MUSKEGON COUNTY BOARD OF COMMISSIONERS
FULL BOARD
AGENDA

August 22, 2019 – 3:30 PM
Hall of Justice, 4th Floor
990 Terrace, Muskegon, MI

Susie Hughes, Chair
Gary Foster, Vice-Chair

1) Call to Order
2) Invocation: Pastor Tim Cross – Living Word Church
3) Pledge of Allegiance
4) Roll Call
5) Approval of Agenda
6) Approval of the Minutes of August 13, 2019
7) Public Comment (on an agenda item)
8) Presentation: FY 2020 Budget
9) Communication
   A. Huron County Board of Commissioners: Opposition to the Trial Court Funding Commission Interim Report
   B. Huron County Board of Commissioners: Support of Withholding the Local Huron County Funding from the PIHP for the Purposes of Increasing the Medicaid Capitation Rate of the PIHP and Supports the Use of Local County Funds for Local Community Mental Health Services as Provided for Under the Michigan Constitution and Michigan Mental Health Code

10) Committee/Board Reports
   A. Community Development/Strategic Planning Committee
   B. Transportation Committee
   C. Ways & Means Committee

Public Comment
Persons may address the Commission during the time set aside for Public Comment or at any time by suspension of the rules. All persons must address the commission and state their name for the record. Comments shall be limited to two (2) minutes for each participant, unless time is extended prior to the public comment period by a vote of a majority of the commission.
11) Chairman's Report/Committee Liaison Reports

   A. Muskegon Polish Festival – Friday, August 30th – Saturday, August 31st
       Hackley Park

   B. West Michigan United Labor Day Parade – Monday, September 2nd – 11 AM
       4th & Clay / Hackley Park

   C. Farmers Market Annual Farm to Table Dinner – Thursday, September 5th – 6:00 PM
       Farmers Market

   D. Roosevelt Park Day – Saturday, September 7th
       Roosevelt Park

   E. Sportsmen for Youth Day – Saturday, September 7th – 9 AM – 3 PM
       Muskegon County Fairgrounds

   F. Muskegon County Latino Festival – Saturday, September 7th - 4 PM – 10 PM
       Hackley Park

12) Administrator's Report

   A. Accept Letter of Intent and Authorize Staff to Finalize a Purchase Agreement for
      Business Park North

   B. Approve the Direct Purchase of the VXC Units from Civitas IT

13) Old Business

14) New Business

15) Public Comment

16) Adjournment
RESOLUTION

To: The Honorable Board of Commissioners
   Huron County
   Michigan

WE, the LEGISLATIVE COMMITTEE, respectfully beg leave to submit the following resolution for your consideration:

WHEREAS, the County Clerks in Michigan have a constitutional stake in the trial court funding question, but were excluded from participation in the Trial Court Funding Commission. The County Clerks have a unique relationship with the courts and a perspective that should be heard when making recommendations for substantial changes; and

WHEREAS, the goal of Public Act 65 of 2017 was to create a Trial Court Funding Commission to “review and recommend changes to the trial court funding system in light of People v. Cunningham”; and

WHEREAS, the vast majority of the Interim Report deals with the consolidation of all local court staff and operations under state control, but does not solve the funding problems that Cunningham created (simply moving collections of fines and costs and payment of court salaries/benefits to the state does not mitigate the fact that we will still not be funded adequately); and

WHEREAS, centralized control of our court process does not necessarily serve the best interest of the public. The County Clerks believe that local judges and citizens are better served by local custodial control. It has been proven to be a more responsive method of serving their needs; and

WHEREAS, research of other state-funded court systems has shown that state funding creates a culture of complacency that tolerates delay. Accountability is removed from the local level and placed in the hands of bureaucrats in state government who are less connected to the people; and

WHEREAS, we are concerned that transferring funding to state control would tether the judicial branch to the short term whims of the legislative and executive branches even more than they exist already. In the event of a lack of state funding (government shutdown) this process would also force the shutdown of the court system, resulting in constitutional violation of due process; and

