

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (the "MOU") is entered into effective as of March 17, 2022 ("Effective Date") among the CITY OF MARQUETTE, MICHIGAN (the "CITY"), the CITY OF MARQUETTE BROWNFIELD REDEVELOPMENT AUTHORITY (the "MBRA"), and the NORTHERN MICHIGAN UNIVERSITY FOUNDATION, a Michigan 501 (c)(3) organization (the "FOUNDATION"), pursuant to which the MBRA and CITY propose to provide certain assistance and economic incentives in connection with the redevelopment of the former Marquette General Hospital into a mixed use commercial and residential development in conjunction with private partners (the "Project Incentives"), which assistance and economic incentives shall provide the framework for any future definitive binding contracts among the Parties with respect to the Project Incentives. Each of the CITY, MBRA and the FOUNDATION (collectively, the "Parties") acknowledges and understands that this document (i) is understood to be an expression of the intent of the Parties to attempt in good faith to negotiate and reach binding agreements on the matters discussed herein, (ii) is a summary of the anticipated terms of the Project Incentives, and (iii) is not a contract or an otherwise legally binding instrument and does not give rise to any legally binding obligation on the part of any of the Parties.

NOW, THEREFORE, the Parties agree to pursue good faith discussions and negotiations for such written agreements and approvals as may be necessary to finalize their mutual understandings of the following:

1. Former MGH: The FOUNDATION is currently considering acquiring and facilitating redevelopment of the former Marquette General Hospital ("MGH Site") which is located within the jurisdictional boundaries of the City of Marquette, Michigan and is comprised of multiple parcels generally bounded by W. Magnetic Street, 7th Street, W. Kaye Avenue, and 4th Street and more fully listed and described in Exhibit A. The FOUNDATION intends to secure a MASTER DEVELOPER that will implement a Development Plan for the MGH Site, as described below.
2. Proposed Commitments of the CITY, MBRA and FOUNDATION
 - a. Proposed Commitments of CITY and MBRA for MGH Site. In the event the FOUNDATION is able to acquire in fee simple title to MGH Site from DLP Marquette General Hospital, LLC and in order to induce the FOUNDATION to facilitate redevelopment of the MGH Site, the CITY and MBRA propose to, at their sole cost and expense, do the following with respect to the MGH Site, which shall be reimbursed through Brownfield TIF (as defined in Section 2.ii herein) on the MGH Site.
 - i. Environmental and Pre-Development Expenses: As approved by MBRA during its regular meeting on October 21, 2021, reimburse expenses in an amount of up to \$52,900 for the preparation of a Phase I Environmental Site Assessment, Phase II Environmental Site Assessment and Baseline Environmental in accordance with Part 201 of Act 451, PA 1994 to provide an exemption from environmental liability for pre-existing contamination and a Pre-Demolition Survey to identify the presence of lead/cadmium paint, asbestos containing materials, and Universal Waste in preparation of building demolition in accordance with State and Federal standards.
 - ii. Brownfield Plan: Facilitate the establishment of a Brownfield Plan pursuant to authority granted under Michigan Public Act 381 of 1996, as amended which

would make available to the FOUNDATION and its assignees reimbursement of Brownfield Eligible Activity expenses to the maximum extent allowed under Act 381 through Brownfield Tax Increment Financing (“TIF”) and support the FOUNDATION in securing local, state, and federal grants and loans. By way of explanation, TIF is a tool that allows a developer to be reimbursed for Brownfield Eligible Activities costs on Brownfield Eligible Property through the capture of increased incremental taxes on the property resulting from the new development. Brownfield Eligible Property includes contaminated, functionally obsolete, blighted, historically designated, or tax reverted property. Brownfield Eligible Activities include Baseline Environmental Assessment (Phase I and II Environmental Site Assessments and Baseline Environmental Assessments), Due Care Activities (due care plans, contaminated soil management, engineered barriers), Additional Response Activities (other remediation); Environmental Insurance, Demolition, Asbestos Abatement; Site Preparation, and Infrastructure, and, under certain circumstances, Property Acquisition and Transfer Assistance.

