

MARCH 1, 2021, THROUGH FEBRUARY 29, 2024
THREE - FISCAL YEARS AGREEMENT FOR
REVENUE SHARING WITH VILLAGE

THIS AGREEMENT (hereinafter, the “Agreement”) is made by and between the **DOWNTOWN DEVELOPMENT AUTHORITY OF THE VILLAGE OF STOCKBRIDGE**, a Michigan municipal corporation (hereinafter, the “SDDA”) and the **VILLAGE OF STOCKBRIDGE**, a Michigan municipal corporation (hereinafter, the “Village”).

PREMISES

WHEREAS, the SDDA was created by the Village under the authority of Act No. 57 of the *Michigan Public Acts of*, 2018 as amended (hereinafter, “Act 57”); and

WHEREAS, pursuant to Act 57 of 2018 the SDDA has prepared, and the Village has approved, a Tax Increment Finance and Downtown Development Plan (as amended and restated, hereinafter, the “Plan”) for the development of the development area within the downtown district of the SDDA located in the Village as described in the Plan (hereinafter, the “Development Area”); and

WHEREAS, pursuant to the Plan, the SDDA has used and intends to continue to use, tax increment revenues, as defined in Act 57 (hereinafter, the “Tax Increment Revenues”), to provide for the acquisition, construction, and financing of necessary public facilities and for other purposes permitted by Act 57 as more fully described in the Plan, for the purposes of preventing property value deterioration and encouraging economic growth in the Development Area for the benefit of the residents of the Village and all taxing units levying taxes within the Development Area; and

WHEREAS, the SDDA recognizes that some of the projects completed by the SDDA in the past, and those contemplated to be completed in the future, have or will increase necessary maintenance costs for which the Village is responsible, and the SDDA wishes to partially assist the Village with those necessary increased maintenance costs so as to extend the life span of such projects and not overburden the Village’s limited resources; and

WHEREAS, these acquisitions and construction of public facilities by the SDDA referenced above must be supervised, administered, maintained, and improved from time to time, which requires project management services, labor services, basic materials/supplies, and specialized equipment not owned by the SDDA, along with the payment of utility bills for the utilities installed by the SDDA; and

WHEREAS, the SDDA also requires day-to-day administrative services to operate and function in a proficient manner, i.e., management, administration, clerk, and treasurer services; and

WHEREAS, Section 214 (MCL 125.4214) of Act 57 permits the SDDA to enter into agreements with the taxing jurisdictions and the governing body of the municipality in which the Development Area is located, to share a portion of the captured assessed value of the district; and

WHEREAS, the SDDA recognizes that the Village is, and can provide valuable services to the Development Area in furtherance of the goals of the SDDA under this Agreement, which services are for the unique benefit of the SDDA and the Development Area including, but not limited to, the following items:

- (i) Board administrative services for SDDA daily functions, including, but not limited to: clerk services (secretarial, telephone, recording and maintaining of board records), treasurer services (accounting, payables, receivables, and budgets), attending SDDA meetings when required, posting and handling of all Open Meeting Act compliance issues, use of office space and supplies, audit services, use of copy machine and other in-house publications and email services;
- (ii) Services, including, but not limited to, administering the Rental Assistance Program, Revolving Loan Program, and/or other programs established by the SDDA from time to time, and reports and attendance at SDDA Board Meetings.
- (iii) Veteran's Park maintenance, including, but not limited to, regular cleaning and maintaining of the bathrooms, regular lawn mowing of the park, regular snow removal from the park's parking lot¹ [replacement of park facilities and capital improvements are not included in this Agreement for regular maintenance];
- (iv) SDDA Parking Lot and Common Area maintenance, including, but not limited to: mowing and maintenance of green areas within and surrounding parking lots, regular parking lot striping and snow removal [replacement of asphalt, cement, curbs, or sidewalks are not included in this Agreement for regular maintenance];
- (v) Sidewalk maintenance in the TIF District, including, but not limited to, all snow removal and lawn maintenance in and around sidewalks as required by SDDA contractual obligations (like easement areas) [replacement of sidewalks are not included in this Agreement for regular maintenance];
- (vi) Payment of all utilities from SDDA existing projects, including, but not limited to, water and sewer bills for Veteran's Park bathrooms, street and pedestrian light bills within the TIF District and Industrial Park, and any other similar expense²;

¹ The requirement of mowing the lawn and/or plowing the snow in Veteran's Park shall not be interpreted by either side as setting a precedent as to whom is ultimately responsible for mowing and plowing the Park when this Revenue Sharing Agreement terminates.