WHEREAS, it is critical to note that the finding of 46th Circuit Trial Court v. County of Crawford, 2006:143 states directly: “In order for the judicial branch to carry out its constitutional responsibilities as envisioned by the Constitution of 1963, art3, SS 2, the judiciary cannot be totally beholden to legislative determinations regarding its budgets.” and;

WHEREAS, this Interim Report recommends altering the Michigan Constitution to provide that circuit court clerks are employed by the court and under the supervision of state government rather than the County Clerk; and

WHEREAS, County Clerks serve a critical role in the judicial system. They are constitutionally mandated to ensure the integrity of the records and protecting the best interests of our citizens. Removing County Clerks from the picture would serve as substantial disruption to the purpose that we serve; now
Resolution No. 19-

THEREFORE, BE IT RESOLVED the Huron County Board of Commissioners are opposed to the Trial Court Funding Commission Interim Report dated April 8, 2019. We believe that it is imperative to maintain local control and accountability because that is how our constituents are best served. We strongly oppose this Interim Report and possible pending legislation and encourage the other 82 Michigan counties to join us; and

BE IT FURTHER RESOLVED that a copy of this resolution be forwarded to Governor Gretchen Whitmer, Senator Dan Lauwers, Representative Phil Green, the Michigan Association of Counties and the other 82 Michigan Counties.

Respectfully submitted,

LEGISLATIVE COMMITTEE

Mary E. Babcock, Chairman

Ron Wruble, Vice Chairman

Todd Talaski, Member

Dated: August 13, 2019

VOICE/ROLL CALL VOTE:

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RESOLUTION: ☐ ADOPTED ☐ DEFEATED ☐ TABLED
RESOLUTION

To: The Honorable Board of Commissioners
Huron County
Michigan

WE, the SAFETY COMMITTEE, respectfully beg leave to submit the following resolution for your consideration:

WHEREAS, the Huron County Board of Commission having entered into an enabling resolution to create the Huron County Community Mental Health Authority pursuant to Section 100 et seq. and Section 205 of the Mental Health Code, 1974 PA 258, as amended (MCL330.1100 et seq; MCL330.1205); and

WHEREAS, Huron County Community Mental Health Authority is a community mental health authority of the county of Huron, organized under the terms of Section 204(a) of the Michigan Mental Health Code (the Code), (MCL330.1204[a]); and

WHEREAS, Section 116(b) of the Code (MCL330.1116[b]) requires that the Department of Community Health shift primary responsibility for the direct delivery of public mental health services from the state to a community mental health services program whenever the community mental health services program has demonstrated a willingness and capacity to provide an adequate and appropriate system of mental health services for the citizens of that service area; and

WHEREAS, Huron County Community Mental Health Authority has demonstrated such willingness and capacity to provide community mental health services for over the past 40 years and is properly certified as a community mental health services program under the terms of Section 232(a) of the Code (MCL330.1232[a]); and

WHEREAS, Section 202(1) of the Code (MCL330.1202[1]) requires that the state shall financially support, in accordance with chapter 3, community mental health services programs that have been established and that are administered according to the provisions of this chapter; and

WHEREAS, there are also established in the state entities known as Prepaid Inpatient Health Plans (PIHPs), which receive Medicaid funds and distribute them to Community Mental Health Services Programs and other Medicaid providers; and

WHEREAS, Appropriations Bill Public Act 207 of 2018, Article X, Part 2 Provisions Concerning Appropriations, General Sections, Behavioral Health Services, Section 928 (1) states, “Each PIHP shall provide, from internal resources, local funds to be used as a bona fide part of the state match required under the Medicaid program in order to increase capitation rates for PIHPs. These funds shall not include either state funds received by a CMHSP for services provided to non-Medicaid recipients or the state matching portion of the Medicaid capitation payments made to a PIHP.”; and;

