

**CITY OF BILOXI
AGENDA ITEM
FACT SHEET**

Item No.: 4D

Council Meeting Date: December 15, 2020

ITEM TITLE: RESOLUTION
 INTRODUCED BY: Mayor Andrew "FoFo" Gilich
 CONTACT PERSON: E. Michael Leonard, CAO *fw*
 Peter Abide, City Attorney

SUMMARY EXPLANATION:

Resolution declaring the intention of the Governing Body to issue Tax Increment Financing Bonds of said City in an aggregate principal amount not to exceed seventy-eight million dollars (\$78,000,000) to finance the cost of installing and constructing certain infrastructure improvements in connection with the redevelopment of the Broadwater in accordance with the authority granted to municipalities by the Legislature with respect to tax increment financing ("TIF") as set forth in Chapter 45 of Title 21, Mississippi Code of 1972, as amended, and with respect to the Regional Economic Development Act ("REDA") as set forth in Chapter 64 of Title 57, Mississippi Code of 1972, as amended; finding and determining that such Project is a Project eligible for Tax Increment Financing in accordance with said TIF Act; directing the holding of a public hearing regarding a Tax Increment Financing Plan in connection with the Project with notice of the hearing to be in substantially similar form as the notice attached as Exhibit "A" to this resolution; authorizing the Mayor to apply to the Mississippi Development Authority for Certification of Convenience and necessity for the Project under the REDA Act and authorizing the Mayor to execute an agreement with the Harrison County Board of Supervisors to form a Regional Alliance under the REDA Act with terms and conditions in substantially similar form as the agreement attached as Exhibit "B" to this Resolution; and for related purposes.

Resolution Ordinance _____ Public Hearing _____ Routine Agenda _____

Exhibits for Review

Contract _____ Minutes _____ Plans/Maps _____ Deed _____ Lease _____

Other (Specify): Exhibit "A"- Notice of Public Hearing
 Exhibit "B"- Agreement

Submittal Authorization: Council President _____ Mayor

STAFF RECOMMENDATION: Staff recommends approval

COUNCIL ACTION: Motion By: _____ Second By: _____

Vote:	<u>Councilmember</u>	<u>Yes</u>	<u>No</u>	<u>Other</u>	<u>Councilmember</u>	<u>Yes</u>	<u>No</u>	<u>Other</u>
	Lawrence	___	___	___	Tisdale	___	___	___
	Gines	___	___	___	Glavan	___	___	___
	Newman	___	___	___	Barrett	___	___	___
	Deming	___	___	___				

ACTION TAKEN:

Resolution No.

RESOLUTION DECLARING THE INTENTION OF THE GOVERNING BODY TO ISSUE TAX INCREMENT FINANCING BONDS OF SAID CITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED SEVENTY-EIGHT MILLION DOLLARS (\$78,000,000) TO FINANCE THE COST OF INSTALLING AND CONSTRUCTING CERTAIN INFRASTRUCTURE IMPROVEMENTS IN CONNECTION WITH THE REDEVELOPMENT OF THE BROADWATER IN ACCORDANCE WITH THE AUTHORITY GRANTED TO MUNICIPALITIES BY THE LEGISLATURE WITH RESPECT TO TAX INCREMENT FINANCING ("TIF") AS SET FORTH IN CHAPTER 45 OF TITLE 21, MISSISSIPPI CODE OF 1972, AS AMENDED, AND WITH RESPECT TO THE REGIONAL ECONOMIC DEVELOPMENT ACT ("REDA") AS SET FORTH IN CHAPTER 64 OF TITLE 57, MISSISSIPPI CODE OF 1972, AS AMENDED; FINDING AND DETERMINING THAT SUCH PROJECT IS A PROJECT ELIGIBLE FOR TAX INCREMENT FINANCING IN ACCORDANCE WITH SAID TIF ACT; DIRECTING THE HOLDING OF A PUBLIC HEARING REGARDING A TAX INCREMENT FINANCING PLAN IN CONNECTION WITH THE PROJECT WITH NOTICE OF THE HEARING TO BE IN SUBSTANTIALLY SIMILAR FORM AS THE NOTICE ATTACHED AS EXHIBIT "A" TO THIS RESOLUTION; AUTHORIZING THE MAYOR TO APPLY TO THE MISSISSIPPI DEVELOPMENT AUTHORITY FOR CERTIFICATION OF CONVENIENCE AND NECESSITY FOR THE PROJECT UNDER THE REDA ACT AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH THE HARRISON COUNTY BOARD OF SUPERVISORS TO FORM A REGIONAL ALLIANCE UNDER THE REDA ACT WITH TERMS AND CONDITIONS IN SUBSTANTIALLY SIMILAR FORM AS THE AGREEMENT ATTACHED AS EXHIBIT "B" TO THIS RESOLUTION; AND FOR RELATED PURPOSES.

