

**TAX SHARING AGREEMENT BETWEEN THE
COUNTY OF OAKLAND, WHITE LAKE TOWNSHIP, AND THE WHITE LAKE
TOWNSHIP CORRIDOR IMPROVEMENT AUTHORITY**

THIS TAX SHARING AGREEMENT ("Agreement") is entered into this ____ day of _____, 2024 between the COUNTY OF OAKLAND ("County"), 1200 North Telegraph Road, Pontiac, Michigan, 48341, the TOWNSHIP OF WHITE LAKE ("Township"), 7525 Highland Road, White Lake, Mi. 48383-2900, and the WHITE LAKE TOWNSHIP CORRIDOR IMPROVEMENT AUTHORITY ("CIA"). In this Agreement, the County, the Township, and the CIA may be referred to individually as a "Party" and collectively as the "Parties."

On or about October 17, 2006, the White Lake Township Board adopted a Corridor Improvement Authority Ordinance in response to the fact that the Township did not have a traditional downtown district, and the Township desired to stimulate development and make improvements to major arterial connectors in the Township, primarily the M-59 corridor. After passage of the Ordinance an original Corridor Improvement Plan was prepared, but the Township Board took no further action to formalize the Authority at that time. In 2022, the Township Board began the process of updating the Tax Increment Financing ("TIF") plan and the Corridor Improvement Plan ("Plan"). On January 17, 2023, the Township Board appointed a five-person Corridor Authority Improvement Board. On November 28, 2023, the Township held a public hearing as required by MCL 125.4101, et. seq, being the Recodified Tax Increment Financing Act, Act 57, Public Acts of Michigan, 2018 ("Act 57"). One of the purposes of Act 57 is to permit a municipality to finance improvements in a designated "development area" as defined by Sec. 602 of the ~~Act~~ (Act (MCL 125.4602, et.seq.) by capturing the property taxes levied on any incremental increase in property values within

that development area. This process is commonly referred to as "Tax Increment Financing" or TIF.

The Plan adopted by the Township primarily addresses the M-59 corridor which is the only principal arterial East/West connector through the Township and is a gateway into the central portion of the community. The Plan includes several specific programs, projects and strategies designed to revitalize underutilized properties, improve visual appearance and encourage new development in the development area. A copy of the Plan is attached as Exhibit A.

Sec. 618(5) of Act 57 provides that the County has 60 days from the date of the November 28, 2023 public hearing to opt out of capture of County taxes by passage of a resolution to that effect and furthermore, Sec. 618(3) allows the County and the Township an opportunity to enter into an intergovernmental agreement to share a portion of the captured assessed value of the development area upon agreed terms and conditions. A resolution to that effect was passed by the Oakland County Board of Commissioners on January 26, 2024³.

The Parties agree that the Plan is a desirable and appropriate means of achieving the purposes of halting property value deterioration and increasing property values where possible in the development area, eliminating the causes of that deterioration; and promoting economic growth. Further, the Parties wish to enter into this Sharing Agreement, whereby each Party to this Agreement would be entitled to share in a portion of the incremental increase in tax revenue of the district as permitted by Act 57, in the manner set forth in this Agreement. The ad valorem property taxes levied on the subject properties are included in **Exhibit A, Appendix 3**.

Now, therefore, the ~~Parties parties~~ agree as follows:

1. In accordance with the following conditions, County agrees to allow the tax increment revenue generated by its millage rate to be captured from the properties listed in **Exhibit A, Appendix 1**, or any future divisions of such properties for the limited purpose of paying County's Pro-rata Share of the funding required for the Township Development Plan (**Exhibit A, Appendix 3**).

(a) "County's Pro-rata Share" is defined as County's proportionate share, as stated within, of the combined millage funds captured by the CIA from all participating taxing jurisdictions, which include: County of Oakland, White Lake Township, Oakland Community College and the Huron-Clinton Metropolitan Authority and any applicable future taxing jurisdictions that may be created after the date of this Agreement. With respect to the levy of any new additional millage by County, either to restore amounts reduced by the Headlee Amendment, or a new additional millage approved by County electors after the date of this Agreement, such millages shall be exempt from this Agreement unless the County Board of Commissioners, in its sole discretion, adopts a Resolution submitting such additional millages to this Agreement for capture by the CIA.

(b) The Plan is projected to cost approximately \$16,825,000 - \$24,850,000 over 20 years.

(c) The County's Pro-~~rata~~Rata Share of the captured millage funds (as also set forth in **Exhibit A, Appendix 3**) shall be as follows:

- (i) Oakland County Operating: 35%
- (ii) Oakland County Parks and Recreation: 35%

(iii) Oakland County Transit: 35%

The combined total dollar amount limitation on capture of all Oakland County millages by the CIA for this Plan is set at \$3,728,810.

If the total dollar amount of capture is reached during the term of this Agreement, regardless of the stated duration of the Plan, the contract will automatically terminate and no further capture by the CIA shall occur. Likewise, capture will cease immediately upon the date of termination of the Plan, as expressed in subsection (d) below, regardless of whether the total dollar amount of allowed capture has been achieved. All excess capture shall be refunded to the County by the CIA as provided in Section 4 below.

