



## CITY of NOVI CITY COUNCIL

**Agenda Item 1**  
**June 16, 2014**

**SUBJECT:** Approval of the Parks, Recreation & Cultural Services Department donation acknowledgement and acceptance of the naming rights agreement with ITC Holdings Corp. for a five (5) year period from 2014 through 2018 in the amount of \$250,000 payable in equal installments of \$50,000 per year, subject to final review and approval of any minor, non-substantive revisions by the City Manager and City Attorney offices.

**SUBMITTING DEPARTMENT:** Parks, Recreation & Cultural Services

**CITY MANAGER APPROVAL:** 

**BACKGROUND INFORMATION:**

The City of Novi and the Novi Parks Foundation entered into an agreement in 2005 regarding administration of the City's Parks and Recreation Facilities "Naming Rights" Program. The City adopted the Parks and Recreation's "Naming Rights Policy" as a means to raise additional funds for use in connection with its parkland and recreation facilities. Both the City and the Foundation believe that the Foundation can assist the administration of the policy by virtue of its separate expertise and resources. The Foundation is willing to assist the City in connection with its naming rights program as part of the Foundation's overall function as a fundraising and caretaking body on behalf of the City parks and recreation facilities.

ITC Holdings Corp. entered into a Naming Rights Contract Agreement in late 2007 for \$500,000 for naming of Community Sports Park. At this time, ITC has offered a new proposal to the Foundation for a \$250,000 donation to be paid in equal installments of \$50,000 per year for the five-year period from 2014 through 2018. In return, the Novi Parks Foundation would provide the following to ITC:

- Naming rights to the ITC Community Sports Park (2014 through 2018).
- Five-year naming rights, with signs, at the "Trail Head" in ITC Community Sports Park (commencing when the Trail becomes accessible to the public), the location, size, and content of such signs to be approved by the City in consultation with Donor.
- Installation of signs by the City reflecting the ITC name on existing and future portions of the Trail that physically utilize the existing ITC transmission corridor property for the pathway, or that are physically adjacent to the ITC transmission corridor property
- Recognition of the previous \$500,000 contribution in combination with the new \$250,000 donation, acknowledging the total of \$750,000 over approximately ten years.

**RECOMMENDED ACTION:** Approval of the Parks, Recreation & Cultural Services Department donation acknowledgement and acceptance of the naming rights agreement (subject to final approval as to form by the City Manager's Office) with ITC Holdings Corp. for a five (5) year period from 2014 through 2018 in the amount of \$250,000 payable in equal

installments of \$50,000 per year, subject to final review and approval of any minor, non-substantive revisions by the City Manager and City Attorney offices, and subject to confirmation that the signage to be installed shall be paid for through the Novi Parks Foundation.

	1	2	Y	N
<b>Mayor Gatt</b>				
<b>Mayor Pro Tem Staudt</b>				
<b>Council Member Casey</b>				
<b>Council Member Fischer</b>				

	1	2	Y	N
<b>Council Member Markham</b>				
<b>Council Member Mutch</b>				
<b>Council Member Wrobel</b>				

## CITY OF NOVI

### PARKS AND RECREATION FACILITIES DONATION ACKNOWLEDGMENT AND ACCEPTANCE AGREEMENT

THIS PARKS AND RECREATION FACILITIES DONATION ACKNOWLEDGMENT AND ACCEPTANCE AGREEMENT ("Agreement") is by and between the **City of Novi ("City")**, a Michigan municipal corporation, whose address is 45175 W. Ten Mile Road, Novi, MI, 48375, and **ITC Holdings Corp ("Donor")**, whose address is 27175 Energy Way, Novi, MI 48337, and shall be effective as of the date it has been fully signed ("Effective Date").

#### Recitals:

The City has adopted a Parks and Recreation Facilities Naming Rights Policy that encourages individuals and entities to donate funds to benefit City parks and recreation facilities and that recognizes and acknowledges the spirit and generosity of such donations through an appropriate, City-approved public placement of the name or other message of the donor in connection with designated parks and recreation facilities to which the donation is directed by the donor.