WHEREAS, the Mayor and City Council of the City of Biloxi, Mississippi (the "Governing Body"), acting for and on behalf of the City of Biloxi, Mississippi (the "City"), is authorized by Sections 21-45-1 et seq., Mississippi Code of 1972, as amended and supplemented from time to time (the "TIF Act"), to undertake redevelopment projects, including, but not limited to, the acquisition of project areas within the City, the removal of existing buildings and other improvements upon such project areas, the installation, construction or reconstruction of streets, parking, stormwater detention, utilities and other site improvements on such project areas and/or preparatory work incidental thereto, in order to encourage private redevelopment within the City, and also to carry out such projects jointly with other local governmental units pursuant to the Regional

Economic Development Act, Title 57, Chapter 64, Mississippi Code of 1972, as amended from time to time (the “REDA Act” and together with the TIF Act, the “Act”); and

WHEREAS, the Governing Body, acting for and on behalf of the City, is also authorized by the TIF Act to issue tax increment financing revenue bonds to finance such redevelopment projects; and

WHEREAS, Mach IV, LLC, a Mississippi limited liability company (the “Developer” and successor to Broadwater Development, LLP, a Mississippi limited liability partnership) plans to redevelop the former Broadwater Beach Hotel, Marina and Golf Course into a 266-acre tourism and recreational complex with a world-class performing arts and entertainment Atrium, marina, golf course, spa, full-service hotel, casino, convention center and conference rooms, related amenities, parking, other on-site improvements, and off-site improvements approved by the City in support of the development (the “Project”) in a defined area of the City to be created as a tax increment financing district (the “TIF District”) for the Project; and

WHEREAS, the Developer estimates the Project will cost approximately \$1.1 Billion Dollars (\$1,100,000,000.00) and employ approximately 2,000 full time employees and 500 part time employees upon full operation; and

WHEREAS, the Developer has requested that the City issue its tax increment financing revenue bonds in one or more series in a principal amount not to exceed Seventy-Eight Million Dollars (\$78,000,000) (the “TIF Bonds”) for the purpose of reimbursing the Developer for the cost of acquiring, installing and constructing various infrastructure improvements eligible under the TIF Act and located within the TIF District

or servicing the TIF District, which include, but are not necessarily limited to, parking improvements (which may include structured and underground parking); roads and sidewalks; access ways; public parks; public restrooms; lighthouse and other public navigation aids; potable and irrigational water systems; sanitary sewer; storm drainage; dredging; water retention; utilities; central plant for heating, cooling and electrical power; utility relocation; underground utilities; lighting and landscaping along public and private rights of ways; other on-site improvements; off-site improvements approved by the City in support of the Project; A & E design fees; materials testing; other related soft costs; issuance costs; and capitalized interest and for other purposes authorized pursuant to the TIF Act and the REDA Act (collectively, the “Infrastructure Improvements”); and

WHEREAS, it is anticipated that there will be substantial increases in City and County ad valorem taxes, City and County gaming tax revenues, City sales tax rebates and special sales taxes generated by and within the TIF District during the next several years as a result of the construction of the Project and that TIF Bonds may be sold and issued at a time or times in the reasonably near future as a result of such development; and

