

**TAX SHARING AGREEMENT BETWEEN THE COUNTY OF OAKLAND, THE CITY OF
ROCHESTER HILLS, AND THE ROCHESTER HILLS LOCAL
DEVELOPMENT FINANCE AUTHORITY**

THIS TAX SHARING AGREEMENT ("Agreement") is entered into this ____ day of _____, 2025 between the COUNTY OF OAKLAND ("County"), 1200 North Telegraph Road, Pontiac, Michigan, 48341, the CITY OF ROCHESTER HILLS ("CITY"), 1000 Rochester Hills Drive, Rochester Hills, MI. 48309, and the CITY OF ROCHESTER HILLS LOCAL DEVELOPMENT FINANCE AUTHORITY ("LDFA"). In this Agreement, the County, the City, and the LDFA may be referred to individually as a "Party" and collectively as the "Parties."

On May 4, 1994, the City of Rochester Hills City Council approved the establishment of the Rochester Hills LDFA and its initial Development and Tax Increment Finance Plan (the "Initial Plan") with a focus on facilitating projects that foster new economic growth and development and lead to the creation of new employment opportunities in the Hamlin/Adams Corridor of industrial parks.

The LDFA and the City Council of the City subsequently adopted various proceedings for approval of amendments to the Initial Plan (the "Amended Plan"), which Amended Plan set forth the projects for which tax increment revenues collected by the LDFA may be expended.

The Amended Plan designates and provides for, among other things, road, utility, and other infrastructure improvements (the "Improvements").

The Amended Plan is expected to expire by its terms on December 31, 2025, and it is necessary to extend and update the Plan in order for the LDFA to continue making the Improvements as well as new, additional improvements.

On September 16, 2025, the City and LDFA appeared before the County's Tax Increment Financing Review Committee and requested the Committee to consider the support of its proposed 2025 Restated Development and Tax Increment Finance Plan that will expire on December 31,

2045 (the "2025 Restated Plan"). The City held a public hearing on September 8, 2025 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 "Authority District" as defined by Sec. 402 of Act 57 (MCL 125.4602, et. seq.) by capturing the property taxes levied on any incremental increase in property values within that Authority District. This process is commonly referred to as "Tax Increment Financing" or TIF.

The 2025 Restated Plan proposed by the City 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 2025 Restated Plan is attached as **Exhibit A**.

Sec. 412(5) of Act 57 allows the County and the City an opportunity to enter into an intergovernmental agreement to share a portion of the captured tax increment revenue of the development area upon agreed terms and conditions.

The Parties agree that the 2025 Restated Plan is a desirable and appropriate means of achieving the purposes of promoting economic growth and development and job creation in the development area. Further, the Parties wish to enter into this 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, Table 2**.

Now, therefore, the Parties agree as follows:

1. In accordance with the following conditions, County agrees to allow the tax increment revenue generated by its Operating millage to be captured from the properties listed in **Exhibit B**, or any future divisions of such properties for the limited purpose of paying County's Pro-rata

Share of the funding required for the 2025 Restated Plan (**Exhibit A, Table 2**).

(a) "County's Pro-rata Share" is defined as County's proportionate share, as stated in Section 1(b) and (c) of this Agreement, and which share shall be in addition to the combined millage funds captured by the LDFA from all participating taxing jurisdictions as described within **Exhibit A, Table 2** of the 2025 Restated Plan, which include: County of Oakland Operating millage, City of Rochester Hills, Rochester Hills Public Library, 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. The Parties agree that the County of Oakland Parks and Recreation and Oakland County Transit millages are expressly excluded from capture. With respect to the levy of any new additional millage by the County, increases to an existing millage, or millage increases to restore amounts reduced by the Headlee Amendment, or any 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 LDFA.

(b) The 2025 Restated Plan is projected to cost approximately \$21,775,000 and is expected to be completed by 2045

(c) The County's Pro-Rata Share of the captured millage funds (as also set forth in **Exhibit A, Table 2**) shall be as follows:

(i) Oakland County Operating: 75%

The total maximum amount limitation on capture of Oakland County incremental tax revenues shall be \$ 3,755,458.

If the total dollar amount of capture is reached during the term of this Agreement, regardless of the stated duration of the 2025 Restated Plan, the contract will automatically terminate

and no further capture by the LDFA shall occur. Likewise, capture will cease immediately upon the date of termination of the 2025 Restated 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 LDFA as provided in Section 4 below.

(d) The duration of the 2025 Restated Plan shall be limited to 20 years, expiring on December 31, 2045.

(e) The base year to be used to calculate capture shall be 1994.

(f) The City, the LDFA 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, the City and the LDFA 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 2025 Restated Plan described in subsection (d), above.

(g) In no event shall the capture from County's millage be used to bury electric utility lines, for land acquisition, municipal facilities used to house City departments or operations, or for event and marketing materials not directly related to the implementation of projects approved within the 2025 Restated Plan.

(h) The elected or appointed officials of the City, City 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 LDFA/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 LDFA/TIF District. Any plans by the

Authority to purchase property in the LDFA/TIF District from elected or appointed officials of the City, City 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 City elected or appointed officials or employees, their present or former spouse(s), parents, siblings or children.