² Veteran's Park maintenance, including, but not limited to, regular cleaning and maintaining of the bathrooms, regular lawn mowing of the park, regular snow removal from the park's parking lot [replacement of park facilities and capital improvements are not included in this Agreement for regular maintenance]

- (vii) The maintenance of decorative flowers (Purchased by the SDDA) in the Downtown District and the ~~placement of decorative holiday decorations in the Downtown District; and~~
- (viii) The purchase of general supplies and materials necessary to carry out the maintenance necessary to complete items (i-viii). Included within this category would be, for example: 1) salt for the sidewalks, 2) light bulbs for the lights 3) gasoline for the lawn mowers, 4) toilet paper and cleaning supplies for the Veteran's Park bathroom, etc.

Items (I - ix) are hereinafter known as the "Contracted Services"

WHEREAS, the SDDA understands that the contracted services referenced above are for labor, general equipment usage, and general materials; but not for material or labor in new construction projects; and

WHEREAS, because of these contracted services provided to the Development Area by the Village, the SDDA considers it appropriate in order to continue the orderly development of the Development Area to enter into this Agreement with the Village to compensate it; and

WHEREAS, the Village acknowledges that it has the ability to provide services similar to those listed above to the Development Area, and that it intends to provide said services for the benefit of the Development Area during the term of this Revenue Sharing Agreement; and

WHEREAS, it is the intention of the parties to this Agreement to enter into an agreement to share a portion of the Tax Increment Revenues received by the SDDA pursuant to Section 14(4) of Act 197 in a manner which does not violate other Sections of Act 197; and

WHEREAS, in the past the SDDA has contracted with public (Village DPW and Village staff) and/or private contractors to perform the above contracted services in the Revenue Sharing Agreement. Most recently the Village contract with the SDDA to provide these services at a cost of approximately \$40,000.00; and

WHEREAS, it is the intent of this Agreement to be all encompassing so that the SDDA will not be billed by the Village for any services in excess of \$38,250.00 first year, \$40,800.00 second year, and \$52,000.00 third year.

Agreement, except:

- i. For the actual hours and benefits for any administrative assistance hired by the SDDA but ran through the Village payroll system.
- ii. That if the Village's annual snowfall is over One-Hundred Ten (110%) Percent of the average annual snowfall in the Village over the last three years, as determined by using the National Weather Service data for snowfall in Stockbridge, Michigan, then the parties will come back and re-negotiate the terms of this Agreement to provide some extra compensation to the Village for the extra-ordinary snowfall. The average snowfall should be calculated on a winter-by-winter basis (November - April). Therefore, the extra-compensation due the Village, if any, may not be determined until the May after each fiscal year is completed, which under this agreement is technically after this Revenue Sharing Agreement has expired. The parties agree that the obligation in this paragraph shall survive the expiration of the Agreement.
- iii. Village's responsibility to complete the 2023/2024 Fiscal Year Audit and the SDDA and State of Michigan required SDDA financial report and submit to the State in the summer of 2024.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties, the parties agree as follows:

ARTICLE I
SHARE OF TAX INCREMENT REVENUES

Section 101. Agreement to Share Tax Increment Revenues. Subject to the terms and conditions of this Agreement, for the period beginning March 1, 2021, and ending February 28, 2024 {Comprising a Three-Year Revenue Sharing Agreement}, the SDDA intends to share Tax Increment Revenues with the Village in a sliding scale annual amount over three-years, prorated monthly as follows:

101.1 Years of Revenue Sharing Agreements over three Years:

- I. For March 1, 2021 - February 29, 2022, the amount of \$38,250.00 under the assumption that the duties outlined in Article II will begin March 1, 2021 and end February 29, 2022, (hereinafter, the “Shared Revenues”).
- II. For March 1, 2022 - February 28, 2023, the amount of \$40,800.00 the assumption that the duties outlined in Article II will begin March 1, 2022 and end February 28, 2023, (hereinafter, the “Shared Revenues”).
- III. For March 1, 2023 - February 28, 2024, the amount of \$52,000.00 under the assumption that the duties outlined in Article II will begin March 1, 2023, and end February 28, 2024, (hereinafter, the “Shared Revenues”).