WHEREAS, pursuant to the TIF Act, the TIF Bonds will be secured by a pledge of the “City TIF Revenues”, the percentages of which are more fully described in the attached REDA, which is hereinafter defined as the increases in (i) City ad valorem tax revenues generated from the real and personal property comprising and located in the TIF District (excluding levies for public school purposes) and (ii) City gaming tax revenues generated by the Project but excluding

- a. City Gaming Device Fees as provided under House Bill No. 1504, Local and Private Legislation, Regular Session 1992; and
- b. City gaming tax revenues dedicated for educational purposes, and City gaming tax revenues dedicated for public safety purposes, as provided under House Bill No. 1504, Local and Private Legislation, Regular Session 1992, and

WHEREAS, pursuant to the TIF Act, the TIF Bonds will be secured by a pledge of the "County TIF Revenues", the percentages of which are more fully described in the attached REDA, which is hereinafter defined as the increases in (i) County ad valorem tax revenues generated from the real and personal property comprising and located in the TIF District (excluding levies for public school purposes) and (ii) County local government license fees generated from the Project pursuant to Sections 75-76-195 and 75-76-197, Mississippi Code of 1972, as amended, (the City TIF Revenues and the County TIF Revenues shall be collectively referred to as the "TIF Revenues"); and

WHEREAS, as will be more particularly described in the TIF plan for the Project, a portion of the Infrastructure Improvements may be constructed on the privately-owned portion of the Project or adjacent thereto and will not be conveyed or dedicated to the City upon completion of the Project and the City will not be responsible for maintenance or insurance for those portions of the Project; and

WHEREAS, it is in the best interest of the City that the Infrastructure Improvements, if any, constructed on the privately-owned portion of the Project not be conveyed or dedicated to the City as the City will not be responsible for maintenance or insurance for those portions of the Project; and

WHEREAS, the Governing Body has identified various parts of the City in need of development and redevelopment and does hereby find that the Project is a project of

major economic significance within the City and qualifies as a Project eligible for Tax Increment Financing under the Act and that participation on the part of the City is necessary and would be in the public interest and in the best interest of the public health, safety, morals, and welfare of the City; and

WHEREAS, the City proposes to issue TIF Bonds secured by a pledge of the TIF Revenues sufficient to yield up to \$78,000,000 in TIF Bonds, and the proceeds from the TIF Bonds will be used to defray the costs of the Infrastructure Improvements of the Project; and

WHEREAS, the City and Harrison County may enter into a Regional Economic Development Agreement issued pursuant to the REDA Act to support the Project and to allow proceeds of the TIF Bonds to be used to pay the costs of the Project and to provide additional security for the TIF Bonds; and

WHEREAS, pursuant to the TIF Act, in order to proceed with the issuance of the TIF Bonds and reimbursing the developer for certain costs of the Infrastructure Improvements, it is necessary to hold a public hearing on the TIF plan as required by the TIF Act; and

WHEREAS, the Governing Body of the City reasonably expects that it will incur expenditures for the Project and the TIF Bonds prior to the issuance of the TIF Bonds, and that it should declare its official intent to reimburse itself for all or a portion of such expenditures of the Project and the TIF Bonds made in anticipation of the issuance of the TIF Bonds; and

WHEREAS, the Governing Body is authorized and empowered by the TIF Act to issue the TIF Bonds for the purposes as herein set forth, and there are no other

available funds on hand or available from regular sources of income for such purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF BILOXI, MISSISSIPPI, THAT:

Section One: The findings, conclusions, and statements of fact contained in the preamble of this resolution are hereby adopted, ratified, and incorporated herein.

Section Two: This resolution is adopted pursuant to the TIF Act and the REDA Act and all other applicable laws of the State of Mississippi.

