

Southgate City Council Agenda

Council Chambers

14400 Dix-Toledo Rd., Southgate, Michigan 48195

Wednesday May 20, 2020

WEB MEETING @ <https://us02web.zoom.us/j/82039639373>

CALL-IN @ + 1-312-626-6799 Passcode: 820-3963-9373#

6:30pm **Work Study Session**

1. Officials Reports
2. Discussions regarding agenda items

7:00 pm **Regular Meeting**

Pledge of Allegiance

Roll Call: Colovos, Farrah, George, Graziani, Rauch, Rollet, Zamecki.

Minutes:

1. Work Study Session Minutes dated May 6, 2020.
2. Regular City Council Meeting Minutes dated May 6, 2020.
3. Public Hearing Budget Minutes dated May 6, 2020.
4. Public Hearing Drainage Minutes dated May 6, 2020.

Scheduled Persons in the Audience:

Consideration of Bids:

1. Memo from City Administrator; Re: Recommendation Library Painting Project
2. Memo from City Administrator; Re: Recommendation Library Carpet Project
3. Letter from Mayor; Re: Recommendation for Tree Pruning and Maintenance

Scheduled Hearings:

Communications "A" –

1. Memo from ACA/Finance Director; Re: Proposed FY 2020/2021 Budget
2. Letter from Mayor; Re: Appointment to Board of Review
3. Letter from Mayor; Re: Recommendation for Electrical Repairs and Maintenance

Communications "B" – (Receive and File)

Ordinances:

Old Business:

New Business:

1. **Memo from Administrator; Re: Eagle Grant-Loan Oversight Contract**

Unscheduled Persons in the Audience:

Claims & Accounts: Warrant #1401 \$2,913,623.42

Adjournment:



JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



City of Southgate

- CITY COUNCIL -

JOHN GRAZIANI
Council President

MARK FARRAH

KAREN E. GEORGE

BILL COLOVOS

DALE W. ZAMECKI

PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

Memorandum

To: Honorable City Council Members
From: Dustin Lent, City Administrator
Date: May, 20 2020
Re: Eagle Grant-Loan Oversight Contract

At your council meeting on December 27, 2019 council approved a grant process to clean up and the former site at M&D mowers located at 15200 Fort St. We have learned the grant was approved and clean-up will start soon. As part of the grant Eagle requires a contract with an Environmental Consulting Services to oversee this project. The State of Michigan has set aside a not to exceed amount of \$20,000 as part of this project. I am asking the council to award the environmental consulting and oversight contract to AKTPeerless. AKTPeerless is the preferred vendor for the DCC along with SME. However with SME doing the work they are unable to be the oversight company. AKT Peerless and SME have done great work for the DCC and the Brownfield Consortium. I am pleased that this project was awarded the grant and Southgate will clean up a contaminated area.

Your favorable consideration of this matter is requested.

Project Details			
Project name and address	15200 Fort Street Redevelopment 15200 Fort Street Southgate, Michigan 48195	Grantee / Borrower	City of Southgate
Tracking code	2020-2433	Location Code	7G61
Capital investment	\$2,500,000	Jobs created	10 - 16 full-time
Grant amount	\$500,000	Loan amount	N/A
Funding Source	Refined Petroleum Grant (RPG)		

PROJECT DESCRIPTION: This grant will be used to further assess, delineate, develop and implement a remedial strategy to address residual petroleum contamination, and reduce the potential for off-site migration of contamination from a former gas station and auto repair garage. The outcome of the initial assessment will be used to drive the remedial strategy to focus either on source removal or vapor mitigation.

The grant will facilitate the redevelopment of this vacant property into a medical office building with an outpatient surgical center.

