

Jamie Griffin  
463 Preston Circle  
Dexter, MI 48130

October 11, 2020

Mr. Shawn Keough, Mayor of the City of Dexter  
and Members of the Dexter City Council  
8123 Main Street, 2<sup>nd</sup> Floor  
Dexter, MI 48130

Dear Mayor Keough and Members of the Dexter City Council,

On Monday, October 12, 2020, you are holding a public hearing to receive public comment regarding a proposed conflict of interest ordinance. I want to begin by thanking you for bringing this ordinance to the table for public input. It's been just shy of 6 years since the people of Dexter voted to become a city, adopting a charter that states: "The use of public office for private gain or the appearance of private gain is prohibited. The City Council shall implement this prohibition by ordinance."

In October 2018, City Manager Courtney Nicholls joined the Faith in Action Board of Trustees. That same month, City staff met with Avalon Housing and Faith in Action to discuss Avalon's purchase of city-owned property at 7651 Dan Hoey Road for the purposes of constructing permanent supportive housing (with supportive services provided by Faith in Action as described in a Memorandum of Understanding between the two organizations dated January 4, 2019) and a food pantry to be run by Faith in Action. Over the next couple of months, a committee comprised of Mayor Keough, Councilmembers Bell and Fisher, and Manager Nicholls, on behalf of the City, met with representatives from Avalon and Faith in Action regarding the proposed development and land sale. In late January 2019, Council unanimously approved a purchase agreement between the City and Avalon which was signed by Mayor Keough and Manager Nicholls on February 1, 2019.

As the proposed project developed, Manager Nicholls continued to sign legal documents, prepare meeting packets, and participate in public meetings regarding the sale. After learning about Manger Nicholls' involvement with Faith in Action in September 2019, I reached out to the Michigan State University Extension office and, after describing the circumstances, was told: "something doesn't smell right." I then contacted Manager Nicholls via email, writing: "Regarding the proposed partnership between Avalon Housing and FIA and your roles as city manager and FIA board member, I'm wondering whether you consider your participation in this discussion and deal (e.g., your signatures on

legal documents, preparation of meeting packets, and participation in council meetings and public hearings) to be a conflict of interest. Perhaps there was already a public discussion about or disclosure of this relationship and a justification for your continued involvement that I have not yet been able to find.”

On that same day, Manager Nicholls replied: “We all serve on the FIA Board as volunteers, so we have no financial interest in whether the Avalon project occurs or doesn’t occur. Council is aware of my service on the board and it is not viewed as a conflict of interest. Quite the opposite actually – my service allows the Council and the community a direct connection to a vital non-profit that serves our City.” In that same email, Manager Nicholls indicated she would become the president of the Faith in Action Board of Trustees the following month.

A few months later, in January 2020, Mayor Keough expressed a similar sentiment in an email to me, writing: “Your criticism of Courtney Nicholls is also very unfair. You continue to suggest that there is a conflict of interest and that is completely false and misleading. As you learn more about our community, you will find that a great many people participate in many circles and sometimes those circles overlap at times. Courtney Nicholls’ interest in volunteering to serve on the Faith in Action Board is genuine and was known by all involved. She has supported them for years and is putting her energy to a good use to help the greater Dexter community in yet another way. City Council was very aware that she was volunteering on that Board. Her role on that Board had nothing to do with Council’s discussions with Avalon and Faith in Action and our ultimate decision to support the FIA/Avalon partnership.”

Taken together, the responses I received from Manager Nicholls and Mayor Keough imply that: (1) conflicts of interest only involve explicit financial interests, (2) conflicts of interest do not exist when someone is being genuine, (3) conflicts of interest are unavoidable in small towns, and (4) conflicts of interest do not exist when Council is made aware of them.

Regarding the first implication, that conflicts of interest only involve explicit financial interests, the ordinance under consideration tonight is obviously, and rightly, much broader than that and includes “a matter involving a corporation, company, partnership, or any other entity in which he or she is a part owner, or *any other relationship* [emphasis added] with a corporation, company, or partnership.”

Regarding the second implication, that conflicts of interest do not exist when someone is being genuine, notably, the proposed ordinance makes no mention of the moral nature of one’s motive.

Regarding the third implication, that conflicts of interest are unavoidable in small towns, the proposed ordinance provides no such exception as is further echoed in an article by a Michigan State University Extension specialist: "Often a small community struggles to avoid a 'conflict of interest' situation... But there are not any exceptions or special dispensation due to the size of a community." (Schindler, K.. 2014. *Conflict of interest rules apply to all communities, regardless of size*. MSU Extension. [https://www.canr.msu.edu/news/conflict\\_of\\_interest\\_rules\\_apply\\_to\\_all\\_communities\\_regardless\\_of\\_size](https://www.canr.msu.edu/news/conflict_of_interest_rules_apply_to_all_communities_regardless_of_size).)

Regarding the final implication, that conflicts of interest do not exist when Council is made aware of them, the proposed ordinance rightly indicates that disclosure is the *first* step for dealing with conflicts of interest, not the last step. In fact, following proper disclosure, the proposed ordinance provides detailed guidance regarding the future involvement of the city official noting that, among other things, the official shall "cease to participate at any meetings before which the matter is considered" and "leave the meeting room until that agenda item is concluded."

In this particular case, Manager Nicholls not only continued to stay in the room, but she continued to advise Council regarding the land sale and participate in public discussions, among other things. Notably, in September 2019, Manager Nicholls wrote on behalf of the City to Chad Benson, the allocations manager for the MSHDA low income housing tax credits, writing: "I am pleased to write this letter on behalf of the City of Dexter in support of Avalon Housing's Hilltop View Apartments affordable housing development that is applying for an allocation of LIHTC from MSHDA."

A few months later, in December 2019, the City had an option to terminate the purchase agreement with Avalon because Avalon had failed to meet the requirements of that agreement. At that time, Manager Nicholls sent a memo to Council stating: "If Council does not approve the extension [of the inspection period] the agreement would terminate because the conditions have not been satisfied and, either a formal amendment to the purchase agreement would need to be made or a new agreement would need to be negotiated. Staff is recommending that Council approve the inspection period extension request to June 30, 2020."

More recently, in a memo to Council dated July 23, 2020, Manager Nicholls asked Council to consider a modification to the Option Agreement included in the closing documents, prohibiting the City from being able to buy the property back from Avalon.

On June 5, 2020, the City closed on the land sale with Avalon, for a final sale price of \$187,500—more than \$90,000 below the appraised value of \$278,000—a 33% discount.

I am writing to ask you to reflect on the circumstances of this particular transaction as you discuss the conflict of interest ordinance under consideration. I am also asking for a response to the following questions:

- What, if anything, about the sale of public land to Avalon would have changed had the proposed ordinance been in effect at the outset? Would you still maintain that Manger Nicholls' involvement was not a conflict of interest, real or perceived? If so, what language in the proposed ordinance supports such a position?
- What guarantee do we have that a city official will not help the City sell public property for less than it is worth to an individual or organization with which that official is affiliated?