Section Three: The TIF Bonds are to be issued for the purpose of reimbursing the Developer for certain costs of the Infrastructure Improvements and certain costs incidental to the authorization, issuance, sale, validation, and delivery of the TIF Bonds, all in accordance with the TIF Act. The TIF Bonds will be payable solely from the TIF Revenues and will not constitute general obligations of the City, and neither the full faith and credit of the City, nor the full faith or credit of the State of Mississippi or any political subdivision thereof will be pledged to the payment of the TIF Bonds.

Section Four: The Governing Body does hereby find and determine that the Project is in the best interest of the City and its future development and that it is in the best interest of the City and the citizens of the City that the provisions of the TIF Act requiring dedication of the "redevelopment project" to the City not apply to those Infrastructure Improvements, if any, which are constructed on the privately owned portion of the Project and adjacent to the Project.

Section Five: As required by the TIF Act, the Governing Body, acting for and on behalf of the City, does hereby direct that a public hearing (the "Public Hearing") will be held upon the receipt by the City of a TIF plan for the Project and on proper notice of

said hearing, said hearing to be held on December 29, 2020 at 1:30 p.m. at the usual meeting place of the Governing Body in Council Chambers, 2nd floor of City Hall, 140 Lameuse Street, Biloxi, Mississippi.

Section Six: Upon receipt by the Mayor and City Clerk of a TIF Plan from the Developer, the City Clerk is hereby directed to publish a notice of the Public Hearing (the "Notice"), in a Notice substantially similar to the form attached hereto as Exhibit A, at least once in the Coastal Breeze, a newspaper having general circulation in the City, such publication being not less than ten (10) days and not more than twenty (20) days prior to the Public Hearing.

Section Seven: Pursuant to Section 1.150-2 of the Treasury Regulations issued pursuant to the Internal Revenue Code of 1986, as amended (the "Reimbursement Regulations"), the Governing Body of the City hereby declares its official intent to reimburse expenditures made for the Project and the TIF Bonds prior to the issuance of the TIF Bonds, to the extent permitted by the Reimbursement Regulations.

Section Eight: The Mayor is authorized to submit an application to the Mississippi Development Authority for a Certificate of Convenience and Necessity for the Project under the REDA Act and is further authorized to execute and deliver an Agreement with the Harrison County Board of Supervisors to create a regional alliance in an agreement form substantially similar to the Agreement attached as Exhibit "B" to this resolution.

Section Nine: The City shall have no obligation to issue the TIF Bonds without further order of the Governing Body of the City.

Section Ten: This Resolution shall take effect and be in force from and after adoption.

EXHIBIT A

**NOTICE OF PUBLIC HEARING ON PROPOSED
TAX INCREMENT FINANCING PLAN**

NOTICE IS HEREBY GIVEN that a public hearing, pursuant to Sections 21-45-11, Mississippi Code of 1972, as amended and supplemented from time to time, will be held by the Mayor and City Council of the City of Biloxi, Mississippi (the "Governing Body"), acting for and on behalf of the City of Biloxi, Mississippi (the "City") on the 29th day of December, 2020, at 1:30 p.m., Mississippi time, at the usual meeting place of the Governing Body in Council Chambers, 2nd floor of City Hall, 140 Lameuse Street, Biloxi, Mississippi, for the purpose of providing a reasonable opportunity for interested individuals to express their views, either orally or in writing, on the approval by the Governing Body, acting for and on behalf of the City, of a tax increment financing plan (the "TIF Plan") in connection with the financing, in part, of certain infrastructure improvements to be made in connection with the redevelopment of the former Broadwater hotel, marina and golf course property (the "Project").

The TIF Plan describes in detail the Project, certain infrastructure improvements to be constructed in connection with the Project and the financing of such improvements by the City through the issuance of tax increment financing bonds of the City in an aggregate principal amount not to exceed \$78,000,000 (the "TIF Bonds").

