenue derived from the three existing agreements would be given to TowerPoint. In addition, under the agreement negotiated by the City, TowerPoint has also offered to provide the City with 55% of any new revenues they extract in the future, while also absorbing any rent reductions with no impact to Monrovia.

If the City Council should authorize the execution of the proposed agreements, TowerPoint will engage in a due-diligence process that should take around 30-days. During that time, TowerPoint will run title reports on the existing properties in question, send their staff out to assess the equipment located on the City's infrastructure, and coordinate an escrow process through which the transfer of funds would occur. After reviewing multiple options and taking into account current market trends, staff believes that the TowerPoint deal provides the best option for the City moving ahead.

ENVIRONMENTAL IMPACT: There is no environmental impact associated with approving this action.

FISCAL IMPACT: The City will receive a lump sum payment upon the closing of the deal, which should take 30-days from the time that we execute the letters of intent. Additionally, the City will receive 55% of all future revenues received through a revenue sharing agreement on any future lease payments made.

OPTIONS: The following options are presented for City Council consideration:

1. Approve the Letters of Intent with TowerPoint Capital, LLC, thereby selling the City's lease interest in our three wireless communication sites.
2. Do not approve the agreements and provide additional direction to staff.

RECOMMENDATION: Staff recommends that the City Council select Option 1, thereby approving the agreements with TowerPoint Capital, LLC.

COUNCIL ACTION REQUIRED: If the City Council concurs, the appropriate action would be a motion to approve the Letter Agreements with TowerPoint Capital, LLC, and authorize the City Manager to execute the necessary documents in a form approved by the City Attorney.

THE CITY OF SIERRA MADRE

Municipalities, Government Agencies
and Public-Private Partnerships



TOWERPOINT

Executive Summary

The City of Sierra Madre, CA, (City) located in San Gabriel Valley in Los Angeles, had leased property to several cell tower companies, which provided valuable revenue streams for the City's general fund. Alongside industry changes that were unfavorably impacting municipalities, the City was approached by tower company representatives seeking significant rent reductions and suggesting that without rent relief, relocation of the towers would be considered.

The City worked with TowerPoint to mitigate the risk of proposed rent reductions and relocations; and develop a solution for new tenants to follow local regulations allowing the City to maintain control over new construction.

Challenges

1. **Rent Reduction/Relocation:** The City was approached by the tower company tenants who proposed significant reductions in future rental rate along with unfavorable changes to the lease terms. The tenant representatives cited unsustainable economics in their current lease arrangements and considered relocating the towers if they didn't receive more favorable lease terms.
2. **Industry Consolidation:** One of the three telecom leases Sierra Madre wished to sell was owned by Sprint, which was in the middle of the now-complete merger with T-Mobile. T-Mobile previously announced plans to decommission 35,000 sites following the merger, most suggested to be owned by Sprint. Additionally, new federal and state regulations designed to expedite the rollout of 5G are imposing unfavorable requirements on municipalities.
3. **Regulations:** The City of Sierra Madre also wanted to comply with local regulations in selling its leases; and maintain control of over future tenant(s) construction after the sale of tower leases; and ensure non-interference with City operations after selling the leases.

Objectives

To mitigate the challenges, the City of Sierra Madre partnered with TowerPoint to:

1. Lessen risk of proposed rent reductions and loss of income;
2. Secure funding for ongoing and future city projects covered by monies generated by cell tower leases; and
3. Complete a closing process that conforms to local regulations; and addresses the City's needs after selling its cell tower leases.

The TowerPoint Solution

TowerPoint and the City's manager worked together to:

1. Sell two of the three towers at their current value before any rent reductions took place;
2. Worked with the City's attorney to get enact a municipal resolution to approve the cell tower sale;
3. Structure a master lease to include construction drawing approval for new tenants and non-interference language to protect the City after selling its tower leases; and
4. Establish a future source of revenue through tower carrier renegotiations with TowerPoint.

Results

By selling its wireless real estate assets to TowerPoint, the City of Sierra Madre received an **immediate influx of cash to support its multiple city projects and improvements; and entered a mutually agreeable lease document that protects the City needs after closing and conforms to local regulations.**