ANTICIPATED SCOPE OF WORK / BUDGET: The scope of work includes the following activities to facilitate the safe reuse of the property:

1. Assessment and investigation including, but not limited to, ground penetrating radar, additional Phase II environmental site assessment activities, and sample analysis.
2. Due care including, but not limited to, due care planning.
3. Environmental response activities including, but not limited to, underground storage tank removal, soil excavation, transportation, and disposal, the design and installation of a vapor mitigation system, and migration prevention.
4. Demolition and asbestos abatement.

5. During the time of the grant funded activities, the Grantee is required to install a full color, 48" by 96" grommated vinyl sign, or equivalent sign on the brownfield site displaying the Department of Environment, Great Lakes, and Energy (EGLE) logo. An image file with the sign design will be provided to the Grantee by the brownfield coordinator.
6. Third-party oversight professional including, but not limited to, assisting the Grantee with grant management, review of technical work plans and reports, meetings and communications of a technical nature, site inspections, and other technical oversight, as needed.
7. Grant administration including, but not limited to, the grant management, tracking, and reporting activities by Grantee.
8. Contingency for unanticipated conditions that may be encountered during the performance of eligible activities. Contingency will not be utilized without authorization from EGLE.

Project Budget	
Tasks	Grant
1. Assessment and Investigation	\$48,000
2. Due Care	\$5,000
3. Environmental response activities	\$310,000
4. Demolition and asbestos abatement*	\$45,000
5. EGLE Sign	\$1,000
6. Third-party environmental oversight professional	\$20,000
7. Grant administration (up to 3 percent of grant amount)	\$12,000
8. Contingency (up to 15 percent of grant amount)	\$59,000
Total	\$500,000

* Demolition costs cannot exceed 50% of the total project cost. Since demolition will occur before other eligible activities, demolition reimbursement will be deferred until other eligible project costs equal or exceed 50% of the total project cost.

In addition to the broad budget items above, the grant may be used for work plan and budget development, bid solicitation, technical specifications, and other administrative tasks approved by the Department of Environment, Great Lakes, and Energy (EGLE) brownfield coordinator. All grant-eligible work, including tasks not listed above, must be approved in advance. Work completed without an approved work plan may not be eligible for grant reimbursement.

Prior to the start of any grant-eligible work, a work plan must be submitted to EGLE for review and approval. Work plan development will be paid for under the budget items listed above. A budget up to \$1,000 per work plan is approved for site assessments. A budget up to \$2,500 each is approved for all other work plans. If development of a work plan is expected to cost more than the pre-approved budgets, the anticipated cost to develop the work plan must be approved by the brownfield coordinator in advance, or the excess cost will not be eligible for reimbursement.

Progress reports must be submitted quarterly even if no expenses were incurred during the quarter. Progress reports must include invoices for expenses incurred during the quarter and copies of checks or statements showing all consultants / contractors were paid.

SCHEDULE: The grant funded activities are expected to proceed in accordance with the following schedule:

Tasks	Schedule
Assessment and Investigation	1 st quarter after start date
Due Care	1 st quarter after start date
Environmental response activities	2 nd quarter after start date
Demolition and asbestos abatement	1 st quarter after start date
Grant administration	1 st quarter after start date



PROPOSAL FOR ENVIRONMENTAL CONSULTING SERVICES

15200 Fort Street Redevelopment Project
15200 Fort Street, Southgate, Michigan
AKT Peerless Proposal No. PF-26356

Introduction

AKT Peerless is pleased to present this proposal for environmental consulting services regarding the City of Southgate/Michigan Department of Environment, Great Lakes, and Energy (EGLE) Grant and Loan for the 15200 Fort Street Redevelopment Project. The project site is located at 15200 Fort Street in Southgate, Michigan. The scope of work presented in this proposal is based on AKT Peerless' understanding of the anticipated Clean Michigan Initiative Brownfield Redevelopment Loan and Grant agreement between the City of Southgate and 15200 Fort Street, LLC for the above referenced property.

AKT Peerless understands the City of Southgate desires to maintain an auditable file related to the proposed grant/loan. AKT Peerless has developed the scope of work below with this goal in mind. This letter confirms City of Southgate's acceptance of AKT Peerless' offer to conduct these services.