The TIF Bonds shall be secured solely by the incremental increase in the TIF Revenues generated by the Project and as otherwise allowed by the TIF Act and the REDA Act (defined below). The TIF Bonds will not be a general obligation of the City secured by the full faith, credit, and taxing power of the City or create any other pecuniary liability on the part of the City other than the pledge of the incremental increase in the TIF Revenues set forth in the TIF Plan.

The City may enter into a Regional Economic Development Alliance with the County pursuant to the Regional Economic Development Act, Title 57, Chapter 64, *Mississippi Code of 1972*, as amended (the "REDA Act") to support the Project and to allow proceeds of the TIF Bonds to be used to pay the cost of certain of the Infrastructure Improvements and to provide additional security for the TIF Bonds.

More specific information concerning the TIF Plan, the Project and the TIF Bonds is available for inspection at the office of the Clerk of the City in the City Hall of the City.

The Governing Body, at the above stated time and place, will hear all persons with views in favor of or opposed to the approval of the TIF Plan.

DATED this the _____ day of December, 2020.

CITY OF BILOXI, MISSISSIPPI

By: _____
Municipal Clerk

EXHIBIT "B"
REGIONAL ECONOMIC DEVELOPMENT ACT AGREEMENT
(BROADWATER REDEVELOPMENT PROJECT)

This Regional Economic Development Act Agreement is made and entered into as of the 4th day of January, 2021, by and between the City Biloxi, Mississippi, a municipal corporation organized and existing under the laws of the State of Mississippi, and Harrison County, Mississippi, a political subdivision of the State of Mississippi.

RECITALS:

WHEREAS, the City of Biloxi, Mississippi, and Harrison County, Mississippi agree, find and determine as follows:

1. (a) In addition to any words and terms elsewhere defined herein, the following words and terms shall have the following meanings, unless some other meaning is plainly intended:

"Act" shall mean together, the REDA Act and the TIF Act.

"Agreement" shall mean this Regional Economic Development Act Agreement.

"Alliance" shall mean the regional economic development alliance created by this Agreement, pursuant to the REDA Act.

"Bond Payments" shall mean payments of principal of, premium, if any, and interest on the Bonds, and Paying Agent charges pertaining to the Bonds and such charges or payments for reserve funds, bond insurance and any other payments provided for in the Bond Resolution to secure the Bonds, and specifically including any prepayments of principal on the Bonds.

"Bond Resolution" shall mean the bond resolution adopted by the City, if applicable, authorizing and directing the issuance of the Bonds pursuant to the authority under the Act.

"Bonds" shall mean the tax increment financing bonds of the City in one or more series and in the maximum principal amount of not to exceed \$78,000,000 to finance the costs of the Improvements and associated fees and expenses of issuing the Bonds.

"Chancery Clerk" shall mean the Chancery Clerk of the County.

"City" shall mean the City of Biloxi, Mississippi.

"City TIF Plan" shall mean the Tax Increment Financing Plan for the Broadwater Redevelopment Project, City of Biloxi, Harrison County, Mississippi, November, 2020, approved January 4, 2021.

"City TIF Revenues" shall mean any additional (i) City ad valorem tax revenues generated from the real and personal property comprising and located in the TIF District (excluding levies for public school purposes) and (ii) City gaming tax revenues generated by the Project **but excluding**

- a. City Gaming Device Fees as provided under House Bill No. 1504, Local and Private Legislation, Regular Session 1992; and
- b. City gaming tax revenues dedicated for educational purposes, and City gaming tax revenues dedicated for public safety purposes, as provided under House Bill No. 1504, Local and Private Legislation, Regular Session 1992.

“City TIF Revenues” also includes any investment income from such monies, and any other revenues obtained by the Alliance for the payment of the Bond Payments. All or a portion of the City TIF Revenues will be diverted to the payment of the Bonds under the TIF Plan in accordance with Section 11 herein and in accordance with the percentages of the TIF Plan.

“Clerk” shall mean the City Clerk of the City.

“Company” shall mean MACH IV, LLC, a Mississippi limited liability company, or any entities related thereto, or any successor or assigns thereof, the developer of the Project.

