

**PUBLIC HEARING DRAFT
July 16, 2007**

INTERLOCAL AGREEMENT

CITY OF LAPEER - TOWNSHIP OF OREGON

AGREEMENT TO SHARE REVENUE AND MUNICIPAL SERVICES

PUBLIC ACT 7 OF 1967 (Extra Session) As Amended

This Agreement entered into on the _____ day of _____, 2007, between the CITY OF LAPEER, a Michigan Municipal Corporation, with offices at 576 Liberty Park, Lapeer, Michigan, (hereinafter referred to as the "CITY") and the TOWNSHIP OF OREGON, a Michigan Municipal Corporation, with offices at 2525 Marathon Road, Lapeer, Michigan, (hereinafter referred to as "TOWNSHIP").

WHEREAS, an area within the TOWNSHIP, located northwest of the CITY, is presently in need of sewer and water services; and

WHEREAS, the most economically feasible way to provide sewer and water services to this area appears to be through an interlocal agreement between the TOWNSHIP and the CITY to allow for a portion of the area to be annexed to the CITY if requested by the property owners; and

WHEREAS, the provision of municipal sewer and water services to the area would further the economic well being of both the CITY and TOWNSHIP by increasing the probability of quality development, protecting the environment, and enhancing the tax base; and

WHEREAS, the CITY and TOWNSHIP wish to share certain public services and tax revenue to encourage quality development for the area; and

WHEREAS, a public hearing was conducted by the Lapeer City Commission and the Oregon Township Board as to this Interlocal Agreement on the 16th day of July, 2007;

NOW THEREFORE, by authority of Section 5a of Act 7 of the Public Acts of 1967 (Extra Session), as amended, and in consideration of the covenants and conditions hereinafter set forth, the parties agree as follows:

1. PROPERTY DESCRIBED. The real property covered by this Agreement is described as Sections 27, 28, 33, 34, 35 and 36 of Oregon Township. The TOWNSHIP consents to annexation of only the property located in Sections 34 and 35 to the CITY. However, parcels of land within Sections 34 and 35 shall only be annexed to the CITY if a written request is filed with the TOWNSHIP and the CITY by the property owner and provided that the parcel proposed for annexation is contiguous to the CITY boundary as it exists at the time of the request. Any legally permissible annexation request in Sections 34 and 35 shall be approved by the TOWNSHIP within ninety (90) days of the date annexation approval is granted by resolution of the City Commission. The TOWNSHIP agrees not to obstruct any annexations by discouraging cooperation by contiguous property owners. In addition to annexation requests in Sections 34 and 35, the TOWNSHIP shall also consent to the annexation of a strip of land in Section 36 for purposes of contiguity of CITY boundaries to Section 35. Said strip of land shall not exceed sixty-six (66') feet in width.

2. JURISDICTION. The CITY shall have full jurisdiction, including the powers of taxation and zoning, over any annexed area. However, said jurisdiction shall be subject to the specific terms of this Agreement.

3. SHARING OF TAX REVENUE. As to any assessable real or personal property located in any annexed area within Section 34, CITY shall each year pay TOWNSHIP the equivalent of one and one-half (1-1/2) mills per One Thousand (\$1,000.00) Dollars of taxable value, or the then-current TOWNSHIP millage rate, whichever is larger. The first such payment shall be due by March 1st in the year following the first annexation of property in Section 34, and each subsequent payment shall be due on or before March 1st of each following year, in perpetuity. Said annual payment to the TOWNSHIP shall be accompanied by a list of all properties in the annexed areas and the taxable values for those properties. In the event the property tax system in the State of Michigan is changed to such an extent that the millage payments provided for herein would not substantially carry out the intent of this paragraph, the parties shall negotiate a payment system which would be as nearly equivalent to that specified herein as reasonably possible. There shall be no tax revenue sharing for any land annexed to the CITY which is located in Section 35.