Finally, I am requesting that you submit the full particulars of this transaction to the Michigan Attorney General Public Integrity Unit for their independent review to ascertain whether in fact there was a conflict of interest and whether any laws were violated as a result. Please submit my statement making this request to the Michigan Attorney General Public Integrity Unit and make a copy of the entire submission available for public inspection immediately.

Thank you.



Jamie Griffin  
463 Preston Circle  
Dexter, MI 48130

City of Dexter  
Ordinance No. 2020 – XX  
Conflict of Interest Ordinance

SECTION 1. Title

This Ordinance shall be known and cited as the City of Dexter Conflict of Interest Ordinance.

SECTION 2. Preamble

The City of Dexter Charter calls for the adoption of a Conflict of Interest Ordinance. The purpose of this Ordinance is to establish standards of conduct for all elected and appointed City officials regarding conflicts of interest so as to enhance public confidence in the government of the City of Dexter, to avoid unethical conduct by City officials, and to avoid the appearance of impropriety by City officials.

SECTION 3. Definitions

Conflict of Interest – when there exists the possibility that the interests of the City may diverge from, or be in conflict with, the interests of a Public Official. Such a Conflict of Interest could include, but is not limited to, situations involving a Public Official and:

- (1) a financial benefit not shared with a substantial segment of the public for any of the following:
  - a. The Public Official;
  - b. A member of the Public Official's immediate family or relative;
  - c. An employer of the Public Official other than of the City;
  - d. Any business in which the Public Official, a member of the Public Official's immediate family, or a relative of the Public Official has a financial interest; or
  - e. Any business with which the Public Official, a member of the Public Official's immediate family, or a relative of the Public Official is negotiating or seeking employment or any other business or professional relationship.
- (2) a matter concerning his or her own conduct;
- (3) a matter concerning land owned by him or her or which is adjacent to land owned by him or her;
- (4) a matter involving a corporation, company, partnership, or any other entity in which he or she is a part owner, or any other relationship with a corporation, company, or partnership;
- (5) a matter concerning his or her spouse, children, step-children, grandchildren, parents, brothers, sisters, grandparents, parents in-law, grandparents in-law, or members of his or her household;

- (6) a matter where his or her employee or employer is an applicant or agent for an applicant;
- (7) a matter in which, due to particular circumstances there may be the appearance of improper bias that could taint the outcome or process if the Public Official participates.

Public Official - includes all City of Dexter elected and appointed officials, including but not limited to members of City Council, Boards, Commissions, Committees; and City employees.

#### SECTION 4. Prohibited Conduct-Conflict of Interest

- (1) A Public Official shall not intentionally take or refrain from taking any action on; induce or attempt to induce any other Public Official to take or refrain from taking any official action on; deliberate on; vote on; or review any matter before the City for which they have a Conflict of Interest.
- (2) No Public Official shall vote on, or participate in any deliberations on, any question or issue in which he or she has a Conflict of Interest.

#### SECTION 5. Disclosure and Determination of Conflicts of Interest

- (1) Whenever a potential Conflict of Interest exists, the Public Official must notify the City, either orally on the record at a meeting of the public body involved, or in writing filed with the City Manager prior to the Public Official taking any other action in the matter. The City Manager shall preserve all written disclosure statements in accordance with the City's records retention schedule. In either case it shall be made a part of the record of a regular meeting of the most appropriate public body, and in either case shall include:
  - a. The identity of all persons involved in the Conflict of Interest.
  - b. The source and type of the Conflict of Interest
  - c. The source and amount of monetary value or equivalent derived from the Conflict of Interest that may be considered as resulting from employment, investment or gift.
- (2) Once a potential Conflict of Interest has been made a part of the record, the member(s) with the Conflict of Interest shall:
  - a. Cease to participate at any meetings before which the matter is considered, or represent one's self before the public body, its members, committees, commissions or staff on the matter, and
  - b. During deliberation of the matter before the public body, leave the meeting room until that agenda item is concluded.

## SECTION 6. Advisory Opinions Regarding Potential Conflicts of Interest

Any Public Official may request that the City Attorney provide an advisory opinion interpreting the effect or application of this Ordinance generally, or on questions directly relating to the propriety of their conduct in a particular situation.

## SECTION 7. Investigation of Complaints; Hearing

- (1) Upon acquiring reasonable information or belief about a violation of this Ordinance by a Public Official (except City employees), the complaint shall be referred to City Council, which upon a majority vote shall refer the complaint to the City Attorney for investigation. When that investigation is complete, the City Attorney shall provide the City Council with the results of the investigation. By a majority vote, the City Council may call for a hearing at a regular or special meeting of the City Council to determine whether or not a violation did in fact occur and, if so, what penalties should be imposed for the violation.
- (2) Upon acquiring reasonable information or belief about a violation of this Ordinance by a member of City Council, the complaint shall be referred to City Council, which upon a majority vote of the remaining members shall refer the complaint to the City Attorney for investigation. When that investigation is complete, the City Attorney shall provide the City Council with the results of the investigation. By a majority vote of the remaining members, the City Council may call for a hearing at a regular or special meeting of the City Council to determine whether or not a violation did in fact occur and, if so, what penalties should be imposed for the violation.
- (3) The City Manager shall perform or shall have performed an investigation into complaints against City employees regarding potential Conflicts of Interest.
- (4) Nothing in this Ordinance shall be construed to diminish or impair the rights of any City employee under any provision of a collective bargaining agreement in effect on the effective date of this Ordinance, nor the City's obligation to comply with any collective bargaining agreement.

## SECTION 8. Violations and Penalties

A Public Official who is a member of City Council who violates this Ordinance is subject to censure by the (unanimous/ two-thirds) vote of the remaining members of the City Council. Except for City employees, any other Public Official who violates this Ordinance is subject to censure by the (unanimous/ two-thirds) vote of the City Council, and/or by a majority vote, removal from their position on such board, commission, or committee. A Public Official who is a City employee who violates this Ordinance may be subject to discipline, including termination (provided such discipline is consistent with any contractual obligations). The penalties identified in this Ordinance are not exclusive remedies, and any and all penalties or forfeitures provided for by law may also be enforced.

## SECTION 9. Retaliation Prohibited

- (1) The City shall not discipline, discharge, threaten, or otherwise discriminate against a City employee in regards to the terms and conditions of his or her employment because the employee, or a person acting on behalf of the employee, has reported, is believed to have reported, intends to report, or is believed to intend to report, either verbally or in writing, a violation or suspected violation of this Ordinance, unless the employee knows or reasonably should know that the report is false.
- (2) The City shall not discipline, discharge, threaten, or otherwise discriminate against a City employee in regards to the terms and conditions of his or her employment because the employee is requested by the City to participate in an investigation or hearing regarding an alleged violation of this Ordinance.
- (3) A board, commission, or City Council shall not discipline, censure, threaten, or otherwise discriminate against a Public Official because that Public Official , or a person acting on behalf of that Public Official, has reported, is believed to have reported, intends to report, or is believed to intend to report, either verbally or in writing, a violation or suspected violation of this Ordinance, unless the Public Official knows or reasonably should know that the report is false.
- (4) A board, commission, or City Council shall not discipline, censure, threaten, or otherwise discriminate against a Public Official because the Public Official is requested by the City to participate in an investigation or hearing regarding an alleged violation of this Ordinance.