“County” shall mean Harrison County, Mississippi.

“County TIF Revenues” shall mean any additional (i) County ad valorem tax revenues generated from the real and personal property comprising and located in the TIF District (excluding levies for public school purposes) and (ii) County local government license fees generated from the Project pursuant to Sections 75-76-195 and 75-76-197, *Mississippi Code of 1972*, as amended. “County TIF Revenues” also includes any investment income from such monies, and any other revenues obtained by the Alliance for the payment of the Bond Payments. All or a portion of the County TIF Revenues will be diverted to the payment of the Bonds under the TIF Plan in accordance with Section 11 herein and in accordance with the percentages of the TIF Plan.

“Final Bond Payment Date” shall mean the date on which all of the Bond Payments have been made, whether before, on or after the last scheduled Principal Payment Date.

“Improvements” shall mean any or all of the costs of certain public and private improvements relating to the Project which are eligible under the TIF Act and located within the TIF District or servicing the TIF District, which include, but are not necessarily limited to, parking improvements (which may include structured, surface, and underground parking); roads and sidewalks; public parks; public restrooms; lighthouse and other public navigation aids; potable and irrigational water systems; sanitary sewer; storm drainage; dredging; water retention; utilities; central plant for heating, cooling and electrical power; utility relocation; underground utilities; lighting and landscaping along public and private rights of ways; other on-site improvements; offsite improvements approved by the City in support of the Project; architectural and engineering design fees; materials testing; other related soft costs; issuance costs; and capitalized interest and for other purposes authorized pursuant to the TIF Act and REDA Act.

“Payment Date” shall mean any date on which interest or principal and interest on the Bonds is scheduled to be made.

“Principal Payment Date” shall mean any Payment Date on which principal is scheduled to be paid (including for this purpose any advancement of maturity pursuant to a mandatory sinking fund payment).

“Project” shall mean the redevelopment of the former Broadwater Beach Hotel, Marina and Golf Course into an approximately 266-acre tourism and recreational complex with a world-class performing arts and entertainment Atrium, marina, golf course, spa, full-service hotel, casino, convention center and conference rooms, related amenities, parking, other on-site improvements, and off-site improvements as approved by the City in support of the development of the TIF District (as defined hereinafter).

“REDA Act” shall mean the Regional Economic Development Act, Sections 57-64-1 through 57-64-27, *Mississippi Code of 1972*, as amended.

“Revenues” shall mean the City TIF Revenues and the County TIF Revenues. All or a portion of the Revenues will be diverted to the payment of the Bonds under the TIF Plan in accordance with Section 11 herein.

“TIF Act” shall mean the Tax Increment Financing Act, Sections 21-45-1 through 21-45-21, *Mississippi Code of 1972*, as amended.

“TIF District” shall mean the Project property area included in the TIF Plan.

“TIF Plan” shall mean the City TIF Plan.

(b) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words and terms herein defined shall be equally applicable to the plural as well as the singular form of any of such words and terms.

2. The Company desires to acquire land, acquire or construct buildings, infrastructure, utilities, roads, parking and other related Improvements constituting the Project and benefitting the Project, on land and property within the County and within the corporate limits of the City.

3. The City desires to issue the Bonds to finance the acquisition and construction of the Improvements in order to promote economic development and assist in the creation of jobs and to promote the economic, social and general welfare of both the City and the County.

4. The governing authorities of the City and the County desire to enter into a joint effort to make the most efficient use of their powers and enable them to promote economic development and to assist in the creation of jobs and to promote the general welfare of the City and County and the citizens of each.

5. In order that the Bonds may be issued and sold and the payment of the Bonds properly provided for, it is necessary that the term of this Agreement shall extend through the Final Bond Payment Date, not to exceed twenty (20) years from the dated date of the Bonds.