- (i) Except as permitted by Act 57, County capture shall not be used to accumulate funding to attract a developer to invest in the LDFA.
- (j) The LDFA must provide the Oakland County Board of Commissioners through its Chief of Staff and the Director of 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 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 LDFA's fiscal year, copies of any other financial information or documentation of development within the LDFA 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, to the extent that such information can be ascertained by the LDFA upon reasonable request made by the LDFA to appropriate parties within the Authority District and the City, as applicable:
 - (i) The amount of taxes captured by the Authority;
 - (ii) The amount of private sector investment received;
 - (iii) The number of public buildings rehabilitated, the square footage per building rehabilitated, and the amount spent per building;

- (iv) The amount of new construction including the dollar amount spent and the square footage added;
 - (v) The number of new businesses locating in the LDFA;
 - (vi) The number of new jobs created, to the extent that such information can be ascertained by the LDFA upon reasonable request made by the LDFA to employers within the Authority District; and
 - (vii) The increase/decrease in taxable value.
- 3) A narrative report, submitted annually to the Oakland County Board of Commissioners through its Chief of Staff and the Director of the Oakland County Economic Development Department by the County's representative to the LDFA Board of Directors, providing up to date information on the progress of each project enumerated in the 2025 Restated 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 2025 Restated 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 LDFA shall also provide the Oakland County Economic Development Department with any additional information it deems necessary with respect to those items described in this section.
- (k) When requested by the County, appropriate representative(s) of the City and/or LDFA shall appear before the TIF Ad Hoc Review Committee within the first two (2) years after the date of execution of this contract, and annually thereafter, to discuss the status of the 2025 Restated Plan, the financial information referenced in subsection (j), above, and to discuss the TIF district's current return on investment.

(l) Appropriate representative(s) of the City and/or the LDFA 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.

2. The LDFA shall use County captured funds only for "permitted projects" in the Authority District.

"Permitted projects" are those described in Exhibit A, Project Descriptions, pages 7-13

The following is a list of the "permitted projects" which shall use County captured funds described in Exhibit A shall include the following components:

Project 1 Road Construction and Maintenance

Project 1 A Reconstruction of Old Adams Rd./Forester Blvd.

Description: This project involves upgrading the existing Old Adams Rd and Forester Blvd to accommodate access needs for proposed industrial/high-tech development opportunity at current vacant land.

Project 1 B Upgrade Industrial Drive to a Public Road

Description: This project involves upgrading the existing private Industrial Drive to a paved public road standard meeting current Engineering standards.

Project 1 C Annual Road Maintenance

Description: Maintaining viable business corridors within the LDFA District is an important goal, particularly as existing infrastructure ages. This project utilizes tax increment financing capture to reimburse City expenses related to road maintenance within the LDFA District. Road expenses may include patching, sectional replacement of concrete slabs, and other unanticipated repairs. Generally, road maintenance work is conducted or overseen by the

City's Department of Public Services. Only maintenance of City Major Roads and Local Streets that provide primary access to eligible uses will be funded.

Project 2 Infrastructure/Utilities Enhancements

Project 2 A Extend Public Utilities to Industrial Drive

Description: This project involves extending watermain, sanitary sewers, and storm sewers/drainage to Industrial Drive. Easements will be needed for the extension of these utilities.

Project 2 B Intelligent Infrastructure Upgrades

Description: This project will provide upgrades or installation of intelligent infrastructure on a case-by-case basis as business needs change. Intelligent infrastructure may include: upgrades or installation of advanced fiber optics; pods, nodes or other technology related to the development of wireless area networks; telephone or other communication infrastructure, including electric capacity. The goal of this project is to provide for capacity of improved communications or utilities in areas where it does not exist or is insufficient to meet the needs of business.

Project 2 C Advanced Mobility Infrastructure

Description: As the district is home to many companies involved in the engineering and product development of various advanced mobility programs, invest in necessary and innovative infrastructure that supports the development and deploying of these industry technologies. A current example may be an EV charging network.

Project 2 D Master Infrastructure Plan Update

Description: The Master Infrastructure Plan was originally written and adopted in 1996. Many of the projects in the 2025 Restated Plan have been completed and others have been approved by the LDFA and constructed that weren't originally conceived. An updated Master Infrastructure Plan will focus on incorporating the needed changes for the duration of the LDFA District. In this manner, funding sources can be determined, projects prioritized and incorporated into the City's Capital Improvement Plan.

Project 3 Multimodal Transit Projects

Project 3 A Construction of Pathways/Sidewalks

Description: To help improve non-motorized access to businesses within the district, the construction of pathways along key corridors including Adams Rd., Auburn Rd., Hamlin Rd., Bond St., Research Dr., Old Adams Rd., Industrial Dr., Austin Ave. or Devondale Rd.

Project 3 B Clinton River Trail Enhancements

Description: As the Clinton River Trail serves as a means of access for LDFA workforce, explore opportunities to enhance the trail access and connectivity for/to the businesses.