101.2 Except:

- I. For the actual hours and benefits for any administrative assistance hired by the SDDA but ran through the Village payroll system.
- II. The Village shall be responsible for completing the 2021/2022, 2022/2023, and 2023/2024 Fiscal Year Audits of the SDDA in the summer of 2022, 2023, 2024 under the terms of this Agreement without additional consideration.

101.3 The Tax Increment Revenues retained by the SDDA shall be the balance of the Tax Increment Revenues not shared with the Village pursuant to this Revenue Sharing Agreement.

Section 102. Termination of the Agreement. This Agreement shall terminate February 28, 2024, except as provided in paragraph 101.2 (II).

Section 103. Agreement Shall Not Impair Payment of Existing Obligations. The parties agree that nothing contained in this Agreement, or any amendment to this Agreement, shall prevent or impair the SDDA from fulfilling its primary obligation to meet its payment requirements on the debt service on, and, if necessary, maintain a debt service reserve fund for the obligations issued by the SDDA, outstanding as of the date of this Agreement, for which the SDDA has agreed to meet its payment requirements on the debt service.

ARTICLE II
DUTIES OF VILLAGE STAFF
DURING TERM OF AGREEMENT

Section 201. DPW Duties. The DPW shall for the compensation of:

One DPW employee at 80% of time \$13,312

One DPW employee at 25% of time \$4,680

One DPW employee at 10% of time \$5,100

One DPW employee at 10% of time \$4,000

Maintain:

- 201.1 Wood Street Parking Lots and Sidewalks - shall be plowed, salted, maintained, asphalt repair, seal coated as needed, stripped as needed, mowed, sprayed, have the landscape maintained, and otherwise generally cared for during the term of this Agreement, so that the property is kept in conformance with the Village Ordinance for mowing and snow removal. This duty shall include the duty to maintain any lights in the parking lot;
- 201.2 Minix Parking Lot and Sidewalks - shall be plowed, salted, maintained, asphalt repair, seal coated as needed, stripped as needed, mowed, sprayed, have the landscape maintained, and otherwise generally cared for during the term of this Agreement, so that the property is kept in conformance with the Village Ordinance for mowing and snow removal. This duty shall include the duty to maintain any lights in the parking lot;
- 201.3 Veteran's Park - maintenance, including, but not limited to: regular cleaning and maintaining of the bathrooms, regular lawn mowing of the park, regular snow removal from the park's parking lot³, repairs to park structures and equipment, and maintenance of the park gazebo [replacement of park facilities and capital improvements are not included in this Agreement for regular maintenance];
- 201.4 Bridge and Surrounding Sidewalk Maintenance - the DPW shall plow the snow and salt when appropriate on both the pedestrian walk wherever the SDDA is required under written easements to do so. The DPW shall maintain the bridge and the surrounding sidewalk areas, including any required sealing/staining, plantings, light or electric maintenance, repairs, or general maintenance.

³ The requirement of mowing the lawn and/or plowing the snow in Veteran's Park shall not be interpreted by either side as setting a precedent as to whom is ultimately responsible for mowing and plowing the Park when this Revenue Sharing Agreement terminates.

- 201.5 Downtown Flowers - the maintenance of decorative flowers (purchased by the SDDA) in the downtown district, including watering ~~and weeding~~.
- 201.6 The cost for specific supplies is reimbursed at the amount stipulated in this section for Supplies - the purchase by the DPW of general supplies and materials necessary to carry out the maintenance necessary to complete all items herein:
- 1) Salt for the sidewalks, Cost \$840.00 sidewalks
 - 2) Salt Cost for roads \$1,000,
 - 3) Light bulbs for the lights no extra charge
 - 4) Gasoline for the lawn mowers, 10 to 15 gallons a week \$1,200
 - 5) Toilet paper and cleaning supplies for the Veteran's Park bathrooms, are covered by this agreement with no additional compensation
 - 6) Repair parts for lawn mower. are covered by this agreement with no additional compensation.
 - 7) Repair parts for Salt spreader if it breaks when salting SDDA property, are covered by this agreement with no additional compensation.
 - 8) Repair parts for frontend loader / backhoe if it breaks when being used on SDDA property. etc. are covered by this agreement with no additional compensation.
- 201.9 DPW Catch All Clause - any other duties that might be assigned to the DPW to ensure that the SDDA is not billed for any services, except for the actual hours and benefits for any administrative assistance hired by the SDDA, but ran through the Village payroll system.