WHEREAS, Huron County Community Mental Health is not a state designated PIHP; and

WHEREAS, the county of Huron has a strong desire to keep local funding at the local level to meet the financial liability of the county pursuant to Section 302(1) of the Code (MCL330.1301[1]) and to respond to the behavioral health needs in this county; now

THEREFORE, BE IT RESOLVED that the Huron County Board of Commissioners strongly supports the withholding of local Huron County funding from the PIHP for the purposes of increasing the
Medicaid capitation rate of the PIHP and strongly supports the use of local county funds for local community mental health services as provided for under the Michigan Constitution and Michigan Mental Health Code; and

BE IT FURTHER RESOLVED, that the Huron County Board of Commissioners strongly urges its State Senate and House of Representatives members to eliminate similar language mentioned above in future State funding appropriations; and

BE IT FURTHER RESOLVED, that the State Senate and House of Representatives ensure that the current level of Medicaid funding is not negatively impacted by the removal of Section 928; and

BE IT FURTHER RESOLVED that copies of this resolution be provided to Governor Gretchen Whitmer, Senator Dan Lauwers (25th District), Representative Phil Green (84th District), Michigan Department of Health and Human Services Director Robert Gordon, Behavioral Health and Developmental Disabilities Administration Deputy Director Dr. George Mellos, and the Michigan Association of Counties.

Respectfully submitted,

SAFETY COMMITTEE

John L. Bodis, Chairman

Michael H. Meissner, Vice Chairman

Dated: August 13, 2019

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RESOLUTION: ☑ ADOPTED ☐ DEFEATED ☐ TABLED
Advocacy to Support Removal of Section 928 from State Budget

- Boilerplate language added in 2003 requiring the CMHSPs to forward local funds to the state of Michigan for the purpose to “draw down” additional federal Medicaid funds. Known as “draw-down match”.
  - Statewide = $25.2 million in local match dollars obtained from 46 CMHSPs
  - Yields = $47 million in additional Medicaid dollars

- This local draw-down is an additional requirement and is different from the required county “match” included in the Michigan Mental Health Code since 1974. The existing CMHSPs are already meeting the county “match” obligation required by state law.

- The federal government considers this additional local draw down “match” to be voluntary on the part of the CMHSPs.

- Many Legislators are in support of eliminating the “draw down match” from the Budget language. Counties currently supporting a resolution to remove the requirement are:
  - Antrim, Arenac, Bay, Benzie, Cheboygan, Charlevoix, Clinton, Eaton, Emmet, Gratiot, Ingham, Iosco, Kalkaska, Manistee, Ogemaw, Oscoda, Otsego and Shiawassee
  - Counties pending a resolution of support: Oakland and Wexford.
  - Counties also in process: Crawford, Grand Traverse, Leelanau, Missaukee, and Roscommon

- Questions raised:
  - Removing this language will result in a funding cut to the CMHSPs.
    - Not true. Medicaid rates/payments are certified/established by an actuary and cannot be reduced or cut capriciously.
  - State would need an additional $25 million in General Funds to replace the $25 million in local match/draw-down dollars.
    - Also not true. Currently the PIHPs and health care providers are paying the ICA (Insurance Provider Assessment) Tax. (IPA replaced the HICA tax in October.) The state has resources that could be directed to cover this $25 million.