SEM comment- this provision perhaps should be included in the Ordinances somewhere, but it does not seem to fit in here.

- (3) On all other questions, each member who is present shall vote when a vote is required. If a valid conflict of interest does not exist, any member refusing to vote when required shall be guilty of misconduct in office.

RESOLUTION IN SUPPORT OF AFFORDABLE HOUSING IN THE DEXTER COMMUNITY

WHEREAS, Faith In Action is a community funded, faith based assistance and resource center providing support to alleviate the effects of hunger and poverty in the Dexter and Chelsea communities, and

WHEREAS, Faith In Action is aware there is a need in the Dexter community for affordable housing, and

WHEREAS, Avalon Housing is a local organization that has built healthy, safe and inclusive supportive housing communities with 288 units in Washtenaw County, and

WHEREAS Avalon Housing in 2017 and 2018 partnered with Faith and Action and others to purchase and develop Sharon Ann Apartments in Chelsea as affordable housing, and

WHEREAS Avalon Housing in partnership with the City of Dexter is in the process of determining the feasibility of acquiring and developing property to create affordable housing units in the City of Dexter, and

WHEREAS Avalon Housing seeks to create an office and food pantry for permanent Faith In Action operations in the common space of the proposed affordable housing unit complex as part of the supportive services that are a key element of Avalon's housing model,

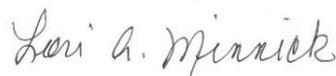
NOW THEREFORE BE IT RESOLVED, that Faith In Action supports the efforts of Avalon Housing, the City of Dexter and others to develop affordable housing units in the City of Dexter and

BE IT FURTHER RESOLVED, that Faith In Action will assist in those efforts where possible.

Adopted January 22, 2019 by the Faith In Action Board of Directors



Nancy Paul  
Director, Faith In Action



Lori Minnick  
Board Chair, Faith In Action

**HOUSING SUPPORT SERVICES**  
**MEMORANDUM OF UNDERSTANDING for 7651 Dan Hoey, Dexter, MI**

Between  
Avalon Housing, Inc.  
Faith in Action

**I. BACKGROUND AND PURPOSE**

This agreement for Housing Support Services entered into January 3, 2019 is between Avalon Housing, Inc. (Avalon) and Faith in Action (FIA) with the purpose of delineating the roles and responsibilities of the entities providing property management and supportive housing services for the units designated for residents of 7651 Dan Hoey, Dexter, MI. This agreement is in place to encourage cooperation among the involved agencies, and to outline the common goals of preventing homelessness, increasing tenant self-determination, and building community.

This agreement will be automatically renewed with the same terms and conditions annually thereafter except where any party provides written notice of non-renewal three months before the annual termination date. Otherwise, this Agreement may be terminated in accordance with the section on Termination below.

**II. GUIDING PRINCIPLES**

Permanent supportive housing is grounded in a housing-first philosophy. Tenant supports are focused first on helping them maintain a stable housing situation, and then on improving their quality of life. Eviction prevention efforts for high-risk tenants are prioritized and coordinated with property managers.

The supportive housing services are highly individualized and flexible, expanding and contracting to meet tenant need. Services are not time limited. Participation in services will not be a condition of tenancy. Because services are voluntary, Faith in Action will place a high priority on creative engagement and outreach efforts. Housing based case management and other one-on-one supports are provided to tenants in their homes, or in the community as needed.

Avalon's 7651 Dan Hoey development will include the specific commitment of some of its units to Supportive Housing. All supportive housing households will be occupied by homeless and/or special needs families. All supportive housing referrals will come through Housing Access of Washtenaw County. Individualized support services including Case Management will be provided to these families by Faith in Action.

This project will be affirmatively marketed to persons with disabilities. A section on reasonable accommodations will be in property management's tenancy application. All parties to this document are willing to negotiate reasonable accommodations to facilitate the admittance of persons with disabilities into the development. Avalon will accept Section 8 vouchers or other rental assistance for eligible tenants and not require total income for persons with rental assistance beyond that which is reasonably available to supportive housing tenants.

### III. ROLES AND RESPONSIBILITIES

#### A. *Property Management (Avalon Housing)*

Avalon's Enhanced Property Management approach blends traditional landlord work with a variety of outreach, advocacy and community building activities designed to prevent eviction. Key elements of this approach are our commitment to making creative accommodations, referral and advocacy, positive tenant relationships and respect for tenants' rights. Property Management staff are responsible for all traditional landlord responsibilities including:

1. Tenant selection
2. Rent collection
3. Coordinating maintenance and repair needs
4. Lease compliance
5. Notices and evictions

In addition, property management staff are responsible for non-traditional activities related to coordination with services and eviction prevention work, including:

1. Refer clients to the services teams as needed.
2. Assess housing risk, and work with tenant and services staff to develop eviction prevention plans, including lease addenda as needed.
3. Make accommodations for high-risk tenants as necessary and possible.
4. Work with Maintenance staff to assist with accommodations as needed.
5. Meet regularly with services staff to address problems, coordinate plans, and review and evaluate program outcomes.
6. Advocate with other service systems as needed.

#### B. *Lead Agency (Avalon Housing)*

Avalon Housing will serve as Lead Agency for this project, and will work closely with Faith in Action staff to coordinate service delivery for all tenants. Avalon's role will include:

1. Primary contact with Housing Access of Washtenaw County (HAWC), Washtenaw's single point of entry for homeless households. Avalon will reach out to HAWC staff when vacancies arise for the units targeted for special needs households to ensure appropriate referrals from HAWC.
2. Coordination and prioritization of services interventions provided by Faith in Action as well as other community partners.
3. Training and onboarding support for Faith in Action staff in working with high needs households with behavioral health challenges. Training topics include:
  - a. Enhanced property management
  - b. Trauma Informed Care
  - c. Harm Reduction
  - d. De-escalation
  - e. Crisis Intervention
4. Provide collaboration and consultation to support effective service delivery and ensure best practices are being followed. Efforts will include:
  - a. Monthly meetings with Property Management and Avalon Services Staff to encourage peer learning and case consultation
  - b. Individual consultation as needed with Avalon Services leadership
  - c. Sharing of materials to enhance service delivery including assessments, action plans, eviction prevention plan templates, etc.

***C. Housing Support Services (Faith in Action)***

Faith in Action's role includes:

1. Intake and assessment for all tenants
2. Collaboratively identify goals and develop action plans with all tenants to guide service delivery
3. Provision of resources and referrals for all tenants
4. Referral and linkage to behavioral health, physical health, and other identified services
5. Advocacy and recovery support
6. Assistance with benefits and entitlements
7. Provision of basic needs such as furniture and food
8. Community building and engagement activities
9. Manage the building's community space to provide support activities such as employment and education assistance, self-help groups, community meals, volunteer support for tenants and their children, and other activities as determined in coordination with tenants.
10. Manage on-site food pantry
11. Complete income certifications and subsidy related paperwork
12. Provide financial literacy and budget support
13. Coordinate and participate in eviction prevention planning with tenant and Avalon Property Manager

#### IV COMMUNICATION

Avalon and Faith in Action will stay in close communication and meet regularly to identify tenants at risk of eviction and develop housing permanency and support plans.