4. SEWER AND WATER ACCESSIBILITY. The CITY agrees to accept annexations within the above described areas and to make available the usual CITY services to any annexed property, including municipal sewer and water services. Sewer and water services shall be made accessible to any annexed area within a minimum of eighteen (18) months of the date of the annexation. For purposes of this Agreement the term "accessible" shall mean that sewer and water lines with sufficient capacity shall be brought at least to the boundary of Section 36. It shall be the financial responsibility of property owners requesting service to extend any water and sewer lines beyond that point. "Sufficient capacity" for water lines shall mean the ability to provide a standard minimum pressure of thirty-five (35) pounds per square inch (p.s.i.) throughout any lines constructed and a minimum fire fighting capacity of one thousand five hundred (1,500) gallons per minute at twenty (20) p.s.i.

5. SEWER AND WATER FRANCHISES AND FEE COLLECTIONS. The TOWNSHIP shall grant a franchise to the CITY to provide sewer and water service within the

areas designated in this Agreement and shall extend such franchise upon any expiration as long as any users in TOWNSHIP are connected to CITY sanitary sewer and/or water services. The TOWNSHIP shall also adopt an ordinance which allows the CITY to notify the TOWNSHIP as to any delinquent sewer and water charges and have the amounts placed on the TOWNSHIP tax assessment roll for collection from the responsible property owners. TOWNSHIP agrees to add to its real property tax billings, at the request of the CITY, the amount of any delinquencies owed to the CITY by sewer and/or water users located in the TOWNSHIP. It is mutually understood that delinquent water and sewer charges cannot be placed on any real property tax billings in the case of manufactured homes which are located within a manufactured housing park.

6. SEWER AND WATER OPERATIONS AND SERVICES. The CITY shall provide the necessary services to operate the sanitary sewage and water system within the TOWNSHIP for any TOWNSHIP users who tap into the CITY sewer or water system pursuant to this Agreement. These services shall include, but not be limited to, billings, maintenance, repairs, and meter readings. The CITY shall have the right to inspect individual tap-ins and the right to make whatever inspections or investigations are reasonably necessary to protect the health, safety and welfare of the public and to take appropriate remedial action.

7. SEWER AND WATER TAP-INS AND LINES. The CITY shall provide up to one thousand (1,000) sewer tap-ins and one thousand (1,000) water tap-ins for residential dwelling units in certain specified areas of the TOWNSHIP which are not annexed to the CITY. Each individual dwelling unit (apartment, condominium, manufactured house, modular house, or conventional single family house) shall require one full tap-in. Seven hundred twenty-five (725) of the sewer and the water taps shall be made available for use within Section 36. Twenty-five (25) of said taps for Section 36 shall be reserved by the TOWNSHIP for at least ten (10) years for use by residences in Section 36 which exist at the time of the signing of this Agreement. The remaining two hundred seventy-five (275) sewer and water taps shall be available in that portion of the TOWNSHIP located within Sections 27, 28 and 33. User fees shall be one and one-half (1-1/2) times the rate applicable within the CITY at the time of use. Sewer tap-in fees for properties located in the TOWNSHIP shall be Six Thousand (\$6,000.00) Dollars per residential equivalent unit or one and one-half (1-1/2) times the rate applicable within the CITY, whichever is greater. Water tap-in fees for properties located in the TOWNSHIP shall be one and one-half (1-1/2) times the rate applicable within the CITY. The CITY shall be responsible for providing the necessary sewer and water capacity at the TOWNSHIP boundary in Section 36 within eighteen (18) months of the date of the Agreement. However, the cost of extension of sewer and water lines to residential building sites shall be the responsibility of benefitting property owners. All sewer and water lines constructed in the CITY or TOWNSHIP areas shall belong to the CITY and shall be the responsibility of the CITY to operate and maintain. In the event the TOWNSHIP ever develops its own water system it shall have the right to take ownership and control of any lines located in the TOWNSHIP which were constructed at the expense of property owners and the CITY shall relinquish ownership and control at no charge to the TOWNSHIP. The TOWNSHIP shall reimburse the CITY for any water lines taken over by the TOWNSHIP which were constructed at CITY expense. The TOWNSHIP shall not have the right to take over any water line which is necessary to complete a loop for the water lines within the CITY.