- Huron Behavioral Health information:
  - County of Huron annual base allocation to HBH = $193,250
  - Huron Behavioral Health = required “draw-down match” = $168,830
    - Note: Huron does not receive any specific, additional Medicaid allocation above the actuarially established Per Medicaid Enrollee Per Month (PEPM) rate as a result of the local “match” draw down.
  - Net county allocation remaining for local needs = $24,450
    - Local funds are required to be used to pay 10% match for State Hospitalization and for 10% match for General Fund services.
    - HBH = FY18 10% Local match total = $92,124
      - Breakdown = State Hospitalizations: $51,815 and GF services: $40,309
  - Insurance Provider Assessment Tax withheld by Mid-State Health Network (MSHN) PIHP
    - HBH’s FY19 funds withheld by MSHN for estimated IPA tax = $93,643

  - IPA tax + “draw down match” for FY 19 for HBH = $262,440
    - Money comes from HBH operating funds for tax and drawdown & not available for services
The Community Development/Strategic Planning Committee was cancelled for August 15, 2019, due to lack of action items.
The Transportation Committee met on August 15, 2019; it was recommended, and I move:

TR19/08-25 To approve lease amendment No. 5 to lease GS-05P-LMI17680 between the County and the GSA-TSA, removing 52 square feet from the current leased area and further authorize the Chair to execute the lease amendment.
The Ways & Means Committee met on August 15, 2019, it was recommended and I move:

WM19/08 – 102 To approve payment of the accounts payable of $3,419,488.84, covering the period of July 19, 2019 through August 1, 2019 for checks as presented by the County Clerk.

WM19/08 – 103 To amend the FY2019 budget as presented.

WM19/08 – 104 To appoint Sara Hough as employer delegate to the 2019 Municipal Employees Retirement System (MERS) annual meeting and for the cost of attending for the employer and employee delegate and alternate be paid from the Risk Management Fund.

WM19/08 – 105 To amend Rule 34 of the Personnel Rules, Dual Employment, to allow for employees to be appointed to more than one County position with approval of the Department Director and County Administrator.

WM19/08 – 106 To authorize the Human Resources Department to award Oliver Wyman Actuarial Consulting Inc. a three (3) year contract in the amount of $29,970, three (3) payments of $9,990 per year, to provide IBNR actuarial analysis of Muskegon County claims and allocated claims adjustment expenses.
REQUEST FOR BOARD CONSIDERATION-COUNTY OF MUSKEGON

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<td>Public Works</td>
<td>August 22, 2019</td>
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SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)

The County owned Business Park North has been on the market for approximately 10 years. To date, no lots have been sold.

DB³ Asset Management and Holdings has submitted a binding letter of intent to purchase the entire Business Park North for $746,200. If accepted, staff and DB³ can finalize a purchase agreement under the terms of the letter of intent.

SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)

Move to accept the letter of intent from DB³ Asset Management and Holdings, authorize the Chair to sign the same, and authorize staff to finalize a purchase agreement under the terms of the letter of intent.

ADMINISTRATIVE ANALYSIS (AS APPLICABLE)

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If motion originates from a Statutory Board, Authority or Advisory Committee, please provide the date the motion was approved by that Board/Authority/Committee.

AGENDA DATE: 8/22/19
AGENDA NO.: 
BOARD DATE: 8/22/19
PAGE NO. 

Revised 8/20/19
July 1, 2019

Matthew Farrar
Muskegon County Department of Public Works
990 Terrace Street
Muskegon, MI 49442

Dear Matt:

This letter is to serve as a binding letter of intent (LoI) and is made as of this __________ day of ________________, 2019, by and between db3 Asset Management and Holdings (db3) (a db3 Agricultural Solutions, LLC ("db3") Company), and Muskegon County ("Muskegon County"), further identified as the "Parties".

This LoI sets forth the basic business terms and conditions upon which db3 ("Purchaser") is interested in negotiating the purchase of approximately 110 acres of vacant land from Muskegon County ("Seller"). Properties are identified with Permanent Parcel Numbers as follows:

