



**CITY OF STARKVILLE  
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO:  
AGENDA DATE: 06-16-2015  
PAGE: 1**

**SUBJECT:** DISCUSSION AND CONSIDERATION OF A RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI APPROVING THE ADOPTION AND IMPLEMENTATION OF THE TAX INCREMENT FINANCING PLAN, HPM DEVELOPMENT PROJECT, CITY OF STARKVILLE, MISSISSIPPI AND AUTHORIZING THE ISSUANCE OF TAX INCREMENT FINANCING REVENUE BONDS IN AN AMOUNT NOT TO EXCEED THREE MILLION DOLLARS (\$3,000,000); AND FOR RELATED PURPOSES.

**AMOUNT & SOURCE OF FUNDING:**

**FISCAL NOTE:** N/A

**REQUESTING  
DEPARTMENT:**

**DIRECTOR'S  
AUTHORIZATION:**

**FOR MORE INFORMATION CONTACT:**

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**AUTHORIZATION HISTORY:**

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**SUGGESTED MOTION:** MOVE APPROVAL OF A RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI APPROVING THE ADOPTION AND IMPLEMENTATION OF THE TAX INCREMENT FINANCING PLAN, HPM DEVELOPMENT PROJECT, CITY OF STARKVILLE, MISSISSIPPI AND AUTHORIZING THE ISSUANCE OF TAX INCREMENT FINANCING REVENUE BONDS IN AN AMOUNT NOT TO EXCEED THREE MILLION DOLLARS (\$3,000,000); AND FOR RELATED PURPOSES.

**RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI APPROVING THE ADOPTION AND IMPLEMENTATION OF THE TAX INCREMENT FINANCING PLAN, HPM DEVELOPMENT PROJECT, CITY OF STARKVILLE, MISSISSIPPI AND AUTHORIZING THE ISSUANCE OF TAX INCREMENT FINANCING REVENUE BONDS IN AN AMOUNT NOT TO EXCEED THREE MILLION DOLLARS (\$3,000,000); AND FOR RELATED PURPOSES.**

WHEREAS, the Mayor and Board of Aldermen of the City of Starkville, Mississippi, (the “Board” of the “City”), acting for and on behalf of the City, hereby find, determine and adjudicate as follows:

1. The Board has received and has conducted hearings on the Tax Increment Financing Redevelopment Plan, City of Starkville, Mississippi, February 2006 (the “Redevelopment Plan”) for the Municipality, and has approved the Redevelopment Plan on April 4, 2006. The Redevelopment Plan constitutes a qualified plan under the Act.

2. Under the power and authority granted by the laws of the State of Mississippi, and particularly under Chapter 45, Title 21, Mississippi Code of 1972, as amended (the “Act”), the Board did, on June 2, 2015, adopt a certain resolution entitled:

**RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI, DETERMINING THE NECESSITY FOR AND INVOKING THE AUTHORITY GRANTED TO MUNICIPALITIES BY THE LEGISLATURE WITH RESPECT TO TAX INCREMENT FINANCING AS SET FORTH IN CHAPTER 45 OF TITLE 21, MISSISSIPPI CODE OF 1972, AS AMENDED, DETERMINING THAT THE HPM DEVELOPMENT PROJECT IS A PROJECT ELIGIBLE FOR TAX INCREMENT FINANCING; THAT A PUBLIC HEARING BE CONDUCTED IN CONNECTION WITH THE TAX INCREMENT FINANCING PLAN, AND FOR RELATED PURPOSES.**

3. As directed by the aforesaid resolution and as required by law, a Notice of Public Hearing with respect to the *Tax Increment Financing Plan, HPM Development Project, City of Starkville, Mississippi* (the “TIF Plan”), was published one (1) time in the *Starkville Daily News*, a newspaper having a general circulation within the City, and was so published in said newspaper on June 5, 2015, as evidenced by the publisher's proof of publication of the same heretofore presented to the Board and filed with the Clerk, a copy of which is attached hereto as **Exhibit A**.

4. The notice of public hearing generally described the TIF Plan, and further called for a public hearing to be held at the regular meeting room of the Board at the City Hall of the City of Starkville, Mississippi at 5:30 o'clock p.m., on the 16th day of June, 2015, in order for the general public to state or present their views on the TIF Plan.

5. At 5:30 o'clock p.m. on the 16th day of June, 2015, the public hearing was held and all in attendance were given an opportunity to state or present their oral and written comments on the TIF Plan.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:**

SECTION 1. The Board of the City is now fully authorized and empowered under the provisions of Chapter 45 of Title 21, Mississippi Code of 1972, as amended, to adopt and implement the TIF Plan (a copy of which is attached hereto as **Exhibit B**), and does hereby adopt and approve such TIF Plan as presented in order to assist with the HPM Development Project (the "Project") by issuing tax increment financing bonds or notes (the "TIF Bonds") in an amount not to exceed Three Million Dollars (\$3,000,000), which funds will be used for the purpose of providing a financing mechanism to pay for the cost of constructing various infrastructure improvements, which may include but are not limited to, installation, rehabilitation and/or relocation of utilities such as water, sanitary sewer, construction, renovation, or rehabilitation of drainage improvements, roadways, curbs, gutters, sidewalks, surface parking, relocation of electrical lines, lighting, signalization, landscaping of rights-of-way, related architectural/engineering fees, attorney's fees, TIF Plan preparation fees, issuance costs, capitalized interest, and other related soft costs (the "Infrastructure Improvements"). The TIF Plan has attached as exhibits the map and legal description of the land to be included in the proposed TIF District. The TIF District should be established by the Board as described in the TIF Plan, and the Redevelopment Plan should have the TIF Plan attached or included by reference therein after a public hearing on the matter.

SECTION 2. In accordance with the Act, school taxes shall not be used to service tax increment financing debt obligations.

SECTION 3. The Board does hereby approve and adopt the TIF Plan, which shall constitute an amendment to and a portion of the Redevelopment Plan previously adopted by the Board, and the City Clerk is hereby directed to attach the TIF Plan to or file it with the Redevelopment Plan and to retain same in the office of the City Clerk. However, the failure to attach it to or file it with the Redevelopment Plan shall not affect the validity of the TIF Plan.

SECTION 4. The City is now authorized to issue the TIF Bonds pursuant to the Act and offer said TIF Bonds for sale in accordance with the further orders and directions of this Board.

Alderman \_\_\_\_\_ moved and Alderman \_\_\_\_\_  
seconded the motion to adopt the foregoing resolution, and the question being put to a roll call  
vote, the result was as follows:

Alderman Ben Carver	voted: _____
Alderman David Little	voted: _____
Alderman Scott Maynard	voted: _____
Alderman Roy A' Perkins	voted: _____
Alderman Jason Walker	voted: _____
Alderman Lisa Wynn	voted: _____
Alderman Henry Vaughn, Sr.	voted: _____

The motion having received the affirmative vote of a majority of the members present, the  
Mayor declared the motion carried and the resolution adopted this, the 16<sup>th</sup> day of June, 2015.

City of Starkville, Mississippi

\_\_\_\_\_  
Parker Wiseman, Mayor

ATTEST:

\_\_\_\_\_  
Lesa Hardin, City Clerk

EXHIBIT A

PUBLICATION

*Starkville Daily News – June 5, 2015*

AFFP  
Public Hearing 6/5

# Affidavit of Publication

STATE OF MISSISSIPPI } SS  
COUNTY OF OKTIBBEHA }

Wendi McMinn, being duly sworn, says:

That she is Classified Clerk of the Starkville Daily News, a daily newspaper of general circulation, printed and published in Starkville, Oktibbeha County, Mississippi; that the publication, a copy of which is attached hereto, was published in the said newspaper on the following dates:

June 05, 2015

That said newspaper was regularly issued and circulated on those dates.

SIGNED:



Classified Clerk

Subscribed to and sworn to me this 5th day of June 2015.



Mona Howell, , Oktibbeha County, Mississippi

My commission expires: January 16, 2016



00000131 00048532

Lesa Hardin  
City of Starkville (SDN)  
101 Lampkin Street  
Starkville, MS 39759

## NOTICE OF PUBLIC HEARING TAX INCREMENT FINANCING PLAN HPM DEVELOPMENT PROJECT CITY OF STARKVILLE, MISSISSIPPI

Notice is hereby given that a public hearing will be held on the 16th day of June, 2015, at 5:30 o'clock p.m. at City Hall, in the Courtroom, at 101 East Lampkin Street, Starkville, Mississippi 39759, on the Tax Increment Financing Plan, HPM Development Project, City of Starkville, Mississippi (the "TIF Plan"), for consideration by the Mayor and Board of Aldermen of the City of Starkville, Mississippi (the "City"). The City proposes to use the TIF Plan in compliance with the Tax Increment Financing Reddevelopment Plan, City of Starkville, Mississippi, February 2006, and further, to designate the project described in the TIF Plan as appropriate for development and tax increment financing.

The general scope of the TIF Plan is for the City to issue tax increment financing revenue bonds or notes (the "Bonds"), in one or more series in an amount not to exceed Three Million Dollars (\$3,000,000), which funds will be used for the purpose of providing a financing mechanism to pay for the cost of constructing various infrastructure improvements, which may include but are not limited to, installation, rehabilitation and/or relocation of utilities such as water, sanitary sewer, construction, renovation, or rehabilitation of drainage improvements, roadways, curbs, gutters, sidewalks, surface parking, relocation of electrical lines, lighting, signalization, landscaping of rights-of-way, related architectural/engineering fees, attorney's fees, TIF Plan preparation fees, issuance costs, capitalized interest, and other related soft costs (the "Infrastructure Improvements"). The Bonds shall be secured solely by a pledge of the incremental increase in ad valorem tax revenues on real and personal property and sales tax rebates within the TIF District, as described in the TIF Plan, and 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 ad valorem taxes and sales tax rebates referenced above.

