

**AGREEMENT
FOR
CONDITIONAL TRANSFER OF PROPERTY**

Agreement made this ____ day of _____, 2019, by and between the **CITY OF CHEBOYGAN**, a Michigan municipal corporation, of 403 N. Huron Street, Cheboygan, MI 49721 (hereinafter referred to as "CITY") and the **TOWNSHIP OF INVERNESS**, Cheboygan County, Michigan, a Michigan municipal corporation of 734 VFW Road, Cheboygan, MI 49721 (hereinafter referred to as "TOWNSHIP").

RECITALS

WHEREAS, a certain area within the TOWNSHIP, as more particularly described as Exhibit "A", which is attached hereto and incorporated herein by reference, is currently zoned for commercial purposes and will be used for a retail store and retail purposes, and is suitable for further commercial development and use by other commercial enterprises, but is in need of public water services to make the same suitable for use for a retail store, and for further commercial development, and

WHEREAS, the proposed use is for a Meijer Inc. retail store and further commercial development would promote economic progress within both the CITY and TOWNSHIP by increasing the probability of further commercial development and creation of additional employment and tax base as well as cash flow within both the CITY and TOWNSHIP, and

WHEREAS, the CITY has in existence the capacity to furnish public water service to such area and is willing to provide such services under the terms and conditions of the within contract, the TOWNSHIP has in existence the capacity to furnish only public sewer service to such area, and the TOWNSHIP will serve the Meijer properties with sewer as they are the only allowed provider in the development area.

WHEREAS, the CITY and TOWNSHIP have reviewed the provisions of ACT 425 of 1984 [CL 124.21, etc; MSA 5.4087 (21, et)], Act 35 of 1951, as amended (CL 124.1, etc; MSA 5.4081, etc), and Act 8 of 1967 (Extra Session) CL 124.531, etc; MSA 5,4087 (1, etc)] pertaining to interlocal agreements, intergovernmental transfers of functions and responsibilities, and transfers of property for economic development projects and consider them useful and applicable to the purposes of the within agreement, and

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS pursuant to the authority contained in the foregoing Michigan Public Acts and in consideration of the covenants and conditions hereinafter contained, it is hereby agreed by and between the parties hereto as follows:

1. That the real property within the TOWNSHIP described as Exhibit "A" which is attached hereto and incorporated herein by reference, is hereby conditionally transferred from the jurisdiction of the TOWNSHIP to the jurisdiction of the CITY, effective on the ____ day of _____, 2019 at which time the 425 Area shall be subject to the CITY OF CHEBOYGAN ordinances and entitlements, subject to the County Construction Code Department, and any city ordinances dealing with the CITY having a right to approve and/or disapprove any applications for beer, wine and liquor licensing. All residents of the 425 shall be voting in the future elections as city residents during the term of the agreement, and counted as city residents for purposes of any census which may be taken during the term of the agreement.

Enforcement of city ordinances and zoning shall be by the CITY, and enforcement of construction codes shall be by the Cheboygan County government.

2. That upon the effective date of such transfer, the CITY agrees to make available to said real property all CITY services now available to residents and property owners within the CITY, in the same manner and subject to the same conditions and limitations as are applicable to other residents and property owners within the CITY, or as may be adjusted from time to time for application throughout the CITY to similar properties and developments with the exception of sanitary sewer service which will be provided by the Township.

Any construction of improvements required to furnish such services including but not limited to public water, shall be accomplished by the CITY in such reasonable time and under such reasonable conditions and limitations as are applicable for such construction and improvement through the existing CITY.

3. That upon the effective date of the within transfer of jurisdiction, the CITY shall have full authority and municipal jurisdiction over said territory in the same manner as though territory were unconditionally a part of the CITY, including among other authorities, the right and power of taxation, the levying of special assessments, police and fire protection and all CITY ordinance and enforcement authority. Sanitary sewer service will be

provided by the Township as the Township is the exclusive sewer service provider in the 425 area.

