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TO: Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: April 18, 2023

**RE: Expiration of the Intergovernmental Agreement and Memorandum of Understanding
Relative to the Detroit Land Bank Authority**

The Legislative Policy Division (LPD) provides this report to remind this Honorable Body of the upcoming expiration of the “Initial Term”¹ of the Second Amended and Restated Intergovernmental Agreement (the Agreement) between the City of Detroit and the Michigan Land Bank Fast Track Authority (MLBFTA) on December 19, 2023. Additionally, the Memorandum of Understanding between the City of Detroit and the Detroit Land Bank Authority (DLBA) in accordance with Section 3, Term “shall expire on December 19, 2023, which is the current termination date of the Intergovernmental Agreement”. Although the “Initial Term” will expire on December 19, 2023, pursuant to Section 9.01 of the Intergovernmental Agreement, the Agreement and the DLBA “shall continue through the Initial Term and after that until terminated by joint action of the Parties and the City Council and Mayor or withdrawal by a Party under Section 9.02.”

Section 9.02

Either Party may withdraw from this Agreement after the Initial Term, upon six (6) months notice in writing to the City Authority and Parties as provided under Section 9.01; provided, however, that withdrawal by the City requires the approval of the City council and Mayor.

¹ Intergovernmental Agreement: Section 1.12 Initial Term means the period ending on the date that is ten (10) years following the Effective Date. The Agreement was fully executed on December 19, 2013.

This means that on December 19, 2023, the Initial Term will expire but the Agreement will automatically continue unless the Parties jointly agree to terminate or the City Council and Mayor agree to withdraw from the Agreement. In order for the City Council and Mayor to withdraw from the Agreement, the City must provide to the DLBA and the (MLBFTA) six (6) months written notice of its intent to withdraw.

Should the City desire to withdraw from the Agreement upon the expiration of the Initial Term, it must provide written notice to the Parties on or before June 19, 2023.² LPD notes, the written notice date is approximate two (2) months from the time of this report, it is important that this Honorable Body and the Mayor's office take the necessary time to consider whether the City desires to continue with the Intergovernmental Agreement authorizing the DLBA.

Additionally, as stated earlier, the MOU between the City and the DLBA will terminate on December 19, 2023. If the City desires to continue the Intergovernmental Agreement enabling the DLBA, consideration should also be given as to renewal of the terms of the MOU.

If we can be of further assistance, please call upon us.

² LPD notes that should the City exercise its withdrawal option to discontinue the Intergovernmental Agreement at the expiration of the Initial Term, the DLBA would still need to wind down its affairs in accordance with Section 9.03 of the Agreement.