



Manchester Mt. Clemens, LLC Agreement

July 10, 2023

The Honorable Mayor Kropp and
Members of the City Commission:

The City anticipates receiving a \$5,000,000.00 Enhancement Grant from the State of Michigan to be specifically utilized for the acquisition, demolition and construction project on real estate commonly known as 1 North River Road, all of which shall be held by the City and disbursed to Manchester Mt. Clemens, LLC.

The attached agreement between the City and Manchester proposes to outline how the city will disburse the funds from the State of Michigan for the development at 1 North River Road. The City Attorney and representatives from Manchester Mt. Clemens, LLC have reviewed and approved the attached agreement.

Recommended Motion: I move to approve the agreement between the City of Mount Clemens and Manchester Mt. Clemens, LLC for the purpose of acquisition, demolition and construction project on real estate commonly known as 1 North River Road as presented and authorize the appropriate city officials to execute the same.

Respectfully submitted,

A handwritten signature in dark ink that reads "Gregg S. Shipman".

Gregg S. Shipman
City Manager

AGREEMENT

THIS AGREEMENT is made this ____ day of July, 2023 by and between **MANCHESTER MT. CLEMENS, LLC.**, a Michigan Limited Liability Company, 45111 Market Street, Shelby Township, MI, hereinafter referred to as ("**Manchester**") and the **CITY OF MT. CLEMENS**, a Michigan Municipal Corporation, One Crocker Blvd, Mt. Clemens MI 48043, hereinafter referred to as ("**the City**").

WHEREAS, Manchester proposes to acquire certain real estate commonly known as 1 North River Road and adjacent land(ID 05-11-11-488-005) the ("**Property**") within the City of Mt. Clemens for the purpose of demolishing the existing functionally obsolescent hotel and constructing a apartment complex of approximately one hundred (100) units thereon; and

WHEREAS, the **City** supports the development of the Property for the betterment of the community; and

WHEREAS, **Manchester** has determined that financial support is required in order for Manchester to complete the acquisition of the **Property**, demolition of the current improvements and construction of an apartment complex.

NOW THEREFORE, \$1.00 paid and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged the parties agree as follows:

1. The **City** may receive a \$5,000,000.00 Enhancement Grant from the State of Michigan ("**Grant Funds**"), to be specifically utilized for the acquisition, demolition and construction project set forth herein, all of which shall be held by the **City** and disbursed to **Manchester** as set forth below.

2. The **City** agrees to reimburse **Manchester** for the cost of acquisition of the **Property**, estimated to be \$ 2,750,000.00, within 30 days after the date on which **Manchester** acquires the **Property** and the **City** receives the **Enhancement Grant** from the State of Michigan. **Manchester** will deliver documentation of the costs of acquiring the Property to the **City** . Neither party shall have any obligation hereunder unless the City receives the **Grant Funds**.

3. The **City** will use the balance of the **Grant Funds** to reimburse **Manchester** for the hard and soft costs of remediation of existing environmental conditions, demolition of the current **Property**, and improvements and construction of new improvements on the **Property**; Provided, however, in no event shall said reimbursement exceed the **Grant Funds** received by the **City** from the State of Michigan. Eligible reimbursement costs include, but are not limited to, design, engineering, investigation, labor, materials, insurance and operating expenses. **Manchester** will submit invoices and other documentation reasonably requested by the **City** in support of each reimbursement request which **Manchester** anticipates will be

provided monthly to the **City**. Within 30 days of receipt of a reimbursement request the **City** will reimburse **Manchester**.

4. **Manchester** shall have no obligation to repay the **City any Grant Funds** received hereunder. **Manchester** agrees that if it does not commence construction of apartment complex of approximately one hundred (100) units, within 3 years from the date of this **Agreement**, it shall convey the **Property** to the **City** for \$1.00, provided that within one year from the date of this **Agreement** the **City** and other applicable governmental agencies have approved **Manchester's** site and construction plans for the apartment complex. Eighty percent of the apartment complex will be offered for lease at a market rate and twenty percent of the apartment complex units will be offered for lease at a rate targeted to renters earning at least 80% of the regions area median income.

5. **Independent Parties.** It is understood and agreed that **City's** sole responsibility and obligation under this Agreement is limited to acting as disbursement Agent for **Grant Funds**, and in no event shall the parties hereto be deemed to be partners or joint venturers.

6. **Counterparts** This **Agreement** may be executed in one or more counterparts, each of which will be deemed to be an original copy of this **Agreement** and all of which, when taken together, will be deemed to constitute one and the same agreement. This **Agreement** shall become effective when one or more counterparts have been executed by each of the parties and delivered to the other parties. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this **Agreement** as to the parties and may be used in lieu of the original **Agreement** for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

7. **Governing Law; Jurisdiction; Venue.**

(a) This **Agreement** shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to conflicts-of-law principles that would require the application of any other law.

(b) Each of the parties irrevocably submits to the jurisdiction of the Courts of the State of Michigan and the United States District Court for the Eastern District of Michigan in any action arising out of or relating to this Agreement, and irrevocably agrees that all claims in respect of such action may be heard and determined in such state or federal court. Each of the parties irrevocably waives, to the fullest extent each may effectively do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding.

8. **Entire Agreement.** This **Agreement**, contains the entire agreement of the parties with respect to the matters contemplated by this **Agreement**, and no representations made by either party may be relied on unless set forth in this **Agreement**, or in the exhibits and schedules to this **Agreement**. This

Agreement supersedes all prior agreements, understandings, promises, and arrangements, oral or written, between the parties with respect to the matters set forth herein, may be altered or amended only by an instrument in writing, duly executed by all of the parties.

9. **Successors and Assigns.** This **Agreement** shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. No party shall assign any of its rights or delegate any of its obligations under this Agreement without the express prior written consent of each other party. Any purported assignment of rights or delegation of obligations in violation of this Section, whether voluntary or involuntary, by merger, consolidation, dissolution, operation of law, or otherwise, is void.

10. **Agreements.** This **Agreement** may be amended or modified only by an instrument in writing signed by each of the parties.

11. **Waiver.** Neither any failure nor any delay by any party in exercising any right, power or privilege under this **Agreement** will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege.

12. **Severability.** In the event that a court or arbitral body of competent jurisdiction holds any provision of this **Agreement** invalid, illegal or unenforceable, such decision shall not affect the validity or enforceability of any of the other provisions of this **Agreement**, which other provisions shall remain in full force and effect, and the application of such invalid, illegal or unenforceable provision to persons or circumstances other than those as to which it is held invalid, illegal or unenforceable shall be valid and be enforced to the fullest extent permitted by law. To the extent permitted by applicable law, each party waives any provision of law that renders any provision of this **Agreement** invalid, illegal or unenforceable in any respect.

Signatures follow on the next page.

IN WITNESS WHEREOF, the Parties have signed the **Agreement** the day and year first above written.

PARTIES

MANCHESTER MT. CLEMENS, LLC

A Michigan Limited Liability Company

By: James George

CITY OF MT. CLEMENS

A Michigan Municipal Corporation

By: Laura Kropp, Mayor

By: Cathleen Martin, City Clerk