Section 202 Village Staff Duties:

- 202.1 Police - the cost of extra police presence and overtime for SDDA activities and events; are covered by this agreement with no additional compensation.

202.2 Clerk services - the Village Clerk compensated 15% of time equals 5.95 hrs. a week \$7,650. (Clerk to track hours expended for SDDA activities for the purpose of future negotiations) shall provide the SDDA with the following services: Board administrative services for SDDA daily functions, including, but not limited to:

- ~~○ Attend SDDA meetings.~~
- ~~○ Take minutes and distribute within 8 days of meeting as required by Open Meeting Act.~~
- ~~○ After minutes approved provide approved minutes within 5 days of said approval.~~
- ~~○ Within 5 days of approval minutes must be provide to a SDDA member for the purpose of posting on SDDA website.~~
- Posting and handling of all Open Meeting Act compliance issues
- Answer the telephone, take messages for the SDDA, and/or transfer of telephone calls to the SDDA personnel if they are present in the office.
- Assist the SDDA in preparing the monthly meeting packets, including payables (invoices), receivables, correspondence, etc.
- Collect all SDDA mail, open the mail, time stamp the mail, keep the originals of the mail with the Village records and provide the SDDA with a copy of the mail, all in a timely manner.
- Handle all answers to SDDA FOIA requests.
- Be the keeper of all SDDA original records; however, providing timely access to those records to SDDA members and employees during normal office hours.
- Provide the SDDA with any other clerk services consistent with the spirit of this Agreement, to ensure that the SDDA is not billed for any services, except for the actual hours and benefits for any administrative assistance hired by the SDDA but ran through the Village payroll system.

202.3 Treasurer - the Village Treasurer shall provide the SDDA with the following services for the compensation of: Treasurer services 15% of time or \$2, 275 plus \$1,000 for CPA services related to submitting state required financial report required by act 57 of 2018. (It is encouraged that the Tressure also track hours expended for SDDA activities for the purpose of future negotiations).

202.4 Treasurer - the Village Treasurer shall provide the SDDA with the following services:

- Accounting, payables, receivables, and budgets
- Pay bill within 14 days of receiving.
- Provide Status of bills paid account balance showing deposits.
- Provide financial report that can be posted on internet each month within 10 days prior to regular scheduled meetings with meeting packet.

- Provide quarterly report from Township detailing moneys received and provide a annual report that shows all moneys sent to SDDA from the Township
- The Village shall be responsible for completing the 2021 – 2022, 2022 – 2023 and 2023- 2024 2018/2019, 2019/2020, and 2020/2021 Fiscal Year Audits of the SDDA in the summer of 2021, 2022, 2023 under the terms of this Agreement without additional consideration.
- Includes annual cost of preparing and submitting state financial report required by act 57 of 2018.
- Input bills payable.
- Prepare monthly treasurer reports.
- Assist, as needed, in preparation of budget.
- Prepare accounts payable list 10 days prior monthly meeting.
- Issue all checks for signature by two SDDA (Waved during Covid 19) officials.
- Reconcile any and all checking accounts.
- Help in dealing with other taxing jurisdictions to ensure the correct amount is captured from each jurisdiction.
- Assist with audit.
- Shall provide read only access (Unless bonded) to the SDDA's checking accounts, bank statements, accounts receivable list, and accounts payable list (with supporting bills) for the SDDA Chair, SDDA Treasurer, and SDDA administrative assistance during normal office hours; and
- Provide the SDDA with any other treasurer services consistent with the spirit of this Agreement, to ensure that the SDDA is not billed for any services, except for the actual hours and benefits for any administrative assistance hired by the SDDA but ran through the Village payroll system.

202.5 Audit - the Village shall pay the cost of the SDDA audit for 2020/2021, 2021/2022, 2022/2023 and 2023/2024 fiscal years, even though the 2023/2024 fiscal year audit will not be completed until after this Agreement expires.