- #61-07-635-000-0001-00 (Unit 1)
- #61-07-635-000-0002-00 (Unit 2)
- #61-07-635-000-0003-00 (Unit 3)
- #61-07-635-000-0004-00 (Unit 4)
- #61-07-635-000-0005-00 (Unit 5)
- #61-07-635-000-0006-00 (Unit 6)
- #61-07-635-000-0007-00 (Unit 7)
- #61-07-635-000-0008-00 (Unit 8)
- #61-07-635-000-0009-00 (Unit 9)
- #61-07-635-000-0010-00 (Unit 10)
- #61-07-635-000-0011-00 (Unit 11)
- #61-07-635-000-0012-00 (Unit 12)
- #61-07-635-000-0013-00 (Unit 13)
- #61-07-635-000-0014-00 (Unit 14)
- #61-07-635-000-0015-00 (Unit 15)
- #61-07-635-000-0016-00 (Unit 16)
- #61-07-635-000-0017-00 (Unit 17)
- #61-07-635-000-0018-00 (Unit 18)
- #61-07-635-000-0019-00 (Unit 19)

(Refer to Exhibits).

I. RECITALS:

1. These properties make up what is formally known as the "Muskegon County Business Park North" site and shall be referred to as "The Park". If this LoI is accepted, a formal Buy/Sell Agreement ("Agreement") will be provided by the Purchaser for The Park.
2. This shall be a binding agreement and the Purchaser requests exclusivity to the land during the due diligence period and the negotiation and execution of a formal agreement.
3. The park is a condominium. Muskegon County or its representative will forward all the condominium documents.
4. The park is located in Dalton Township.
5. Muskegon County owns all 19 units in the condominium project. It has no currently pending Purchase Agreements on any units nor any options or rights of first refusal on any of the units.
6. The roads within the condominium are private according to Muskegon County and shall be included as part of the Purchase Agreement. Muskegon County indicates they were intended to be public but have never been accepted by the County Road Commission. Muskegon County to provide a copy of a letter from the County Road Commission indicating such.
7. Dalton Township owns a parcel of land which has designated as Unit 20 and which is currently zoned residential. It was an old mobile home park. Dalton will sell that to Purchaser.
8. The active railroad line stops in Unit 19. (Refer to exhibits).
9. There is an existing bike path on the northern part of the Park which cuts over onto the west side of Industrial Parkway. It appears that the bike path was installed by Dalton Township through the condominium property which of course was then, and is, owned by Muskegon County. It appears this occurred post condominium development project and may have occurred without the thought and care which people and attorneys should have addressed.

II. Agreements:

1. This shall be a binding agreement and the Purchaser shall have exclusivity to the land during the due diligence period and the negotiation and execution of a formal purchase agreement.
2. The proposed purchase price for The Park would be $746,200.00 and is made up as follows:
   - $523,200.00 ($8,000/acre) total for Units 1 through 9, Units 14 through 18, and half of Unit 19 (65.4 acres).
   - $223,000.00 total for Units 10 through 13 and the remaining land of Unit 19 (44.6 acres).
3. The proposed purchase for land shall be either with cash at closing or by terms established in a "Buy Option" Agreement. Purchaser's intended use for the property is to develop an industrial agricultural business park (refer to Project Summary).
4. Upon the execution of an acceptable Agreement, Purchaser would provide earnest money deposit (5% of $523,200 or $26,160) into Title Company, other agreed upon escrow agent (to be named) or escrow account, which would be credited to the purchase price at closing. The deposit would be fully refundable during the ninety (90) day due diligence period, which shall begin upon the full execution of the Agreement. At end of ninety (90) days, fifty percent (50%) of earnest money deposit becomes nonrefundable. Should an additional sixty (60) days be needed to complete due diligence, such time will be granted. After additional sixty (60) days, said earnest money deposit would become non-refundable.
5. Seller would be responsible for providing title insurance and paying for the transfer tax and all special assessments currently affecting the Property.
6. Further, within ten (10) days of the execution of the LOI and prior to the execution of the Agreement, Seller is to provide to Purchaser copies of all site plans, property surveys, and environmental and engineering reports in its possession with regard to the property.
7. Purchaser would have one hundred-eighty (180) days from the execution of the Agreement in which to perform its due diligence activities, including but not limited to acceptable permitting requirements, applications, and approvals for economic incentives that may be available. Timing is of the essence; therefore, closing on the purchase shall be expedited and is expected to be no more than ninety (90) days after removal of all contingencies.
8. As part of the implementation project, Purchaser will relocate a portion of the existing bike trail which is adjacent to Industrial Parkway.
9. Seller agrees to pay Jones Lang LaSalle Michigan, LLC and East West Real Estate, LLC commission totaling five percent (5%) of total sales price at close of escrow.
10. It is agreed and understood by Purchaser: Units 10 through 13 and the remaining land of Unit 19 are being serviced and controlled by EPA for testing and understand this land may not be accessible for construction for 5 years. Purchaser is willing to except ownership.
11. Purchaser attest there will be no Provisioning or Dispensary or Retail of product on this site.

