

**INTERLOCAL AGREEMENT TO USE LOCAL TAX INCREMENT REVENUES FOR 119 & 127 SOUTH
JEFFERSON AVENUE AND 124 S. BAUM STREET, (AKA FORMER STAPLES BUILDING)
BROWNFIELD REDEVELOPMENT PROJECT**

WHEREAS, the Urban Cooperation Act, PA7 of 1967, Extra Session (Act 7), provides that a public agency may enter into interlocal agreements with other public agencies to exercise jointly any power, privilege, or authority that the agencies share to in common and that each might exercise separately; and

WHEREAS, the City of Saginaw Downtown Development Authority (DDA) was duly established pursuant to PA 381 of 1980, as amended (Act 450); and

WHEREAS, the Saginaw Brownfield Redevelopment Authority (SBRA) was duly established pursuant to PA 381, 1996, as amended (Act 381); and

WHEREAS, the SBRA and DDA are considered a "public agency" under Act 7; and

WHEREAS, the SBRA has the authority to pay for "eligible activities" and capture tax increment revenues generated by the levy of certain taxes via approved brownfield plans pursuant to and as described in Act 381; and

WHEREAS, the DDA has the authority to pay for certain eligible activities and capture tax increment revenues generated by the levy of certain taxes on the property pursuant to the Tax Increment Financing and Development Plan (the DDA Plan), and

WHEREAS, the DDA and the SBRA enter into this Interlocal Agreement to transfer the DDA tax increment revenues to the SBRA to reimburse the Act 381 "eligible activities" pursuant to the Former Staples Building Brownfield Plan (the Brownfield Plan); and

THEREFORE, the DDA and SBRA agree as follows:

1. Transfer and Use of Tax Increment Revenues. Only upon affirmative vote by the City of Saginaw (the City) and SBRA approving the Brownfield Plan, shall the tax increment revenues captured by the DDA on the subject property specified in Brownfield Plan be transferred to the SBRA to reimburse approved eligible activities for the project, SBRA administration fees and the State Brownfield Redevelopment Fund.
2. Limitation to Tax Increment Revenues from Eligible Property. The DDA shall only transfer to the SBRA the tax increment revenues generated by the eligible property to reimburse for approved eligible activity costs identified in the approved Brownfield Plan and authorized by Act 381. Upon conclusion or dissolution of the Brownfield Plan, all tax increment revenues generated by the eligible property shall be captured by the DDA as stated in the DDA Plan.
3. DDA Obligation subordinate to Existing Bonds. This DDA's obligation to transfer tax revenues to the SBRA pursuant to this Agreement is subordinate to, and contingent upon the ability of the DDA to capture sufficient tax increment revenues from the captured assessed value of the property in its Downtown District other than the eligible property to pay its annual debt service

obligations on bonds and other obligations issued by the DDA. In the event that the DDA does not have sufficient funds from tax increment revenues from the captured assessed values of the property in its Downtown District other than the eligible property to pay its annual debt service on such bonds or other obligations, then the DDA shall not be obligated to transfer tax increment financing revenues generated from the eligible property to pay its annual debt service obligations. In such instances where the DDA uses tax increment revenues from the eligible property to pay its annual debt service on such bonds or other obligations, it is understood that once these obligations are met the transfer of tax increment revenues from the eligible property will continue until eligible activities are reimbursed or the Brownfield Plan expires, whichever occurs first.

4. SBRA as Agent under This Agreement. The parties designate the SBRA as the agent to receive and disburse all tax increment revenues generated by the eligible property until such time all obligations of the approved Brownfield Plan have been satisfied.
5. SBRA as Agent under Reimbursement Agreements. The parties agree to designate the SBRA as agent to develop and enforce the terms of any Reimbursement Agreement executed with outside parties pursuant to the approved Brownfield Plan.
6. Effective Date. The Agreement shall commence upon its approval by the legislative bodies of the DDA and SBRA and duly executed by their authorized representatives and filed with the City Clerk and Secretary of State of the State of Michigan as required by Act 7.
7. Severability. To the extent that any provisions contained in this Agreement is deemed enforceable, to the extent possible, the remaining terms shall remain in effect.

The DDA and SBRA, by their authorized representatives, have executed this Agreement as indicated on the attached signature page:

This agreement was approved by the City of Saginaw Downtown Development Authority. The Vice Chair was authorized to sign this Agreement on the 26 day of February, 2019 and was executed by the Vice Chair on the ____ day of _____, 2019.

CITY OF SAGINAW DOWNTOWN
DEVELOPMENT AUTHORITY



Michael Hanley, Vice Chair

This agreement was approved by the City of Saginaw Brownfield Redevelopment Authority. The Vice Chairperson was authorized to sign this Agreement on the 1 day of February, 2019 and was executed by the Vice Chairperson on the 18 day of March, 2019.

CITY OF SAGINAW BROWNFIELD
REDEVELOPMENT AUTHORITY



Lori Brown, Vice Chair