The City's naming rights program is administered by and through the Novi Parks Foundation, a Michigan non-profit and charitable organization.

Donor has previously made a donation to the Novi Parks Foundation of \$500,000 covering a period of five years (2007 to 2012). Donor desires to continue its participation in the City's naming rights program as provided in this Agreement.

#### Agreement:

1. Donor agrees to donate an additional cash sum of \$250,000, to the Novi Parks Foundation, to be paid over a second five-year period, from the Effective Date through December 31, 2018. Such additional amount shall be payable in five (5) equal annual installments of \$50,000. The first annual installment shall be payable on or before July 1, 2014, and the remaining four (4) installments shall be payable by that date for each successive year. The City shall be notified when each cash payment is received.
2. For and in consideration of the donations described in Section 1, for a five (5) year period, beginning on the Effective Date and through December 31, 2018, the City's existing "Community Sports Park" located at Eight Mile and Napier Roads, shall be named the "ITC Community Sports Park."
3. In addition to the naming of the Park, Donor's donation will be recognized in the following ways:
  - 4'x8' signage, as mutually approved by the City and ITC, at the two existing entrance ways to the ITC Community Sports Park.
  - Prominent listing on the City's Parks and Recreation website, including a link to ITC's website.

- Prominent listing as a “Park Partner” in the City’s Recreation Guide.
- Recognition at the following three City events, with signage provided by the City: Ethnic Tastes & Tunes Festival, Light Up the Night, and Sizzling Summer Art Series.
- Identification as “Park Partners” in other appropriate locations (as determined by the City, in consultation with the Donor) such as Meadowbrook Commons, the Novi Ice Arena, and the Parks, Recreation & Cultural Services Department.
- Naming rights, with signage, at the "Trail Head" in ITC Community Sports Park for a five (5) year period commencing when the Trail becomes accessible to the public. The exact location, size, and content of such signage shall be as approved by the City, in consultation with Donor, and shall be in the general location as shown on the attached Exhibit A.
- Installation of signs by the City reflecting the ITC name on existing and future portions of the Trail that physically utilize the existing ITC transmission corridor property for the pathway, or that are physically adjacent to the ITC transmission corridor property. The signs shall remain in place for as long as the Trail remains open to the public. The location, size, and content of such signs shall be as approved by the City, in consultation with Donor.
- Recognition of the previous \$500,000 contribution in combination with the new \$250,000 donation, acknowledging the total of \$750,000 over approximately ten years.

4. The funds donated will be used in accordance with the September 26, 2005 Agreement between the City of Novi and the Novi Parks Foundation and the City’s Parks and Recreation Naming Rights Policy, and all terms and conditions of the “Regulations Regarding Naming Rights of Parks or Facilities” adopted by the City of Novi as part of the Parks and Recreation Facilities Naming Rights Policy (receipt of which Donor acknowledges) are incorporated in and part of this Agreement by reference.

5. Donor acknowledges that this agreement does not constitute an endorsement of Donor or any products or services of Donor by the City or the Novi Parks Foundation, nor does it entitle Donor to use the City’s or the Foundation’s name, logo, or trademark in any form or manner or for any purpose without prior approval.

6. The sign to be displayed shall be owned by the City and Donor shall have no authority, responsibility, or liability for its placement, maintenance, condition, or safety, or for any conditions or activities within the City owned property where the sign is located.

7. This Agreement is not assignable without express approval of the City; provided, however, that if Donor changes its corporate name, or is acquired by another entity and changes its name as a result of such acquisition, then the City shall not unreasonably withhold, delay, or condition such approval.

8. This Agreement supersedes all previous representations, negotiations, understandings, or agreements, either written or oral, between the parties hereto or their representatives, and constitutes the entire agreement of the parties as to the subject matter hereof. This Agreement may not be modified in any manner except by an instrument in writing executed by both parties.

9. This Agreement may be executed in counterparts, each of which may be deemed an original but together will constitute one instrument.

