

## INTERLOCAL COOPERATION AGREEMENT

### Fairpark District Development TIF Project

**THIS AGREEMENT** is made by and between **LEE COUNTY, MISSISSIPPI** (the "**County**"), a political subdivision of the State of Mississippi, acting by and through its duly elected and serving Board of Supervisors, and the **CITY OF TUPELO, MISSISSIPPI** (the "**City**"), a municipal corporation of the State of Mississippi, acting by and through its duly elected and serving Mayor and City Council.

#### WITNESSETH:

**WHEREAS**, the City and County are authorized pursuant to §§ 21-45-1 et seq., Mississippi Code of 1972, as amended (the "**Act**"), to contract with each other for joint and cooperative action relating to the financing for the construction of infrastructure improvements and facilities and to jointly pledge revenues to fund the debt service of any such indebtedness incurred pursuant to the Act; and

**WHEREAS**, Maloney Development Properties, LLC (the "**Developer**") requested the City and County to participate in the construction of a Redevelopment Project (as defined in the Act) in conjunction with the City's Tax Increment Financing Plan, Fairpark District Development Project, Lee County, Mississippi, 2017, as amended by the First Addendum approved by the City Council of the City on June 16, 2020 (the "**City TIF Plan**") and the County's Tax Increment Financing Plan, Fairpark District Development Project, Lee County, Mississippi, 2017, as amended by the first addendum approved by the County on July 6, 2020 (the "**County TIF Plan**" together with the City TIF Plan, the "**TIF Plans**") by issuing tax increment limited obligation bonds in principal amount of up to \$1,000,000 for a term of up to twenty (20) years, a portion of the proceeds of which will be used to pay the costs of constructing infrastructure improvements necessary for the Project as described in the TIF Plans and as authorized pursuant to the Act; and

**WHEREAS**, pursuant to the TIF Plans, the City entered into a Development and Reimbursement Agreement with the Developer, dated September 5, 2017, as amended June 16, 2020 (the "**Development Agreement**"), memorializing the Developer's agreement to construct the infrastructure improvements and complete the Project and the City's intent, acting in concert with the County, to issue tax increment limited obligation bonds in principal amount of not to exceed \$1,000,000 for a term of up to twenty (20) years (the "**Bonds**"), in one or more series, subject to the conditions set forth in the Development Agreement, in order to fund all or a part of the costs of the Infrastructure Improvements (as defined in the TIF Plans and the Development Agreement and subject to those conditions stated in the Development Agreement) all as are authorized by the Act and as described in the TIF Plans (the TIF Plans and the Development Agreement being hereafter referred to, collectively, as the "**TIF Documents**"); and

**WHEREAS**, the City and the County, in accordance with the TIF Documents, desire to, and hereby do, enter into this Interlocal Cooperation Agreement ("**this Agreement**") wherein the City and

County agree to pledge certain incremental increases in real and personal property ad valorem tax revenue (excluding school taxes) and payments in lieu of taxes, if applicable, generated by the Redevelopment Project as security for debt service on the Bonds issued by the City for purposes of reimbursing the Developer for part of the costs of the Infrastructure Improvements as defined in the TIF Documents.

**NOW, THEREFORE, FOR AND IN CONSIDERATION** of the above and the mutual covenants and promises contained herein, the City and the County do hereby agree as follows:

1. **DURATION:** This Agreement shall be in force and effect until the Bonds, including any bonds issued for purposes of refunding the Bonds, issued by the City under the TIF Documents are paid in full.

2. **PURPOSE:** The purpose of this Agreement is to define the responsibilities of the City and County with respect to the development and redevelopment of the TIF District as described and set forth in the TIF Documents and the financing of certain of the Infrastructure Improvements in connection thereto.

3. **STATUTORY AUTHORITY:** The City and County are authorized to fulfill the terms of this Agreement under the authority of §§ 21-45-1 et seq., Mississippi Code of 1972, as amended.

4. **REDEVELOPMENT PROJECT:** Shall include, but not be limited to, the "Fairpark District" project as described in the TIF Plans, which includes two or three multi-story mixed use office, retail, and/or upper floor housing buildings which are a total of approximately 40,000 square feet each located within the TIF District all as defined in the TIF Documents.

