

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

This Agreement (“Agreement”) is made and effective January 1, 2022, by and between the City of Grand Ledge, a Michigan home rule city, with its offices located at 310 Greenwood, Grand Ledge, Michigan (“City”), and Oneida Charter Township, a Michigan charter township, with its offices located at 11041 Oneida Road, Grand Ledge, Michigan (“Township”) (individually, a “Party” and collectively the “Parties”).

RECITALS

WHEREAS, Article 7, Section 28 of the Michigan Constitution of 1963 specifically authorizes two or more governmental units to enter into contractual undertakings or agreements with one another for the joint administration, sharing of costs and responsibilities or transferring to another of any of the functions, powers, or responsibilities which each would have the power to perform separately; and

WHEREAS, Act 425 of Public Acts of 1984, as amended (MCL 124.21 *et seq.*; "Act 425") enables local governments by written contract to conditionally transfer property for economic development projects, allows for sharing of taxes and other revenues, and prohibits the annexation or detachment of conditionally transferred property; and

WHEREAS, the Parties are both local governmental units as defined by Act 425 and both desire to enter into this Agreement to assure managed and controlled growth within the Cooperative Development Area described in the attached Exhibit A (“Cooperative Development Area”); to assure the availability of municipal utilities and municipal services for economic development projected within the Cooperative Development Area; to enhance the property values, tax base, employment opportunities and the general economic vitality of both the Parties; to prevent the annexation, detachment or other forced transfer of property within the Cooperative Development Area, except in accordance with this Agreement; and to minimize causes of disputes between the Parties due to growth and development within the Cooperative Development Area; and

WHEREAS, the Parties have each considered the following factors:

- A. Composition of the population; population density; land area and land uses; assessed valuation; topography, natural boundaries, and drainage basins; and the past and probable future growth, including population increase and business, commercial, and industrial development in the Cooperative Development Area; and the comparative data for the Township and the portion of the Township remaining after the conditional transfer of the Cooperative Development Area; and
- B. Need for organized community services; the present cost and adequacy of governmental services in the Cooperative Development Area; the probable future need for services in the Cooperative Development Area; the practicability of supplying such services to the Cooperative Development Area; the probable effect of the conditional transfer and of alternative courses of action on the cost and adequacy of services in the Cooperative Development Area and on the remaining portion of the Township; the probable change in taxes and tax rates in the Cooperative Development Area in relation to the benefits expected

to accrue from the conditional transfer; and the financial ability of the City which is responsible for services in the Cooperative Development Area to provide and maintain those services; and

C. General effect of the conditional transfer upon the Parties and the relationship of the transfer to any established city, village, township, county or regional land use plan; and

WHEREAS, neither of the Parties adopted a resolution calling for a referendum on the conditional transfer to be made pursuant to this Agreement, and more than thirty (30) days have elapsed since the public hearings held by the Parties and neither the City Clerk nor the Township Clerk has received a petition calling for a referendum on the conditional transfer; and

WHEREAS, the Parties have entered into a Water and Sewer Agreement dated as of the same date as this Agreement that is intended to provide for the continuation and extension of the City's sanitary sewer and water service within the Cooperative Development Area.

NOW, THEREFORE, in consideration of the foregoing, the Parties agree that:

ARTICLE I GENERAL PROVISIONS

Section 1.1: Purpose. The purpose of this Agreement is to create a Cooperative Development Area around the City of Grand Ledge; to promote the economic development projects and growth within the Cooperative Development Area; to provide for municipal utilities and services within that Cooperative Development Area; to establish the exclusive procedure to transfer land within the Cooperative Development Area from Township jurisdiction to City jurisdiction; to prohibit any other annexation, detachment or transfer of property within the Cooperative Development Area; and to provide for the sharing of municipal revenues from the Cooperative Development Area between the Parties.

Section 1.2: Description of Cooperative Development Area. The Cooperative Development Area shall be comprised of all property identified and described in the attached Exhibit A.

Section 1.3: Consideration. In return for the conditional transfer of municipal jurisdiction of land within the Cooperative Development Area from the Township to the City, the City shall share revenues with the Township as set forth in this Agreement.

Section 1.4: Term and Renewal. This Agreement shall have a term of fifty (50) years commencing on the effective date of this Agreement and terminating at 11:59 p.m. on December 31, 2071. The Parties may by mutual written agreement extend this Agreement.

