

**SUMMARY OF
SECOND AMENDMENT TO MEDC INTERLOCAL AGREEMENT**

Why amend the agreement?

1. The agreement expires on April 4, 2019.
2. State laws affecting the agreement have changed.
3. Realize administrative improvements and efficiencies based upon experience.

What does the proposed amendment do?

Expiration of Agreement

- Extends agreement for 10 more years through April 4, 2029. [§6.01]
- Then automatically renews agreement in 5-year increments. [§6.01]

State Law Changes

- Specifies that MEDC Executive Committee manages and directs joint exercise of the parties under the agreement on behalf of public. [§8.04]
- Designates MEDC as employer of MEDC employees under the joint exercise. [§9.11]
- Clarifies MEDC's obligation to adopt annual budget in compliance with Uniform Budgeting and Accounting Act. [§11.03]
- Removes Corporate Board's requirement of an annual audit to be in conformity with Uniform Budgeting and Accounting Act. [§7.02]
- Updates outdated definition of "public agency". [§1.25]

Administrative Improvements and Efficiencies

- Updating "project" definition to include all economic development activities of MEDC instead of only industrial, commercial, or agricultural endeavors. [§1.24]
- Permitting MEDC to exercise full range of functions and responsibilities under state law by clarifying that MEDC can exercise:
 - all separate legal entity powers permitted under the Urban Cooperation Act of 1967 [§§5.01; 6.01]; and
 - both functions and responsibilities under the agreement and additional powers vested in MEDC by state law. [§2.01].
- Allowing Michigan Strategic Fund to withdraw from agreement with 18-month notice to other parties [§6.02] and local economic development corporation to withdraw from agreement with 6-month notice to other parties, if at least one local entity remains. [§6.03]
- Reduces term of Executive Committee members to 4 years after April 30, 2019. [§8.02]
- Permitting Executive Committee and Corporation board members to participate in meetings by teleconference. [§§ 7.04; 8.06]
- Eliminating duplicative audits and financial records mandates and limiting to those required by state law. [§11.03]
- Updating notice provision to permit email and other forms of notice. [§13.01]
- Allows alternative amendment process when there is not an adverse effect on Participants with notice to the Participants and authorizes filing of the amendment. [§13.10]