

**ANNUAL PILOT CAPTURE SHARING AGREEMENT
BETWEEN THE CITY OF LATHRUP VILLAGE & LATHRUP VILLAGE DOWNTOWN
DEVELOPMENT AUTHORITY**

This Annual PILOT Capture Sharing Agreement (“Agreement”) is made and entered into this ___ day of _____, 2026, by and between the City of Lathrup Village, a Michigan municipal corporation located in Oakland County, Michigan, with offices at 27400 Southfield Road, Lathrup Village, Michigan 48076 (“City”), and the Lathrup Village Downtown Development Authority, a Michigan public body corporate created pursuant to the Downtown Development Authority Act, Public Act 197 of 1975, as amended, MCL 125.1651 et seq., with offices located at 27400 Southfield Road, Lathrup Village, Michigan 48076 (“DDA”). The City and the DDA may collectively be referred to as the “Parties.”

RECITALS

WHEREAS, the City Council of the City of Lathrup Village adopted Ordinance No. 2025-01, known as the Lathrup Village Workforce Housing PILOT Ordinance, which authorizes the exemption of certain workforce housing projects from ad valorem property taxes and provides for the payment of an Annual Service Charge in lieu of taxes (“PILOT”) pursuant to the State Housing Development Authority Act of 1966, Public Act 346 of 1966, as amended, MCL 125.1401 et seq.; and

WHEREAS, the City has approved a PILOT Resolution 2025-18 for the property located at 27700 Southfield Road, Lathrup Village, Michigan 48076 (the “Property”); and

WHEREAS, the Property is located within the development area and tax increment financing district established by the Lathrup Village Downtown Development Authority pursuant to Public Act 197 of 1975, as amended; and

WHEREAS, under the Workforce Housing PILOT Ordinance, the owner of a qualifying project pays an Annual Service Charge in lieu of ad valorem property taxes, which payment is received by the City Treasurer; and

WHEREAS, Section 77-56(c) of the City Code recognizes that where a property receiving a PILOT is located within a Downtown Development Authority district, the DDA may capture a portion of the annual service charge consistent with the applicable tax increment financing plan unless the City and the DDA agree otherwise; and

WHEREAS, the City and the DDA have an approved cost-share agreement and the City and the DDA desire to establish a mutually agreed upon allocation of the Annual Service Charge generated by the Property in order to support the provision of public services, workforce housing development, and economic development activities within the City; and

WHEREAS, the Parties are authorized to enter into this Agreement pursuant to applicable provisions of Michigan law.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements contained herein, the Parties agree as follows:

SECTION 1

PROPERTY SUBJECT TO AGREEMENT

This Agreement applies solely to the real property commonly known as:

27700 Southfield Road, Lathrup Village, Michigan 48076

Together with all improvements constructed or to be constructed thereon that are subject to the Workforce Housing PILOT approved by the City pursuant to Ordinance No. 2025-01 and any associated PILOT Resolution adopted by the City Council.

SECTION 2

ANNUAL SERVICE CHARGE

The owner of the Property shall pay to the City an Annual Service Charge in lieu of ad valorem property taxes in accordance with:

1. The Lathrup Village Workforce Housing PILOT Ordinance (Ordinance No. 2025-01);
2. Approved City Council PILOT Resolution #2025-18; and
3. The State Housing Development Authority Act, Public Act 346 of 1966, as amended.

The Annual Service Charge shall be remitted to the City Treasurer in the manner and on the schedule required by the City Code and applicable agreements.

SECTION 3

SHARING OF ANNUAL SERVICE CHARGE

Notwithstanding any default distribution provisions that may otherwise apply, the Parties agree that the Annual Service Charge attributable to the Property shall be shared between the City and the DDA as follows:

- Fifty percent (50%) to the City of Lathrup Village, and
- Fifty percent (50%) to the Lathrup Village Downtown Development Authority.

The City Treasurer shall distribute the DDA's share of the Annual Service Charge within a reasonable time after receipt of the payment from the property owner.

SECTION 4

USE OF DDA FUNDS

Any funds received by the DDA pursuant to this Agreement shall be used for purposes authorized under the Downtown Development Authority Act, including but not limited to:

- Implementation of the DDA Development Plan and Tax Increment Financing Plan;
- Downtown infrastructure improvements;
- Public space and streetscape enhancements;
- Economic development and redevelopment initiatives; and
- Debt service or other financial obligations related to downtown improvements.

SECTION 5

TERM

This Agreement shall remain in effect for the duration of the PILOT exemption applicable to the Property, including any approved extensions, unless terminated earlier by mutual written agreement of the Parties.

Upon expiration or termination of the PILOT exemption, this Agreement shall automatically terminate.

SECTION 6

ADMINISTRATION

The City Treasurer shall be responsible for:

1. Receiving the Annual Service Charge payments;
2. Accounting for such payments; and
3. Distributing the appropriate share to the DDA in accordance with this Agreement.

The City shall provide the DDA with reasonable documentation concerning the receipt and distribution of Annual Service Charge payments upon request.

SECTION 7

AMENDMENTS

This Agreement may be amended only by a written instrument approved by resolution of both the City Council and the Board of Directors of the DDA.

SECTION 8

NO THIRD-PARTY BENEFICIARIES

This Agreement is intended solely for the benefit of the Parties and does not create any rights in favor of any third party.

**SECTION 9
GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

**SECTION 10
EFFECTIVE DATE**

This Agreement shall become effective upon approval by resolution of both:

1. The City Council of the City of Lathrup Village, and
2. The Board of Directors of the Lathrup Village Downtown Development Authority.

SIGNATURES

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

City of Lathrup Village

Lathrup Village Downtown Development Authority

BY: _____
Bruce Kantor – Mayor

BY: _____
Austin Colson – DDA Director

BY: _____
Mike Greene – City Administrator

BY: _____
Alisa Emmanuel – City Clerk