Section 1.5: Cooperation. The Parties agree that they shall cooperate with each other in the performance of any duty or action required of them under this Agreement or by Act 425, to make this Agreement effective and legally binding on the Parties, and to prevent and actively oppose any annexation, transfer or detachment of property in the Cooperative Development Area, except as expressly provided for in this Agreement.

Section 1.6: Definitions.

- A. **“Cooperative Development Area”** means all that property identified and described in the attached Exhibit A.
- B. **“Category 1”** means that part of the Cooperative Development Area that is not in Category 2. Upon the effective date of this Agreement, all property within the Cooperative Development Area shall be immediately conditionally transferred to Category 1.
- C. **“Category 2”** means that part of the Cooperative Development Area for which the Parties receive and approve a property owner’s request for conditional transfer to Category 2 as provided in the attached Exhibit B.

**ARTICLE II
PROCEDURE AND EXCEPTIONS TO CONDITIONAL TRANSFER**

Section 2.1: Properties Conditionally Transferred to Category 1. On the Effective Date of this Agreement, all properties within the Cooperative Development Area shall be conditionally transferred to Category 1.

Section 2.2: Properties Conditionally Transferred to Category 2. Any property in the Cooperative Development Area that requests to be transferred to Category 2 as a condition of receiving a new connection to water or sewer service from the City after the Effective Date of this Agreement, except as excepted by the Water and Sewer Agreement and Section 2.4 of this Agreement, shall be conditionally transferred to Category 2 at the time the Request for Conditional Transfer Form (Exhibit B to this Agreement) is filed with the Eaton County Clerk and Michigan Secretary of State. Any connection to water or sewer service shall be subject to the conditions and requirements contained in the Water and Sewer Agreement.

Section 2.3: Process for Conditional Transfer to Category 2. Upon receiving the Request for Conditional Transfer to Category 2 form attached to this Agreement as Exhibit B, the Township Board and the City Council shall each hold any legally required public hearing on the requested conditional transfer, preceded by notice complying with the requirements of the Michigan Open Meetings Act. Thirty (30) days after the public hearings, the Township and City shall both execute the form attached to this Agreement as Exhibit B as an amendment to this Agreement and file copies thereof with the Eaton County Clerk and Michigan Secretary of State.

Section 2.4: Users Eligible for Water and Sanitary Sewer Service Within Category 1. Customers within the areas currently receiving both City water and sanitary sewer service within the Cooperative Development Area (shown in green on the Map attached as Exhibit C to the Water and Sewer Agreement) shall continue to receive those services without transferring to Category 2. Customers within the areas currently receiving City water service only or sanitary sewer service only within the Cooperative Development Area (shown in blue and yellow, respectively, on the Map attached as Exhibit C) shall continue to receive that service and may receive the other City service (water or sanitary sewer) without transferring to Category 2, except that water only customers whose property is contiguous to existing City boundaries as of December 31, 2021, must request a transfer of their property to Category 2 as a condition of receiving sanitary sewer service.

Section 2.5: Sewer and Water Services to Property Outside of Cooperative Development Area: Property within the Township but outside of the Cooperative Development Area may be provided City water and/or sewer services pursuant to a written mutual agreement between the Parties.

**ARTICLE III
AREA AND JURISDICTION CONDITIONALLY TRANSFERRED**

Section 3.1: Conditional Transfer of Property. The entire Cooperative Development Area shall immediately be conditionally transferred to Category 1 for the purposes specified in this Agreement.

Section 3.2: Jurisdiction—Governmental Services within Categories 1 and 2.

- A. Category 1 shall receive all services from the Township normally provided to Township properties. The Township hereby grants and the City hereby accepts a franchise and consent to use the public rights of way within Category 1 for the purpose of providing water and sewer service to Category 2 properties.
- B. Category 2 shall receive all services from the City normally provided to City properties. The City shall have jurisdiction over and bear the cost of maintaining and improving the portion of any public road within Category 2. Subject to applicable law and/or State of Michigan regulations and except for highways exclusively under the jurisdiction of the State of Michigan, the City and the Eaton County Road Commission will allocate the cost of maintaining and improving any public street or road contiguous to properties within Category 2.

Section 3.3: Jurisdiction—Zoning of Transferred Area. During the term of this Agreement, the Township shall have all zoning authority within Category 1 and the City shall have all zoning authority within Category 2.