III. CONTINGENCIES BY PURCHASER FOR COMMENCEMENT OF AGREEMENT FOR THE PROPERTY:

1. Satisfaction of all contingencies in the Purchase Agreement between db3 and Dalton Township and contemporaneous closing with Dalton Township.
2. Amendment to existing 425-108(c1) – "Contract for Conditional Transfer of Jurisdiction" (dated 24th of September 2002), transferring jurisdiction of identified property from Dalton Township to City of Muskegon. Amendment to clearly express City of Muskegon to be solely in control of all Cannabis Licensing requirements and all permitting. (Refer to "Exhibit D")
3. Assurance that the 425-108(c1) Agreement does not prohibit any intended acquisition or use and can be terminated if necessary.
4. Current and future City of Muskegon Recreational Use Cannabis Ordinances, (in reference to Medical Marijuana Ordinance established and approved by City Commissioner on May 8, 2018), City of Muskegon to include Muskegon
County Business Park North (said property herein) as part of the Overlay District with no licensing limits for growing, processing, testing laboratory and secure transport.

5. Adoption by Dalton Township of an appropriate ordinance under MRTMA for this project to mirror the MMFLA opt-in ordinance so that medical marijuana and recreational marijuana can coexist on the property.

6. Dalton Township to have in place, at closing of Agreement, ordinances under MMFLA and MRTMA which permit unlimited grow, processing, secured transport and laboratory uses on the Park property and the Dalton Township property, if it is purchased from Dalton Township.

7. Approval by Dalton of a PUD for the entire site which is the Park property and the Dalton Township property.

8. Need co-location rights on this Property and assurance that all 4 possible uses are available on the property.

9. Access to CSX Railway via a rail spur at Agard Road. Goal is to limit vehicular traffic on McMillan Road to minimize impact to neighboring community.

10. Eliminate access to “Industrial Parkway” and “Hein Drive” from public access. Necessary to meet and maintain regulatory requirements. As part of the ownership, db³ will secure and maintain these private roadways.

11. Ensure the dissolution of the current “Easement Agreement” with Cordova Chemical Company and the dissolution of any easement agreements with any known or unknown entities.

12. Understanding and possible change to “Job Creation” figures on the current “Offer to Sell”. No land restrictions as a result of the job creation figures or derived from Muskegon County interest. Delete all requirements for job or employment figures or requirements.

13. Assurance that the RORF Parcel (Units 10 through 13 and the remaining land of Unit 19) can be transferred without liability to Purchaser and full understanding of EPA involvement [Is it just testing? Monitoring? A Superfund site sits to the south so anticipate it may just be monitoring and testing to see about migration].

14. Satisfactory review and determination of condominium documents.

15. Dissolution of the established condominium arrangement of the Park.

16. Satisfaction as to assurance of private roads and not public roads in Park.

17. Other typical types of contingencies such as satisfactory review of survey, title (including the easements and restrictive covenants), environmental inspections, and analysis of utility services to the property (due diligence for inspections).