#### VI GENERAL TERMS

##### Termination

Either party may terminate their participation in this Agreement by giving the other party sixty (60) days prior written notice. The party wishing to terminate this agreement for cause must provide a written intent to terminate notice to the party in breach or default. The notice will provide thirty (30) days for the party in breach or default to respond to said notice with an acceptable plan to cure cause for termination.

##### Confidentiality

Both parties agree that by virtue of entering into this Agreement they will have access to certain confidential information regarding the other party's operations related to this project. The parties further agree that they will not at any time disclose confidential information and/or material without the consent of that party unless such disclosure is authorized by this Agreement or required by law. Confidential client information will be handled with the utmost discretion and judgment.

##### Arbitration

Should either party wish to commence an action for damages under this Agreement, it shall be required to adjudicate the dispute through binding arbitration under the rules of The American Arbitration Association or under such rules to which the parties may agree. Any award rendered by the arbitrator shall be final and binding upon each of the parties, the judgment there upon shall be borne equally by both parties. During the course of arbitration and until a final settlement has been reached, this agreement shall remain in full force and effect unless otherwise terminated as provided in this Agreement.

Signed by:

  
\_\_\_\_\_  
Aubrey Patino  
Executive Director, Avalon Housing, Inc.

1/4/19  
Date

  
\_\_\_\_\_  
Nancy Paul  
Executive Director, Faith in Action

1/4/19  
Date

## AGREEMENT OF PURCHASE AND SALE

1<sup>st</sup> THIS AGREEMENT OF PURCHASE AND SALE ("Agreement") is made as of the day of February, 2019 (the "Effective Date," which shall be the date that the later of Seller or Purchaser execute this Agreement) by and between the City of Dexter, Michigan whose address is 8123 Main Street, Dexter, MI 48130 ("Seller"), and Avalon Housing, Inc., a Michigan nonprofit whose address is 1327 Jones Dr., Suite 102, Ann Arbor, MI 48105 ("Purchaser").

### R E C I T A L S:

A. Seller is the owner of certain real property located in Dexter, Michigan, more particularly described and/or depicted on Exhibit A attached hereto and incorporated herein by reference, to be referred to as the "**Property**."

B. Seller has agreed to sell and Purchaser has agreed to purchase the Property subject to and upon the terms and conditions of this Agreement.

C. Seller and Purchaser acknowledge that the Property is a vacant parcel of land.

**NOW, THEREFORE**, for the mutual covenants and benefits and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. **Basic Provisions**. The following words and phrases, set forth in alphabetical order, are hereby defined for use in subsequent provisions of this Agreement.

(a) **Closing**: The consummation of the transaction as contemplated in this Agreement shall be referred to as the "Closing."

(b) **Commitment**: A commitment for an ALTA owner's policy of title insurance issued by the Title Company in an amount not less than the Purchase Price bearing a date later than the date of this Agreement committing the Title Company to insure Purchaser as the fee simple owner of the Property with such endorsements as Purchaser shall request.

(c) **Conditions**: The conditions precedent to Purchaser's obligation to purchase the Property, which Conditions are as follows:

(i) **Physical Condition**: Purchaser's satisfaction, in its sole and absolute discretion, with the soil bearing capacity, subsoil, wetlands, woodland and environmental condition of the Property and all other aspects of the Property and its intended use by Purchaser.

(ii) **Approval Condition**: Purchaser obtaining any and all approvals deemed appropriate by Purchaser, including but not limited to, financing, tax credit, grant and investment partner approvals.

(iii) **Title Condition:** Purchaser's satisfaction, in its sole and absolute discretion, with the state of title to, and the survey of, the Property pursuant to Section 5 below.

(iv) **Representations and Warranties Condition:** All of Seller's representations and warranties contained herein shall be true and accurate in all material respects as of the date of Closing.

(d) **Deposit:** Deposit shall mean Five Thousand and no/100 Dollars (\$5,000) plus any interest thereon, as such amount may be increased pursuant to the terms of this Agreement.

(e) **Inspection Period:** The nine (9) month period commencing after the Effective Date.

(f) **Permitted Exceptions:** The encumbrances or exceptions to title shown in the Commitment to which Purchaser does not object, or which are otherwise allowed pursuant to this Agreement or which, with Purchaser's consent, are waived and accepted or insured over.

(g) **Purchase Price:** The Purchase Price is equal to One Hundred Eighty-Seven Thousand Five Hundred and 00/100 Dollars (\$187,500), unless reduced to reflect a lower appraised value, pursuant to Section 15(d)(iii).

(h) **Survey:** A certified ALTA survey of the Property containing such detail as Purchaser shall require in its sole discretion, certified to Purchaser, the Title Company and, if applicable, such lending institution or institutions as Purchaser shall desire, all to the extent Purchaser elects to obtain such a survey.

(i) **Title Company:** The title company shall be First American Title Company located at 100 Bloomfield Hills Parkway, Bloomfield Hills, MI 48034.

(j) **Public Hearing.** Prior to the submission of the Purchaser's tax credit application anticipated in October of 2019, the Seller shall conduct a public hearing seeking input from members of the general public with regard to the sale of Property.

2. **Sale and Conveyance.** On and subject to the terms and conditions of this Agreement, Seller agrees to sell the Property to Purchaser and Purchaser agrees to purchase the Property from Seller for the Purchase Price.

3. **Deposit.** Within ten (10) days after the Effective Date, Purchaser shall deliver the Deposit directly to Seller. In the event of Closing, the Deposit shall be returned to Purchaser upon tender by Purchaser of the necessary funds to close pursuant to this Agreement or credited towards the Purchase Price at Purchaser's election. In the event of the termination of this Agreement, the Deposit shall be refunded to Purchaser or delivered to Seller, all as provided for below.

4. **Conditions.** Purchaser's obligation to purchase the Property is expressly conditioned upon Purchaser's satisfaction, in its sole and absolute discretion, with the Conditions.

**5. Evidence of Title.**

(a) As evidence of title to the Property, Seller shall furnish the Commitment to Purchaser within fifteen (15) days after the Effective Date. The Commitment shall be delivered to Purchaser together with a legible copy of each document affecting the Property or which constitutes encumbrances against the Property or exceptions to Seller's or Purchaser's title to the Property. Purchaser shall have the right to obtain the Survey at Purchaser's cost. Purchaser shall have thirty (30) days after the date on which Purchaser has received the last of either the Commitment, the title documentation, or the Survey, within which to notify Seller of any matters of title or Survey to which Purchaser objects, and Seller shall have thirty (30) days from the date of such notification to cure such objections. Affirmative title insurance shall only be deemed a cure for such objections in the event Purchaser agrees to the same in writing.