4. That all valorem taxes are assessed against the described territory and based upon the current year's taxable valuations shall be divided between the TOWNSHIP and the CITY in accordance with this Act 425 agreement. Thereafter, and during the period of the within Agreement, the TOWNSHIP shall be paid by the CITY the millage rate that the TOWNSHIP can legally levy on the taxable value as a General Law TOWNSHIP, currently that is Three and 9/10 (\$3.90) Dollars (3.9 Mils) per One Thousand (\$1,000.00) Dollars of state taxable valuation for the real property and personal property located thereon and the CITY will collect eleven and 1/10 (\$11.10) per One Thousand (\$1,000.00) Dollars (11.1 Mils) of state taxable valuation for the real property and personal property located thereon. Subject to an increase and/or decrease of the shared millage reflective of any changes in the millage rate the TOWNSHIP could legally levy on the 425 area in the absence of the 425 Agreement.
5. No other division of assets or liabilities between the CITY and TOWNSHIP, except those noted in the preceding paragraph, shall result or be required because of the within transfer.
6. That the CITY agrees, upon the execution of this Agreement, to grant to the TOWNSHIP a utility easement through, over and across the rights-of-way of any CITY streets or roads within the Act 425 Agreement area.
7. That the TOWNSHIP agrees, upon the execution of this Agreement, to grant to the CITY any necessary easements through, over and across the rights-of-way of any TOWNSHIP streets or roads and utilities within the Act 425 Agreement area and *areas within the* TOWNSHIP that are related to or necessary for the construction of the water supply utility system. And the CITY will grant authority for the TOWNSHIP to construct sewer on city property.
8. That in the event the CITY fails to comply with its obligations as set forth in the within Agreement for a period of ninety (90) days following written notifications from the TOWNSHIP to the CITY of such default, the TOWNSHIP shall have the option of declaring a breach of the within Agreement and the return of the transferred real property to the TOWNSHIP, or of bringing other civil judicial proceedings, including, but not limited to, mandamus, injunctive relief, declaratory judgment relief, or specific performance of the within Agreement Obligations in the appropriate judicial forum for such proceedings.

If said real property transfers back to the TOWNSHIP, due to a breach of this Agreement by the CITY or by the agreement reaching the end of its

initial term or any renewal thereof and if the TOWNSHIP is unable to provide water services to said real property, the CITY agrees to provide water services to said real property in the same manner and subject to the same conditions and limitations as are applicable to similar properties and developments outside city limits. In such event, all water infrastructure shall remain the property of the CITY.

9. That the within Agreement shall continue in effect for a period of twenty-five (25) years from the effective date hereof and shall automatically renew the period of the within Agreement for an additional twenty-five (25) years, unless 90 days prior to the expiration of the first twenty-five (25) years the TOWNSHIP has the capability to provide their own water service to the development and property owners within the Agreement district approve of the Agreement ending, than it can expire after the first twenty-five (25) years at the end of which period said real property shall be automatically transferred back to the TOWNSHIP.

When said real property transfers back to the TOWNSHIP, and if the TOWNSHIP has the capability to provide water services to said real property, the CITY agrees to transfer the water infrastructure to the TOWNSHIP for payment by the TOWNSHIP to the CITY of an amount equal to the then depreciated value of said water infrastructure.

10. That a copy of this Agreement shall be recorded within thirty (30) days after its effective date with the Michigan Secretary of State, the Michigan State Boundary Commission, and the Cheboygan County Register of Deeds for general public notification of the terms thereof.
11. That the parties, at the time of entering into this Agreement, do contemplate that a portion of the real property to be transferred from the TOWNSHIP to the CITY may, in the future, have development potential for commercial purposes.
12. That the Township Board of Trustees of the TOWNSHIP and the City Council of the CITY shall hold at least one (1) public hearing within its jurisdiction upon the within Agreement before executing the same, preceded by notice complying with the requirements of the Michigan Open Meetings Act.
13. That it is understood and agreed that the within Agreement shall not constitute a precedent for further conditional transfers of real property or the furnishing of CITY services within the TOWNSHIP and each future situation, if any, shall be considered by the parties on its merits.
14. That if within thirty (30) days after the last of the foregoing public hearings have been held a petition signed by twenty (20) percent or more of the