8. POLICE PROTECTION. The CITY shall provide police protection within Section 36. However, the CITY police shall not be obligated to enforce TOWNSHIP ordinances.

9. COMMUNITY CENTER. The CITY shall provide all TOWNSHIP residents the opportunity for membership in the CITY Community Center on the same terms and costs available to CITY residents. The obligation to provide access shall continue so long as the CITY operates a Community Center or comparable facility.

10. BOUNDARY PROTECTION. The boundaries of the CITY shall not be extended into any lands outside of Sections 34 and 35 within the TOWNSHIP in the absence of TOWNSHIP Board approval. To accomplish the intent of this provision, the CITY shall not file, support or encourage any such annexation petitions with the State Boundary Commission. Both the CITY and the TOWNSHIP commit to openly oppose any such annexation petitions which may come up for public hearing at the State Boundary Commission. The provisions of this Section shall remain in effect for a period of twenty-five (25) years from the date of this Agreement.

11. OTHER ASSETS AND LIABILITIES. No other assets or liabilities shall be divided between the CITY and the TOWNSHIP as a result of any annexations resulting from this Agreement.

12. ENFORCEMENT. In the event the CITY does not comply with the requirements of this Agreement, the TOWNSHIP shall notify the CITY in writing of exactly how the CITY has not complied with the requirements. Said notice shall be personally served on the Lapeer City Manager and mailed by first class mail to the Mayor at the Lapeer City Hall address. Failure of the CITY to comply with the specified requirements within ninety (90) days from the date said notice is served as described herein, shall entitle the TOWNSHIP to commence litigation to enforce the contractual obligations. In the case of utility service disputes, the time period shall be three hundred and sixty-five (365) days rather than ninety (90) days. The losing party in any such litigation shall reimburse the prevailing party for all costs and attorney fees incurred.

13. RECORDING. The CITY shall record this Agreement within 30 days of the date of its execution, with the Michigan Secretary of State, the Lapeer County Clerk, and the Lapeer County Register of Deeds.

14. AGREEMENT DURATION, AMENDMENT AND TERMINATION. This Agreement shall continue in effect in perpetuity from the date of execution by both parties. However, this Agreement may be amended or terminated by mutual written agreement of the CITY and TOWNSHIP. This Agreement could also be terminated by the electors of either the Township of Oregon or the City of Lapeer if a qualifying petition for a referendum is filed with the appropriate municipality within forty-five (45) days of the meeting at which the Agreement is approved by the Oregon Township Board or the Lapeer City Commission. The Oregon Township Board approved the Agreement on the ____ day of _____, 2007 and the Lapeer City Commission approved the Agreement on the ____ day of _____, 2007.

15. SEVERABILITY. None of the agreements and covenants contained herein are severable, except for recording requirements in Paragraph 13.

WITNESSES:

CITY OF LAPEER

BY: _____
William J. Sprague, Its Mayor

_____ Dale Kerbyson, Its Manager

STATE OF MICHIGAN)
) ss.
COUNTY OF LAPEER)

Subscribed and sworn to before me this _____ day of _____, 2007, by William J. Sprague and Dale Kerbyson on behalf of the City of Lapeer.

Notary Public
Lapeer County, Michigan
Acting in Lapeer County
My Commission Expires: _____