(b) With respect to any other encumbrances or exceptions to which Purchaser may object, of which Seller is notified and which Seller does not eliminate within the aforesaid period, Purchaser shall elect, upon notice thereof to Seller, within fifteen (15) days after the expiration of Seller's aforesaid thirty (30) day period to eliminate such encumbrances or exceptions, either: (i) to waive its objections to and accept title subject to such encumbrances or exceptions; (ii) to terminate this Agreement, whereupon the Deposit shall be promptly returned to Purchaser, and this Agreement shall thereafter be of no further force or effect (except for the indemnification described in Section 6(d)). If Purchaser does not provide notice to Seller within such time period, Purchaser shall be deemed to have elected option (i)

**6. Due Diligence and Inspection Period.**

(a) Commencing on the Effective Date, Purchaser, its agents, representatives, employees and contractors, shall have the right to: (i) inspect and investigate the Property which may include, but shall not be limited to, site inspections, environmental site assessments and studies, and engineering studies; (ii) confirm the availability and adequacy of utilities adequate to service Purchaser's intended use of the Property; and (iii) review or consider any other matter which Purchaser deems appropriate in order to determine, in its sole and absolute discretion, whether Property is suitable for its purposes. During the Inspection Period, Purchaser shall have the right to apply for obtain approvals from all applicable authorities for rezoning, land use, utilities, environmental approvals, payment in lieu of taxes (PILOT), site plan and building permit requirements and such other approvals and permits as shall be required by Purchaser to develop and improve the Property for Purchaser's intended use (the "Approvals").

Notwithstanding the expiration of the Inspection Period, Purchaser shall not be obligated to purchase the Property until such time as Purchase receives a reservation of Low Income Housing Tax Credits for its contemplated development of the Property.

The Inspection Period may be extended for an additional period by mutual written agreement of Purchaser and Seller.

(b) Purchaser shall have the right, during the Inspection Period, to deliver to Seller notice that the Physical Condition has been satisfied or waived, failing of which, subject to the provisions of this Agreement, this Agreement shall be deemed terminated, the Deposit shall

immediately be returned to Purchaser and neither party shall, thereafter, have any further liability or obligation hereunder (except for the indemnification described in Section 6(d)). In the event Purchaser notifies Seller of its satisfaction with the Physical Condition, then, subject to satisfaction with the Approval Condition, the Title Condition, the Representations and Warranties Condition, and the receipt of a reservation of Low Income Housing Tax Credits for the contemplated development of the Property, the parties shall proceed to Closing, and thereafter, the Deposit shall be deemed non-refundable to Purchaser in the event of the subsequent termination of this Agreement, except in the event of the failure of any of the remaining Conditions or the termination of this Agreement in accordance with Sections 16 (Seller's default) and 23 (condemnation) below.

(c) In the event that Purchaser determines, in its sole and absolute discretion, reasonably or unreasonably, that the Physical Condition shall be unsatisfactory on or before the end of the Inspection Period, then, Purchaser shall have the right, at any time before the end of the Inspection Period, upon notice to Seller, to terminate this Agreement whereupon the same shall be deemed terminated, the Deposit shall be immediately refunded to Purchaser and neither party shall, thereafter, have any further liability or obligation hereunder (except for the indemnification described in Section 6(d)).

(d) Following the completion of its investigations of the Property, Purchaser shall restore the Property to its prior condition. Purchaser shall defend, indemnify, and hold Seller harmless from any expenses or damages Seller incurs as a result of Purchaser's investigations of the Property; notwithstanding anything to the contrary, this obligation shall survive the termination of this Agreement.

7. **Entry.** From and after the date of this Agreement, Purchaser and its representatives shall have the right and license to enter upon the Property to undertake such activities thereon reasonably required to enable Purchaser to investigate the condition of the Property and otherwise to satisfy itself with respect to the Conditions.

8. **Seller's Authority.** Seller warrants, represents and covenants to Purchaser as follows:

(a) Seller has the right to execute this Agreement. Neither the execution and delivery of this Agreement nor the consummation by Seller of the transaction contemplated hereby will (i) conflict with or result in a breach of or default under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, agreement or other instrument or obligation to which Seller is a party or by which it or the Property is bound, or (ii) violate any order, injunction, decree, statute, rule or regulation applicable to Seller or the Property.

(b) There is no pending litigation involving or affecting all or any portion of the Property.

(c) Seller has not received any notice that the Property or any portion thereof is situated, used or operated in violation of any law, court order, regulation, ordinance or requirement of any city, county, state or other governmental authority.

9. Seller further represents to Purchaser as follows:

(a) No assessments have been levied against the Property which remain unpaid and, in the event of any such assessments, other than assessments initiated by Purchaser, Seller covenants to pay any and all of such assessments in full, that are due and payable, at or before Closing.

(b) Seller has received no notice and has no knowledge of any special assessments affecting the Property and no federal, state or local taxing authority has asserted any tax deficiency, lien or assessment against the Property which has not been paid.

#### 10. **Environmental Matters.**

(a) Seller warrants and represents to Purchaser that the Property is not now and to Seller's knowledge has not ever been used for the purpose of disposal of, refining, generating, manufacturing, producing, storing, handling, treating, transferring, releasing, processing or transporting any petroleum, petroleum derived products and/or hazardous waste or hazardous substance and/or toxic waste or toxic substance, as such terms are defined in the Resource Conservation and Recovery Act of 1976, 42 USC 6901 et seq., as amended, the Comprehensive Environmental Recovery Compensation and Liability Act of 1980, 42 USC 9601 et seq., the Superfund Amendments and Reauthorization Act, Public Law 99 499 as amended, or any other federal, state or local environmental law, regulation, code or ordinance, and, to the Seller's knowledge, no pollutants, contaminants or hazardous or toxic wastes, substances or materials are present in, on or under the Property, the Property, other than those disclosed in writing to and acknowledged by the Purchaser. The Property does not contain any underground storage tanks in, on or under the surface of any portion of the Property, and the Property has never contained any such underground storage tanks.

(b) Seller agrees to provide any and all Environmental Reports it possesses regarding the Property. Seller also agrees to fully cooperate with Purchaser's Environmental Consultant in obtaining any approvals or submitting a Baseline Environmental Assessment to the Department of Environmental Quality (MDEQ) for the State of Michigan, if the Environmental Consultant recommends this course of action.

(c) The development of said Property is partly supported by federal funds, and pursuant to federal guidelines contained at 24 CFR §58.22 (f) for approval of those funds, closing on this Agreement is contingent on the completion of the federal environmental review process. The requirements of the federal guidelines, and those that may be required by the Michigan Department of Environmental Quality to comply with state and federal requirements must be satisfied before the closing on this Agreement.

11. **Covenant of No Change.** From and after the date of this Agreement through the Closing date, Seller shall not cause any material adverse change in the Property or the use thereof nor shall the Property have sustained any loss or damage which shall materially and adversely affect the potential development of the Property for its intended use by Purchaser.

12. **Existing Materials.** Within thirty (30) days after the date of this Agreement, Seller shall deliver to Purchaser copies of its most recent title insurance policies, surveys, site

plans, soils reports, environmental site assessment reports and engineering reports and the like with respect to the Property in Seller's possession and control.