registered electors residing within the real property proposed to be transferred; or if no registered electors reside therein signed by persons owning fifty (50) percent or more of the property to be transferred, is filed with the Township Clerk, a referendum election shall be held within the TOWNSHIP on whether or not the Agreement should be executed by the TOWNSHIP. The results of such election shall govern the execution of the Agreement by the TOWNSHIP. If no such petition is filed, the Agreement may be executed by the parties thereto.

- 15. If no development occurs on the transferred property within 5 years of the signing date of this agreement and no proposed development is in process, the property reverts back to the Township.

IN WITNESS WHEREOF, the parties hereto have executed the within Agreement the day and date first above written.

INVERNESS TOWNSHIP

By: **RONALD J. NEUMAN**
Its: Supervisor

By: **LISA PORTER**
Its: Clerk

CITY OF CHEBOYGAN

By: **MARK C. BRONSON**
Its: Mayor

By: **BRIDGET BROWN**
Its: Clerk

EXHIBIT A

BEG INTERSECTION OF WLY R/W OF US-27 WITH S LI OF SEC 6, T37N,R1W; TH N 86D 0' 41" W 140.44FT; TH N 80D 29' 27" W 200.93FT; TH N 3D 59' 9" E 112.67FT; TH S 86D 23' 49" E 288.75FT TO WLY R/W LI; TH ALG SD R/W ON A CURVE TO LEFT, ARC DIST 143.60FT & CHRD BEARING S 17D 7' 12" E & DIST OF 143.58FT TO POB.

PT OF GOVT LOT 4, SEC 6, T37N, R1W, DESC AS: COM ON S LI OF SD LOT AT INTERSECTION OF SD S LI WITH W LI OF CHEB-MULLETT RD; TH WLY ALG S LI OF SD LOT 330FT FOR POB; TH N 19FT 4IN; TH SELY TO A PT ON S LI OF SD LOT 200FT E FROM POB; TH W ALG S LI OF SD LOT 200FT TO POB.

BEG N 1/4 COR SEC 7, T37N, R1W; TH S 86D 1' 11" E 1217.62FT; TH S 0D 47' E 293.05FT; TH S 70D 45' 54" W 177.72FT; TH S 11D 34' 4" E 381FT; TH N 89D 43' 45" W 1111.64FT; TH N 1D 7' 0" W 804.25FT TO POB.

COM N 1/4 COR SEC 7, T37N,R1W; TH S 1D 7' E 804.25FT TO POB; TH S 01D 7' E 520.18FT; TH S 85D 53' 47" E 1323.14FT; TH N 0D 47' W 474.28FT; TH N 22D 53' 34" W 312.16FT; TH N 67D 6' 26" E 126.81FT; TH N 0D 47' W 222.36FT; TH N 86D 1' 11" W 113FT; TH S 70D 45' 54" W 177.72FT; TH S 11D 34' 4" E 381FT; TH N 89D 43' 45" W 1111.64FT TO POB.

COM N 1/4 COR, SEC 7, T37N,R1W; TH S 86D 1' 11" E 1217.62FT TO POB; TH S 86D 1' 11" E 113FT; TH S 0D 47' E 100FT; TH S 86D 52' 24" W 112.70FT; TH N 0D 47' W 113.99FT TO POB.

BEG NE COR OF NW1/4 OF NE1/4, SEC 7, T37N,R1W; TH S 0D 43M E ALG E LI OF NW1/4 OF NE 1/4, 293.05FT; TH N 86D 2M 40S W 113FT; TH N 0D 43M W 293.05FT TO N LI SEC; TH S 86D 2M 40S E 113FT TO POB *EXC: COM N 1/4 COR, SEC 7, TH S 86D 1' 11" E 1217.62FT TO POB TH S86D1'11"E 113FT TH S 0D47'E 100FT TH S86D52'24"W 112.70FT TH N 0D47'W 113.99FT TO POB.