Scope of Work

AKT Peerless' scope of work will include the following:

- Attend the EGLE project kick-off meeting, and other scheduled meetings or conference calls;
- Review contractor bid solicitation to confirm competitive bidding;
- Review work plans and funding authorization requests prepared by SME;
- Review quarterly reports and payment requests prepared by SME, request additional information as necessary, and based on our review, make recommendations to the City of Southgate for payment;
- Conduct regular site visits during the CMI-funded activities to verify completion of the work as submitted in pay applications; and
- Prepare final EGLE required reports, including the project closeout and case study reports as required by EGLE.

AKT Peerless will compare the invoice costs to the budget to be provided by SME.

Fees

AKT Peerless proposes to provide the services described in this proposal for the total estimated cost not to exceed \$20,000, which is consistent with the available administrative budget in the EGLE grant and loan, and amount estimated for the City of Southgate's costs.



PROPOSAL FOR ENVIRONMENTAL CONSULTING SERVICES

15200 Fort Street Redevelopment
EGLE Grant-Loan Oversight

SUBJECT PROPERTY

15200 Fort Street
Southgate, Michigan

PREPARED FOR City of Southgate
14400 Dix-Toledo Road
Southgate, Michigan 48195

PROPOSAL # PF-26356

DATE May 14, 2020



Any unexpected or extraordinary concerns that become apparent during the review may require a revision in the scope of work and cost. AKT Peerless will notify you of any concerns or necessary changes in the proposed scope of work.

AKT Peerless will provide these services on a not to exceed basis billed in accordance with our approved fee schedule. All subcontracted services and outside project costs will be billed at cost plus 10 percent (for consistency in grant and loan requirements).

Limitations

AKT Peerless understands that SME is providing general oversight for the project and will be conducting the verification of activities completed. Further, AKT Peerless' review does not include compliance review as it relates to the City of Southgate's regulatory or financial compliance obligations, including project status reporting, budget tracking, and/or any other compliance activities as may be required under the State CMI program.

If the Client chooses to alter the proposed scope of work, the Client shall advise AKT Peerless, and AKT Peerless shall propose alterations to the scope of work and related fees. The Client will authorize AKT Peerless in writing to conduct more or less work than defined in this proposal.

AKT Peerless will provide these services using its commercially reasonable best efforts consistent with the level and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

This proposal and the associated cost estimate are valid for 30 days. After 30 days have elapsed, AKT Peerless reserves the right to alter the scope of work and estimated cost. Changes in the scope of work and the estimated price would be dependent on potential changes in the amount of available site information, regulatory requirements, seasons, economic conditions, etc. If necessary, AKT Peerless will provide an altered scope of work and the associated price estimate for approval prior to initiating project activities.

This proposal, including: descriptive material, pricing, discussion of proposed methods to be used or implemented by AKT Peerless, and related information set forth herein are confidential; these items constitute trade secrets of and are proprietary to AKT Peerless. AKT Peerless is submitting this information for informational purposes only, based on the express understanding that it will be held in strict confidence; will not be disclosed, duplicated, or used, in whole or in part, for any purpose other than the evaluation of this information; and will not, in any event, be disclosed to third parties, without prior written consent of AKT Peerless.

Terms and Conditions

The scope of work outlined in this proposal will be completed in accordance with the Terms and Conditions provided in Appendix A. AKT Peerless will prepare and render invoices for work performed to date on a monthly basis. All invoices shall be payable within thirty (30) days of invoice date.