13. **Zoning and Approval.** In connection with Purchaser's intended development of the Property, Seller acknowledges that the Purchaser will be seeking to rezone the Property in order for its intended use as affordable residential housing.

14. **Payment in Lieu of Taxes.**

In connection with Purchaser's intended development and use of the Property for affordable residential housing, Seller acknowledges that Purchaser intends to finance any improvements to the Property using Low Income Housing Tax Credits and will seek Seller's approval of a payment in lieu of taxes (PILOT) ordinance prior to the submission of an application for such tax credits.

15. **Closing.**

(a) The Closing on the Property shall occur within eight (8) months following the receipt of a reservation of Low Income Housing Tax Credits; provided, however, the Purchaser or Seller have the right to extend this term with no additional consideration for a period of six (6) months by providing written notice to the other. The Closing shall take place at the office of the Title Company, or such other mutually desirable location.

(b) If the application is not successful in the October 1, 2019 LIHTC funding round, this Agreement shall remain in effect and an application or applications will be filed in the next two tax credit rounds, the dates of which are currently estimated to be in the April 1, 2020, October 1, 2020, or such other date as may be established by MSHDA. If the application does not receive a tax credit award at the conclusion of the Spring 2021 tax credit round, inclusive of any appeals by Purchaser to MSHDA, but no later than September 30, 2021, this Agreement will terminate unless extended by the Parties in writing.

(c) At Closing, Seller shall execute and deliver the following:

(i) An affidavit stating that between the date of this Agreement and the Closing date, (A) Seller did not receive notice of, nor on the Closing date does it have any knowledge of, any change in any facts or circumstances which would make any of the warranties and representations set forth in this Agreement inaccurate, incomplete or misleading in any material respect, and (B) from and after the date hereof, Seller has not violated, nor on the date of Closing, shall it be in violation of, any of the covenants set forth in Section 11 above in any material respect.

(ii) An affidavit stating whether or not Seller is a foreign person or nonresident alien for purposes of Section 1445 of the Internal Revenue Code, ("**Code**") and, if Seller is a foreign person or nonresident alien for such purposes, Seller shall (and does hereby authorize Purchaser to) comply with the provisions of the Code as shall be applicable to Seller in such case.

(iii) A covenant deed ("**Deed**") conveying the Property to Purchaser together with a real estate transfer tax valuation affidavit, which Deed shall be subject only to the Permitted Exceptions.

(d) At Closing, Purchaser shall pay the Purchase Price to Seller, via certified check or federal wire transfer of funds or title company check, as adjusted by the adjustments provided below. Seller shall deliver the Deposit to Purchaser or credit it towards the Purchase Price, at Purchaser's election.

(e) Seller shall terminate all contracts for maintenance or other services to the Property as of Closing, except such contracts, if any, which Purchaser shall expressly agree in writing to assume, provided that all amounts due thereunder as of Closing shall be paid by Seller.

(d) At Closing, Seller and Purchaser shall mutually execute and deliver to one another the Closing Statement setting forth the following adjustments and prorations:

(i) Assessments, special or otherwise, that are due and payable against the Property as of the date of Closing (whether due in installments or otherwise) shall be paid in their entirety by Seller at or before Closing.

(ii) All recording fees for the Deed shall be paid by Purchaser. All transfer taxes, if any, shall be paid by Seller. Purchaser shall pay the Title Company closing fee.

(iii) Subject to the mutual written agreement of Purchaser and Seller, the Purchase Price shall be adjusted downward to the extent that the appraisal of the Property is not equal to the Purchase Price. If the parties do not reach written agreement as to any such adjustment within 10 days after receipt of the final appraisal, then either party may terminate this Agreement by written notice to the other. If neither party terminates this Agreement within 30 days after receipt of the final appraisal, pursuant to this provision, then the Purchase Price shall not be adjusted.

(e) At Closing, Seller shall deliver exclusive possession of the Property to Purchaser.

#### 16. **Default.**

(a) If Purchaser shall default in the performance of its obligations under this Agreement, and such default shall continue for a period of Fifteen (15) days after notice of default from Seller to Purchaser, then provided Seller is not then in default under this Agreement, Seller shall be entitled to terminate this Agreement by giving written notice of termination to Purchaser, whereupon the Deposit shall be retained by Seller.

(b) If Seller shall default in the performance of its obligations under this Agreement, Purchaser shall be entitled either: (i) to terminate this Agreement by giving written notice of termination to Seller, whereupon the Deposit shall be promptly returned to Purchaser; or (ii) to seek specific performance, which shall be Seller's sole remedy.

(c) In any dispute over the terms of this Agreement, or default under it, the prevailing party shall be entitled to reimbursement of its costs incurred in seeking its remedies, including reasonable attorneys' fees.

17. **Miscellaneous.** This Agreement cannot be modified except by written instrument signed by both of the parties hereto. Section headings set forth herein are for convenience of reference and shall not be construed to interpret, limit or otherwise define the terms and conditions of this Agreement. This Agreement sets forth fully and completely the agreement of the parties with respect to the subject matter described herein and this Agreement shall be deemed to supersede any and all prior written or oral agreements relating to the subject matter described herein. This Agreement shall be binding upon and shall inure to the benefit of Seller, Purchaser and their heirs, representatives, successors, successors in interest and assigns. This Agreement shall be governed by the internal laws of the State of Michigan, both substantive and procedural.

18. **Assignability** Purchaser may assign this Agreement to an affiliated limited dividend housing association (as defined in Act 346 of Public Acts 1966, as amended).

19. **Waiver.** Purchaser reserves the right, at its sole option, at any time, to waive any of the Conditions. Any such waiver shall only be in writing and duly executed by Purchaser.

20. **Notices.** All notices, deliveries or tenders given or made in connection herewith shall be deemed completed and legally sufficient if mailed, by certified mail, return receipt requested or delivered by personal delivery or nationally recognized overnight courier service, effective upon posting to the United States Postal Service or such personal delivery service or such nationally recognized overnight courier service, to Seller: 8123 Main Street, Dexter, MI 48130. Copies of notices to Purchaser shall simultaneously be sent, via the same method of delivery used to send the same to Purchaser, to Avalon Housing Inc. at 1327 JONES DR., SUITE 102, ANN ARBOR, MI 48105 . Addresses may be changed during the term of this Agreement by notices among the parties.

21. **Brokers.** Seller and Purchaser each represent and covenant to the other that they have not utilized the services of any broker or finder in connection with this transaction.

22. **Execution.** This Agreement may be executed in any number of counterpart originals which, when taken together, shall be deemed to be one and the same instrument. Executed copies of this Agreement may be delivered via telecopy.