**Donor Information**

Name: ITC Holdings Corp  
Address: 27175 Energy Way, Novi, MI 48337  
Telephone: (877) 482-4829  
Contact: Gregory Ioanidis, Vice President

**DONOR  
ITC HOLDINGS CORP**

  
By: Gregory Ioanidis  
Its: Vice President

This Agreement was acknowledged before me on June 6, 2014, by Gregory Ioanidis, the authorized representative of Donor, who states that he/she has signed this document of his/her own free will on behalf of Donor.

AMY MILLER  
Notary Public, State of Michigan  
County of Genesee  
My Commission Expires 11-05-2018  
Acting in the County of Oakland

  
Notary Public  
Acting in Oakland County, MI  
My commission expires: 11/5/18

**CITY OF NOVI**

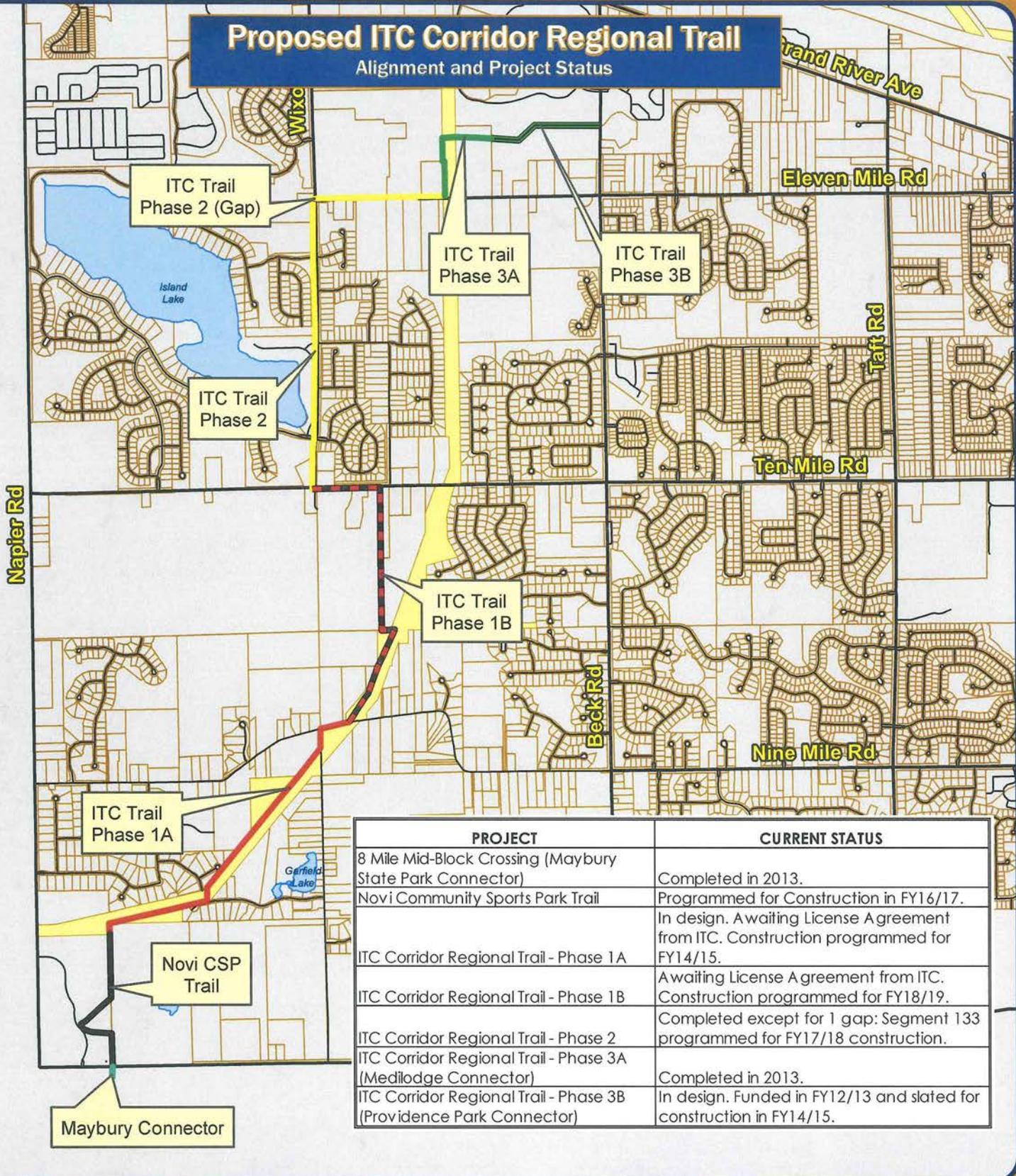
\_\_\_\_\_  
By:  
Its:

This Agreement was acknowledged before me on \_\_\_\_\_, 2014, by \_\_\_\_\_, authorized representative of the City of Novi, who states that he/she has signed this document of his/her own free will on behalf of the City of Novi.