PROPOSAL ACCEPTANCE FOR ENVIRONMENTAL CONSULTING SERVICES
15200 Fort Street Redevelopment Project
Southgate, Michigan

This proposal submitted by:


Julie Barton
Senior Project Manager

Proposal submitted on: May 14, 2020

Please authorize the proposal by executing below:

Proposal amount: \$20,000

Client contact:
Mr. Dustin Lent
City of Southgate
14400 Dix-Toledo Road
Southgate, Michigan 48195

AKT Peerless Proposal No. PF-26356

Acceptance: _____ (Signature)

Print Name: _____

Title _____

Date _____

**Appendix A
Terms & Conditions**



AKT PEERLESS TERMS AND CONDITIONS

The following Terms and Conditions govern the services (referred to herein as “work” or “services”) to be performed by AKT Peerless (“we”, “us”, “our”, “AKT Peerless” or “Consultant”) for you (“you”, “your” or “Client”). By accepting the proposal or authorizing all, or any portion, of the work to be performed by Consultant, Client shall be deemed to accept these terms and conditions, as if set forth in full, in the proposal to which these terms and conditions apply (when accepted, the proposal and these Terms and Conditions constitute the “Agreement” (hereinafter, this “**Agreement**”).

1. **Performance:** Consultant will provide advice, consultation and other environmental services to Client in a manner consistent with the level of care and skill ordinarily exercised by members of Consultant’s profession currently practicing under similar conditions and in the same locality. Consultant shall use commercially reasonable best efforts to comply with all federal, state, and local statutes, codes, laws and administrative regulations relating specifically to the services to be performed by Consultant, including, but not limited to those related to environmental, fire, safety and health matters. Finally, it is Consultant’s obligation to have marked by appropriate utility companies the location of all underground utilities or improvements.

AKT Peerless prides itself in rapid responses to client inquiries. Therefore, we make extensive use of e-mail and facsimile machines to communicate with our clients. We will communicate with you via the e-mail address and/or facsimile number on file for you. In the case of facsimiles, please let us know if you would like us to call first before faxing. At present, AKT Peerless does not use any encryption programs for our outgoing e-mail. All written, telephone, facsimile or email communication between the Client and AKT Peerless shall not be considered unwanted commercial speech (e.g. “spam”) unless written notification is provided.

2. **Client Cooperation:** Client shall use commercially reasonable best efforts to cooperate fully with Consultant in meeting Consultant’s responsibilities herein. Such cooperation shall include but shall not be limited to providing: 1) access to the real estate, buildings or other property, 2) such surveys and other records concerning the subject matter of the project, and 3) all communications with regulatory agencies and other parties that may have an interest related to the project as may be in Client’s possession or under its control. Client shall provide Consultant with a written description of all information required to enable Consultant to perform its services, including documents, data and other information concerning the presence of any hazardous, radioactive, toxic, irritant, pollutant or otherwise dangerous substances or conditions that Client knows or has reason to believe may be located at, on or under the property. Consultant shall not be liable for any incorrect advice, judgment, recommendation, finding, decision or conduct based upon any inaccurate or incomplete information supplied, or withheld, by Client, or errors or incorrect statements of governmental agencies or third parties relied on by Consultant. Client agrees to provide an on-site contact to identify utilities and improvements. Client acknowledges that, in the event any subsurface investigation is required, it is inevitable that some damage or destruction to the current property conditions shall occur. Repair of concrete and/or surface structures is not included as part of this proposal and Consultant shall have no liability to repair same, except as may be specifically set forth in the proposal.

3. **Payment:** The Client agrees to pay Consultant for all services and expenses, according to this agreement, through the termination or completion date, plus all interest, and expenses or costs incurred for early termination as set forth below and all costs of collections, including reasonable attorney fees. Any work requested hereunder, either in the proposal or subsequent change orders will be performed at the prices agreed to in the proposal and/or according to the provisions of the Consultant’s standard rate schedule. If requested, prior to performing any services AKT Peerless may require a retainer (“Retainer”). AKT Peerless shall hold the Retainer and apply it to the final invoice from AKT Peerless to the Client (with any excess left over, immediately returned to the Client). Consultant reserves the right to amend the rate schedule in advance of any future work. Client understands that outside services contracted and paid for by Consultant which are included in the proposal will be billed to the