5. **THE INFRASTRUCTURE IMPROVEMENTS:** Shall consist of the Redevelopment Project related Infrastructure Improvements as defined in the TIF Documents including, but are not necessarily limited to, installing, constructing and/or reconstruction various infrastructure improvements of the Project, which may include, but are not necessarily limited to, the removal of existing structures, streets, utilities and other improvements upon such project areas, the installation, construction, rehabilitation and/or relocation of streets, utilities such as water, sanitary sewer, construction, renovation, or rehabilitation of drainage improvements, roadways, curbs and gutters, sidewalks, on-site parking, paving, site improvements and other related parking lot improvements, the relocation of electrical lines, lighting, signalization, landscaping of rights-of way, related architectural and engineering fees, attorney's fees, TIF plan preparation fees, municipal advisory and consultant fees, issuance costs, capitalized interest and other costs incidental to the construction by the Developer for the Project; TIF Plan preparation fees; other incidental costs; and related professional fees as identified in the TIF Documents.

6. **ADMINISTRATION:** This Agreement shall be administered as a joint undertaking of the County and City. A separate entity is not created under this Agreement.

(1) The City shall have the following obligations and responsibilities:

a. The City is designated as the legal entity assigned the responsibility for administration of this joint undertaking, and the City Clerk is hereby designated as the officer to receive, disburse and account for the funds of the undertaking in the manner prescribed by law.

b. The City shall provide documentation to the County for any expenditures made with respect to this Agreement.

c. The City will employ best efforts to cooperate with the Developer, its successors and/or assigns to process and timely issue permits, approve plans and effect consideration of and/or performing and/or taking such other actions as may facilitate and/or support the Developer in completing the Redevelopment Project. The City will affect such procedures with respect to the sale and issuance of the Bonds, including, without limitation, the adoption of appropriate resolutions and such other procedures and documents as may be required by the Act.

d. Subject to the City's verification of the lawfully available Tax Increment (as defined herein below) available to the City under the TIF Plans and this Interlocal Agreement; and inspection of the Infrastructure Improvements as defined in the TIF Documents to verify that they have been completed in accordance with the City's standards, codes and resolutions; the City will use all reasonable efforts to sell and issue the Bonds, in one or more series, in an aggregate amount not to exceed One Million Dollars (\$1,000,000), pursuant to the terms of the Act on such terms, conditions and rates of interest as shall be mutually agreeable to the City and to the purchaser of the Bonds; provided, however, that no series of the Bonds will be sold and issued until such time as the Developer has complied with the prerequisites to issuance set forth in the TIF Documents.

e. Payment of the principal and interest on the Bonds will be secured and provided for by a pledge from the City and County of the Tax Increment as defined herein below. The "City Share" shall mean the incremental increase in real and personal property ad valorem tax revenue (excluding school taxes) and payments in lieu of taxes, if applicable, generated by the Fairpark District project properties to the City. The "County Share" shall mean not to exceed fifty percent (50%) of the incremental increase in real and personal property ad valorem tax revenue (excluding school taxes) and payments in lieu of taxes, if applicable, generated by the Fairpark District project properties to the County. As used herein and in this Agreement, "Tax Increment" shall mean the "City Share" and the

“County Share.” As used herein and in this Agreement, “Fairpark District” project” shall be as defined in the TIF Plans.

f. Costs of issuance for the Bonds including, but not limited to, the fees and expenses of the City, will be paid from the proceeds of the Bonds.

g. The City shall provide for the timely payment of debt service relating to the Bonds utilizing the lawfully available Tax Increment, including the City Share and the County Share.

(2) The County shall have the following obligations and responsibilities:

a. As set forth in the TIF Documents and this Agreement, the County shall pledge the County Share of the Tax Increment as security for the Bonds.

b. The County hereby agrees to execute any security instruments consistent with this Agreement as may be reasonably necessary and required by the City’s Bond Resolution for the issuance of each series of the Bonds, including any refunding of the Bonds.

c. The County shall provide for the timely payment of the County Share to the City Clerk so as to enable the City to make timely payment of debt service relating to the Bonds as set forth herein.

5. **AMENDMENT:** This Agreement may be amended by mutual written consent of the County and the City.

6. **EFFECTIVE DATE:** This Agreement shall become effective from and after the date it has been approved by the governing authorities of the County and City and executed by the parties hereto using multiple counterparts.

**THIS AGREEMENT ENTERED** into this the \_\_\_\_ day of \_\_\_\_\_, 2020.

**CITY OF TUPELO, MISSISSIPPI**

**By:** \_\_\_\_\_

**Mayor**

**ATTEST:**

**By:** \_\_\_\_\_

**City Clerk**

**LEE COUNTY, MISSISSIPPI**

**By:** \_\_\_\_\_

**President, Board of Supervisors**

**ATTEST:**

\_\_\_\_\_  
**Chancery Clerk**