\_\_\_\_\_  
Notary Public  
Acting in \_\_\_\_\_ County, MI  
My commission expires: \_\_\_\_\_

# Proposed ITC Corridor Regional Trail

## Alignment and Project Status



PROJECT	CURRENT STATUS
8 Mile Mid-Block Crossing (Maybury State Park Connector)	Completed in 2013.
Novi Community Sports Park Trail	Programmed for Construction in FY16/17. In design. Awaiting License Agreement from ITC. Construction programmed for FY14/15.
ITC Corridor Regional Trail - Phase 1A	Awaiting License Agreement from ITC. Construction programmed for FY18/19.
ITC Corridor Regional Trail - Phase 1B	Completed except for 1 gap; Segment 133 programmed for FY17/18 construction.
ITC Corridor Regional Trail - Phase 2	Completed in 2013.
ITC Corridor Regional Trail - Phase 3A (Medilodge Connector)	In design. Funded in FY12/13 and slated for construction in FY14/15.
ITC Corridor Regional Trail - Phase 3B (Providence Park Connector)	

Map Author: M. D. McCreadie Jr  
 Date: 10/29/13  
 Project: Proposed ITC Corridor Regional Trail  
 Version #: 8

Map Revisions: Keri Blough  
 Date: May 28, 2014  
 Version #: 11

**MAP INTERPRETATION NOTICE**

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.

**Legend**

**ITC Corridor Regional Trail Projects**

- Maybury State Park Connector
- Community Sports Park Trail
- ITC Trail - Phase 1A
- ITC Trail - Phase 1B
- ITC Trail - Phase 2
- ITC Trail - Phase 2 (Gap)
- ITC Trail - Phase 3A - Medilodge Connector
- ITC Trail - Phase 3B - Providence Park Connector
- Property Owned by ITC



**City of Novi**

Engineering Division  
 Department of Public Services  
 26300 Lee BeGole Drive  
 Novi, MI 48375  
[cityofnovi.org](http://cityofnovi.org)





March 4, 2014

Novi Parks Foundation  
P.O. Box 1169  
Novi, Michigan 48376-1169  
ATTN: David Landry

Dear David,

Thank you for your correspondence of January 20<sup>th</sup>. We have reviewed your request and offer the following proposal in response.

ITC Holdings Corp. will agree to provide an additional donation to the Novi Parks Foundation of \$250,000, to be paid in equal installments of \$50,000 per year for five years – 2014 through 2018 inclusive. In return, the Novi Parks Foundation would provide the following to ITC:

- Five-year naming rights to the ITC Community Sports Park (2014 through 2018 inclusive)
- Five-year naming rights, with signs, at the Trail head in ITC Community Sports Park (commencing when the Trail becomes accessible to the public)
- Permanent naming rights, with signs, on any future portion of the Trail that uses or is adjacent to ITC's existing transmission corridor
- Recognition of the previous \$500,000 contribution in combination with the new \$250,000 donation, acknowledging the total of \$750,000 over ten years

We look forward to continuing our commitment and involvement with the city of Novi and the Novi Parks Foundation.

Let me know if you have any questions.

Best regards,

A handwritten signature in black ink, appearing to read "Gregory Ioanidis", written in a cursive style.