TOWNSHIP OF OREGON

By: _____
Eldon Card, Its Supervisor

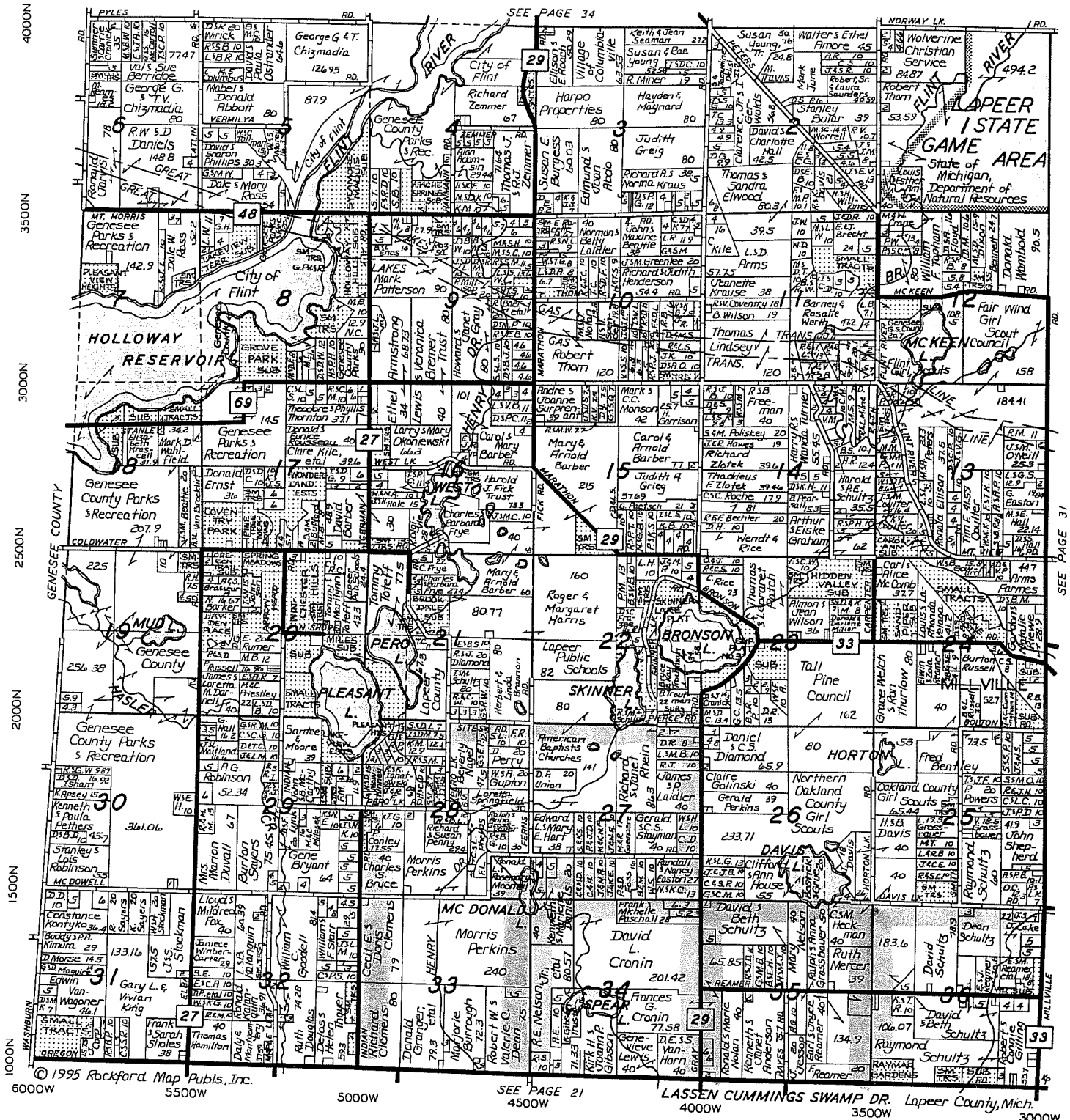
Pamela Ross, Its Clerk

STATE OF MICHIGAN)
) ss.
COUNTY OF LAPEER)

Subscribed and sworn to before me this _____ day of _____, 2007, by Eldon Card and Pamela Ross on behalf of the Township of Oregon.

Notary Public
Lapeer County, Michigan
Acting in Lapeer County
My Commission Expires: _____

Drafted by and when recorded return to:
Gary W. Howell
Attorney at Law
407 Clay Street
Lapeer, Michigan 48446
(810) 664-5921



Service area - No annexation (34, 33, 28 + 27)

Service with owner's request, annexation, no Revenue sharing (35)

Service with owner's request annexation, Revenue sharing (34)