PT OF GOVT LOT 1, SEC 7, T37N,R1W: COM AT A STEEL STK AT THE SW COR OF SD LOT; TH S 84D E ALG S LI OF SD LOT 191.6FT; TH N 23D W 651.9 FT; TH N 67D E 15FT FOR POB; TH N 67D 15M E 115FT; TH N 23D W 190FT TO A STEEL STK; TH S 67D 15M W 115FT TO A STEEL STK; TH S 23D E 190FT TO POB.

EXHIBIT A (CONTINUED)

PT OF GOVT LOT 1, SEC 7, T37N,R1W, DESC AS: COM AT A STEEL STKE AT SW COR OF SD LOT; TH S 84D E ALG S LI OF SD LOT 191.6FT TO A STEEL STKE, TH N 23D W 881.9FT TO A STEEL STKE; TH N 67D 15M E 126FT M/L TO W LI OF GOVT LOT 1; TH N 67D 15M E 328FT M/L TO A STEEL STKE APPROX ON SWLY BNDRY OF US-27 HWY FOR POB; TH NLY ALG US-27 HWY 93FT; TH WLY AT R/A TO US-27 HWY 132FT; TH SLY & PARA TO SD HWY 93FT TO A PTE; TH N 67D 15M E 132FT TO POB.

COM SW COR GOVT LOT 1, SEC 7, T37N,R1W; TH S 84D E ALG S LI GOVT LOT 1 191.6FT; TH N 23D W 881.9FT; TH N 67D 15M E 126FT M/L TO W LI GOVT LOT 1 FOR POB; TH N 67D 15M E 196FT; TH N & AT R/A 93FT; TH E AT R/A & PARA TO FIRST LI 132FT TO BNDRY LI US-27; TH N ALG W BNDRY 63FT; TH SWLY 256FT TO A PTE ON W LI GOVT LOT 1, 161FT N OF POB.

COM AT STK AT SW COR GOVT LOT 1, SEC 7, T37N,R1W; TH S 84D E ALG S LI OF LOT 191.6FT; TH N 23D W 881.9FT; TH N 67D 15M E 126FT M/L TO W LI OF LOT 1; TH N 67D 15M E 196FT; TH NLY & AT R/A TO LAST LI 93FT; TH ELY AT R/A & PARA TO FIRST LINE 132FT TO BNDRY LI OF HWY 27; TH NLY & ALG WLY BNDRY LI OF HWY 63FT THIS BEING POB; TH NLY & ALG W BNDRY LI OF HWY 112FT M/L; TH W & AT R/A TO PTE ON WLY BNDRY LI LOT 1, 209FT; TH S & AT R/A TO LAST LI 211FT; TH NELY 256FT TO POB PT OF GOVT LOT 1.

COM N 1/4 COR SEC 7, T37N,R1W; TH S 86D 1' 11" E ALG N LI OF SD SEC 1330.62FT TO NW COR OF SD GOVT LOT 1 & POB; TH S 86D 00' 41" E ALG N LI OF GOVT LOT 1, 175.71FT TO WLY R/W OF S STRAITS HWY (HWY US-27); TH ALG SD ROW LI ON CURVE TO THE LEFT HAVING A DELTA ANGLE OF 00D 34M 34S, A RAD OF 2152.26FT, A CHR D BEARING S 19D 18M 30S E & DIST 21.64FT, AN ARC DIST OF 21.64FT; TH S 19D 55' 28" E 59.93FT; TH S 86D 52' 24" W 201.79FT TO W LI OF GOVT LOT 1; TH N 00D 47' 00" W 100FT TO POB, PT OF GOVT LOT 1.