Client at cost plus fifteen percent (15%). All invoices submitted to Client shall be payable within thirty (30) days of issuance by Consultant. Any payment not received within that period will bear interest at the rate of one and one half percent (1.5%) per month thereafter. Client agrees that it shall pay Consultant at Consultant's then prevailing rate for all time spent on behalf of Client in preparation for any court, administrative, or other legal proceedings arising out of the services provided under this Agreement, whether or not Consultant is subpoenaed to appear at such proceeding by Client or any third party. In the event that payment is not received by Consultant on any invoice within thirty (30) days of the issuance of the invoice, Consultant may then, by written termination notice to Client, terminate this Agreement (and any other existing contracts between Client and Consultant) and apply any existing Retainer to outstanding invoices without incurring any liability to Client; such termination by Consultant shall be effective immediately upon Consultant's issuance of the termination notice. Any objection to any invoice must be made by the Client, in writing, within ten (10) business days after the invoice is issued by Consultant, or the objection shall be deemed waived.

4. **Termination:** In addition to any other rights of Consultant to terminate this Agreement, Consultant may terminate this agreement if, in its sole discretion, it believes that any request from Client may violate applicable professional standards, law, or regulations and the parties are unable to reach a satisfactory resolution of the issue. Additionally, this agreement may be terminated by either party upon thirty (30) days written notice, unless such termination shall irreparably harm either party. In the event that Client terminates this agreement prior to the completion of Consultant's work, Client agrees to pay Consultant for the work that has been performed through the date of termination and for efforts that are expended by Consultant to wrap up its work in a professional, businesslike manner (including, without limitation, costs and fees for demobilizing from a site, for proper handling and disposal of samples, for organization of files and reports and the like) and in addition, Client shall pay Consultant an additional amount equaling ten percent (10%) of the agreed initial estimated price, as a reimbursement for loss of opportunity. In no event shall any payment pursuant to this section 4 exceed the original agreement amount by ten percent (10%).

5. **Indemnification:** Client shall defend, indemnify, and hold harmless Consultant, its subcontractors, and their respective officers, directors, shareholders, members, attorneys, agents and employees from and against any and all liability, claims, demands, lawsuits, losses, damages, penalties, expenses and costs, including reasonable attorney fees ("Damages"), whether direct, indirect or consequential: that arise as a result of Client's negligence, gross negligence, or willful misconduct. All claims brought against Consultant, relating to the services provided by Consultant or otherwise, whether based upon contract, tort, statute or otherwise, must be brought within one (1) year from completion of the contracted services or they shall be forever barred. The Client acknowledges that Consultant has neither created nor contributed to the creation or existence of any hazardous, radioactive, toxic, irritant, pollutant or otherwise dangerous substance or condition at the real estate as to which Client has requested Consultant's services.

Consultant agrees to defend, indemnify, and hold harmless Client, its subcontractors, and their respective officers, directors, shareholders, members, attorneys, agents and employees from and against any and all Damages, whether direct, indirect, or consequential arising out of, or in any way connected with Consultant's negligence, gross negligence or willful misconduct in the performance of services under this Agreement.

In addition to the other limitations contained in this section 5 and elsewhere in these Terms and Conditions, a party's obligation to the other hereunder shall be limited to the party's relative fault among all persons or entities that may have contributed to or caused the Damages at issue, as determined by a court of competent jurisdiction or as the allocation of fault may otherwise be agreed by the parties.