Construction of the Infrastructure Improvements and payment of the bonds issued to construct the infrastructure improvements will be paid as hereinabove set forth and will not require an increase in any kind or type of taxes within the City.

Copies of the TIF Plan and the Tax Increment Financing Reddevelopment Plan are available for examination in the office of the City Clerk in Starkville, Mississippi.

This hearing is being called and conducted, and the TIF Plan has been prepared as authorized and required by Sections 21-45-1 et seq., Mississippi Code of 1972, as amended.

Witness my signature and seal, this the 2nd day of June, 2015.

Lesa Hardin, City Clerk

Published:  
June 5, 2015

Publication Fee \$ 55.36  
Proof of Publication \$ 3.00  
Total Charges \$ 58.36

EXHIBIT B

*TAX INCREMENT FINANCING PLAN, HPM DEVELOPMENT PROJECT  
CITY OF STARKVILLE, MISSISSIPPI (THE "TIF PLAN")  
AS APPROVED*



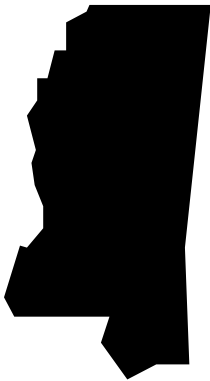
**TAX INCREMENT FINANCING PLAN  
HPM DEVELOPMENT PROJECT**

City of Starkville, Mississippi

Prepared by:

**GOURAS & ASSOCIATES**

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**TAX INCREMENT FINANCING PLAN  
HPM DEVELOPMENT PROJECT  
CITY OF STARKVILLE, MISSISSIPPI  
June 2015**

**ARTICLE I**

**A. PREAMBLE**

1. The administration and implementation of this Tax Increment Financing Plan, HPM Development Project, City of Starkville, Mississippi, June 2015 (the "TIF Plan") will be an undertaking of the City of Starkville (the "City"), is authorized pursuant to Section 21-45-1 *et seq.*, Mississippi Code of 1972, as amended (the "TIF Act"), and will be administered and implemented as a joint undertaking of the City of Starkville, Mississippi, (the "City") and Oktibbeha County, Mississippi, (the "County").
2. HPM Development, LLC (the "Developer") proposes to develop a Chevrolet, Chrysler, Dodge, Jeep Ram dealership complex and mixed use development containing a convenience store, restaurant, 20,000 square feet of office space and approximately 15, single family housing units (the "Project"). The Project will be strategically located off Highway 12, Pat Station Road and Old West Point Road in the City of Starkville. The Project will represent a private investment in excess of \$21,000,000. In its entirety, the Project is expected to encompass approximately 25.68 acres consisting of real property more particularly described in Article VII of this TIF Plan and the plat by James Bret Brasher completed as of July 2013 attached hereto as "Exhibit A" (the "Plat"), the land described in the Plat and Article VII of this Plan being collectively referred to as the "TIF District".
3. The City and County will enter into an interlocal cooperation agreement which will designate the City as the primary party in interest in carrying the Project forward. The issuance of bonds to provide funds to finance the costs of infrastructure improvements identified in the TIF Plan shall be a joint undertaking of the City and County whereby the City may issue Tax Increment Financing Bonds in one or more series as authorized herein to finance the Project as more fully described herein (the "TIF Bonds"). The TIF Bonds authorized by this TIF Plan shall not exceed \$3,000,000.
4. 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 its citizens that the provision of Section 21-45-9 of the Act requiring dedication of the "redevelopment project" to the City not apply to those Improvements which are constructed on the privately owned portion of the Project.

5. The tax increment financing funds as identified herein will be used to defray the cost of infrastructure improvements to serve the project and the community as a whole.
6. The Developer has provided information to the City regarding the proposed site plan, the amount of the private investment, sales tax, and job creation projections. Estimates of ad valorem taxes were made through consultation with the office of the Oktibbeha County Tax Assessor and valuations of similar projects in the region.

**B. STATEMENT OF INTENT**

1. The City may issue TIF Bonds in one or more series, pursuant to the authority outlined hereinabove, in one or more series, in an amount not to exceed Three Million Dollars (\$3,000,000), which will be secured solely by a pledge of the increased ad valorem taxes from real and personal property and sales tax rebates generated within the TIF District, which funds will be used to pay the cost of constructing various infrastructure improvements which may include but are not limited to, acquiring and constructing improvements, which may include, but not necessarily be limited to, installation, rehabilitation and/or relocation of utilities such as water, sanitary sewer, construction, renovation, or rehabilitation of drainage improvements, roadways, curbs, gutters, sidewalks, surface parking, relocation of electrical lines, lighting, signalization, landscaping of rights-of way, related architectural/engineering fees, attorney's fees, TIF Plan preparation fees, issuance costs, capitalized interest, and other related soft costs (collectively, the "Infrastructure Improvements").
2. After sufficient development of the Project has been substantially completed, either in total or in phases, the City will issue the TIF Bonds in one or more series and reimburse the Developer in accordance with a development agreement to be entered into between the parties as authorized by the TIF Act.
3. The construction of the Infrastructure Improvements will be undertaken to provide for the public convenience, health, and welfare.

**C. PUBLIC CONVENIENCE AND NECESSITY**

1. The public convenience and necessity requires participation by the City and County in the Project. The Project will accomplish the following, which will provide for the public convenience and necessity and serve the best interests of the citizens of the City and County.
  - a. Construction of the Project will represent a private investment of approximately \$21,900,000.

- b. It is estimated the Project will create construction jobs over the life of the Project with an estimated payroll \$8,400,000.
- c. It is estimated that Phase 1 of the Project will create 70 new permanent full-time jobs and 10 part-time jobs with an estimated payroll of approximately \$4,000,000. Phases 2 and 3 will create approximately 50-75 new jobs.
- d. It is expected that the Project will result in an annual real and personal property tax *increase* of about \$44,090 for the City.
- e. It is expected that the Project will result in an annual real and personal property tax *increase* of about \$101,379 for the County.
- f. It is anticipated that the Project will yield an annual real and personal property tax *increase* of about \$133,536 for the School District.
- g. The annual sales generated by the retail development are expected to reach \$42,400,000.
- h. The Project is expected to result in annual sales tax rebates to the City of about \$421,335<sup>1</sup>.
- i. The development of the Project will include new businesses and will help diversify and expand the tax base of the City.

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<sup>1</sup> Certain sales associates with the automobile dealerships are taxed by the State at 3%, 5% and 7%  
Revised 5-29-15 11:45 AM  
FOR JUNE 2 AGENDA

**ARTICLE II  
PROJECT INFORMATION**

**A. REDEVELOPMENT PROJECT DESCRIPTION**

1. The Project is expected to encompass approximately 25.68 acres and will consist of three automobile dealerships, approximately 20,000 square feet of office space, a convenience store, a restaurant, and approximately 15 single family housing units. The estimated Project costs is in excess of \$21,000,000.
  
2. Project Location
  - a. Property Description and Map: The Project is located on 25.68 acres, as more particularly described in Article VII and Exhibit A attached hereto.
  
  - b. Environmental Characteristics and Zoning: Development of the Project site will require improvements such as (but not limited to) installation and/or relocation of utilities such as acquiring and constructing improvements, which may include, but not necessarily be limited to, installation, rehabilitation and/or relocation of utilities such as water, sanitary sewer, construction, renovation, or rehabilitation of drainage improvements, roadways, curbs, gutters, sidewalks, surface parking, relocation of electrical lines, lighting, signalization, landscaping of rights-of way, related architectural/engineering fees, attorney's fees, TIF Plan preparation fees, issuance costs, capitalized interest, and other related soft costs. All proposed uses shall comply with the applicable zoning ordinances of the City. The property is currently zoned as C-2 General Commercial.

**B. DEVELOPER INFORMATION**

1. Developer's Name: HPM Development, LLC,  
a Mississippi limited liability company  
FEIN 47-3642244
  
2. Developer's Address: HPM Development, LLC  
P.O. Box 969  
Brandon, MS 39043

**ARTICLE III  
ECONOMIC DEVELOPMENT IMPACT DESCRIPTION**

**A. JOB CREATION**

1. Construction Jobs: The Project is expected to create construction jobs. Construction payroll is estimated to be \$8,400,000.
2. Permanent Jobs: It is estimated that Phase 1 of the Project will create 70 new permanent full-time jobs and 10 part-time jobs with an estimated payroll of approximately \$4,000,000. Phases 2 and 3 will create approximately 50-75 new jobs.

**B. FINANCIAL BENEFIT TO THE COMMUNITY**

1. Ad Valorem Tax Increases: The construction and development of the Project will generate significant ad valorem tax revenues for the City, the County, and the School District. The following are estimates of new ad valorem tax revenues expected to be generated after the entire Project has been completed. The estimates for real property taxes are based on assumed new true value of \$12,200,000 for the development, and estimates for personal property taxes are based upon an assumed new true value of \$1,175,000 for furniture, fixtures, equipment, and inventory.

