

TAX SHARING AGREEMENT BETWEEN THE
COUNTY OF WASHTENAW, CHARTER TOWNSHIP OF PITTSFIELD,
AND THE STATE STREET CORRIDOR IMPROVEMENT AUTHORITY

This Tax Sharing Agreement (“Agreement”) is entered into this ____ day of _____ between the COUNTY OF WASHTENAW (“County”), the CHARTER TOWNSHIP OF PITTSFIELD (“Township”), and the STATE STREET CORRIDOR IMPROVEMENT AUTHORITY (“Authority” or “CIA”). In this Agreement, the County, Township, and the CIA may also be referred to collectively as “Parties.”

RECITALS

- A. The Corridor Improvement Authority Act, PA 280 of 2005 as amended (“Act 280”), authorizes a municipality to establish a corridor improvement authority when the municipality determines that it is necessary for the best interests of the public to redevelop its commercial corridors and to promote economic growth.
- B. One of the purposes for creating a corridor improvement authority is to permit a municipality to finance corridor improvements in a designated area by capturing the property taxes levied on any incremental increase in property values within the development area. This is commonly referred to as tax increment financing.
- C. Section 18(5) of Act 280 provides that a governing body of a taxing jurisdiction whose ad valorem taxes would otherwise be subject to capture may exempt its taxes from capture by adopting a resolution to that effect. Section 18(3) of Act 280 provides that a CIA may enter into agreements with taxing jurisdictions and the municipality establishing the CIA to share a portion of the captured assessed taxable value of the development area.
- D. On July 24, 2013, after two earlier public meetings and a public hearing allowing for community input and other public commentary, the Pittsfield Charter Township Board of Trustees established the CIA, adopted the CIA boundaries and appointed a CIA Board.

- E. The CIA Board has recommended the adoption of a Development and Tax Increment Financing Plan (“the Plan”) to provide for specific roadway improvements in the State Street Corridor to be funded by the capture of specific taxes as set forth in the Plan.
- F. The Parties wish to enter into this agreement whereby the County agrees to participate with the Township and the CIA by means of sharing with the Authority a portion of the revenue derived from certain ad valorem property taxes levied on properties located within the development area upon the terms and conditions described in this Agreement.

AGREEMENT

In consideration of the mutual promises, representations, and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

1. As used in this Agreement, "tax increment revenue" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the development area, as defined and limited by Act 280.
2. The County’s “Pro-rata Share” is defined as the County’s proportionate share of the combined millages of real property captured by the CIA, from all participating taxing jurisdictions.
3. In accordance with the following conditions, the County agrees to allow 50% of the tax increment revenue generated as of 2013 (Base Year) by its operating millage rate and of the Washtenaw County Parks & Recreation Commission assessments to be captured and retained by the CIA from the properties within the CIA boundaries for the limited purpose of paying that portion of the funding required for the State Street CIA that is described as the County’s Pro-rata Share. The remaining 50% of the tax increment revenue generated from the County’s operating millage and the Parks and Recreation assessments shall be retained by the County and the Parks and Recreation Commission

respectively. The parties further agree that no other ad valorem taxes shall be used to fund the CIA, including, but not limited to the County's personal property taxes, EECS tax, and other ad hoc taxes approved by the County Board of Commissioners from time to time, i.e. indigent veteran's tax and P.A. 88 levy and that such taxes shall be retained by the County and the Parks and Recreation Commission, respectively to use as they see fit.

4. Any new additional millage levied by the County of Washtenaw, either to restore amounts reduced pursuant to the Headlee Amendment, or new additional millage approved by County of Washtenaw electors after the date of this Agreement, shall be exempt from this Agreement unless the Washtenaw County Board of Commissioners, in its sole discretion, adopts a resolution submitting such additional millage revenues to this Agreement and capture by the Authority.

5. The Township, the CIA, and the County acknowledge that the total anticipated expenditure of up to \$33,000,000.00 is an approximation only. The Project shall be subject to public bid procedures and the final cost will be adjusted accordingly. Notwithstanding the above acknowledgments, the Township and the CIA agree that the County's participation shall not exceed the sum of \$3,850,464.00, or the total amount captured by the Authority (50% of tax increment revenue) from the County's general operating millage for a period of 20 years (through 2033) and an amount not to exceed \$603,389.00, or the total amount captured by the Authority (50% of tax increment revenue) for the Parks and Recreation assessments for a period of 20 years (through 2033). The Parties acknowledge that the capture period could be less than 20 years.

6. Upon receipt by the authority of the amounts identified in Paragraph 5, above, unless otherwise agreed, the County's participation in the CIA will cease and its portion of ad valorem property taxes and/or Parks and Recreation assessments that would otherwise be subject to capture will be exempt from further capture by the CIA, regardless of whether 20 years have passed.

7. The CIA agrees to file an annual report, which shall include the amount of the revenue captured, and the costs and other expenses relating to the Project, with the County Administrator on an annual basis during the term of the financing. The CIA shall allow the County of Washtenaw to perform financial and compliance audits as appropriate to assess all records relating to the Project throughout the term of financing and for a period of three (3) years thereafter for compliance with the terms of this Agreement. An audit of the CIA's records pursuant to this section shall not occur, until such time that the County provides thirty (30) days written notice to the CIA, specifying what information is necessary to insure a complete post evaluation of the County's participation in the CIA.

8. This Agreement sets forth the entire agreement between the Parties and fully supersedes any and all prior agreements or understandings between them in any way related to this subject matter. It is further understood and agreed that the terms and conditions herein are contractual and are not a mere recital and that there are no other agreements, understandings, contracts, or representations between the Parties in any way related to the subject matter hereof, except as expressly stated herein. This Agreement shall not be extended, changed or supplemented orally and may be amended only in writing and signed by the Parties.

9. The County, the Township and the CIA warrant that they each have the appropriate authority to enter into this Agreement, that this Agreement was approved by the legislative or governing body of the party executing the agreement and that each of them are bound by the respective signatures below.

10. This Agreement shall be subject to and interpreted pursuant to the laws of the State of Michigan.

STATE STREET CORRIDOR IMPROVEMENT AUTHORITY

By: _____

David Sarns, Chair

State St. Corridor Improvement Authority Board

Date: _____

CHARTER TOWNSHIP OF PITTSFIELD

a Municipal Corporation

By: _____

Date: _____

Mandy Grewal, Supervisor
Pittsfield Charter Township

By: _____

Date: _____

Alan Israel, Clerk
Pittsfield Charter Township

COUNTY OF WASHTENAW

a Municipal Corporation

By: _____

Date: _____