23. **Condemnation and Damage or Destruction.**

(a) In the event that notice of any action, suit or proceeding shall be given to Seller or Purchaser prior to the Closing for the purpose of condemning any portion of the Property which would materially interfere with Purchaser's intended use of the Property, in Purchaser's sole discretion, then, Purchaser shall have the right to terminate its obligations hereunder, notwithstanding anything herein contained to the contrary, by notifying Seller thereof within 15 days after receiving notice of such condemnation proceeding, and upon such termination, notwithstanding anything herein contained to the contrary, Purchaser shall receive an immediate refund of the Deposit, this Agreement shall terminate, and the parties shall have no

further liability to each other hereunder (except for the indemnification described in Section 6(d)). In the event Purchaser shall not elect to terminate this Agreement, or in the event such condemnation is not such as to permit Purchaser to terminate this Agreement in accordance with this Section, then Purchaser and Seller shall proceed with the transaction contemplated by this Agreement and, in the event of Closing, Purchaser shall receive all of the condemnation proceeds. Seller shall notify Purchaser immediately upon Seller's receipt of notice of, or information relating to, any threatened taking of any portion of the Property.

24. **Buy Back Provision**

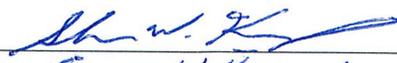
If after Closing, the Purchaser is unable to secure a construction loan to finance the improvements to the Property; to receive an allocation of the low income housing tax credits; or is otherwise unable to construct an affordable residential rental development as contemplated in this Agreement, the Purchaser must offer to sell the Property to the Seller at the Purchase Price which Purchaser paid for the Property. The terms of this Section shall survive the Closing on the Property.

[Balance of Page intentionally blank.]  
[Signatures to Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement.

**SELLER:**

City of Dexter

By: 

Name: SHAWN W. KEOWALL

Its: MAYOR OF DEXTER

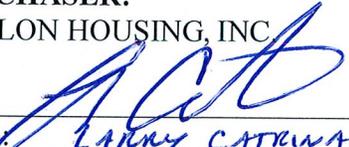
By: 

Name: COURTNEY NICHOLLS

Its: CITY MANAGER

**PURCHASER:**

AVALON HOUSING, INC

By: 

Name: LARRY CATRINAR

Its: ASSOCIATE DIRECTOR

Dated: FEBRUARY 1, 2019



Jamie Griffin &lt;jamiemarincic@gmail.com&gt;

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## Followup about proposed Avalon Housing/Faith in Action development

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**Courtney Nicholls** <cnicholls@dextermi.gov>  
To: Jamie Griffin <jamiemarincic@gmail.com>  
Cc: Shawn Keough <skeough@dextermi.gov>

Wed, Sep 4, 2019 at 1:06 PM

No problem. Current Board Members are listed below. Lori, Wally and Juli will be coming off the board at the end of the month.

Doug Marrin, Juli Ripberger, Mark Royce, Autumn Orta, Luman Strong, Jami Bronson, Karl Fink, Wally Tatara, Travis Otto, Jane Boyce, Doris Friedrich Galvin, Courtney Nicholls, Lori Minnick

We all serve on the FIA Board as volunteers, so we have no financial interest in whether the Avalon project occurs or doesn't occur. Council is aware of my service on the board and it is not viewed as a conflict of interest. Quite the opposite actually – my service allows the Council and the community a direct connection to a vital non-profit that serves our City.

**Courtney Nicholls**

City Manager

City of Dexter

734-426-8303 (main office)

734-580-2229 (direct)

**From:** Jamie Griffin <jamiemarincic@gmail.com>  
**Sent:** Wednesday, September 04, 2019 12:09 PM  
**To:** Courtney Nicholls <cnicholls@dextermi.gov>  
**Subject:** Re: Followup about proposed Avalon Housing/Faith in Action development

Thanks for this information, Courtney. Are you able to point me to a complete list of board members? I have not yet been able to find one online.

Regarding the proposed partnership between Avalon Housing and FIA and your roles as city manager and FIA board member, I'm wondering whether you consider your participation in this discussion and deal (e.g., your signatures on legal documents, preparation of meeting packets, and participation in council meetings and public hearings) to be a conflict of interest. Perhaps there was already a public discussion about or disclosure of this relationship and a justification for your continued involvement that I have not yet been able to find.

Thanks for any additional details you can provide.

Jamie

On Wed, Sep 4, 2019 at 11:22 AM Courtney Nicholls <[cnicholls@dextermi.gov](mailto:cnicholls@dextermi.gov)> wrote:

Good morning Jamie,

I have been on the board of Faith in Action since October 2018. In October 2019 I will take over as President.

**Courtney Nicholls**

City Manager

City of Dexter

734-426-8303 (main office)

734-580-2229 (direct)

**From:** Jamie Griffin <[jamiemarincic@gmail.com](mailto:jamiemarincic@gmail.com)>

**Sent:** Wednesday, September 04, 2019 9:24 AM

**To:** Courtney Nicholls <[CNicholls@dextermi.gov](mailto:CNicholls@dextermi.gov)>

**Subject:** Followup about proposed Avalon Housing/Faith in Action development

Hi Courtney,

Thanks again for the time and effort you have spent helping to answer my and others' questions about the proposed Avalon Housing and Faith in Action partnership. I continue to learn more about the project and both organizations and was wondering if you are currently or have ever been on the Faith in Action Board of Directors?

Thanks,

Jamie



Jamie Griffin &lt;jamiemarincic@gmail.com&gt;

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## Faith In Action and years of service

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**Keough, Shawn** <SKEOUGH@wadetrim.com>  
To: Jamie Griffin <jamiemarincic@gmail.com>

Wed, Jan 8, 2020 at 1:52 AM

You are welcome Jamie, but I need to share some thoughts directly with you. I have spent the better part of the last year trying to answer your questions, although from reading your comments on Nextdoor, I am not sure you appreciate any of my efforts to do so. I am sorry that we have a different opinion on this matter, but that doesn't justify you twisting words in some of your Nextdoor posts. I am very disappointed to read that you suggested that I dismissed your concerns. That could not be further from the truth. I do think some of your logic is unfounded and illogical, but we have been working diligently to try to answer your questions for nearly a year. You make it seem otherwise. I can't help it if the answers I have provided aren't exactly what you are looking for, but they have been genuine and far from dismissive. We have a difference of opinion on this, but you portray yours as if it is the only right one. I found only one email that I did not directly reply to you last year (in mid-June), yet I sent you another email a couple weeks later in early July (that you didn't reply to). My point is we (the City) have continued to communicate and share information with you and include that information in the Council packets after you started making your public comments, and then we even traded emails as recently as last Friday, January 3rd (see below), when you last emailed me. For you to say that your concerns have been dismissed is simply not true. I feel that we have treated you better than what you posted on Nextdoor, even if we weren't able to answer all of your questions to your standard.

Your criticism of Courtney Nicholls is also very unfair. You continue to suggest that there is a conflict of interest and that is completely false and misleading. As you learn more about our community, you will find that a great many people participate in many circles and sometimes those circles overlap at times. Courtney Nicholl's interest in volunteering to serve on the Faith in Action Board is genuine and was known by all involved. She has supported them for years and is putting her energy to a good use to help the greater Dexter community in yet another way. City Council was very aware that she was volunteering on that Board. Her role on that Board had nothing to do with Council's discussions with Avalon and Faith in Action and our ultimate decision to support the FIA/Avalon partnership. I plan to post a similar response of this information on Nextdoor, but wanted to tell you that first. Frankly, in my opinion, you owe her a public apology.