ENTITY	MILLAGE RATE	CURRENT TAXES	AFTER PROJECT*	INCREMENT
<i>City of Starkville Real Property &amp; Personal Property*</i>	21.98	\$7	\$44,097	<b>\$44,090<sup>^</sup></b>
<i>Oktibbeha County Real Property &amp; Personal Property*</i>	50.54	\$17	\$101,396	<b>\$101,379<sup>^</sup></b>
<i>School District Real Property Taxes**</i>	66.57	\$20	\$133,556	<b>\$133,536</b>
<b>TOTAL</b>	<b>139.09</b>	<b>\$44</b>	<b>\$279,049</b>	<b>\$279,005</b>

\*Note: Assumes constant values and millage rates.

\*\* School taxes are not eligible for use

<sup>^</sup>All of these taxes (together with the Retail Sales rebates discussed below) will be pledged to service the debt on the TIF Bonds. However, the TIF Bonds will be SIZED based upon 50% of the City's increase in real and personal property ad valorem taxes and 50% of sales tax rebates, and 50% of the County's incremental increase in real and personal property ad valorem taxes

2. Retail Sales: It is estimated that the Project will generate approximately \$42,400,000 in sales annually which will create annual sales tax rebates of \$421,335. These sales tax rebates will be pledged by the City to service the debt on the TIF Bonds in addition to the incremental increase in the real and personal property ad valorem taxes discussed above; however, the amount of TIF Bonds to be issued shall be determined by using fifty percent (50%) of the sales tax rebates to service the debt on the TIF Bonds and fifty percent (50%) of the incremental increases in ad valorem real and personal property taxes discussed above.

**ARTICLE IV  
THE OBJECTIVE OF THE TAX INCREMENT FINANCING PLAN**

**A. PUBLIC CONVENIENCE AND NECESSITY**

The primary objective of this TIF Plan is to serve the public convenience and necessity by participating in the Project. The TIF Plan will provide financing to construct the Infrastructure Improvements to serve the general public and the 25.68 acre development as described in detail in the preamble to this TIF Plan.

**B. LOCAL CODES AND ORDINANCES**

The Project and the Infrastructure Improvements will be constructed in accordance with standards, codes, and ordinances of the City.

**C. HEALTH AND WELFARE OF THE PUBLIC PROVIDED FOR**

The Infrastructure Improvements will provide for the health and welfare of the public by providing for safe and adequate infrastructure improvements which may include but are not limited to, the cost of constructing various infrastructure improvements which may include but are not limited to, acquiring and constructing improvements, which may include, but not necessarily be limited to, installation, rehabilitation and/or relocation of utilities such as water, sanitary sewer, construction, renovation, or rehabilitation of drainage improvements, roadways, curbs, gutters, sidewalks, surface parking, relocation of electrical lines, lighting, signalization, landscaping of rights-of way, related architectural/engineering fees, attorney's fees, TIF Plan preparation fees, issuance costs, capitalized interest, and other related soft costs.

**ARTICLE V**

**A STATEMENT INDICATING THE NEED AND PROPOSED USE OF THE TAX INCREMENT FINANCING PLAN IN RELATIONSHIP TO THE REDEVELOPMENT PLAN**

The proposed use of the TIF Plan is to provide a financing mechanism for the construction of Infrastructure Improvements necessary to serve the public that will utilize the induced development.



## ARTICLE VI

### A STATEMENT CONTAINING THE COST ESTIMATE OF THE REDEVELOPMENT PROJECT, PROJECTED SOURCES OF REVENUE TO MEET THE COSTS, AND TOTAL AMOUNT OF INDEBTEDNESS TO BE INCURRED

#### A. COST ESTIMATE OF REDEVELOPMENT PROJECT

1. The development of the TIF District will represent a private investment of approximately \$21,900,000. The proceeds of the TIF Bonds will be used to pay the cost of constructing various Infrastructure Improvements, more particularly described in Article I, Section B.
2. 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 its citizens that the provision of Section 21-45-9 of the Act requiring dedication of the "redevelopment project" to the City not apply to those Improvements which are constructed on the privately owned portion of the Project.
3. The construction of the Infrastructure Improvements will be undertaken to provide for the public convenience, health, and welfare.
4. Proceeds of the TIF Bonds may also be used to fund capitalized interest and/or a debt service reserve fund as may be permitted under Section 21-45-1, *et seq.*, Mississippi Code of 1972, annotated.

#### B. PROJECTED SOURCES OF REVENUE TO MEET COSTS

1. The Developer will secure financing to construct the Project including the work to be funded with TIF Bonds.
2. The City will all pledge the ad valorem tax increases from the real and personal property and the increased sales tax rebates within the TIF District to secure the TIF Bonds.
3. The County will pledge all the increased ad valorem taxes on real and personal property from the TIF district to secure the TIF Bonds.
4. The amount of TIF Bonds to be issued shall be determined by the using **fifty percent (50%)** of the increased ad valorem taxes of the City, **fifty percent (50%)** of the increased sales taxes generated within the TIF District, and **fifty percent (50%)** of the increased ad valorem taxes of the County.

C. **TOTAL AMOUNT OF INDEBTEDNESS TO BE INCURRED**

1. The City will issue up to Three Million Dollars (\$3,000,000) in TIF Bonds, in one or more series, which shall be secured by the City with the pledge of all of the incremental increases in ad valorem real and personal property taxes and all of the sales tax rebates and all of the County's incremental increases in ad valorem real and personal property taxes from within the TIF District; **provided, however, that the amount of TIF Bonds to be issued shall be determined by using 50% of the City's sales tax rebates, 50% of the City's incremental increases in ad valorem taxes and 50% of the incremental increases in the County's ad valorem taxes generated from within the District.** The Tax Increment Financing Redevelopment Plan, Starkville, Mississippi February 2006 and this **Tax Increment Financing Plan, HMP Development Project, City of Starkville, Mississippi, June 2015** shall be a joint undertaking by the City and the County including, but not necessarily limited to, the issuance of the TIF Bonds, which may include bonds, notes, or other debt obligations, in one or more series, to provide funds to defray the cost of the Infrastructure Improvements.
2. It is expected that Bonds or Notes can be obtained at an annual interest rate of 5% for up to fifteen (15) year tax increment debt obligations. Annual principal and interest payments are estimated to be up to approximately **\$283,402** assuming the 5% rate and tax increment obligations over a period of up to fifteen (15) years.
3. The increase in ad valorem real and personal property and sales tax revenues to be generated for the City are estimated to be **\$465,425**. The increase in ad valorem real and personal property revenues to be generated for the County are **\$101,379**.
4. The surplus for the City is estimated to be **\$232,712** annually and is to be deposited into the general fund of the City to be used for any lawful purpose. The surplus for the County is estimated to be **\$50,689** annually and is to be deposited into the general fund of the County to be used for any lawful purpose.
5. The amount and timing of the issuance of the TIF Bonds shall be determined pursuant to further proceedings of the City.

**ARTICLE VII  
REAL PROPERTY TO BE INCLUDED IN TAX INCREMENT FINANCING DISTRICT**

**A. PARCEL NUMBERS FOR THE TIF DISTRICT**

The real property to be included in the TIF District from which the ad valorem real and personal property tax revenues and sales tax rebates will be generated to finance the TIF Bonds contains approximately 25.68 acres and is described below and in the Plat.

<b>PARCEL</b>	<b>TRUE</b>	<b>ASSESSED</b>	<b>COUNTY</b>	<b>CITY</b>	<b>SCHOOL</b>
117F-00-002.00*	\$2,010	\$302	\$17	\$7	\$20
<b>TOTALS</b>	<b>\$2,010</b>	<b>\$302</b>	<b>\$17</b>	<b>\$7</b>	<b>\$20</b>

The above True and Assessed Values were obtained from the Oktibbeha County Tax Assessor's office and a copy of the information is attached hereto as Exhibit B.

**ARTICLE VIII**  
**DURATION OF THE TAX INCREMENT FINANCING PLAN'S EXISTENCE**

The duration of this TIF Plan shall be thirty (30) years from the date of approval thereof.

**ARTICLE IX**

**ESTIMATED IMPACT OF TAX INCREMENT FINANCING PLAN UPON THE REVENUES OF ALL TAXING JURISDICTIONS IN WHICH A REDEVELOPMENT PROJECT IS LOCATED**

**A. AD VALOREM TAX INCREASES**

The construction and development of the Project will generate significant ad valorem tax revenues for the City, the County, and the School District. The following are estimates of new ad valorem tax revenues expected to be generated after the entire Project has been completed. The estimates for real property taxes are based on assumed new true value of \$12,200,000 for the development, and estimates for personal property taxes are based upon an assumed new true value of \$1,175,000 for furniture, fixtures, equipment, and inventory.

ENTITY	MILLAGE RATE	CURRENT TAXES	AFTER PROJECT*	INCREMENT
<i>City of Starkville Real Property &amp; Personal Property*</i>	21.98	\$7	\$44,097	<b>\$44,090^</b>
<i>Oktibbeha County Real Property &amp; Personal Property*</i>	50.54	\$17	\$101,396	<b>\$101,379^</b>
<i>School District Real Property Taxes**</i>	66.57	\$20	\$133,556	<b>\$133,536</b>
<b>TOTAL</b>	<b>139.09</b>	<b>\$44</b>	<b>\$279,049</b>	<b>\$279,005</b>

**\*Note: Assumes constant values and millage rates.    \*\* School taxes are not eligible for use**

^All of these taxes (together with the Retail Sales rebates discussed below) will be pledged to service the debt on the TIF Bonds; however, the TIF Bonds will be SIZED based upon 50% of the City's increase in real and personal property ad valorem taxes and 50% of sales tax rebates, and 50% of the County's incremental increase in real and personal property ad valorem taxes

**B. RETAIL SALES**

It is estimated that the Project will generate approximately \$42,400,000 in sales annually which will create annual sales tax rebates of \$421,335. These sales tax rebates will be pledged by the City to service the debt on the TIF Bonds in addition to the incremental increase in the real and personal property ad valorem taxes discussed above; however, the amount of TIF Bonds to be issued shall be determined by using fifty percent (50%) of the sales tax rebates to service the debt on the TIF Bonds and fifty

percent (50%) of the incremental increases in ad valorem real and personal property taxes discussed above.

