

**INTERLOCAL AGREEMENT TO USE DDA TAX INCREMENT
REVENUES FOR THE VAULT MARQUETTE
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 Marquette Downtown Development Authority (“DDA”) was duly established pursuant to PA 197 of 1975 as amended (Act 197); and

WHEREAS, the City of Marquette Brownfield Redevelopment Authority (“MBRA”) was duly established pursuant to PA 381, 1996, as amended (Act 381); and

WHEREAS, the MBRA and DDA are each considered a “public agency” under Act 7; and

WHEREAS, the MBRA 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 certain activities and capture tax increment revenues generated by the levy of certain taxes on the property pursuant to the Marquette Downtown Development Authority Tax Increment Financing Plan, as amended (the “DDA Plan”), and

WHEREAS, the DDA and the MBRA now wish to enter into this Interlocal Agreement to transfer the DDA tax increment revenues generated by the redevelopment of the former State Savings Bank building and property located at 101 S. Front Street and 119 S. Lakeshore Boulevard in Marquette, Michigan (“Eligible Property”) to the MBRA to reimburse certain eligible activities as defined in Act 381 (“Eligible Activities”), including a public parking facility, pursuant to the Brownfield Plan for Vault Marquette (“Brownfield Plan”); and

THEREFORE, the DDA and MBRA agree as follows:

1. **Transfer and Use of Tax Increment Revenues.** Only upon affirmative vote by MBRA and the Marquette City Commission approving the Brownfield Plan, shall the tax increment revenues captured by the DDA generated by the Eligible Property be transferred to the MBRA to reimburse approved Eligible Activities, MBRA administration and operation cost, transfers to the State Brownfield Fund as required by Act 381, and deposits into the Local Brownfield Revolving Fund (LBRF). Tax Increment Revenues to be transferred will be based on the Initial Taxable Value identified in the Brownfield Plan as of December 31, 2020. The DDA shall retain all applicable tax increment revenue generated by the Eligible Property up to the Brownfield Initial Taxable Value.
2. **Limitation to Tax Increment Revenues from Eligible Property.** The DDA shall only transfer to the MBRA the tax increment revenues generated by the Eligible Property to reimburse approved Eligible Activity and other costs in the approved Brownfield

Plan, authorized by Act 381, and approved by the MBRA and the Marquette City Commission. 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 captured tax revenues to the MBRA 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 TIF District other than the Eligible Property to pay its annual debt service obligations on bonds and other obligations issued by the DDA pursuant to PA 57 of 2018. 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 TIF 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 revenues from the Eligible Property to the MBRA in that year and so long as a shortfall exists, so that the DDA may use the tax increment revenues generated from the Eligible Property to pay its annual debt service obligations on such bonds. 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.
4. **MBRA as Agent under This Agreement.** The parties designate the MBRA as the agent to receive and disburse all tax increment revenues generated by the Eligible Properties until such time as all obligations of the approved Brownfield Plan have been satisfied.
5. **Effective Date.** The Agreement shall commence upon its approval by the legislative bodies of the DDA and MBRA and duly executed by their authorized representatives and filed with the Marquette County Clerk and Secretary of State of the State of Michigan as required by Act 7.
6. **Severability.** To the extent that any provisions contained in this Agreement is deemed unenforceable, to the extent possible, the remaining terms shall remain in effect.
7. **Term.** The parties agree that the transfer of tax increment revenue from the Eligible Property to reimburse Eligible Activities, MBRA administration and operating costs, transfers to the State Brownfield Fund as required by Act 381, and LBRF deposits shall begin once tax increment revenues are collected from the Eligible Property, which will occur after the official approval of the Brownfield Plan by the Marquette City Commission. This contract extends until all obligations under this contract are met.

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