Remainder of page intentionally left blank
While qualifying our intentions to proceed with negotiations and the early execution and delivery of an Agreement incorporating the terms outlined above, it should be understood that Purchaser and Seller shall be bound by this proposal until a mutually acceptable Agreement, setting forth a complete understanding between Purchaser and Seller, shall have been executed and delivered.

**IN WITNESS WHEREOF**, the undersigned have executed this Memorandum of Understanding as of the date first written above.

**ATTEST:**

**Agreed and Accepted by Seller:**

Seller:  **Muskegon County**

By: Susie Hughes  
Chair  

Date: ________________

**Agreed and Accepted by Purchaser:**

Buyer:  **db³ Asset Management & Holdings**

By: Leon Van Hook III  
Managing Partner  

Date: ________________

By: Tony Wright  
Managing Partner  

Date: ________________
EXHIBIT "D"

AgSo LLC

AgSo LLC - PROJECT SUMMARY

Business Type: NEW
Location: Muskegon North Industrial Park, Dalton Township
Economic Representative:

HIGHLIGHTS
- AgSo LLC plans to build an agricultural industrial park in Dalton Township, Muskegon County.
- The proposed agricultural industrial park will house an enterprise grade facility for agricultural business to grow.
- The proposed project will operate on a completely business-to-business strategy with no foreseeable fee on the property.
- The proposed project is planned to open its doors with over 1 million square feet of available space for cultivation.
- The proposed project will provide communal interest and collaboration with the community, industries and businesses requiring agricultural products.
- It is intended that the proposed project begin preliminary operations in the last quarter of 2019.

COMPANY PROFILE
- AgSo LLC is a new indoor agricultural development solutions company that believes that good things can grow anywhere, anytime. AND... grows.
- We leverage the power of people, partnerships, and new and emerging technology to help solve agricultural problems, benefit communities, making economic impacts, creating growth, expanding opportunities, improving processes, boot yields, and creating profits.
- The Company was founded in 2017 and is a wholly U.S. based company focused completely in the agricultural market.
- The Company's clients operate in multiple agricultural markets.
- The culture for the project will be committed to the community and promoting growth, technology and solutions. The Company operates under the following value system: High Performance Low Eco, Mental Clarity, Growth Mindset.

PROJECT SIGNIFICANCE
- Location played a significant role in the decision for this project; however, the final decision will be subject to successful negotiations, certain key agreements, tax abatements, development permits, utilities, and community support, along with Dalton Township and the Michigan Medical Facilities Licensing Act (MMFLA) and the Michigan Regulation and Taxation of Medical Marijuana Act (MRTMA).
- While the above factors play a significant role in the decision, there are other considerations which we value; positive economic impact to the community, the site being a suitable project site, proximate to workforce, and flexibility for future growth.
- The culture for the project will be committed to the community and promoting growth, technology and solutions.
- This project would make Dalton Township, City of Muskegon, and Muskegon County, a nationally recognized hub and extend the State of Michigan's impact is the national agricultural market. Being located in a central part of the country, the proposed project will primarily serve key agricultural clients looking to scale their business nationally and internationally.

PROJECT DATA
- Project will be developed in phases to address the agricultural market. Phase 1
  - 355,000 Square Foot - Administrative Facility (A Center) consisting of the following:
    - Headquarters Office Space
    - Commercial space for business operations
    - Logistic product processing for distribution
    - Holistic Certified Testing Center
    - Agricultural Laboratories
    - Community Collaboration Center
    - Discovery Learn/Teach Center
    - Innovation Center / Think Tank
    - 9-3 Hub and Incubation Space
    - Possibly a Child Development Center
  - 355,000 Square Foot - Cultivation facility (A Center) consisting of the following:
    - 2 levels of controlled cultivation
    - 1 level of greenhouse cultivation
    - Miscellaneous amenity and support spaces.
  - 355,000 Square Foot - Cultivation facility (B Center) consisting of the following:
    - 2 levels of controlled cultivation
    - 1 level of greenhouse cultivation
    - Miscellaneous amenity and support spaces.
  - Full 24/7 access for Clients with 24/7 security to meet regulatory requirements
  - Full time on site 24/7 facility engineers
  - The Cultivation Centers are adaptable for all types of cultivation environments and growing systems.