#### **ARTICLE XI**

**THE GOVERNING BODY OF THE CITY SHALL BY RESOLUTION FROM TIME TO TIME, DETERMINE (i) THE DIVISION OF AD VALOREM TAX RECEIPTS, IF ANY, THAT MAY BE USED TO PAY FOR THE COST OF ALL OR ANY PART OF A REDEVELOPMENT PROJECT; (ii) THE DURATION OF TIME IN WHICH SUCH TAXES MAY BE USED FOR SUCH PURPOSES; (iii) IF THE GOVERNING BODY SHALL ISSUE BONDS FOR SUCH REDEVELOPMENT PROJECT; AND (iv) SUCH OTHER RESTRICTIONS, RULES AND REGULATIONS AS IN THE SOLE DISCRETION OF THE GOVERNING BODY OF THE CITY SHALL BE NECESSARY IN ORDER TO PROMOTE AND PROTECT THE PUBLIC INTEREST.**

Through the adoption of the TIF Plan, HPM Development Project, City of Starkville, Mississippi, June 2015, the Governing Body of the City acknowledges the above and shall adopt the necessary resolutions when deemed necessary and appropriate.

**ARTICLE XII  
PLAN OF FINANCING**

**A. SECURITY FOR THE TIF BONDS**

The TIF Plan provides for the City to issue the TIF Bonds which will be secured by the pledge of incremental increases in ad valorem real and personal property taxes and sales taxes generated by the Project. The City will pledge all of the ad valorem tax increases and all of the sales tax rebates to the City. The County will pledge all of its tax increases in ad valorem real and personal property taxes; **provided, however, the amount of TIF Bonds to be issued shall be determined by using fifty percent (50%) of the incremental increases in the City's ad valorem taxes, fifty percent (50%) of sales tax rebates to the City, and fifty percent (50%) of the incremental increases in the County's ad valorem real and personal property taxes.**

**B. FURTHER PROCEEDINGS OF THE CITY**

Such decision on the most advantageous method for the City to incur the debt will be made pursuant to further proceedings of the City.

**C. AMOUNT AND TIMING OF ISSUANCE**

The amount and timing of the issuance of the TIF Bonds shall be determined pursuant to further proceedings of the City.

**EXHIBIT A**

**PLAT OF TIF DISTRICT**

**[ATTACHED]**



**EXHIBIT B**

**DATA FROM COUNTY TAX ASSESSOR**

**[ATTACHED]**



**CITY OF STARKVILLE  
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO:  
AGENDA DATE: 06-16-2015  
PAGE: 1**

**SUBJECT:** DISCUSSION AND CONSIDERATION OF A RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI ADOPTING, APPROVING AND AUTHORIZING THE EXECUTION OF THE INTERLOCAL COOPERATION AGREEMENT WITH OKTIBBEHA COUNTY, MISSISSIPPI IN SUPPORT OF THE HPM DEVELOPMENT PROJECT.

**AMOUNT & SOURCE OF FUNDING:**

**FISCAL NOTE:** N/A

**REQUESTING  
DEPARTMENT:**

**DIRECTOR'S  
AUTHORIZATION:**

**FOR MORE INFORMATION CONTACT:**

---

**AUTHORIZATION HISTORY:**

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**SUGGESTED MOTION:** MOVE APPROVAL OF A RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI ADOPTING, APPROVING AND AUTHORIZING THE EXECUTION OF THE INTERLOCAL COOPERATION AGREEMENT WITH OKTIBBEHA COUNTY, MISSISSIPPI IN SUPPORT OF THE HPM DEVELOPMENT PROJECT.

**RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI ADOPTING, APPROVING AND AUTHORIZING THE EXECUTION OF THE INTERLOCAL COOPERATION AGREEMENT WITH OKTIBBEHA COUNTY, MISSISSIPPI IN SUPPORT OF THE HPM DEVELOPMENT PROJECT.**

WHEREAS, the Mayor and Board of Aldermen of the City of Starkville, Mississippi, (the "Board" of the "City"), acting for and on behalf of the City, hereby find, determine and adjudicate as follows:

1. Pursuant to the Mississippi Tax Increment Financing Act, Title 21, Chapter 45, Mississippi Code of 1972, as amended (the "TIF Act"), the City is authorized to undertake and carry out redevelopment projects, as defined therein, utilizing tax increment financing ("TIF").

2. The Board has received and has conducted hearings on the Tax Increment Financing Redevelopment Plan, City of Starkville, Mississippi, February 2006 (the "Redevelopment Plan") for the City, and has approved the Redevelopment Plan on April 4, 2006. The Redevelopment Plan constitutes a qualified plan under the Act, as amended from time to time (the "Redevelopment Plan") for the City.

3. The Board has also previously adopted the *Tax Increment Financing Plan, HPM Development Project, City of Starkville, Mississippi* (the "TIF Plan") and has previously established the HPM Development Project TIF District (the "TIF District") as described herein to provide financial support by way of TIF for the HPM Development Project (the "Project") as described herein.

4. HPM Development, LLC (the "Developer"), is proposing to develop the Project in the City and County and in the TIF District. The City intends to enter into an Interlocal Cooperation Agreement (the "Agreement") with Oktibbeha County, Mississippi (the "County"), pursuant to the Interlocal Cooperation Act, Title 17, Chapter 13, Mississippi Code of 1972, as amended, to support the Project and to enable TIF bond proceeds to be used to pay for the cost of constructing various infrastructure improvements, which may include but are not limited to, installation, rehabilitation and/or relocation of utilities such as water, sanitary sewer, construction, renovation, or rehabilitation of drainage improvements, roadways, curbs, gutters, sidewalks, surface parking, relocation of electrical lines, lighting, signalization, landscaping of rights-of-way, related architectural/engineering fees, attorney's fees, TIF Plan preparation fees, issuance costs, capitalized interest, and other related soft costs (the "Infrastructure Improvements"). These costs are expected to exceed the sum of Five Million Dollars (\$5,000,000). The Developer is requesting the assistance of the City and the County in providing the funding for the improvements by the utilization of TIF.

5. The Project appears to be a project of major economic significance within the City and the County and to qualify as a project eligible for TIF under the Redevelopment Plan; and the participation on the part of the City is necessary and would be in the public interest and would benefit the economic and financial well-being and the public health, safety and welfare of the City.

6. The Developer intends to acquire and construct all or a portion of the Infrastructure Improvements at its expense to facilitate the development of the Project, based on

the expectation that TIF moneys will be available in the future. The City wishes to reimburse the Developer for this expense in whole or part, up to the amount of moneys available from the proceeds of TIF bonds in the principal amount not to exceed Three Million Dollars (\$3,000,000) at the time or times TIF bonds are issued in the future. These bonds will be secured solely by a pledge by the City and the County of all or a portion of the increase in ad valorem taxes on real and personal property generated within the TIF District and also by a pledge by the City of all or a portion of the increase in sales taxes generated within the TIF District. The funds derived from the sale of the bonds will be used to acquire and construct or reimburse the costs of acquisition and construction of the Infrastructure Improvements by the Developer, and other costs included within the Infrastructure Improvements. These bonds shall never constitute an indebtedness of the City within the meaning of any state constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City, other than from the sources set forth herein, or a charge against its general credit or taxing powers.

7. The sizing of the Bonds, or any increment thereof, shall be determined as follows: the TIF Bonds will be sized based upon 50% of the City's increase in real and personal property ad valorem taxes and 50% of sales tax rebates, and 50% of the County's incremental increase in real and personal property ad valorem taxes.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

SECTION 1. The Project is one of major economic significance, and the participation of the City is necessary and in the public interest and would benefit the public health, safety and welfare of the City and its citizens.

SECTION 2. The Board hereby approves and adopts the Agreement in substantially the form attached hereto as **Exhibit A** with such amendments, corrections, additions and deletions as may be agreed upon and approved by its duly authorized officers.

SECTION 3. The Board hereby authorizes the Mayor and the City Clerk to execute and deliver the Agreement for and on behalf of the City with such changes, insertions and omissions as may be approved by such officers, said execution and delivery being conclusive evidence of such approval.

Alderman \_\_\_\_\_ moved and Alderman \_\_\_\_\_ seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

Alderman Ben Carver	voted: _____
Alderman David Little	voted: _____
Alderman Scott Maynard	voted: _____
Alderman Roy A' Perkins	voted: _____
Alderman Jason Walker	voted: _____
Alderman Lisa Wynn	voted: _____
Alderman Henry Vaughn, Sr.	voted: _____

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted this, the 16<sup>th</sup> day of June, 2015.