6. Pursuant to the provisions of the REDA Act, counties and municipalities may

make the most efficient use of their powers by cooperating and contracting with one another in an alliance to their mutual advantage, and thereby provide services and facilities which will accord best with the geographic, economic, population, and other factors to best serve the needs and development of such local governmental units.

7. In order to provide the Improvements for the Project and to enable its acquisition and construction by the Company, it is necessary and in the public interest for the City to cooperate with the County and for the County to cooperate with the City by entering into this Agreement pursuant to the REDA Act.

8. It is agreed and understood that the City and County have approved the City TIF Plan and established the TIF District in order to provide for the issuance and sale of the Bonds by the City to finance the Improvements for the Project, and it is agreed and understood that the City may, in its discretion, include as sources of payment for the Bonds and pledge to the extent deemed necessary and appropriate all or any portion of the Revenues as defined in this Agreement.

9. The City and the County desire to enter into this Agreement for the purposes of (i) financing the costs of the Improvements and (ii) satisfying the requirements of the Act.

10. It is necessary for the City and the County to enter into this Agreement pursuant to the Act in order to enable the City to issue and sell the Bonds, and to provide for the securing of the Bonds and the payment of the Bond Payments.

11. The Act authorizes the City to issue the Bonds for the financing of the costs of the Improvements associated with the Project.

12. The City hereby agrees that it will issue the Bonds for the purpose of financing the Improvements associated with the Project. The Bond Payments shall be the responsibility of the City and shall be payable from the Revenues. The City will generate its portion of the Revenues by diverting such percentage of the City TIF Revenues as necessary to satisfy the allocation set forth in Section 11 hereinbelow and in accordance with the percentages of the TIF Plan.

13. The County agrees that it will generate its portion of the Revenues by diverting such percentage of the County TIF Revenues as necessary to satisfy the allocation set forth in Section 11 hereinbelow and in accordance with the percentages of the TIF Plan.

14. It is in the best interests of the citizens of the City that the City enter into and execute this Agreement.

15. It is in the best interests of the citizens of the County that the County enter into and execute this Agreement.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE ABOVE AND THE MUTUAL BENEFITS ACCRUING TO THE CITY AND THE COUNTY, THE CITY AND THE COUNTY HEREBY AGREE AS FOLLOWS:

SECTION 1. Duration. This Agreement shall be in force and effect until terminated in

accordance with the provisions of Section 6 hereof.

SECTION 2. Purpose. The purpose of this Agreement is to define the respective responsibilities of the City and the County with regard to the financing of the Improvements and the payment of the Bonds.

SECTION 3. Organization; Statutory Authority. There will be no separate legal or administrative entity created pursuant to this Agreement. The City and County are authorized by the Act to jointly exercise and carry out the powers, authorities, and responsibilities to be exercised by each of them pursuant to the terms of this Agreement.

SECTION 4. Administration. This Agreement shall be administered as a joint undertaking of the City and the County. A separate entity is not created under this Agreement. All of the staffing pertaining to the acquisition and/or construction of the Improvements and the issuance of the Bonds will be provided by the City. The City and the County hereby designate and authorize the City to exercise all powers needed to carry out and assist in the development of the Improvements, including but not limited to the powers to issue the Bonds to finance the costs of the Improvements, and to reimburse the Company or any contractor hired by or with the approval of the City, from proceeds of the Bonds, for any advances made by the Company to acquire and/or construct the Improvements in anticipation of the issuance of the Bonds.

The City will establish a budget which may be included as a part of the City's budget for the receipts and expenditures pertaining to the Improvements and to the Bond Payments. The Clerk is designated to receive, disburse and account for the Revenues.

The City will enter into an agreement with the Company for the dedication and conveyance to the City of any and all public infrastructure, if any, included among the Improvements.

The City and the County shall have the right, at their request, to review and approve the plans and specifications for all public infrastructure among the Improvements. The City and the County shall have access to all records pertaining to the acquisition and construction of all public infrastructure among the Improvements, and no changes which materially affect the overall scope thereof will be initiated without the written consent of the City and the County.