Gregory Ioanidis  
Vice President, ITC Holdings Corp. and  
President, ITC Michigan



**REPORT OF THE NOVI PARKS FOUNDATION TO THE CITY OF NOVI CITY  
COUNCIL REGARDING PARKS FOUNDATION NAMING RIGHTS FUNDS**

**TO:** Mayor Robert Gatt and Members of the City Council

**FROM:** Novi Parks Foundation Board of Directors: Linda Blair, Randy Balconi,  
Kim Thomas Capello, Charles Staab, Stacey Farrell, David B. Landry

**DATE:** May 1, 2014

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The Novi Parks Foundation is a private, non-profit corporation, duly organized under the laws of the State of Michigan and established as a charitable organization under § 501c(3) of the Internal Revenue Code. The purpose of the Novi Parks Foundation, as set forth in its Articles of Incorporation is "to raise monies and to administer those monies for purposes related to the enhancement and improvement of City of Novi Parks, and enhancement, improvement and provision of Parks, Recreation and Forestry programs, facilities and services in the City of Novi."

On September 26, 2005 an Agreement was executed between the Novi Parks Foundation and the City of Novi. Section 2 of that Agreement provides that "both the City and Foundation therefore acknowledge the necessity of maintaining the highest levels of accountability and stewardship as their respective rights and obligations." Section 6 of that Agreement provides that the City may conduct periodic "compliance reviews of the use of donated funds ..." This report is submitted to the City Council by the Novi Parks Foundation in compliance with the Agreement and in the spirit of maintaining the highest levels of transparency and accountability.

The Novi Parks Foundation is proud of its fundraising efforts for the residents of the City of Novi. The Parks Foundation is optimistic as we look forward to the future and we address the future needs of parks and cultural services for the residents of the City of Novi.

Attached hereto as Exhibit A are the financial statements of the Novi Parks Foundation as of December 31, 2013. Page 3f of Exhibit A consists of a breakdown of naming rights funds. This table reports each naming right donation, the identity of the donor, the date of the donation and it also reports the 10% deduction from each donation which

has been placed into the Foundation Capital Improvement Endowment Fund as required by § 3e(ii)(a) of the Agreement between the Parks Foundation and the City. Exhibit A, page 3f, reports a current balance remaining in the naming rights account of \$319,961.37.

Attached hereto as Exhibit B is a breakdown of expenditures of the naming rights funds from 2008 to the present. A total of \$166,765.00 has been spent to date. A listing of the major items of expenditure is as follows:

-Pavillion Shores Park	\$52,500.00
-Fuerst Park Gardens	\$45,000.00
-Purchase of David Barr sculpture "Fate of Empires"	\$37,500.00
-Donation of seed money for the engineering and development of a sculpture to be completed "Roman Ruin VI"	\$15,000.00
- ITC Sports Park signage	\$11,500.00

Again, there is currently \$319,961.37 remaining in the naming rights funds account.

The Novi Parks Foundation is excited with the recent proposed offering by ITC Holdings Corp to commit an additional \$250,000.00 for the continued naming of ITC Sports Park. Together with ITC's initial donation of \$500,000.00, the commitment and support of ITC Holdings Corp will total \$750,000.00. This amount stands as a testament to the commitment of ITC Holdings Corp to Parks and Cultural services of the City of Novi. The standing of ITC Holdings Corp as a premier corporate citizen of Novi whose name is synonymous with parks, recreation and culture is beyond question.

The Novi Parks Foundation looks forward to our continued role as partner with the City of Novi in meeting the Parks and Cultural needs of our residents.

**Exhibit A**

**Exhibit A**

**Exhibit A**



**FINANCIAL STATEMENTS**  
**As of December 31, 2013**

<b><u>Page</u></b>	<b><u>Contents</u></b>
1	Balance Sheet
2	Income Statement
3f	Naming Rights Summary
3	Fund Balance

