

**COOPERATIVE DEVELOPMENT AGREEMENT BETWEEN
ONEIDA CHARTER TOWNSHIP AND THE CITY OF GRAND LEDGE**

OUTLINE OF AGREEMENT

PURPOSE OF AGREEMENT: Oneida Charter Township and the City of Grand Ledge wish to enter into this Agreement to (1) continue providing City water and/or sewer services to existing Township water and/or sewer customers of the City, (2) reduce the factor for rates and charges to existing Township customers, and (3) provide a process for further extending City water and sewer services within the northeast quadrant of the Township to promote economic development and growth within the greater community. In addition to other benefits, the City and Township hope to achieve the following purposes by entering into this Agreement:

- Encourage planned growth within a sensible geography near the City
- Maintain the geographic integrity of the Township and the City
- Attempt to prevent “leap-frog” developments and preserve farmlands
- Reduce the ongoing and inevitable parcel by parcel Act 425 requests that the Township and City will face in the future
- Provide a large enough area that will support the upgrading and expansion of City water and sewer capacity
- Encourage in selected areas job-producing industry that will greatly defray the costs of expanding water and sewer capacity

AREA COVERED: All properties located outside the current City boundaries within Sections 1, 2, 3, 10, 11, 12, 13, 14 and 15 (except for the South ½ of Section 15) of Oneida Charter Township (the “Cooperative Development Area” or “CDA”).

- **CATEGORY 1:** Initially, all properties within the CDA will be located within Category 1, and properties in Category 1 will be treated for all purposes as located within the jurisdiction of the Township (including taxes, voting, services, etc.).
- **CATEGORY 2:** Each property owner decides whether and when their property will be transferred to Category 2. Owners can choose to move to Category 2 by requesting new water or sewer service from the City. Existing Township water only or sewer only customers may receive the other City service (water or sewer) without transferring to Category 2, except for water only customers whose property is contiguous to the existing City boundaries. Properties in Category 2 will be treated for all purposes as located within the jurisdiction of the City (including taxes, voting, services, etc.).

DURATION OF AGREEMENT: The Agreement is proposed to commence on January 1, 2022, and will continue for 50 years, subject to renewal by mutual agreement of the City and Township.

PROPERTY TAX SHARING: For property taxes paid by owners in Category 2, the City will annually share with the Township an amount equal to 1.5 mills assessed against the taxable value of all properties within Category 2 for the fifty-year term of the Agreement. Any parcel served at 30 years and one day through the 50-year agreement will be extended for 20 years.

EXCLUSIVE PROVIDER: The City will be the exclusive provider of municipal water and sanitary sewer services in the CDA, except that:

- For properties, or portions thereof, bordering M-43 east of the existing City boundaries (“M-43 Tier”), the City will have a right of first refusal to provide water and/or sewer services; and
- For properties north of the M-43 Tier of properties and south of the Grand River east of the City beyond Oneida Woods Trail (“Willow Hwy Tier”), the City will not be the exclusive water and sewer service provider.

WATER AND SEWER RATES, FEES, AND CHARGES: During the term of the Agreement, the rates, fees, and charges for water and sewer services in the CDA will be as follows:

- **CATEGORY 1:** For sewer service, the same rates, fees, and charges as for customers within the City; for water service, Category 1 customers will pay the following factor times the City’s then current rates, fees, and charges: 1.5 for 2022-2031; 1.3 for 2032-2041; and 1.15 for 2042-2071. Eligible existing Township water only or sewer only customers receiving the other City service (water or sewer) in the future without transferring to Category 2, will also be required to pay township special assessments for the actual costs of any new water or sewer extensions needed to serve their properties.
- **CATEGORY 2:** The same rates, fees, and charges as the City. The City’s policies for special assessments will also apply.

TRANSFER OF INFRASTRUCTURE: The water and sewer infrastructure currently owned by the Township within the CDA will be transferred to the ownership of the City.

ANNEXATION: While the Agreement remains in effect, no properties within the Cooperative Development Area may be annexed, detached, or transferred, except for the conditional transfers expressly permitted by the Agreement.

DISPOSITION ON TERMINATION: At the end of the Agreement, all properties within Category 1 will remain in the Township and all properties within Category 2 will remain in the City.

WATER AND SEWER AGREEMENT: In addition to this Agreement, the City and Township will enter into a new Water and Sewer Agreement to replace the agreement that expired in October 2020. The Water and Sewer Agreement will run for the same term as the Cooperative Development Agreement.