City of Starkville, Mississippi

\_\_\_\_\_  
Parker Wiseman, Mayor

ATTEST:

\_\_\_\_\_  
Lesia Hardin, City Clerk

EXHIBIT A  
INTERLOCAL COOPERATION AGREEMENT

## **INTERLOCAL COOPERATION AGREEMENT**

This Interlocal Cooperation Agreement (the "Agreement") is made and entered into by and between the City of Starkville, Mississippi, a municipal corporation organized and existing under the laws of the State of Mississippi (the "City"), and Oktibbeha County, Mississippi, a political subdivision of the State of Mississippi (the "County"), pursuant to the Mississippi Interlocal Cooperation Act of 1974, codified at Section 17-13-1, et seq., Mississippi Code of 1972, as amended (the "Interlocal Act"), on the date set forth hereinafter.

### **RECITALS:**

**WHEREAS**, the City and County agree, find and determine as follows:

1. 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:

"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, deposits or payments for a debt service reserve, bond insurance and any other payments as are provided for in the Bond Resolution regarding the payment of and security for the Bonds, and specifically including any prepayments of principal on the Bonds. Such Bond Payments shall begin on such date as is specified in, or as directed by the Bond Resolution.

"Bond Resolution" shall mean the resolution of the City authorizing and directing the issuance of the Bonds, or any series thereof.

"Bonds" shall mean the tax increment financing bonds of the City in the maximum principal amount of \$3,000,000, which may be issued in one or more series in one or more years, to finance the costs of the Infrastructure Improvements and any bonds issued to refund such bonds.

"Captured Assessed Value" shall mean, with respect to real and personal property within the TIF District, the amount by which the "current assessed value" of such property exceeds the "original assessed value" as such terms are defined in Section 21-45-21, Mississippi Code of 1972.

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

"City Ad Valorem TIF Revenues" shall mean the additional ad valorem tax revenues received by the City resulting from ad valorem taxes of the City on the Captured Assessed Value of real and personal property within the TIF District.

"City Official" shall mean the City Clerk of the City, or such other official as the City may designate for such purpose with notice to the County.

"City TIF Revenues" shall mean the City Ad Valorem TIF Revenues and the Sales Tax TIF Revenues.

"Clerk" shall mean the City Clerk of the City.

"Costs of the Infrastructure Improvements" shall mean any or all of the costs of acquisition and construction of the Infrastructure Improvements, together with related engineering fees, attorney's fees, TIF Plan preparation fees, capitalized interest and other related soft costs.

"County Ad Valorem TIF Revenues" or "County TIF Revenues" shall mean the additional ad valorem tax revenue received by the County resulting from ad valorem taxes of the County on the Captured Assessed Value of real property within the boundaries of the TIF District.

"Developer" shall mean HPM Development, LLC, a Mississippi limited liability company, or any successors or assigns thereof, the developer of the Project.

"Development and Reimbursement Agreement" shall mean the Development and Reimbursement Agreement dated as of \_\_\_\_\_ by and between the City and the Developer.

"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.

"Infrastructure Improvements" shall mean infrastructure improvements supporting the Project to be financed through the Bonds which may include, but are not limited to, constructing various infrastructure improvements, which may include but are not limited to, installation, rehabilitation and/or relocation of utilities such as water, sanitary sewer, construction, renovation, or rehabilitation of drainage improvements, roadways, curbs, gutters, sidewalks, surface parking, relocation of electrical lines, lighting, signalization, landscaping of rights-of-way, related architectural/engineering fees, attorney's fees, TIF Plan preparation fees, issuance costs, capitalized interest, and other related soft costs.

"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 with respect to any of the Bonds, 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 a Chevrolet, Chrysler, Dodge, Jeep Ram dealership complex and mixed use development containing a convenience store, restaurant, 20,000 square feet of office space and approximately 15, single family housing units, strategically located off Highway 12, Pat Station Road and Old West Point Road in the city limits of the City.

"Sales Tax TIF Revenues" shall mean the increase in the amount of the municipal sales tax diversion received by the City from sales taxes collected within the boundaries of the TIF District, calculated in the manner set forth in Section 21-45-21, Mississippi Code of 1972.



"Tax Increment Financing District" or "TIF District" shall mean the property area included in the Tax Increment Financing Plan.

"Tax Increment Financing Plan" or "TIF Plan" shall mean the Tax Increment Financing Plan, HPM Development Project, City of Starkville, Mississippi.

"Tax Increment Financing Redevelopment Plan" or "Redevelopment Plan" shall mean the Tax Increment Financing Redevelopment Plan, City of Starkville, Mississippi, February 2006, as amended from time to time.

"TIF Act" shall mean the Tax Increment Financing Act codified at Sections 21-45-1 through 21-45-21, Mississippi Code of 1972, as amended.

"TIF Revenues" shall mean the County Ad Valorem TIF Revenues and the City TIF Revenues.

"HPM Development Project TIF Fund" shall mean the fund of that name created pursuant to Section 11 hereof.

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 Developer proposes to acquire and construct the Project and the Infrastructure Improvements. The City desires to issue the Bonds to assist in the financing of the acquisition and construction of the Infrastructure 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.

3. 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.

4. 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 of the Bonds, none of which shall have a scheduled maturity later than fifteen (15) years from the dated date thereof.

5. In order to provide for the Infrastructure Improvements and to enable the acquisition and construction by the Developer of the Project, it is necessary and in the public interest for the City to cooperate with the County by entering into this Agreement pursuant to the TIF Act.

6. It is agreed and understood that the City has developed the Tax Increment Financing Plan and established the Tax Increment Financing District in order to provide for the issuance and sale of the Bonds to finance the Infrastructure Improvements, 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 and consistent with this Agreement all or any portion of the TIF Revenues.

7. The City and the County desire to enter into this Agreement for the purposes of (i) assisting in the financing of the Costs of the Infrastructure Improvements and (ii) satisfying the requirements of the TIF Act.

8. It is necessary for the City and the County to enter into this Agreement pursuant to the TIF Act and the Interlocal 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.

9. The Act authorizes the City to issue the Bonds for the financing of all or a portion of the Costs of the Infrastructure Improvements.

10. The City hereby agrees that it will issue the Bonds for the purpose of assisting the financing of the Infrastructure Improvements. The Bond Payments shall be the responsibility of the City and shall be payable from the TIF Revenues.

11. The County has agreed to divert the County Ad Valorem TIF Revenues from the TIF District to be used for the Bond Payments as hereinafter set forth.

12. In order to ensure that sufficient moneys are available for the Bond Payments and to enhance the marketability of the Bonds, the City has agreed that it will divert a sufficient portion of the City TIF Revenues to be used for Bond Payments.

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

14. It is in the best interests of the citizens of the County that the County enter into and execute the 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 DO 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 Infrastructure 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 TIF 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. Financing, Staffing and Supplying.** (a) The Infrastructure Improvements shall be financed as a joint undertaking of the City and the County. All of the staffing pertaining to the acquisition and/or construction of the Infrastructure Improvements and the issuance of the Bonds will be provided by the City, except as may be otherwise provided herein. 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 Project and the Infrastructure Improvements, including but not limited to the power to issue the Bonds to finance part of the Costs of the Infrastructure Improvements, and to reimburse the Developer or any contractor hired by or with the approval of the City from proceeds of the Bonds, for any advances made by the Developer to acquire and/or construct the Infrastructure Improvements in anticipation of the issuance of the Bonds.

(b) 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 Project and to the Bond Payments. The City Official is hereby designated to receive, disburse and account for the TIF Revenues to be received by or deposited with the City.

**SECTION 5. Operation of Agreement and the Infrastructure Improvements.** The operation of the Agreement and of the Infrastructure Improvements shall be carried out by the City as described in Section 4 of this Agreement and as may be otherwise provided herein, pursuant to the TIF Act.

**SECTION 6. Termination; Disposition of Property.** This Agreement will terminate as set out in Section 10, hereof. Except for those Infrastructure Improvements to be dedicated to the City, at the termination of the Agreement any property owned by the City and Developer, respectively, shall remain their property. The Infrastructure Improvements to be owned by the City shall be dedicated to the City as a condition for reimbursement to the Developer for the costs of the Infrastructure Improvements to be paid from proceeds of the Bonds.

**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 Interlocal Act and the TIF 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 provision for the administration of issuance of the Bonds and the payment thereof is provided for in Section 4 hereof, pursuant to the Interlocal Act and the TIF Act.

**SECTION 9. Manner of Acquiring, Holding and Disposing of Property; Cooperation Concerning Property Matters.** The Developer has acquired or will acquire all additional property needed for the Project and the Infrastructure Improvements for which it is to be reimbursed. The City has entered into a Development and Reimbursement Agreement, dated as of \_\_\_\_\_, with the Developer for, among other things, the dedication and conveyance to the City of any and all Infrastructure Improvements to be owned by the City and the reimbursement to the Developer of all or a portion of the Infrastructure Improvements.

(a) The City shall have the right, at its request, to review and approve the plans, specifications and expenditures for all Infrastructure Improvements. The City and the County

shall have access to all records pertaining to the acquisition and construction of the Infrastructure Improvements, and no changes which materially affect the overall scope thereof will be carried out without the written consent of the City.

(b) The County will grant to the City any 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 Infrastructure Improvements.

**SECTION 10. Term of Bonds; Terms and Conditions That Will Cause Agreement to Be Terminated; Sizing of Bond Issue.**

(a) The term of the Bonds shall not exceed fifteen (15) years. The Agreement will be terminated on the later of (1) the payment in full of the Bond Payments or (2) to the extent there is any deficiency owed by the County to the City, pursuant to Section 11 herein, then the date of payment of any such deficiency, but in no event later than twenty (20) years from the date hereof. However, the obligations of the City and the County, respectively, incurred during the term of this Agreement shall not lapse due to a failure or refusal of the party owing such obligation.