**Novi Parks Foundation**  
**BALANCE SHEET**  
As of December 31, 2013

December 31, 2013

<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1000 · Telkom Checking	1,038.54
1010 · PNC Bank Checking	24,007.18
1015 · Paypal Bank Account	292.50
1070 · Telkom Savings	5.00
1075 · PNC Bank MMA	44,080.50
1080 · Telkom MMA - Soccer Fund	42,507.49
1090 · Merrill Lynch - Endowment	52,379.10
1091 · Merrill Lynch - Naming Rights	319,961.37
1092 · Merrill Lynch - Unrestricted	0.71
<b>Total Checking/Savings</b>	<u>484,272.39</u>
<b>Accounts Receivable</b>	
1210 · Pledges receivable	5,000.00
<b>Total Accounts Receivable</b>	<u>5,000.00</u>
<b>Other Current Assets</b>	
1300 · Prepaid Insurance	1,112.33
<b>Total Other Current Assets</b>	<u>1,112.33</u>
<b>Total Current Assets</b>	<u>490,384.72</u>
<b>TOTAL ASSETS</b>	<u><u>490,384.72</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
2010 · Accounts payable	653.00
<b>Total Current Liabilities</b>	<u>653.00</u>
<b>Total Liabilities</b>	653.00
<b>Equity</b>	
30000 · Opening Balance Equity	
32010 - Unrestricted	66,146.18
32015 - Temporarily Restricted	464,618.43
32020 - Endowed Funds	52,421.61
<b>Total Opening Balance Equity</b>	<u>583,186.22</u>
Net Income (Loss)	-93,454.50
<b>Total Equity</b>	<u>489,731.72</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>490,384.72</u></u>

**Novi Parks Foundation**  
**INCOME STATEMENT**  
 January through December 2013

	<u>Jan - Dec 13</u>
<b>Income</b>	
<b>4 · Contributed support</b>	
4001 · Individual Contribution	5,215.00
4002 · Corporate Contribution	24,150.00
<b>Total 4 · Contributed support</b>	29,365.00
<b>5 · Earned revenues</b>	
5310 · Interest-savings/short-term inv	545.43
<b>Total 5 · Earned revenues</b>	545.43
<b>Total Income</b>	29,910.43
<b>Expense</b>	
<b>7000 · Grant &amp; contract expense</b>	
7020 · Grants to other organizations	102,500.00
<b>Total 7000 · Grant &amp; contract expense</b>	102,500.00
<b>7700 · Fundraising Expenses</b>	
7705 · Event Expenses	6,722.00
7710 · Food & Beverages	296.89
7715 · Event Supplies	473.28
7720 · Printing & Signage	607.67
<b>Total 7700 · Fundraising Expenses</b>	8,099.84
<b>8100 · Non-personnel expenses</b>	
8115 · Service Fees - Bank	297.50
8140 · Postage, shipping, delivery	227.54
8175 · Telephone	180.00
8190 · Websites-Domains & Hosting	314.05
<b>Total 8100 · Non-personnel expenses</b>	1,019.09
<b>8500 · Misc expenses</b>	
8520 · Insurance - non-employee	1,696.00
8530 · Membership dues - organization	120.00
8540 · Audit & Accounting Services	4,371.00
8550 · Subcontract Labor	5,440.00
8570 · Advertising	99.00
8670 · Taxes & Licenses	20.00
<b>Total 8500 · Misc expenses</b>	11,746.00
<b>Total Expense</b>	123,364.93
<b>Net Income (Loss)</b>	-93,454.50