[Quoted text hidden]

City Council

Shawn Keough  
Mayor

Scott Bell  
Council Member

Paul Cousins  
Council Member

Donna Fisher  
Council Member

Julie Knight  
Council Member

Zach Michels  
Council Member

Jim Smith  
Council Member

Administration

Courtney Nicholls  
City Manager

Michelle Aniol  
Community  
Development  
Manager

Justin Breyer  
City Clerk /  
Assistant to the  
City Manager

Dan Schlaff  
Superintendent of  
Public Services

Marie Sherry, CPFA  
Treasurer/Finance  
Director/Assessor

THE CITY OF  
DEXTER IS AN EQUAL  
OPPORTUNITY  
PROVIDER AND  
EMPLOYER

www.  
DexterMI.gov

September 16, 2019

Chad Benson, Allocations Manager  
MSHDA - Low Income Housing Tax Credits  
735 E. Michigan Ave  
Lansing, MI 48912

**RE: Neighborhood Investment Activity Area**

Dear Mr. Benson,

I am pleased to write this letter on behalf of the City of Dexter in support of Avalon Housing's Hilltop View Apartments affordable housing development that is applying for an allocation of LIHTC from MSHDA. This project contributes to the extensive public and private investment that has occurred and is planned for the properties within a 1-mile radius of the proposed development. Relevant projects are listed below. The number referenced corresponds to the attached map.

Significant public investments in the area include:

- \$36.5 million by the Dexter Community Schools on their main campus, including the construction of a new elementary school (5)
- \$4.2 million by the Dexter Community Schools at Dexter High School (7)
- \$1.3 million using state grant funds, matched by the Washtenaw County Road Commission and the City of Dexter on roundabouts at Baker/Shield and Baker/Dan Hoey (6)
- \$200,000 to resurface Baker Rd from Grand to Dan Hoey using state grant funds matched by the City of Dexter (4)
- \$1.3 million using state grant funds, matched by the Washtenaw County Road Commission for the replacement of the Shield Rd bridge (8)
- City of Dexter funded projects
  - o \$480,000 to reconstruct Hudson from Baker to Forest (3)
  - o \$125,000 to repaint the interior of the water tower (15)
  - o \$100,000 to add a sidewalk to one side of Forest Street (2)
  - o \$5.5 million to upgrade the Wastewater Treatment Plant (8360 Huron) – this project is outside the 1 mile radius, but the upgrades improve the function at the plant, which benefits all the properties that send their waste to the Wastewater Treatment Plant, including the proposed Hilltop View Apartments

Significant private investments in the area include:

- \$10 million in new construction on a 76 unit condo development at Grand and Baker – Grandview Commons (1)
- \$33 million in expansion at Dexter Fastener – 2110 Bishop Circle East (16)
- \$800,000 expansion at Northern United Brewing – 2319 Bishop Circle East (13)
- \$524,000 expansion at Doors and Drawers – 2467 Bishop Circle East (12)

- \$3.2 million expansion at Variety Die & Stamping – 2221 Bishop Circle East (14)
- \$1.2 million expansion at QED Environmental Systems – 2355 Bishop Circle West (11)
- \$5.3 million investment at MC3 Cardiopulmonary – 2555 Bishop Circle West (10)
- \$8 million in new construction of 40 condo units at Victoria Condos (17)
- \$1.7 million in new construction of Kinder Care – 7220 Dexter Ann Arbor (9)

Planned public and private investments in the area include:

- \$14.2 million in improvements on the school campus by Dexter Community Schools (
- \$2.8 million in improvements at Dexter High School by Dexter Community Schools
- \$1.1 million to construct the Mill Creek Park Trail Phase II using a state grant, a county grant, matched by the City of Dexter (A)
- City of Dexter planned projects:
  - o \$600,000 for the reconstruction of Grand from Baker to Kensington (B)
  - o \$600,000 for the reconstruction of Wellington, Kingsley and Bristol in Dexter Crossing (F)
  - o \$250,000 for the reconstruction of Hudson from Ann Arbor St. to Forest (C)
  - o \$125,000 in pedestrian safety enhancements at school crosswalks (D)
- \$2.2 million expansion of K-Space at 2218 Bishop Circle East (E)
- \$15 million in construction of remaining condo units at Grand and Baker – Grandview Condos

Thank you for your consideration of the Hilltop View Apartments project.

Sincerely,

Courtney Nicholls  
City Manager



## OFFICE OF THE CITY MANAGER

8140 Main Street • Dexter, Michigan 48130-1092 • (734) 426-8303 • Fax (734) 426-5614

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### Memorandum

**To:** Mayor Keough and City Council  
**From:** Courtney Nicholls, City Manager  
**Re:** Avalon Inspection Period Extension Request  
**Date:** December 18, 2019

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In accordance with the purchase agreement, Avalon Housing has requested an extension of their inspection period for the purchase of the Dan Hoey property. The attached letter indicates the inspection items that they have completed. The one item still outstanding is approval of the final PUD plan. They have requested an extension to April 30, 2020. After further discussion, they have changed that request to June 30, 2020. Avalon has been moving forward with the development of the final PUD plan and is scheduled to have a meeting with the site plan review committee in early January 2020 and expects to submit their final PUD plan application for the March 2020 Planning Commission meeting.

The purchase agreement states that "The Inspection Period may be extended for an additional period by mutual written agreement of the Purchaser and Seller." The inspection period was set at nine months following the effective date of the agreement (February 1, 2019). Though the inspection period has expired (November 1, 2019), City Attorney Scott Munzel has agreed that Council has the option to allow for the inspection period to be extended if it chooses. If Council does not approve the extension the agreement would terminate because the conditions have not been satisfied and, either a formal amendment to the purchase agreement would need to be made or a new agreement would need to be negotiated.

Staff is recommending that Council approve the inspection period extension request to June 30, 2020.

**OFFICE OF THE CITY MANAGER**

8140 Main Street • Dexter, Michigan 48130-1092 • (734) 426-8303 • Fax (734) 426-5614

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**Memorandum**

**To:** Mayor Keough and City Council  
**From:** Courtney Nicholls, City Manager  
**Re:** Consideration of: Avalon Option Agreement Modification  
**Date:** July 23, 2020

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Provided for Council's review are letters received from Avalon Housing and their lenders requesting a modification to the option agreement that was recorded along with the closing documents. The option agreement preserved a clause in the purchase agreement that stated that the City could buy back the property at the sale price if construction is not completed on the affordable housing development. This language is a concern to the lenders because the City would be able to buy back the property after improvements had started, for the original sale price, which means the banks would lose their collateral for the loan. Staff, Mayor Keough, Avalon, the attorneys and the lenders had a conference call on July 21<sup>st</sup> to discuss options. The agreement that was discussed and is currently proposed would end the buyback option as of the closing of the construction loan and then put into place an agreement where Avalon would pay the City the difference between the purchase price and the appraised price (an additional \$90,500) in the event that the low income housing development was not completed.

Council is asked to consider the modification to the Option Agreement.