(d) The duration of the Plan shall be limited to 20 years.

(e) The base year to be used to calculate capture shall be: 2023

(f) White Lake Township, the CIA and County acknowledge that the total anticipated expenditure is an approximation only. The Project shall be subject to applicable public bid procedures and the final cost will be adjusted accordingly. However, notwithstanding the above acknowledgments, White Lake Township and the CIA agree that County's participation shall not exceed the amount or percentages of capture expressed in subsection (c), above, of this Agreement, or the total number of years of duration of the Plan described in subsection (d), above.

(g) In no event shall the capture from County's millage be used to bury utility lines, for land acquisition, municipal facilities used to house White Lake Township's departments or operations, or for event and marketing materials not directly related to the implementation of projects approved within the Plan.

(h) The elected or appointed officials of the Township, Township employees or their immediate family members, whether in their individual capacity or as officers, members, trustees, principals or employees of a legal entity shall not engage in a business transaction relating to property in the CIA/TIF District, which he or she may profit from because of his or her official position, authority or relationship or through benefit of confidential information which he or she may have obtained by reason of such position, authority or relationship. This provision does not prohibit members of the governing body of the Authority from having an ownership or business interest in the CIA/TIF District. Any plans by the Authority to purchase property in the CIA/TIF District from elected or appointed officials of the Township, Township employees, or their immediate family members whether in their individual capacity or as officers, members, trustees, principals or employees of a legal entity shall be immediately disclosed in writing to the County. "Immediate Family" shall be defined as Township elected or appointed officials or employees, their present or former spouse(s), parents, siblings or children.

(i) County capture shall not be used to accumulate funding to attract a developer to invest in the CIA.

(a) The CIA must provide the Oakland County Board of Commissioners and the Oakland County Economic Development Department with the following financial information:

- 1) Copies of any financial information or reports that are required to be submitted to the Michigan Department of Treasury set forth under Part 9 of [Act of Act 57](#), being MCL 125.4901, et. seq., specifically MCL 125.4911, as may be amended.

- 2) Within three (3) months after the end of the CIA's fiscal year, copies of any other financial information or documentation of development within the CIA as may be deemed necessary in the discretion of the Oakland County TIF Ad Hoc Review Committee ("TIF Ad Hoc Review Committee"). This information may include, but is not limited to, the following items:
- (i) The amount of taxes captured by the Authority.
 - ~~(ii) The amount spent on each project in the Plan.~~
 - ~~(iii)~~(ii) The amount of private sector investment received.
 - ~~(iv)~~(iii) _____ The number of buildings rehabilitated the square footage per building rehabilitated and the amount spent per building.
 - ~~(v)~~(iv) The amount of new construction including the dollar amount spent and the square footage added.
 - ~~(vi)~~(v) The number of new businesses locating in the CIA.
 - ~~(vii)~~(vi) _____ The number of new jobs created, and
 - ~~(vii)~~ _____ The increase/decrease in taxable value.
- 3) A narrative report, submitted annually to the Oakland County Board of Commissioners and the Oakland County Economic Development Department, providing up to date information on the progress of each project enumerated in the Plan, including the amount spent on each project, a list of those projects which have been completed, the current status of those projects pending completion, and a description of and explanations for any significant deviations from the Plan document in terms of scope, cost, construction commencement or anticipated completion date(s) of any projects. The report shall also contain a summary of current budget

information, including Initial and Capture Assessed Value, Revenues, Expenditures, Capital Improvement Bonds/ Financing and Fund Balance. The CIA shall also provide to the Oakland County Economic Development Department any additional information it deems necessary with respect to those items described in this section.

(b) When requested by the County, Appropriate representative(s) of the Township and/or CIA shall appear before the TIF Ad Hoc Review Committee within the first ~~five~~ two (52) years after the date of execution of this contract, and annually each five (5) years thereafter, to discuss the status of the Plan, the financial information referenced in subsection (j), above, and to discuss the TIF district's current return on investment.

(c) Appropriate representative(s) of the Township and/or the CIA shall appear before the TIF Ad Hoc Review Committee at the first reasonable opportunity, but not later than 30 calendar days prior to the creation or expansion of other TIF districts, to advise the Committee of any other TIF districts created or expanded after the date of this Agreement, ~~as well as the requirement to terminate this Agreement should the amount of capture by the CIA exceed the cap on County capture specified in subsection 1 (c), above.~~

2. The CIA ~~shall may~~ use County captured funds only for ~~the following "permitted agreed upon projects"~~ in the TIF district. The "permitted projects" are those described in Exhibit A, Table 2 and summarized in Table 3, with the exception of the following... Such projects (list those not approved). must include the construction or improvement to physical assets such as the construction of a building or improvements to a roadway. In the event of a deviation to the Plan by the CIA which results in the elimination of a