Novi Parks Foundation  
**NAMING RIGHTS BREAKDOWN**  
As of December 31, 2013

<b>Naming Rights Breakdown</b>						
	<u>Due Date</u>	<u>Annual Contribution</u>	<u>Permanent Endowment</u>	<u>Naming Rights Net</u>	<u>Letter Sent</u>	<u>Donation Received</u>
<b>Received</b>						
Telcom Credit Union	03/12/07	\$ 2,500.00	\$ 250.00	\$ 2,250.00	-	-
Tom Holzer Ford	11/09/07	6,747.81	674.78	6,073.03	-	-
ITC Holdings Corp	12/31/07	100,000.00	10,000.00	90,000.00	Y	Y
Telcom Credit Union	01/01/08	2,500.00	250.00	2,250.00	Y	Y
Tom Holzer Ford	11/09/08	4,075.64	407.56	3,668.08	-	-
ITC Holdings Corp	12/31/08	100,000.00	10,000.00	90,000.00	Y	Y
Telcom Credit Union	01/01/09	2,500.00	250.00	2,250.00	Y	Y
Tom Holzer Ford	11/09/09	2,069.00	206.90	1,862.10		Y
ITC Holdings Corp	12/31/09	100,000.00	10,000.00	90,000.00		Y
Best Buy	10/25/10	10,000.00	-	10,000.00		Y
ITC Holdings Corp	12/31/10	100,000.00	10,000.00	90,000.00	Y	Y
ITC Holdings Corp	12/31/11	100,000.00	10,000.00	90,000.00	Y	Y
Tom Holzer Ford	12/31/12	5,000.00	500.00	4,500.00		
<b>Sub-total Received</b>		<b>\$ 535,392.45</b>	<b>\$ 52,539.24</b>	<b>\$ 482,853.21</b>		
Interest (Inception-to-date)		\$ 4,013.02	\$ 139.86	\$ 3,873.16		
Expenses		\$ (167,065.00)	\$ (300.00)	\$ (166,765.00)		
<b>Total Naming Rights</b>		<b>\$ 372,340.47</b>	<b>\$ 52,379.10</b>	<b>\$ 319,961.37</b>		

<b>Naming Rights - Pending</b>						
	<u>Due Date</u>	<u>Donation Amt</u>	<u>Permanent Endowment</u>	<u>Naming Rights Net</u>	<u>Letter Sent</u>	<u>Donation Received</u>
<b>Future</b>						
Tom Holzer Ford	10/31/13	5,000.00	500.00	4,500.00	Y	N
<b>Totals</b>		<b>\$ 5,000.00</b>	<b>\$ 500.00</b>	<b>\$ 4,500.00</b>		

Novi Parks Foundation  
**FUND BALANCES**  
 As of December 31, 2013

<b>FUND BALANCES</b>		<b>Balance</b>
<b>Restricted Funds</b>		
Soccer Fund	\$	42,507.49
Scholarship Fund		-
Cultural Arts Fund		-
Field Improvements Fund		-
Park Naming Rights Fund a/		319,961.37
Permanent Endowment Fund		52,379.10
Total Restricted Funds Balance	\$	414,847.96
Unrestricted Funds		69,424.43
Total All Funds	\$	484,272.39

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 a/ See page 3f for detail

Released to unrestricted funds at 12/31/12:

Cultural Arts Fund	217.00
Field Improvements Fund	3,020.00
	3,237.00

**Exhibit B**

**Exhibit B**

**Exhibit B**

Novi Parks Foundation  
**NAMING RIGHTS BREAKDOWN**  
 As of December 31, 2013

Memo: Naming Rights Expenses			
<u>Date</u>	<u>Amount</u>	<u>Balance</u>	<u>Comments</u>
12/04/13	\$ (150.00)	\$ (166,765.00)	Merrill Lynch Account Annual Fee
04/22/13	\$ (52,500.00)	\$ (166,615.00)	art sculpture & design
01/11/13	\$ (50,000.00)	\$ (114,115.00)	grant pavillion shore park
11/03/12	\$ (150.00)	\$ (64,115.00)	Merrill Lynch Account Annual Fee
11/03/11	\$ (150.00)	\$ (63,965.00)	Merrill Lynch Account Annual Fee
11/03/10	\$ (150.00)	\$ (63,815.00)	Merrill Lynch Account Annual Fee
08/30/10	\$ (1,250.00)	\$ (63,665.00)	Best Buy sign - red field at Powers Park
06/10/10	\$ (45,000.00)	\$ (62,415.00)	Fuerst Park garden project
11/30/09	\$ (150.00)	\$ (17,415.00)	Merrill Lynch Account Annual Fee
12/31/08	\$ (4,978.00)	\$ (17,265.00)	Reimbursement of Marketing Materials (pre Nov 2007)
11/30/08	\$ (150.00)	\$ (12,287.00)	Merrill Lynch Account Annual Fee
08/27/08	\$ (11,500.00)	\$ (12,137.00)	ITC Sports Park Signage
05/26/08	\$ (307.00)	\$ (637.00)	Telcom Sign - JPS Marketing
05/26/08	\$ (330.00)	\$ (330.00)	Tom Holzer - Additional Sign (Sign Graphix)