The Client understands that its incentive services involve incentive programs, not entitlement programs, and, as such, approval of any incentive benefit is not guaranteed. Strict compliance with the applicable incentive legislation is needed in order to even qualify for consideration by the applicable government agency. This compliance is the responsibility of the Client. Tax increment finance tables involve projected revenue that is highly dependent on post-development taxable values determined through the normal assessment process. The Client

agrees to indemnify and hold harmless AKT Peerless from all claims, losses, expenses, fees including reasonable attorney fees, costs, and judgments that may be asserted against the Client arising out of this Agreement, or the Client's application and/or qualification for incentive programs (provided, however, this indemnity shall not apply to claims arising out of the gross negligence of AKT Peerless or its employees or agents). The Client is strongly encouraged to seek legal advice, at the Client's own expense, on all legal matters or questions that may arise regarding these incentives and to have any documents prepared by AKT Peerless for submission to any federal, state or municipal government or agency reviewed by competent legal counsel before submission. The Client is strongly encouraged to seek accounting services, at the Client's own expense, on all tax matters or questions that may arise regarding these incentives and to consult with the Client's accountant prior to submission of any tax forms. In no event shall the liability of AKT Peerless under this Agreement for any claim whatsoever exceed amounts paid by Client to AKT Peerless for the particular task giving rise to such claim. Further, in the event AKT Peerless is successful in obtaining governmental incentives for Client, they require strict compliance after approval of same to obtain their benefits. Certain failures to comply on an ongoing basis can terminate or limit the availability of the full benefits received, require repayment or have negative tax consequences. AKT Peerless assumes no liability for post award actions of Client.

6. **Insurance and Limitations of Liability:** Consultant and its subcontractors shall procure and maintain at its own expense, during the term of this Agreement, the following insurance, with limits of liability at least as set forth below, and upon such terms and conditions as are customary in the industry:

- (a) Comprehensive general liability insurance in the amount of \$1,000,000 combined per occurrence and \$2,000,000 combined per aggregate;
- (b) Professional liability (errors and omissions) insurance in the amount of \$1,000,000 combined per occurrence and \$2,000,000 combined aggregate limit;
- (c) Pollution liability insurance in the amount of \$1,000,000 per occurrence and \$2,000,000 aggregate;
- (d) Automobile liability insurance in the amount of \$1,000,000 combined single limit for bodily injury for property damage; and
- (e) Workers' Compensation insurance complying with the laws of the state(s) in which Consultant's services are performed hereunder.

Notwithstanding anything contained herein to the contrary, Consultant's liability to Client for any claimed Damages arising out of or in any way related to this Agreement or the services provided by Consultant shall be limited to the amounts available under the above insurance policies. However, in no event shall the liability of AKT Peerless for any redevelopment incentive or tax credit service under this Agreement for any claim whatsoever exceed amounts paid by Client to AKT Peerless for the particular task giving rise to such claim. Consultant will not be responsible for any claims arising out of the negligence, gross negligence, or willful misconduct by Client or by any person or entity not under the direct control of Consultant. In no event shall Consultant have any liability for any claims (whether based upon contract or tort) for any loss of business opportunity, profits or any special, incidental, consequential or punitive damages. In the event Client perceives that it has suffered any Damages as a result of the services provided by Consultant or in any way arising out of or related to this Agreement, Client agrees to provide Consultant with reasonable notice of and an opportunity to cure the claimed Damages, prior to or within ten (10) days of discovery of same. Failure to so provide said notice and opportunity to cure shall act as an absolute bar to any recovery for any Damages. Unless an emergency otherwise dictates, Consultant shall have no more than thirty (30) days after receiving notice as provided herein to cure any defect for which Client provides notice hereunder, unless such cure requires additional time to implement or complete, in which case Consultant shall be provided a commercially reasonable amount of time to complete the cure. Failure by Consultant to cure any defect as provided herein shall in no event bar or preclude any defense to which Consultant may otherwise be entitled. Finally, Consultant shall have no liability or obligation to Client for Damages greater than the minimum requirements as set forth under the applicable state law and the most cost effective and reasonable remedy provided thereunder in consideration of all relevant facts.

Consultant shall not be liable to Client for failure to comply with the terms of Section 1 unless such non-compliance is due to the negligence, gross negligence, or intentional misconduct of Consultant. Client acknowledges that Consultant has made no representations, express or implied, and no warranty or guarantee is included or intended in any report, opinion, or document regarding the results to be achieved upon completion of the services except as set forth herein. In the case of incentives work, Client understands that the decision to grant any incentives is wholly that of the applicable governmental agencies.