"permitted project" or a significant change in the scope, cost or construction deadlines Each such project shall be completed by the date specified below, of any "permitted projects" funded by County capture, or if it is determined that County capture was used for a purpose other than a "permitted project", the CIA may be subject, upon recommendation by the TIF Ad Hoc Review Committee to the County Board of Commissioners, to a revision in the Pro-Rata share of capture or the total dollar limitation on capture, as expressed in Section 1, above, to compensate for the change in cost due to elimination of or significant modification to a "permitted project." In the event it is determined that there has been an excess capture due to an elimination or significant modification to a "permitted project", or that funds were used for a purpose other than a "permitted project", the excess capture ~~of or the amount of the~~ County's taxes captured for the construction or improvement of such asset(s) must be refunded by the CIA/TIF to the County with interest at the rate of prime plus one (1) percent. ~~Such permitted projects are described in Exhibit A, Table 2 and summarized in Table 3, (with the exception of We would list any projects not permitted)~~ Such refund may be enforced in the manner provided in Section 4, below in addition to any other legal remedies.

3. The CIA and the Township shall submit to County's Economic Development Department and the TIF Ad Hoc Review Committee any proposed modification or amendments to the ~~CIA DDA~~ Development Plan and Tax Increment Financing Plan.
4. The Township and the CIA agree that they will in good faith notify the County of capture in excess of the amounts permitted by this Agreement, including any funds remaining in the CIA Fund Balance that was captured from County millages, at the conclusion of the

Plan Duration established in Section 1(d), above. - If upon written notice from County, the CIA and the Township fail to tender over to County, within sixty (60) days of the notice from County, the excess retained tax increment revenue, then without waiving any legal claims under this Agreement, County shall be entitled to reduce, set-off, and permanently retain any amount due to the Township from the County's Delinquent Tax Revolving Fund ("DTRF") by any such amount then still due and owing to County pursuant to this Agreement at the time the County distributes funds to the Township from the DTRF. ~~{CHECK THIS WITH FINANCE}~~

5. **Amendment.** The Parties agree that no modification of this Agreement, or any Exhibits or Amendments hereto, shall be of any force or effect unless such amendment is dated, reduced to writing, executed by all Parties and attached to and made a part of this Agreement. No services shall be commenced, and no costs or obligations incurred in anticipation of an amendment by any of the Parties until such amendment has been executed and made a part of this Agreement.
6. **Assignment.** This Agreement shall not be assigned, transferred or conveyed.
7. **Applicable laws.** This Agreement shall be governed, interpreted and enforced by the laws of the State of Michigan, excluding Michigan's conflict of laws principles. Any action brought to enforce, interpret or decide any provision of this Agreement or any claim arising under this Agreement shall be brought in the Sixth Judicial Circuit Court of the State of Michigan, the 50th District Court of the State of Michigan or the United States District Court for the Eastern District of Michigan, Southern Division, as dictated by the applicable jurisdiction of the Court. Except as otherwise required by law, venue is proper in the Courts set forth above.

8. **Waiver.** Waiver of any term or condition of this Agreement must be in writing and agreed to by all Parties. No written waiver, in one or more instances, shall be deemed or construed to be a continuing waiver of any term or condition of this Agreement. No waiver by any Party shall subsequently affect its right to require a strict performance of this Agreement.
9. **Severability.** If a Court of competent jurisdiction finds a term or condition of this Agreement to be illegal or invalid, then that term or condition shall be considered severed from the Agreement. All other terms, conditions and provisions of this Agreement shall remain in full force.
10. **Survival of Terms and Conditions.** The following terms and conditions shall survive and continue in full force beyond the termination or cancellation of this Agreement: Sec. 1(c),(d),(e),(f) and (j); Secs. 2, 4 , 7, 9,10,11,12 and 13.
11. **No Third Party Beneficiaries.** Except as provided for the benefit of the Parties, this Agreement does not and is not intended to create any obligation, duty, promise, contractual right or benefit in favor of any other person or entity.
12. **Liability; Release.** In no event shall the County be liable to any third party or entity for any consequential, incidental, direct, indirect, special, exemplary, treble, punitive or any other damages or claims arising out of or related to this Agreement or the Plan. The Township of White Lake and/or the White Lake Township CIA shall defend and indemnify the County to the extent permitted by law, from any and all damages and claims presented or brought forth by any third party, whether anticipated or unanticipated, in connection with this Agreement.

13. **Entire Agreement.** This Agreement sets forth the entire agreement between County, the Township and the DDA and fully supersedes 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.

14. County, Township and the DDA warrant that they each have the appropriate authority to enter into this Agreement and that each of them, and their respective elected officials, appointed officials, agents, employees and successors are bound by the respective signatures below.

FOR AND IN CONSIDERATION of the mutual assurances, promises, acknowledgments, warrants, 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 undersigned hereby execute this Agreement on behalf of the Parties, and by doing so legally obligate and bind the Parties to the terms and conditions of this Agreement.

White Lake Township CIA

By: _____

Its: _____

Date: _____

White Lake Township

By: _____

Name

Its: _____

Date: _____

OAKLAND COUNTY

By: _____

Its: Chairperson Board of Commissioners

Date: _____

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