Section 3.4: Jurisdiction—Taxes. During the term of this Agreement, all *ad valorem* property taxes shall be levied and collected by the Township at the normal Township millage rate for Category 1, and all *ad valorem* property taxes shall be levied and collected by the City at the normal City millage rate for Category 2.

Section 3.5: Jurisdiction—Special Assessments. During the term of this Agreement, Category 1 shall be considered to be within the jurisdiction of the Township for purposes of special assessments, and Category 2 shall be considered to be within the jurisdiction of the City for purposes of special assessments.

Section 3.6: Jurisdiction—Voting. Qualified electors in Category 1 shall be considered qualified electors of the Township for election and voting purposes. Qualified electors in Category 2 shall be considered qualified electors of the City for election and voting purposes. Qualified electors in the Cooperative Development Area shall, in addition, be entitled to vote on Eaton County, state, federal, and other matters, if any.

Section 3.7: Jurisdiction—Applicability and Enforcement of Ordinances.

- A. Category 1 shall be within the ordinance jurisdiction of the Township and subject to all Township ordinances, rules and regulations enacted now and during the term of this Agreement or any renewal thereof. The Township remains the enforcing agency for such ordinances, rules and regulations.
- B. Category 2 shall be within the ordinance jurisdiction of the City and subject to all City ordinances, rules and regulations enacted now and during the term of this Agreement or any renewal thereof. The City remains the enforcing agency for such ordinances, rules and regulations.

Section 3.8: Jurisdiction—Public Streets and Roads. Public streets and roads within Category 1 shall be considered to be within the jurisdiction of the Eaton County Road Commission. Public streets and roads within Category 2 shall be considered to be within the jurisdiction of the City. Subject to applicable law and/or State of Michigan regulations, the public streets and roads along the borders between Category 1 and Category 2 shall be considered to be within the jurisdiction of the City. Subject to applicable laws, the City shall be entitled to apply for, receive and retain all funds related to public streets and roads and rights-of-way under its jurisdiction pursuant to this Agreement.

Section 3.9: Jurisdiction—Police and Fire Services. During the term of this Agreement, Category 1 shall be considered to be within the police jurisdiction of Eaton County Sheriff or other police services designated by the Township, and Category 2 shall be considered to be within the police jurisdiction of the City. During the term of this Agreement, Category 1 shall be considered to be within the fire jurisdiction designated by the Township, and Category 2 shall be considered to be within the fire jurisdiction designated by the City.

Section 3.10: Jurisdiction after Termination, Expiration or Non-Renewal. Except as provided herein, upon the termination, expiration or non-renewal of this Agreement, Category 1 shall for all purposes return to the full jurisdiction of the Township and Category 2 shall for all purposes remain in and under the full jurisdiction of the City.

Section 3.11: Effect of Termination on Infrastructure or Other Public Improvements. Utility easements and rights-of-way shall not be terminated or impaired as a result of any return of the Category 2 area to Category 1 or to the Township, and all such easements and rights of the property owners to receive such utility services shall continue after such return and shall not be terminated, except upon non-payment of fees or charges by the property owner/user. If Category 2 property is returned to the Township as a result of termination of this Agreement, all public improvements made upon the land and the municipal public utility infrastructure (including the water and sewer lines and attached pumps and forced mains) thereon shall become owned by and be within jurisdiction of the Township, except for any utility installation by the City within Category 2 that connects to City-owned facilities within the Township or which utility installation is paid for by the City. Such City-owned facilities shall continue to be owned and used by the City for such purpose subject to their continued use, maintenance, repair and upkeep by the City. The Township shall be obligated to grant a franchise to the City for the purpose of

the continued operation of the utilities or utility facilities retained by the City within any area that was formerly within Category 2.

ARTICLE IV SHARING OF REVENUES

Section 4.1: Revenue Sharing Within Category 2—Annual Payment to Township. Commencing the first tax year following the effective date of this Agreement, the City shall annually pay the Township a revenue sharing payment for all properties upon which a tax is levied by the City within Category 2 by October 1 of each year of this Agreement equal to one and one-half (1.5) mills multiplied by the taxable value of all properties within Category 2. Such annual payments shall continue through the tax year immediately following the termination of this Agreement, provided that, for properties conditionally transferred to Category 2 after January 1, 2052, the annual payments shall be extended for an additional (15) years following the expiration of this Agreement, but in no event shall the annual payments be less than twenty (20) years.