7. **Confidentiality:** Consultant shall retain as confidential all information, samples and data furnished to it by Client or collected by it during the course of the work performed under the Agreement or any amendment thereto. Such information shall not be disclosed to any third party except as directed by Client or as required by law, regulation or court order. Prior to making any disclosure required by law, regulation or court order, Consultant shall notify client of the obligation to make such disclosure and provide Client with a reasonable opportunity to lawfully challenge the need to make such disclosure. Any such challenge shall be performed at Client's sole cost and expense, including but not limited to any payments to Consultant for its time spent assisting in such challenge. Consultant shall retain all reports generated for a period of three (3) years after completion of any project. Client authorizes Consultant to destroy any file or retain portions thereof, in the discretion of Consultant after said time. Any samples obtained by a Consultant under this Agreement will be discarded within thirty (30) days after laboratory analyses unless another time period is mutually agreed to in writing.

8. **Final Product:** Client acknowledges that any environmental report is merely a "snapshot" of the subject property at the time the investigation was performed and any material change in the use or condition of the property shall directly terminate any further obligation of Consultant for the accuracy of the report. In no event shall this report be relied on for more than one-hundred eighty (180) days after the date of issuance. If at any time after the issuance of the final report, Client becomes aware of any information previously unknown that would materially alter the findings or conclusions contained therein, Client agrees to immediately provide Consultant with same and allow Consultant to revise the report accordingly, except that Consultant shall not be required to make such revisions if such information was withheld by Client in violation of this Agreement. Client further understands that the failure to discover hazardous, radioactive, toxic, irritant, pollutant, petroleum or otherwise dangerous substances, products, or conditions does not guarantee that these materials do not exist at the property, and that hazardous materials may later be found on such a site. Client agrees that Consultant is not responsible for any failure to detect or clean up the presence of hazardous materials unless: (1) the failure to detect same is caused by Consultant's negligence, gross negligence or willful misconduct; and (2) Client suffers Damages as a result. Client agrees that any Damages related to said failure shall be further limited by the provisions of this Agreement.

All tax increment finance projections and other incentive related documents shall be supplied in paper or printable document file (PDF) format. The source documents are considered work product and will only be released at the sole discretion of AKT Peerless. If source documents are released, it is under a one (1) month license only to the Client who shall not modify, alter, copy or distribute the source documents without the expressed written permission of AKT Peerless and shall destroy or return the source documents and all copies to AKT Peerless upon expiration of the license.

AKT Peerless ordinarily retains client files for a reasonable period of time after the conclusion of a matter. If requested, AKT Peerless will provide these files to you (excluding our notes and other work products) at the conclusion of the matter upon your request. If you do not request the files, after a reasonable period of time, unless you advise us in writing to the contrary, we shall be free to dispose of them. If you request that we turn our files over to you or to another firm and you have not fully satisfied all of your obligations to us under this agreement, including the payment of all fees and costs, we shall be entitled to hold the files as security for performance of those obligations.

9. **Lien:** In order to secure repayment of the amounts required hereunder, Consultant hereby notifies client that it intends to utilize any rights it may have under Michigan's Construction Lien Act (MCLA 570.1101 *et seq*) or

such similar provision which may be in force in the jurisdiction where the work under the Agreement is performed. Client further agrees to execute and deliver to Consultant any and all documents necessary and/or grants Consultant power of attorney to execute and record on their behalf all documents in order to comply with the requirements of the Act.