(b) The sizing of the Bonds, or any increment thereof, shall be determined as follows: the TIF Bonds will be sized based upon 50% of the City's increase in real and personal property ad valorem taxes and 50% of sales tax rebates, and 50% of the County's incremental increase in real and personal property ad valorem taxes.

**SECTION 11. Manner in Which the Costs of the Infrastructure Improvements Shall be Shared.**

(a) The City has approved the Redevelopment Plan and the TIF Plan, and has created the TIF District. The City will issue the Bonds for the purpose of financing the Infrastructure Improvements associated with the Project. The Bond Payments shall be the responsibility of the City and shall be paid from the TIF Revenues.

(b) There is hereby created a "HPM Development Project TIF Fund" which will be held as a separate fund by the City Official. The City will provide to the County a schedule of Bond Payments, which schedule may be adjusted from time to time to account for any changes in fees of the Paying Agent, prepayments of principal, or other change in Bond Payments.

(c) To provide for the Bond Payments, the County will divert all or a portion of its Ad Valorem TIF Revenues. The amount of such TIF Revenues to be so diverted shall be determined as provided in Subsection (e) and (f) of this Section and shall be paid to the Clerk, credited to the Bond Fund and disbursed as provided in this Section.

(d) To provide for the Bond Payments, the City will divert all or a portion of its TIF Revenues. The amount of such TIF Revenues to be so diverted shall be determined as provided in this Section and shall be deposited into the Bond Fund and disbursed as provided in this Section.

(e) The City and the County shall each be responsible for that portion of the Bond Payments equal to its TIF Revenues as a percentage of total TIF Revenues.

(f) On or prior to May 1 of each year (or as soon as may be done thereafter in order to allow the County to make its payment on time) the Clerk shall determine the amount of TIF Revenues received by the County and the amount of TIF Revenues received by the City in the twelve (12) months ending on the preceding April 15, and shall promptly give a notice to the Chancery Clerk of the County setting forth (1) the amount needed for the two (2) next succeeding Bond Payments, (2) the total amount of Ad Valorem TIF Revenues of the City and the County, respectively, and (3) the amount of TIF Revenues due from the County for said Bond Payments. The County agrees to cooperate in supplying all information needed from the County for this purpose, including without limitation the amount of the Ad Valorem TIF Revenues of the City and the County for purposes of this Section.

(g) The County will, on or prior to May 20 of each year, transfer that portion of its Ad Valorem TIF Revenues to the City for deposit into the Bond Fund for the Bond Payments. The City will deposit that portion of its TIF Revenues into the Bond Fund on or prior to May 20 of each year, along with the TIF Revenues received from the County for that purpose. The amount of the TIF Revenues to be diverted by the County and by the City shall be determined and transferred and/or deposited as follows:

(1) To the extent that TIF Revenues of the City and of the County are equal to or less than the sums needed to fully provide for the then next two (2) succeeding Bond Payments plus any amount needed for deposits to fund the Reserve Account, then the entire amount of such TIF Revenues shall be transferred to the City (with regard to the County) and deposited into the Bond Fund for the Bond Payments.

(2) To the extent that TIF Revenues of the City and of the County exceed the sums needed (in addition to any moneys then on hand for such purpose) to fully provide for the Bond Payments through the next principal payment date then excess TIF Revenues shall be retained by or returned to each party in an amount proportional to its TIF Revenues over total TIF Revenue made by each party, respectively, in the twelve (12) month period ending on April 15 of each year.

(h) Upon payment of the Bonds in full as to principal and interest, any surplus moneys shall be released to the City and the County in an amount proportional to the contributions made by each party, respectively, in the twelve (12) month period preceding the final payment of principal and interest.

(i) To provide for the Bond Payments, the City will divert a sufficient amount of its City TIF Revenues and deposit same into the HPM Development Project TIF Fund to provide for the payment of the principal of and interest on the Bonds as the same shall mature and come due.

(j) (1) Within the sole discretion of the City in the event that a debt service reserve fund is required for the sale of the Bonds, or is in the best interest of the City, then the City may provide for and/or authorize the establishment of such fund in the Bond Resolution.

(2) Provided, however, that in the event that the City does establish a debt service reserve fund, the debt service reserve fund will be used to cover any shortage in moneys available to make Bond Payments; otherwise any moneys therein shall be used for the final Bond

Payment. To the extent that the moneys provided by the City and the County, together with any moneys from such debt service reserve fund, exceed the amount needed for the final Bond Payment, then any surplus moneys shall be returned to the City and the County in an amount proportional to the contributions made by each party, respectively, in the twelve (12) month period preceding the final payment of principal and interest.

**SECTION 12. TIF Revenues from the Tax Increment Financing District; Security for Bond Payments.** It is agreed that the City may include as sources of payment for the Bonds and pledge the TIF Revenues provided for in Section 11 herein for the Bond Payments.

**SECTION 13. Effective Date.** This Agreement will be effective when it is approved by the respective governing bodies of the City and the County and by the Mississippi Attorney General. The initial term of this Agreement shall commence on the effective date hereof and extend through the Final Bond Payment Date.

**WITNESS** the signatures of the duly authorized officers of the City and the County as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF STARKVILLE, MISSISSIPPI

\_\_\_\_\_  
Parker Wiseman, Mayor

ATTEST:

\_\_\_\_\_  
Lesa Hardin, City Clerk

(SEAL)

OKTIBBEHA COUNTY, MISSISSIPPI

\_\_\_\_\_  
Orlando Trainer, President

Attest:

---

Monica Banks, Chancery Clerk

(SEAL)



**CITY OF STARKVILLE  
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO:  
AGENDA DATE: 06-16-2015  
PAGE: 1**

**SUBJECT:** DISCUSSION AND CONSIDERATION OF A RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI, ADOPTING, APPROVING AND AUTHORIZING THE EXECUTION OF THE DEVELOPMENT AND REIMBURSEMENT AGREEMENT WITH HPM DEVELOPMENT, LLC IN CONJUNCTION WITH THE HPM DEVELOPMENT PROJECT TAX INCREMENT FINANCING PLAN, AND AUTHORIZING THE CITY TO MAKE REIMBURSEMENTS FROM BONDS ISSUED FOR THE TAX INCREMENT FINANCING IMPROVEMENTS.

**AMOUNT & SOURCE OF FUNDING:**

**FISCAL NOTE:** N/A

**REQUESTING  
DEPARTMENT:**

**DIRECTOR'S  
AUTHORIZATION:**

**FOR MORE INFORMATION CONTACT:**

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**AUTHORIZATION HISTORY:**

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**SUGGESTED MOTION:** MOVE APPROVAL OF A RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI, ADOPTING, APPROVING AND AUTHORIZING THE EXECUTION OF THE DEVELOPMENT AND REIMBURSEMENT AGREEMENT WITH HPM DEVELOPMENT, LLC IN CONJUNCTION WITH THE HPM DEVELOPMENT PROJECT TAX INCREMENT FINANCING PLAN, AND AUTHORIZING THE CITY TO MAKE REIMBURSEMENTS FROM BONDS ISSUED FOR THE TAX INCREMENT FINANCING IMPROVEMENTS.



**RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI, ADOPTING, APPROVING AND AUTHORIZING THE EXECUTION OF THE DEVELOPMENT AND REIMBURSEMENT AGREEMENT WITH HPM DEVELOPMENT, LLC IN CONJUNCTION WITH THE HPM DEVELOPMENT PROJECT TAX INCREMENT FINANCING PLAN, AND AUTHORIZING THE CITY TO MAKE REIMBURSEMENTS FROM BONDS ISSUED FOR THE TAX INCREMENT FINANCING IMPROVEMENTS.**

WHEREAS, the Mayor and Board of Aldermen of the City of Starkville, Mississippi, (the "Board" of the "City"), acting for and on behalf of the City, hereby find, determine and adjudicate as follows:

1. The Board has received and has conducted hearings on the Tax Increment Financing Redevelopment Plan, City of Starkville, Mississippi, February 2006 (the "Redevelopment Plan") for the City, and has approved the Redevelopment Plan on April 4, 2006. The Redevelopment Plan constitutes a qualified plan under the Act, as amended from time to time (the "Redevelopment Plan") for the City.

2. The Board has also previously adopted the *Tax Increment Financing Plan, HPM Development Project, City of Starkville, Mississippi* (the "TIF Plan") and has previously established the HPM Development Project TIF District (the "TIF District") as described herein to provide financial support by way of TIF for the HPM Development Project (the "Project") as described herein.

3. Under the Act, the Board is authorized and empowered to issue tax increment financing bonds (the "Bonds") to support the Project to be used to pay for the cost of constructing various infrastructure improvements, which may include but are not limited to, installation, rehabilitation and/or relocation of utilities such as water, sanitary sewer, construction, renovation, or rehabilitation of drainage improvements, roadways, curbs, gutters, sidewalks, surface parking, relocation of electrical lines, lighting, signalization, landscaping of rights-of-way, related architectural/engineering fees, attorney's fees, TIF Plan preparation fees, issuance costs, capitalized interest, and other related soft costs (all such costs being the "Infrastructure Improvements") at such times in the future as it sees fit to finance the Infrastructure Improvements to support the Project, which is being constructed by HPM Development, LLC (the "Developer"), as same is described in the TIF Plan.