Section 4.2: Revenue Sharing Within Category 2—Substitute or Replacement Revenues. In the event that *ad valorem* property taxes are replaced in full or in part by any substitute or replacement revenues, the City shall annually pay the Township by October 1 of each year a proportion of the substitute or replacement revenues equal to the number of mills the Township would have received under this agreement and the City's operating millage immediately before the institution of the substitute or replacement revenues.

Section 4.3: Grants and State/Federal Revenue Sharing Within Category 2. Except as otherwise provided above, Category 2 property shall be treated as being within the jurisdiction of the City for purposes of gifts, grants, assistance funds, bequests, or other funds from any private or public source given as a result of Category 2 or the economic development of Category 2, or for any other reason arising from the existence or jurisdiction of Category 2, such gifts being distributed to the City alone and not shared with the Township. For the purpose of state and federal revenue sharing, the sharing of highway funds, or any other type of funds, Category 2 shall be considered as being within the jurisdiction of the City, and such funds shall not be shared with the Township, except as otherwise provided above.

Section 4.4: Grants and State/Federal Revenue Sharing Within Category 1. Category 1 property shall be treated as being within the jurisdiction of the Township for purposes of gifts, grants, assistance funds, bequests, or other funds from any private or public source given as a result of Category 1 or the economic development of Category 1, or for any other reason arising from the existence or jurisdiction of Category 1, such gifts being distributed to the Township alone and not shared with the City. For the purpose of state and federal revenue sharing, the sharing of highway funds, or any other type of funds, Category 1 shall be considered as being within the jurisdiction of the Township or the Eaton County Road Commission, and such funds shall not be shared with the City.

**ARTICLE V
TERMINATION & AMENDMENT**

Section 5.1: Termination. This Agreement may be terminated:

- A. At any time by mutual written agreement of the Parties after the holding of public hearings before both Parties' legislative bodies for which notice has been posted as required by the Michigan Open Meetings Act; said termination shall take effect at 11:59 p.m. on December 31 of the year following the action to terminate or at such other date and time as the Parties shall agree.
- B. Upon failure to be approved by a majority of the electors in a referendum held as a result of a petition being filed within thirty (30) days of the public hearings.
- C. By operation of law should a court of competent jurisdiction order termination of the Agreement.
- D. By the expiration of the initial term or renewal term of this Agreement.

Section 5.2: Amendment. Section 2.3 shall govern and control any amendment of this Agreement for the conditional transfer of a property to Category 2. Other amendments to this Agreement shall be subject to the mutual written agreement of the Parties, after notice and hearing as provided by Act 425.

**ARTICLE VI
DEFAULT & ENFORCEMENT**

Section 6.1: Default. In the event that either of the Parties fails to comply with any obligations of this Agreement, a written notice of default must be sent by registered mail, return receipt requested, by the non-defaulting party to the other party, describing the act of default and demanding a remedy. If the default is not corrected within thirty (30) days after that notice, the non-defaulting party may enforce this Agreement as described in Section 6.2.

Section 6.2: Enforcement. If a dispute between the Parties arises under this Agreement, the Agreement shall be enforced by either party in an action in a court of competent jurisdiction in Eaton County, Michigan, under Michigan law.

**ARTICLE VII
APPROVAL, FILING, AND EFFECTIVE DATE**

Section 7.1: Public Hearings and Notice. The Parties' legislative bodies shall hold any public hearing(s) required by law on this Agreement, before voting on and approving this Agreement. Such hearings must be preceded by notice complying with the Michigan Open Meetings Act.

Section 7.2: Filing and Effective Date. A duplicate original of this executed Agreement and of each subsequent amendment to this Agreement shall be filed with the Eaton County Clerk and the Michigan Secretary of State. Certification of filing with the Eaton County Clerk or Secretary of State shall be *prima facie* evidence of the conditional transfer of the Cooperative Development

Section 8.5: Severability. If any provision of this Agreement is held to be unenforceable for any reason, the remainder of this Agreement shall remain in full force and effect. If, because of the invalidity of any part of this Agreement, either Party determines that the purpose and intent of this Agreement has failed, the Parties shall renegotiate in good faith to amend this Agreement to make it valid and satisfactory to both the Parties.

