

Lansing, Michigan

December 9, 2014

A special meeting of the State Administrative Board was held in the Lake Superior Room, 1st Floor, Michigan Library and Historical Center, on Tuesday, December 9, 2014, at 11:00 a.m.

Present: Paul Smith, representing Rick Snyder, Governor, Chairperson
Nat Forstner, representing Brian Calley, Lt. Governor
Rose Jarois, representing Ruth Johnson, Secretary of State
Michael Reilly, representing Bill Schuette, Attorney General
Joe Fielek, representing, R. Kevin Clinton, State Treasurer
Laura Mester, representing Kirk T. Steudle, Director, Department of Transportation
Shelby Troub, Secretary

Absent: Michael P. Flanagan, Superintendent of Public Instruction

Others Present:

Kelly Hamilton, Department of Technology, Management and Budget; Tim Hoeffner, Bill Rottiers, Department of Transportation

1. CALL TO ORDER:

Mr. Smith called the meeting to order and led the Pledge of Allegiance to the Flag.

2. READING OF MINUTES OF PRECEDING MEETING AND APPROVAL THEREOF:

None

3. HEARING OF CITIZENS ON MATTERS FALLING UNDER JURISDICTION OF THE BOARD:

None

4. COMMUNICATIONS:

None

5. UNFINISHED BUSINESS:

None

6. NEW BUSINESS:

None

7. REPORTS AND RECOMMENDATIONS OF COMMITTEES:

(Please see the following pages)

APPROVED

December 9, 2014

December 9, 2014 No. 3

Michigan State
Administrative Board

**COMMITTEE REPORT TO THE
STATE ADMINISTRATIVE BOARD**

The Honorable Rick Snyder, Governor
and
Members of the State Administrative Board

A special meeting of the Transportation and Natural Resources Committee was held at 11:00 a.m. on December 9, 2014. Those present being:

Chairperson: Rose Jarois, representing
Secretary of State Johnson

Approved

Rose Jarois

Member: Nat Forstner, representing
Lt. Governor Calley

Approved

Nat Forstner

Member: Michael Reilly, representing
Attorney General Schuette

Approved

Michael Reilly

Others: Paul Smith, Governor's Office; Kelly Hamilton, Shelby Troub, Department of Technology, Management and Budget; Tim Hoeffner, Laura Mester, Bill Rottiers, Department of Transportation; Joe Fielek, Department of Treasury

Ms. Jarois called the meeting to order.

The Department of Transportation Special Agenda was presented.

Following discussion, Mr. Reilly moved that the Transportation Agenda be recommended to the State Administrative Board with Items 1, 2, and 3 contingent upon approval of the Office of Attorney General. The motion was supported by Mr. Forstner and unanimously adopted.

Ms. Jarois adjourned the meeting.

FINAL 12.8.14

SPECIAL AGENDA

DEPARTMENT OF TRANSPORTATION

TRANSPORTATION and NATURAL RESOURCES COMMITTEE
STATE ADMINISTRATIVE BOARD

T&NR Meeting: December 9, 2014– Lake Superior Room,
1st Floor, Michigan Library and Historical Center, 11:00 AM
Special State Administrative Board Meeting: December 9, 2014 – Lake Superior Room,
1st Floor, Michigan Library and Historical Center, 11:00 AM

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This agenda is for general informational purposes only. At its discretion, the Transportation and Natural Resources Committee may revise this agenda and may take up other issues at the meeting.

Contract

1. *RAIL - Lease Agreement Related to the M-1 Rail Streetcar System
Lease Agreement (2014-0157) between MDOT and M-2 Rail sets forth the terms and conditions for MDOT to lease from M-2 Rail the light rail line along Woodward Avenue (M-1), connecting downtown Detroit to the New Center District, as a condition of the federal funding under Contract No. 2014-0735. This Lease Agreement, a Sublease Agreement, and a Subordination, Non-Disturbance, and Attornment Agreement are related to the flow of New Market Tax Credits to the light rail construction project on Woodward Avenue (M-1) in Detroit, Michigan. The Lease Agreement will be in effect from the date of award until the last group of assets has been completed, or for 30 years. This is a zero dollar agreement.

2. *RAIL - Sublease Agreement Related to the M-1 Rail Streetcar System
Sublease Agreement (2014-0158) between MDOT and M-1 Rail sets forth the terms and conditions for M-1 Rail to sublease from MDOT the light rail line along Woodward Avenue (M-1), connecting downtown Detroit to the New Center District, which will allow M-1 Rail to pay M-2 Rail. This Sublease Agreement, the Lease Agreement, and a Subordination, Non-Disturbance, and Attornment Agreement are related to the flow of New Market Tax Credits to the light rail construction project on Woodward Avenue (M-1) in Detroit, Michigan. The Sublease Agreement will be in effect from the date of award until the last group of assets has been completed, or for 30 years. This is a zero dollar agreement.

3. ***RAIL – Subordination, Non-Disturbance, and Attornment Agreement Related to the M-1 Rail Streetcar System**
Agreement (2015-0107) between MDOT, M-2 Rail, ID CDE 9, LLC, ID CDE 10, LLC, CNMC Sub-CDE 71, LLC, CapFund CDE Twelve, LLC, New Markets Investment 85, LLC, and MI/NCF Sub-CDE, LLC, sets forth the terms and conditions to ensure that the New Market Tax Credits are subordinate to the federal investment in the light rail line along Woodward Avenue (M-1), connecting downtown Detroit to the New Center District. This Subordination, Non-Disturbance, and Attornment Agreement, the Lease Agreement, and the Sublease Agreement are related to the flow of New Market Tax Credits to the light rail construction project on Woodward Avenue (M-1) in Detroit, Michigan. The Agreement will be in effect from the date of award until the Lease Agreement has been terminated, or for 30 years. This is a zero dollar agreement.

In accordance with MDOT's policies and procedures and subject to concurrence by the Federal Highway Administration, the preparation and award of the appropriate documents approved by the Attorney General, and compliance with all legal and fiscal requirements, the Director recommends for approval by the State Administrative Board the items on this agenda.

The approval by the State Administrative Board of these contracts does not constitute the award of same. The award of contracts shall be made at the discretion of the Director-Department of Transportation when the aforementioned requirements have been met. Subject to exercise of that discretion, I approve the contracts described in this agenda and authorize their award by the responsible management staff of MDOT to the extent authorized by, and in accordance with, the December 14, 1983, resolution of the State Transportation Commission and the Director's delegation memorandum of June 17, 2014.

Respectfully submitted,



 Kirk T. Steudle
Director

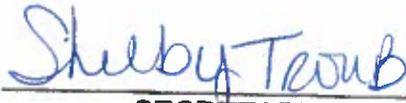
Ms. Jarois presented the Transportation and Natural Resources Committee Report for the special meeting of December 9, 2014. After review of the foregoing Transportation and Natural Resources Committee Report, Ms. Jarois moved that the Report covering the special meeting of December 9, 2014, be approved and adopted. The motion was supported by Mr. Reilly and unanimously approved.

8. MOTIONS AND RESOLUTIONS:

None

9. ADJOURNMENT:

Mr. Smith adjourned the meeting.



SECRETARY



CHAIRPERSON