10. **Changes:** The parties acknowledge that neither this Agreement nor any proposal may be modified except upon written agreement by both parties. If changes occur in the project, or events are discovered during Consultant's work, these events may require alterations to the scope of work. If such changes are required by changes in the statutes, regulations, governmental authorities or the interpretations thereof, this agreement and proposal shall therefore be amended to incorporate those changes and the compensation to Consultant shall be adjusted accordingly. If the Client alters the scope of work proposed by Consultant, Consultant shall have no liability whatsoever for any Damages based upon the final product, if in the performance of the Consultant's original proposal; the claimed defect could have been discovered. Client further acknowledges that the costs in the proposal are merely estimates. These estimates are made by Consultant on the basis of its experience, qualifications, and professional judgment, but are estimates and not guaranteed.

11. **Delays:** Consultant shall use commercially reasonable best efforts in performing the services under this agreement. However, Consultant shall not be responsible for any delay or failure to perform its services if there is any failure to provide or delay in providing Consultant with necessary access to the properties, documentation, information, materials or contractors retained by Client or its representatives, or due to any act of God, labor trouble, fire, inclement weather, act of governmental authority or the failure to gain cooperation of any necessary third party or any other act beyond the control of Consultant. In the event said events do occur, then the time for Consultant's for completion of this Agreement shall be extended by a commercially reasonable period under the circumstances. If any delay is caused by either the acts or omissions of Client or by any third party (including Governmental agencies) Consultant shall be entitled to additional compensation, based upon standard rates, for the additional efforts required in obtaining said approvals, documentation or access.

12. **Reliance and Reliance Letters:** The services performed and issuance of any report which is to be generated is for the sole benefit of Client and no other individual or entity may therefore rely on same without the express written permission of Consultant. Consultant acknowledges that, from time to time, Client may require that Consultant issue to Client's financial institution or other third party a Reliance Letter. Consultant agrees, at no additional cost, to provide same, so long as it is subject to these Terms and Conditions and that said request is made within one hundred eighty (180) days of the final report. Client agrees that it shall provide a copy of these Terms and Conditions to its financial institution or other third party and that the financial institution shall accept same and shall acknowledge that any such reliance shall be effective only as to the condition of the property on the date the final report was written. Consultant shall not be required to provide reliance on any report older than 180 days. In the event that Consultant does agree to provide a Reliance Letter, the party seeking reliance must agree in writing to be bound by these Terms and Conditions. Any reliance shall only be as of the date the report was published. For reliance requests based upon these reports, Consultant's liability for any and all Damages in any way related to the services provided by Consultant, either directly or indirectly, whether by agreement or otherwise, shall be limited to the cost of the services provided by Consultant hereunder. In accepting this limitation, Client and any other relying party shall acknowledge that ASTM E-1527, Section 4.6, states that any Phase I Environmental Site Assessment older than one hundred eighty (180) days is no longer valid and therefore acknowledges that this reduced limitation of liability is reasonable.



333 W. Fort Street, Suite 1410
Detroit, MI 48226
T 313 962-9353
www.aktpeerless.com

May 14, 2020

Mr. Dustin Lent
City of Southgate
14400 Dix-Toledo Road
Southgate, Michigan 48195

Subject: Proposal for Environmental Consulting Services:
15200 Fort Street Redevelopment Project
15200 Fort Street
Southgate, Michigan
Proposal No. PF-26356

Mr. Lent:

AKT Peerless is pleased to present this proposal for environmental consulting services regarding the City of Southgate/Michigan Department of Environment, Great Lakes, and Energy (EGLE) Grant and Loan for the above referenced property. The scope of work presented in this proposal is based on AKT Peerless' understanding of the anticipated loan/grant agreement between The City of Southgate and 15200 Fort Street, LLC.

For your convenience, this proposal is presented in a form that can be accepted as an agreement. To accept this proposal, please sign the signature page and return a copy to me.

If you have any questions or need additional information please contact Jessica Cory at (248) 615-1333 or me at (313) 212-9558, or via email at coryj@aktpeerless.com and bartonj@aktpeerless.com.

Sincerely,

AKT Peerless

A handwritten signature in cursive script that reads 'Julie Barton'.

Julie Barton
Senior Project Manager

Enclosure