REQUIRED INFRASTRUCTURE & SERVICES
- Water - Size: current existing across site
- Waste - Size and pressure TBD

DALTON TOWNSHIP FACTS (2017 Census)
- Population
- Median Age
- Median Household Income
- Average Rentable Income

LOCATION
- Based on anticipated construction requirements
- From Bureau of Labor STATS 2017
- Funded from financials dated 01/03/2019
- Funded from financials dated 01/03/2019
- From Bureau of Labor STATS 2017

EMPLOYEE BENEFITS
- Percentage of health insurance covered.
- Healthcare package cost per employee and dependents will be based upon state of Michigan and Federal requirements.
- Overtime, Merit Increases, Education Assistance, PTO, Sick/Vacation, Bonus, Retirement Plan / 401k under development.

CAPITAL INVESTMENT
- Based on anticipated construction requirements
- Funded from financials dated 01/03/2019
- Funded from financials dated 01/03/2019
- 20,000 SOL
- From Bureau of Labor STATS 2017

SUPPORTING BUSINESS SERVICES
- Landscaping/grow renewal
- Maintenance shops
- Esthetics
- Hospitality
- Trucking/Distribution
- Local Hardware Store
- Retail Clothing Shop
- Local Grocierie Store
- Department Stores
- Personal Care Services
- Construction Services
- Healthcare
- PreLab Consum. Services

ECONOMIC IMPACT ESTIMATES
- Construction
- Operational (First 3
- Operational (5 yrs)

INCENTIVES / APPROACHES (to be addressed)
- Sales tax abatement eligibility for all material and equipment purchased.
- Property tax abatement eligibility.
- Permits process - Partner with Township/City Building Department.
- Community engagement.
- Partner with Housing and Urban Development Agencies.
- Partner with Michigan Department of Agriculture and other Regulatory bodies.
- Collaborate with U.S. Agencies (Rep of Agriculture, HUD, DoE, & Economic Development Administration)
- Develop an Alliance.
# Request for Board Consideration - County of Muskegon

<table>
<thead>
<tr>
<th>Committee</th>
<th>Budgeted</th>
<th>Non-Budgeted</th>
<th>Partially Budgeted</th>
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<td>Full Board</td>
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## Requesting Department: Finance  
**Committee Date:** 8/22/19  
**Requestor Signature:** Beth Dick/Ivan Phillips

### Summary of Request
(General Description, Financing, Other Operational Impact, Possible Alternatives)

On July 30, 2019, the Board approved awarding a contract to Civitas IT for the purchase of VXC units for $182,966 and authorized the purchase through a five-year financing agreement. Lease purchase agreements take time to develop the proper language involving legal counsel of both parties involved. Due to the time-sensitive need to get this equipment in place and the relatively low dollar cost, staff recommends forgoing the financing agreement and to instead seek a direct purchase of the equipment.

### Suggested Motion
(State exactly as it should appear in the minutes)

Move to approve the direct purchase of the VXC units from Civitas IT not to exceed $182,966.

### Administrative Analysis (As Applicable)

#### Human Resources Analysis:

#### Finance & Management Analysis:

Concur  
B. Dick

#### Corporate Counsel Analysis:

#### Administrator Recommendation:

If motion originates from a Statutory Board, Authority or Advisory Committee, please provide the date the motion was approved by that Board/Authority/Committee.

<table>
<thead>
<tr>
<th>Agenda Date:</th>
<th>Agenda No.:</th>
<th>Board Date:</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/22/19</td>
<td></td>
<td>8/22/19</td>
<td></td>
</tr>
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Revised 8/20/19