Revenue Sharing Agreement
between the City of Southgate
And the Southgate Downtown Development Authority

This Agreement ("Agreement") is entered into by and between the City of Southgate, a Michigan Municipal Corporation ("City), and the Southgate Downtown Development Authority ("Authority").

Whereas, The City of Southgate has been faced with unprecedented revenue loss since 2009 on substantially decreased property values and increasing costs; and

Whereas, the operational revenues of the Authority remain adequate to perpetuate the current projects and the fund balance of the Authority will remain unencumbered to this agreement; and

Whereas, The Parties acknowledge that by entering into this agreement certain projects will need to be delayed in due course to assist the City' current financial conditions; and

Whereas, Pursuant to Public Act 197 of 1975, which permits the Authority to enter into revenue sharing agreements;

NOW THEREFORE, the Board of Directors of the Southgate DDA do hereby agree to the following:

I. Beginning on July 1, 2026 and continuing on for a period of not less than four (4) years the Authority hereby agrees to return the value of the City's incremental tax revenue. The value of this agreement is approximately $193,000 in the first year of this agreement. This agreement shall cover the following budget years:

    1. 2026-2027
    2. 2027-2028
    3. 2028-2029
    4. 2029-2030

CITY OF SOUTHGATE

Dan Marsh
Its: City Administrator
Date: 10/29/26

Janice Ferencz
Its: City Clerk
Date:

SOUTHGATE DDA

Joseph G. Kuspa
Its: Chairman
Date: 10/29/26

Brian Batko
Its: Vice-Chairman
Date: 10/29/2026