- iii. Additional Brownfield Incentives: Facilitate arrangements with the FOUNDATION and a master developer selected by the FOUNDATION (“MASTER DEVELOPER”) as needed to foster additional Brownfield incentives, including Act 381 Work Plan for approval of State tax capture, as well as Property Acquisition and Property Transfer Assistance which may require City ownership of affected property.
 - iv. Brownfield Public Infrastructure: As part of the Brownfield Plan, design and reconstruct College Avenue in accordance with the plans included in Exhibit B, or a mutually agreeable alternative, and design and provide necessary upgrades to City utilities, including water, sewer and stormwater, and coordinate with Marquette Board of Light and Power for necessary electrical services as will be further described in the Brownfield Plan. City construction contracts will adhere to City Commission Policy 1999-02.
 - v. Land Use Coordination: Expedite and facilitate all land use and zoning applications for the redevelopment of the MGH Site.
 - vi. Development and Reimbursement Agreement: The CITY and MBRA will prepare a Development and Reimbursement Agreement with the terms and conditions for the reimbursement of Brownfield Eligible Activities through Brownfield TIF and negotiate in good faith with the FOUNDATION, and the MASTER DEVELOPER as appropriate, to agree upon and execute the Development and Reimbursement Agreement.
- b. Proposed Commitments of the FOUNDATION for MGH Site. The FOUNDATION represents that it proposes to do the following with respect to the MGH Site, subject to the conditions precedent being satisfied or waived in writing by the FOUNDATION:
- i. MASTER DEVELOPER
 - 1. Serve as the facilitator for securing a MASTER DEVELOPER through a Request for Qualifications (RFQ), under the following conditions:

- a. The FOUNDATION will have exclusive rights to select the MASTER DEVELOPER.
 - b. Along with other requirements as determined by the FOUNDATION, the RFQ will include requests for information and experience with mixed use development to include multiple types of housing opportunities, sustainability, and community engagement.
- 2. Contract with the MASTER DEVELOPER to prepare and implement the Development Plan.
- 3. Provide the proposed contract between the FOUNDATION and the MASTER DEVELOPER to the CITY and MBRA for review.
- ii. Community Engagement: In conjunction with the MASTER DEVELOPER, develop a Community Engagement Plan that describes the approach for engaging the community and compiling input for the FOUNDATION, the CITY and MBRA to review and implement the Community Engagement Plan.
- iii. Development Plan: In conjunction with the MASTER DEVELOPER, prepare a Development Plan that will include, as a minimum:
 - a. Inventory of Parcels, Existing Buildings and Infrastructure, and Other Resources
 - b. ALTA Survey
 - c. Goals and Objectives
 - d. Affordable and workforce housing as described in the recommendations of the Ad Hoc Housing Committee report
 - e. Market Analysis
 - f. General Requirements under City Planning and Zoning
 - g. Design Requirements
 - h. Circulation and Open Space Design
 - i. Proposed Building Construction
 - j. Parking and Infrastructure Needs
 - k. Phasing Plan
 - l. Financing Plan
 - m. Employment of apprenticeships through a licensed regional trade program
- iv. Development and Reimbursement Agreement: The FOUNDATION, and the MASTER DEVELOPER, as appropriate, will negotiate in good faith with the CITY and MBRA to develop and execute the Development and Reimbursement Agreement.

3. General Provisions

- a. Conditions Precedent: Any future binding contract between the parties will require the approval by resolution of the Marquette City Commission and the City of Marquette Brownfield Redevelopment Authority.
- b. Notices: All notices, demands, requests and other communications under this MOU shall be in writing and addressed as follows:

City: City of Marquette
300 West Baraga Avenue
Marquette, Michigan 49855
Attn: Karen Kovacs, City Manager
kkovacs@marquettemi.gov

MBRA: City of Marquette Brownfield
Redevelopment Authority
1100 Wright Street
Marquette, Michigan 49855
Attn: Sheri Davie, Executive Director
marquettebrownfield@gmail.com

FOUNDATION: Northern Michigan University Foundation
607 Cohodas Hall, 1401 Presque Isle Avenue
Marquette, Michigan 49855
ATTN: Brad Canale, Chief Executive Officer
bcanale@nmu.edu

- c. Counterparts. This Agreement and other documents to be delivered pursuant to this Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties.
- d. Electronic Signatures. A manual signature on this Agreement or other documents to be delivered pursuant to this Agreement, an image of which shall have been transmitted electronically, will constitute an original signature for all purposes. The delivery of copies of this Agreement or other documents to be delivered pursuant to this Agreement, including executed signature pages where required, by electronic transmission will constitute effective delivery of this Agreement or such other document for all purposes.

[SIGNATURES APPEAR ON NEXT PAGE]

The parties hereto have caused this MOU to be executed as of the day and year first above written.

NORTHERN MICHIGAN UNIVERSITY FOUNDATION

Date: 3-17-22


By: Brad Canale, Its: Chief Executive Officer


MARQUETTE BROWNFIELD REDEVOLPMENT AUTHORITY

Date: 3-17-22


By: Sheri Davie, Its: Executive Director

CITY OF MARQUETTE


Date: 2-23-22


By: Jennifer A. Smith, Its: Mayor

Date: 2-23-22


By: Kyle Whitney, Its: Clerk

APPROVED AS TO SUBSTANCE


Karen M. Kovacs, City Manager

APPROVED AS TO FORM


Suzanne C. Larsen, City Attorney