202.6 Staff "Catch All" Clause - any other duties that might be assigned to the Staff to ensure that the SDDA is not billed for any services, except for the actual hours and benefits for any administrative assistance hired by the SDDA but ran through the Village payroll system.

202.7 For the reimbursement of \$3,943.00 the following other services shall be provided, including, but not limited to:

- Provide standard postage, as necessary.
- Cost of certified mailings.
- Cover cost of Monthly unapproved and approved minutes being put in newspaper.
- Cost associated with plan amendment: printing, certified mailing and posting and advertising in newspaper.
- Provide standard office supplies not limited to: Copy paper, folders, and Binders.

- Use of copy machine printing both black and white and or color copies for in-house and other publications.

202.8 Cost of administering the Rental Assistance Program (if implemented additional funding may be allocated to cover this cost)

202.9 Cost of administrating Revolving Loan Program, and/or other programs established by the SDDA from time to time (if implemented additional funding may be allocated to cover this cost)

Section 203 Utilities and Office Space:

203.1 The Village shall pay the utilities for all lights in the TIF District regardless of whether the SDDA installed the lights or previously paid the electrical bill on the lights.⁴

203.2 The Village shall pay the water and sewer bill for any usage at the Veteran's Park Bathroom.

203.3 The Village shall provide the SDDA with office space (if available) and use of the Village meeting hall without cost, including use of the office equipment, computers, postage meter, etc. and If the SDDA hires a Director or Accountant that is bonded access will be granted to all SDDA applicable software including accounting software used by the Village.

203.4 Utilities and Space Catch All Clause - any other utilities or space costs that might be otherwise be billed to the SDDA shall be covered by the Village to ensure that the SDDA is not billed for any other utilities or use of space, except for the actual hours and benefits for any administrative assistance hired by the SDDA but ran through the Village payroll system.

4

The requirement of paying all the light bills in the TIF District shall not be interpreted by either side as setting a precedent as to whom is ultimately responsible for said utility bills when this Revenue Sharing Agreement terminates.

Section 301. Entire Agreement: This agreement shall constitute the entire agreement between the parties hereto; all prior agreements between the parties, whether written or oral, are merged herein and shall be of no force or effect.

Section 302. Governing Law. Each and every term, provision, and condition of this Agreement shall be governed and construed in all respects, whether as to matters of validity, capacity, performance, or otherwise, in accordance with the laws of the State of Michigan.

Section 303. Severability. Each term, condition, and provision of this Agreement is severable; and if any term, condition, or provision shall be determined to be illegal, invalid, and/or unenforceable, for any reason whatsoever, this agreement shall thereafter be read,

construed, and enforced as though such illegal, invalid, and/or unenforceable term, condition, or provision were not included herein.

Section 304. Captions. All captions or headings preceding the text of separate paragraphs of this Agreement are solely for reference purposes and shall not affect the meaning, construction, interpretation, or effect of the text.

Section 305. Notices. All notices required to be given pursuant to this Agreement or otherwise desired to be delivered by one party to another, shall be effective only if the same shall be in writing and shall be either personally served or sent by facsimile, U.S. mail, or air courier service with postage prepaid, to such party at its address as set forth herein to the attention of the person whose title is set forth below. Any such notice given by mail or air courier shall be deemed effective upon two (2) days following the date the same shall have been deposited in the United States mail or with the air courier service.
SDDA:

Downtown Development Authority of Village of Stockbridge
c/o Village of Stockbridge
305 West Elizabeth Street, Room 107
Stockbridge, Michigan 49285
Attention: Chairperson
Daryl Anderson

Village: Village of Stockbridge
305 West Elizabeth Street, Room 107
Stockbridge, Michigan 49285 Attention:
President Jill Ogden

Section 306. Counterparts. This Agreement may be signed in any number of counterparts.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the day and year set forth immediately beneath their respective signatures.

DOWNTOWN DEVELOPMENT AUTHORITY

of the Village of Stockbridge

By: 

Daryl Anderson

Its: Chairperson

Date of Execution: JANUARY 05, 2023

VILLAGE OF STOCKBRIDGE

By: 

Jill Ogden

Its: President

Date of Execution: JANUARY 05, 2023

Drafted by: John L. Gormley
Attorney for the Village of Stockbridge DDA
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