4. It is necessary and in the best interest of the City that the interlocal agreement setting out the conditions and terms under which the Bonds will be issued and providing for the payment thereof be approved and executed by the City and the Developer (the "Agreement") in substantially the form attached hereto as **Exhibit A** with such amendments, corrections, additions and deletions as may be agreed upon and approved by its duly authorized officers. The City is authorized to enter into such Agreement pursuant to Section 21-45-1 et seq., Mississippi Code of 1972.

5. The City reasonably expects that the Developer will incur expenditures for the Infrastructure Improvements prior to the issuance of the Bonds, and that the City should declare its official intent to reimburse such expenditures with the proceeds of the Bonds upon the issuance thereof. The Developer agrees to keep and maintain accurate records regarding the cost of the Infrastructure Improvements separate and apart from or in addition to records for the remainder of the Project. Each reimbursement of cost of the Infrastructure Improvements to the Developer by the City shall be made by execution, presentation of and compliance with the requisitions in the form of the Requisition for Payment attached to the Agreement, and each such Requisition shall clearly specify whether such request for reimbursement was incurred in connection with dedicated Infrastructure Improvements or non-dedicated Infrastructure Improvements.

6. The Board finds that the ownership of and/or the responsibilities for the operation, use, maintenance, repair, replacement, improvement, patrol or control of the Infrastructure Improvements, except for those that the City expressly accepts for such purposes, should not be owned and such responsibilities should not be discharged at the expense of the City if such is not necessary to assure public use and access in accordance with City's ordinances pertaining thereto.

7. The Board finds it to be in the public interest that Infrastructure Improvements not expressly accepted by City should be owned by, and responsibilities required for the operation, use, maintenance, repair, replacement, improvement, patrol or control of same should be discharged by, private corporate entities having the authority, purpose, resources, willingness and capacity to do so in a lawful and non-discriminatory manner permitting public use and access in accordance with City's ordinances pertaining thereto.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

SECTION 1. The Board hereby approves and adopts the Agreement in substantially the form attached hereto, with such amendments, corrections, additions and deletions as may be agreed upon and approved by its duly authorized officers.

SECTION 2. The Board hereby authorizes and directs the Mayor and City Clerk to execute and deliver the Agreement for and on behalf of the City with such changes, insertions and omissions as may be approved by such officers, said execution and delivery being conclusive evidence of such approval. Such officers are specifically authorized to approve changes in the dates for completion of the Infrastructure Improvements and the Project in order to coordinate the cash flows resulting from the Project with the principal and interest maturities for the Bonds.

SECTION 3. Pursuant to Section 1.150-2 of the Treasury Regulations (the "Reimbursement Regulations"), the Board hereby confirms prior declarations and declares anew its official intent to reimburse expenditures made for the Project prior to the issuance of the Bonds with proceeds of the Bonds to the extent permitted by the Reimbursement Regulations.

SECTION 4. The Board hereby declares its finding that it is in the best interest of the City that the condition of Section 21-45-9 of said Mississippi Code of 1972, pertaining to required dedication of Infrastructure Improvements not expressly accepted by the City shall not apply to Infrastructure Improvements constructed and installed to support the HPM Development Project.

Alderman \_\_\_\_\_ moved and Alderman \_\_\_\_\_ seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

Alderman Ben Carver	voted: _____
Alderman David Little	voted: _____
Alderman Scott Maynard	voted: _____
Alderman Roy A' Perkins	voted: _____
Alderman Jason Walker	voted: _____
Alderman Lisa Wynn	voted: _____
Alderman Henry Vaughn, Sr.	voted: _____

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted this, the 16<sup>th</sup> day of June, 2015.

City of Starkville, Mississippi

\_\_\_\_\_  
Parker Wiseman, Mayor

ATTEST:

\_\_\_\_\_  
Lesa Hardin, City Clerk

ATTACHMENT A  
DEVELOPMENT & REIMBURSEMENT AGREEMENT

## DEVELOPMENT AND REIMBURSEMENT AGREEMENT

This Development and Reimbursement Agreement (the "Agreement") dated as of the \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between the City of Starkville, Mississippi, a municipal corporation organized and existing under the laws of the State of Mississippi (the "City") and HPM Development, LLC, a Mississippi limited liability company (the "Developer").

### WITNESSETH:

**WHEREAS**, the City, acting through its Mayor and Board of Aldermen (the "Board") pursuant to the Mississippi Tax Increment Financing Act, Title 21, Chapter 45, Mississippi Code of 1972, as amended (the "Act"), has previously conducted hearings on and approved and adopted the Tax Increment Financing Redevelopment Plan, City of Starkville, Mississippi, February 2006 (as amended from time to time, the "Redevelopment Plan") for the City.

**WHEREAS**, on June 2, 2015, the Board adopted a resolution giving notice of its intention to approve the *Tax Increment Financing Plan, HPM Development Project, City of Starkville, Mississippi* (the "TIF Plan"), as qualified for tax increment financing ("TIF"), to express its intent at a future time or times to issue Tax Increment Financing Bonds in one or more series (the "Bonds") in a principal amount not to exceed Three Million Dollars (\$3,000,000) and to call a public hearing on the TIF Plan and the issuance of the Bonds, all as provided by the Act.

**WHEREAS**, on June 5, 2015, the City published a Notice of a Public Hearing on the TIF Plan, and on June 16, 2016 the Board held a public hearing on the TIF Plan, all as required by the Act, after which the Board adopted a resolution giving final approval to the TIF Plan and authorizing the issuance of the Bonds for the purpose of acquiring and constructing the Infrastructure Improvements, as defined hereinbelow.

**WHEREAS**, HPM Development, LLC, (the "Developer") proposes to develop a Chevrolet, Chrysler, Dodge, Jeep Ram dealership complex and mixed use development containing a convenience store, restaurant, 20,000 square feet of office space and approximately fifteen (15) single family housing units (the "Project") in the City and in the TIF District. The Project will be located in Oktibbeha County (the "County") and within the corporate limits of the City. The City will enter into an Interlocal Cooperation Agreement with the County, pursuant to Title 17, Chapter 13, Mississippi Code of 1972, as amended (the "Interlocal Cooperation Act") to support the Project and to allow TIF Bond proceeds to be used to reimburse the Developer for the cost of constructing various infrastructure improvements, which may include but are not limited to, installation, rehabilitation and/or relocation of utilities such as water, sanitary sewer, construction, renovation, or rehabilitation of drainage improvements, roadways, curbs, gutters, sidewalks, surface parking, relocation of electrical lines, lighting, signalization, landscaping of rights-of-way, related architectural/engineering fees, attorney's fees, TIF Plan preparation fees, issuance costs, capitalized interest, and other related soft costs (the "Infrastructure Improvements").

**WHEREAS**, the principal sum of the Bonds, being in a principal amount not to exceed Three Million Dollars (\$3,000,000), shall be used to acquire and construct the Infrastructure Improvements.

**WHEREAS**, the City will pledge the increase in ad valorem real property tax revenues (the "City Ad Valorem TIF Revenues") calculated in the manner set forth in Section 21-45-21, Mississippi Code of 1972, and the increase in the amount of the municipal sales tax diversion received by the City from sales taxes collected within the boundaries of the TIF District, calculated in the manner set forth in Section 21-45-21, Mississippi Code of 1972 (the "Sales Tax Rebate TIF Revenues").

**WHEREAS**, it is anticipated that the County will pledge the increase in its ad valorem real and personal property tax revenues (the "County Ad Valorem TIF Revenues").

**WHEREAS**, the City Ad Valorem TIF Revenues, the Sales Tax Rebate TIF Revenues and the County Ad Valorem TIF Revenues shall be hereinafter referred to collectively as the "TIF Revenues".

**WHEREAS**, part or all of the Project and part or all of the Infrastructure Improvements has been or will be constructed by the Developer prior to the issuance of the Bonds.

**WHEREAS**, after the sizing of the issue of Bonds or series thereof has been determined as described above, and the Bonds have been issued, the proceeds of the Bonds shall be first used to pay the issuance costs for the Bonds, as determined by the City, and such proceeds shall be next used for the reimbursement (the "Reimbursement Portion") to the Developer for such portion of the costs of the Infrastructure Improvements that does not exceed the remaining proceeds of the Bonds, and does not exceed the costs advanced by the Developer for Infrastructure Improvements.

**WHEREAS**, this Agreement is authorized by the Act.

**WHEREAS**, it is necessary for the Developer to go forward with the construction of the Project described in the TIF Plan in anticipation of the delivery of the Bonds, and as required by the Act, this Agreement is being executed and delivered in order to set forth the agreement between the Developer and the City for the construction of the Project and the reimbursement to the Developer for all or a portion of the costs of the Infrastructure Improvements, in an amount not to exceed the Reimbursement Portion of the Bonds.

**WHEREAS**, the process for reimbursement to the Developer by the City shall be governed by a requisition for payment process as evidenced by Form of Requisition, attached hereto as **Exhibit A**.

**NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, THE RECEIPT AND LEGAL SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE CITY AND THE DEVELOPER HEREBY AGREE AS FOLLOWS:**

SECTION 1. The Developer shall commence with the construction of the Project and the Infrastructure Improvements, and complete the same. The City shall have the right to hire a professional services firm to provide construction and/or inspection services on behalf of the City, which costs shall be a part of the costs of the Infrastructure Improvements. The City shall, subject to the provisions of this Agreement and the issuance of the Bonds, reimburse the Developer for all or a portion of its expenditures pursuant to this Agreement for the Infrastructure Improvements.