SECTION 5. Operation of Alliance and the Improvements. The operation of the alliance and of the Improvements shall be as described in Section 4 of this Agreement and as may be otherwise provided herein.

SECTION 6. Termination; Disposition of Property. This Agreement will terminate upon the Final Bond Payment Date.

SECTION 7. Amendment. This Agreement may be amended at any time by the mutual consent of the City and the County by an agreement entered into pursuant to the provisions of the Act. No such amendment shall have a material adverse effect on the ability of the City to make the Bond Payments.

SECTION 8. Administration of Issuance of Bonds. The authority to issue the Bonds issued pursuant to the Act and the administration of the Bond Payments is provided for in

Section 4 hereof.

SECTION 9. Manner of Acquiring, Holding and Disposing of Property; Cooperation Concerning Property Matters. The manner of acquiring, holding and disposing of real and personal property is provided for in Section 4 hereof. Upon application by the City of Biloxi, the County agrees to consider reasonable requests for necessary construction and maintenance easements on property on which the County can grant such rights to aid in the acquisition and/or construction of the Improvements.

SECTION 10. Terms and Conditions That Will Cause Alliance to Be Terminated. The alliance will be terminated on the Final Bond Payment Date.

SECTION 11. Manner in Which the Costs of the Improvements Shall be Shared. The City has adopted the City TIF Plan, created the TIF District and shall issue the Bonds for the purpose of financing the Improvements associated with the Project. The Bond Payments shall be the responsibility of the City and shall be paid from the Revenues. It is agreed that the City and County shall contribute to the Revenues their respective incremental increase in Revenues from the TIF District. The County has adopted the City TIF Plan, created the TIF District and shall pledge and divert such portion of the County TIF Revenues that, when added to the City's contribution, is sufficient to satisfy the Bond Payment. In the event that increased Revenues of the City and the County are sufficient for the Bond Payment, and surplus monies remain, then any surplus shall be returned to the parties in proportion to the amounts contributed. It is the parties' intent that, to the extent that the Revenues are sufficient, fifty-seven and forty-eight hundredths percent (57.48%) of the debt service shall be paid from the City TIF Revenues and forty-two and fifty-two hundredths percent (42.52%) of the debt service shall be paid from the County TIF Revenues and in accordance with the percentages set forth in the TIF Plan.

SECTION 12. Security for Bond Payments. It is agreed and understood that in order for the City to provide for the issuance and sale of the Bonds to finance the Improvements for the Project, the City and County may include as sources of payment for the Bonds and pledge to the extent deemed necessary and appropriate all or any portion of the Revenues. The City and County agree to execute such documents necessary to affect their pledge as security for the bonds as may be reasonably required by the Bond issuing documents.

SECTION 13. Effective Date; Approvals; Filing. This Agreement will be effective from and after the last to occur of the following: (a) this Agreement has been executed by all parties hereto, (b) the approval of this Agreement by the Mississippi Development Authority and the Mississippi Attorney General has been obtained, and (c) this Agreement has been filed with the Chancery Clerk and the Mississippi Secretary of State. The initial term of this Agreement shall commence on the effective date hereof and extend through the Final Bond Payment Date. The City shall not schedule the term of the Bonds to be longer than twenty (20) years from the dated date of the Bonds.

[remainder of page left blank intentionally]

WITNESS the signatures of the duly authorized officers of the City and the County as of the date first above written.

HARRISON COUNTY, MISSISSIPPI

By: _____
President, Board of Supervisors

ATTEST:

Clerk, Board of Supervisors

(SEAL)

Signature page of the Regional Economic Development Act Agreement entered into on December ____, 2020, by and between the City of Biloxi, Mississippi and Harrison County, Mississippi

CITY OF BILOXI, MISSISSIPPI

By: _____
Mayor

ATTEST:

City Clerk

(SEAL)

Signature page of the Regional Economic Development Act Agreement entered into on December ____, 2020, by and between the City of Biloxi, Mississippi and Harrison County, Mississippi