Project 3 C Capital Investments Supporting Transit Network

Description: Improving aesthetics and ADA access to bus stops, which may include addition of seating or shelters at busy locations.

Project 4 Placemaking Investments

Project 4 A Entranceway Beautification Program

Description: Maintaining and improving the marketability of the business parks within the

District is an important endeavor. Beautiful and professional entranceways create a lasting positive impression about the parks within the District and help to maintain and improve property values. This project provides for a matching program to help the industrial and office condominium associations and land owners with multiple properties that are designed in a park-like setting to upgrade signage, lighting, landscaping and maintenance. The signs may or may not be located in public rights-of-way.

Project 4 B District Signage/Branding

Description: Implement physical assets that align with the LDFA District branding strategy including signage, streetscape improvements, and other improvements to help identify and enhance the District.

Project 5 Strategic Planning & Stakeholder Economic Development Initiatives

Project 5 A Updated Studies

Description: Develop and deliver products, plans, programs that jointly promote the mission and partnership opportunities of our supporting stakeholders and taxing jurisdictions with the LDFA business community.

Project 5 B Development of a City Owned Facility

Description: Explore and develop market driven industrial/flex spaces for small high-tech businesses looking to locate and expand within the LDFA District including potential property acquisition for shared meeting spaces and the development of a potential Sensitive Compartmented Information Facility (SCIF).

**Project 6 Program Development/Marketing/Promotions of Rochester Hills LDFA:
Business Attraction & Retention**

Description: In line with the mission of Act 57 to promote economic growth, deliver business development programs that support retention and attraction efforts on targeted, high-tech industries/clusters. This may include conferences, events, membership forums. It may also include program development and implementation, advertising, communications or marketing materials promoting the Rochester Hills LDFA.

Project 6A Participation/Support of targeted, high-tech Industries' business development programs

Project 6B Advertising/communications/marketing materials promoting the Rochester Hills LDFA

Project 6C Program development & implementation that promotes the Rochester Hills LDFA

**Project 7 Program Development/Marketing/Promotions of Rochester Hills LDFA:
Talent Attraction & Retention**

Description: In line with the mission of Act 57 to support job creation within this high -tech business corridor, develop and deliver workforce development programs that support talent retention, attraction and community engagement. This may include programs like RHISE Cup, Live + Work in Rochester Hills campus campaigns or other advertising, communications, events, market research reports, programs and marketing materials.

Project 7 A RHISE Cup

Project 7 B Live + Work in Rochester Hills

Project 7 C Advertising/communications/marketing materials promoting talent attraction & retention needs & workforce opportunities

Project 7 D Program development & implementation that promotes talent attraction, retention, training & empowerment

In the event that cost considerations require a deviation to the 2025 Restated Plan by the LDFA which would result in the elimination of a “permitted project” or a significant change in the scope of any “permitted projects” funded by County capture, the LDFA may request approval from the Board of Commissioners for the allocation of additional funding necessary to initiate or complete such project. The elimination or modification of a “permitted project” to accommodate a lack of necessary funding shall not trigger the County’s right for set-off from the Delinquent Tax Revolving Fund provided for in Section 4 of the Agreement. However, in the event it is determined that there has been an excess capture of County millage 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 County taxes must be refunded by the LDFA to the County with interest at the rate of prime plus one (1) percent. Such refund may be enforced in the manner provided in Section 4, below in addition to any other legal remedies.

3. The LDFA and the City shall submit to County's Economic Development Department and the TIF Ad Hoc Review Committee any proposed modification or amendments to the 2025 Restated Plan.
4. The City and the LDFA 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 LDFA Fund Balance that was captured from County millages, at the conclusion of the 2025 Restated Plan

Duration established in Section 1(d), above. If upon written notice from County, the LDFA and the City fail to tender over to 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 City 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 City from the DTRF.

5. **Prevailing Wage.** The City and the LDFA shall require its contractors, subcontractors, and all other contractors and subcontractors (collectively referred to as the "City Contractors") who perform any work on the "permitted projects" in excess of \$10,000, expressed in Section 2, above, to pay all skilled and unskilled tradespersons, mechanics, and laborers, including but not limited to carpenters, electricians, plumbers, cement masons, workers, helpers, assistants, and apprentices (collectively referred to as "Construction Workers") employed on the site of any of the "permitted projects" under this Agreement not less than the wages and benefits required by Federal law.
6. **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.
7. **Assignment.** This Agreement shall not be assigned, transferred or conveyed.
8. **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.

9. **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.
10. **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.
11. **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.
12. **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.
13. **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 2025 Restated Plan. The City and the LDFA 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.

14. **Entire Agreement.** This Agreement sets forth the entire agreement between County, the City and the LDFA 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.

15. County, City and the LDFA 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.

CITY OF ROCHESTER HILLS LOCAL DEVELOPMENT FINANCE AUTHORITY

By:

Michael Kaszubski, Chairperson

Date: _____

CITY OF ROCHESTER HILLS

By: _____

Bryan K. Barnett, Mayor

Date: _____

OAKLAND COUNTY

By: _____

David Woodward, Chairperson Board of Commissioners

Date: _____