SECTION 2. The Project, including the Infrastructure Improvements, will be constructed and acquired by the Developer and will result in expenditures for Infrastructure Improvements of up to Three Million Dollars (\$3,000,000). The City will issue its Bonds to defray the costs of the Infrastructure Improvements in the such actual principal amount as may be reasonably determined by the City in accordance with fact.

SECTION 3. The City will deliver the Bonds as soon as the Developer is able to demonstrate to the satisfaction of the City that projected TIF Revenues will provide moneys sufficient to make the Bond payments for such Bonds; however, such portion of the TIF Revenues consisting of ad valorem tax revenues shall be projected by the Tax Assessor of the County (which projection may be obtained prior to the property on which said ad valorem tax revenues are projected being placed on the tax rolls of the County), or shall be projected by a financial advisor or a consultant knowledgeable and experienced in making such projections, and Sales Tax Rebate TIF Revenues shall be projected by a financial advisor or a consultant knowledgeable and experienced in making such projections.

SECTION 4. Bonds to be issued pursuant to this Section shall be issued within ten (10) years from the later of: (1) the date of approval of the Interlocal Cooperation Agreement between the City and the County with respect to the Project and the Bonds, and (2) the approval of the TIF Plan by both the City and the County. The City pledges to use its best efforts to issue the principal amount determined to be appropriate pursuant to this Section and to issue such principal amount of the Bonds as is justified by information presented within the specified time frame and as soon as practicable following Developer's demonstration that the projected TIF Revenues will provide sufficient moneys to pay the Bonds as described in the immediately preceding paragraph.

SECTION 5. The acquisition and construction of all or any portion of the Infrastructure Improvements by the Developer will be at Developer's own cost prior to the delivery of the Bonds and to the extent allowed by law and this Agreement, the City will reimburse the Developer for its expenditures so incurred in amounts not to exceed the proceeds of the Bonds available for such purpose for Infrastructure Improvements when the Bonds are delivered and the proceeds of the Bonds are received by the City; provided however, that all Infrastructure Improvements shall be constructed in compliance with the parameters approved by the Board and all applicable City and County standards, codes and ordinances.

SECTION 6. The City and the Developer agree that at such time as the Bonds are sold and delivered, the City shall deposit any premium or accrued interest in a debt service fund, any moneys that may be necessary or advisable into a debt service reserve fund, and the remaining proceeds into a construction fund. From the construction fund, the City shall first set aside or pay an amount sufficient to pay the City's outstanding obligations incurred in connection with the Project, if any, including all approved TIF Plan preparation and consulting fees, engineering fees, legal fees and costs of issuance of the Bonds, and then, in the City's sole discretion, may establish a capitalized interest fund as a reserve to pay interest on the Bonds which would be due and payable prior to the date when the first incremental increase in taxes is received. The proceeds shall next be used to reimburse the Developer for all approved eligible costs and expenditures made by the Developer in connection with acquisition and construction of the Infrastructure Improvements portion of the Project, by requisition therefor, as described in **Exhibit A**, and the remainder of the proceeds of the Bonds, if any, will remain in the construction fund of the City to pay the remaining costs of the Infrastructure Improvements as same may be incurred by the Developer or the City to the extent that the Developer has been fully reimbursed for its Infrastructure Improvements expenditures.

SECTION 7. The Developer hereby acknowledges and agrees that the City is not authorized to use its general funds to pay (or to reimburse the Developer) any part of the costs of the Project or the Infrastructure Improvements or cost and expenses incurred in connection with issuing the Bonds, and that the City's obligation to expend funds or reimburse the Developer is limited to the proceeds of the Bonds, and in the event the Bonds are not sold and delivered, no resulting liability shall accrue to the City, irrespective of expenditures made by the Developer in connection with construction of the Project and the Infrastructure Improvements. To the extent that proceeds of the Bonds are not sufficient to pay costs of the Infrastructure Improvements, the Developer shall be responsible for any costs it has incurred for such purpose. The City covenants and agrees to use its best efforts to issue the Bonds in the amounts, for the purposes and at the times contemplated herein, and covenants and agrees that the Bonds will be issued unless the issuance thereof is prevented by rule of law, commercial inability to issue such Bonds or by the lack of sufficient projected TIF Revenues to provide for the Bond Payments of the Bonds, in the amount provided for herein, as may reasonably be determined by the City in accordance with fact.

SECTION 8. The Developer acknowledges and agrees that it assumes the risk of proceeding with the construction and acquisition of the Project prior to the issuance and sale of any series of Bonds and further acknowledges that the City's sole source of funds available to pay the cost of the Infrastructure Improvements or reimburse the Developer for such cost is the proceeds derived from the sale of the Bonds.

SECTION 9. The Developer shall submit plans and specifications to the City for installation or construction of those properties and facilities that are a part of the Infrastructure Improvements for which the City is to assume ownership, operation, use, maintenance, repair, replacement, improvement or control. Such plans and specifications shall be subject to the timely approval of the City or its authorized officers or agents. The Developer will construct and install, or cause to be constructed and installed, at its expense, said facilities in substantial accordance with said plans and specifications so approved by the City.



SECTION 10. The Developer shall submit plans and specifications to the County for installation or construction of those facilities that are a part of the Infrastructure Improvements for which the County is to assume ownership, operation, use, maintenance, repair, replacement, improvement or control. Such plans and specifications shall be subject to the timely approval of the County or its authorized officers or agents. The Developer will construct and install, or cause to be constructed and installed, at its expense, said facilities in substantial accordance with said plans and specifications so approved by the County.

SECTION 11. The City hereby agrees that it will make all reasonable efforts to issue and deliver the Bonds, from time to time, in a timely manner and represents to the Developer that, subject to construction, completion and operation of the Project by the Developer, it knows of no reason why the Bonds will not be issued and delivered. Further, the City hereby agrees that any consent or approval required herein to be made by, or on behalf of the City, shall be done in good faith and shall not be unreasonably withheld or delayed.

SECTION 12. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable, the same shall not affect any other provision herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

SECTION 13. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram, addressed to the addresses set forth below:

CITY: Mayor  
City of Starkville, Mississippi  
101 East Lampkin Street  
Starkville, Mississippi 39759

WITH COPY TO: Jones Walker LLP  
Randall B. Wall  
P.O. Box 427  
190 East Capitol Street, Suite 800 (39201)  
Jackson, MS 39205-0427

AND: Gouras & Associates  
P. O. Box 1465 (39158)  
1022 Highland Colony Parkway, Suite 304  
Ridgeland, MS 39157

DEVELOPER: HPM Development, LLC,  
a Mississippi limited liability company  
P.O. Box 969  
Brandon, MS 39043

SECTION 12. Prior to any reimbursement, the Developer will present a description of any portion of the Infrastructure Improvements to be dedicated to the City, if any. If no property

is to be dedicated to the City, the Developer shall so inform the City prior to any reimbursement. Contingent on same being constructed in compliance with City standards, codes and ordinances, the City agrees to accept maintenance responsibility for that part, if any, of the Infrastructure Improvements which is dedicated to the City. The non-dedicated Infrastructure Improvements shall remain the property of the Developer or other private party and shall be maintained by the Developer or such other private party.

SECTION 13. Neither the Developer nor the City shall assign its obligations or interests in this Agreement without prior written consent of the other, which consent shall not be unreasonably withheld or delayed.

SECTION 14. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**CITY OF STARKVILLE, MISSISSIPPI**

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Mayor

ATTEST:

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City Clerk

**HPM DEVELOPMENT LLC**

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SIGNATURE PAGE: Development and Reimbursement Agreement (the "Agreement") dated as of the \_\_\_\_\_ of \_\_\_\_\_, 2013, by and between the City of Starkville, Mississippi, a municipal corporation organized and existing under the laws of the State of Mississippi (the "City") and HPM Development, LLC, a Mississippi limited liability company (the "Developer")

**EXHIBIT A**  
**FORM OF REQUISITION**

City of Starkville, Mississippi  
Tax Increment Financing Bonds  
(HPM Development Project)

**REQUISITION FOR PAYMENT**

The undersigned duly authorized representative of HPM Development LLC (the "Developer"), hereby requests the City of Starkville, Mississippi (the "City"), to reimburse the Developer for the following costs or other amounts to be paid from the Construction Fund established for the payment of costs and reimbursements in connection with the Infrastructure Improvements (see Development and Reimbursement Agreement for definitions of such terms):

(a)	Acquisition and Construction Costs	\$ _____
(b)	Other Authorized Costs	\$ _____
	Total Costs to be Paid or Reimbursed:	\$ _____

Attached hereto are copies of statements for acquisition transactions and/or invoices or statements from a contractor, vendor or supplier for authorized costs of the Infrastructure Improvements to document the amounts requisitioned herein and to evidence that such costs have been paid.

I hereby certify that:

1. The amounts to be paid from the Construction Fund have been paid or incurred by the undersigned in the amounts specified herein.
2. No requisition with respect to such amounts has previously been delivered to the City.
3. The amounts set forth in this requisition have been properly expended or incurred for costs of the Project and such amounts have been paid.
4. The undersigned has no notice of any vendor's, mechanic's or other liens or right to liens, chattel mortgages, conditional sales contracts, security interests or other contracts or obligations which should be satisfied or discharged before payment of the amounts set forth in this requisition.

WITNESS the due execution of this requisition this, the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**HPM DEVELOPMENT LLC**

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

**APPROVED:**

**CITY OF STARKVILLE, MISSISSIPPI**

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

**Title:** \_\_\_\_\_