Section 8.6: Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 8.7: Amendments. No amendment, extension, modification, or alteration of this Agreement shall be effective unless the same is in writing and duly approved and executed by the Parties. All such amendments shall make specific reference to this Agreement and to the specific provision of this Agreement that is amended. Such amendment shall not invalidate this Agreement nor relieve or release either Party of any obligation hereunder, except as may be expressly stated in said amendment.

Section 8.8: No Waiver. The failure of either Party to insist upon the strict performance of any covenant or obligation set forth in this Agreement shall not be deemed to be a waiver of such Party's right to demand strict compliance therewith in the future.

Section 8.9: Entire Agreement. This Agreement, including the Exhibits attached hereto which are incorporated and made a part hereof, together with the Water and Sewer Agreement of the same date, contains the entire Agreement between the Parties with respect to the subject matter hereof, and all prior understandings, whether written or oral, are superseded and are merged herein. Neither Party has made any representation except those expressly set forth in this Agreement, and no rights or remedies are or shall be acquired by either Party by implication or otherwise, unless set forth herein.


Section 8.10: Force Majeure. In case of any delay in the performance by either Party of any obligation under this Agreement due to unforeseeable causes beyond the control of the Party and without the fault or negligence of the Party, including, but not limited to, acts of God or the public enemy, acts of the Federal, State or County Government, acts of the judiciary, fires, floods or other disaster or casualty, the time for performance of such obligation shall be extended for the period of said forced delay; provided, however, that the Party seeking the benefit of this section shall, within fourteen (14) days after the beginning of such forced delay, have first notified the other Party of the causes thereof and request an extension for the period of said delay. Said extension shall not, however, extend the terms of this Agreement beyond its normal expiration date.

Section 8.11: Mutual Drafting. This Agreement shall be deemed to have been mutually drafted by the Parties and shall not be construed against either Party as the drafter.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date and year first written above.

**CITY OF GRAND LEDGE,
A Michigan home rule city**


**ONEIDA CHARTER TOWNSHIP,
A Michigan charter township**



Mayor Thomas J. Sowle, Jr.



Supervisor



Clerk Gregory L. Newman



Clerk

EXHIBIT A

**LEGAL DESCRIPTION OF
COOPERATIVE DEVELOPMENT AREA**

All land within Sections 1-3 and Sections 10-15, T4N, R4W, Oneida Township, Eaton County Michigan, outside the City boundaries of the City of Grand Ledge, excluding the South ½ of said Section 15.

WHEREAS, the Cooperative Development Agreement provided an exclusive procedure for the conditional transfer of properties from Category 1 to Category 2 under that Agreement; and

WHEREAS, the Subject Property legally described in the Property Owner's above Request is within Category 1; and

WHEREAS, in accordance with Act 425, the City Council held a public hearing on the ___ day of _____ 20__, at ___ p.m. and the Township Board held a public hearing on the ___ day of _____ 20__, at ___ p.m. regarding the requested conditional transfer of the Subject Property to Category 2; and

WHEREAS, the Parties have each considered the mandatory factors required by Act 425; have each decided, by a majority vote of the members elected and serving on each Party's legislative body, to approve the conditional transfer of the Subject Property from Category 1 to Category 2; neither of the Parties adopted a resolution calling for a referendum on the conditional transfer of the Subject Property from Category 1 to Category 2; more than thirty (30) days have elapsed since the public hearings held by the Parties; and neither the City Clerk nor the Township Clerk has received a petition calling for a referendum on the conditional transfer of the Subject Property from Category 1 to Category 2.

NOW, THEREFORE, the Parties agree to amend the Cooperative Development Agreement as follows:

1. The Subject Property shall be conditionally transferred from Category 1 to Category 2.
2. This Amendment shall be deemed to be an Amendment to the Cooperative Development Agreement, and all the terms and conditions of the Cooperative Development Agreement shall be incorporated herein.
3. Following the execution of this Amendment, a duplicate original shall be filed with the Clerk of Eaton County and with the Michigan Secretary of State. A copy of this Amendment certified by the County Clerk or Secretary of State shall be *prima facie* evidence of the conditional transfer of the Subject Property from Category 1 to Category 2. This Amendment shall be effective upon its filing with the County Clerk and Secretary of State.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to the Cooperative Development Agreement to be executed on the date and year above.

**CITY OF GRAND LEDGE,
a Michigan home rule city**

**ONEIDA CHARTER TOWNSHIP,
a Michigan charter township**

Mayor

Supervisor

Clerk

Clerk

EXHIBIT C

