

AGENDA REPORT

To: Mayor Pat Humphrey and the Clare City Commission
From: Jeremy Howard, City Manager
Date: September 28, 2023
Re: Request for Jurisdictional Transfer of Property – 10674 South Clare Avenue

For the Agenda of October 2, 2023

Background. The City enjoys the provisions of an Urban Cooperation Agreement (UCA) with Grant Township (*copy att'd*). The Agreement, which was approved by both governmental entities in 2008, outlines the process, terms, and procedures of transfer of jurisdictional control of property from Grant Township to the City for those lands within District I of the UCA to the area designated as District II of the Urban Cooperation Agreement.

We have received a request (*copy att'd*) from Jim Paetschow to transfer jurisdictional control of property commonly known as 10674 South Clare Avenue to the City.

In condensed terms, the UCA provides any property owner within the geographical boundaries of the area defined as District I the opportunity to request the transfer of jurisdictional control of their property to the City. Once the transfer is approved, it moves the property to District II which enables the property owner to receive available city services. If such a request is received, both governmental entities are required to post a notice of a public hearing in order to receive comments pertaining to the request. Following the conduct of the hearing, the governmental units are obliged to enter into an agreement (*copy att'd*) transferring the jurisdictional control of the property within 30 days. In 2013, our City Attorney provided a more detailed memo (*copy att'd*) outlining the highlights of the UCA for the City Commission's information and consideration.

While there is a provision for petition and referendum regarding the transfer of jurisdiction in the UCA, that provision is not applicable to this particular request as there are no eligible petitioners who reside within the boundaries of the property to be transferred.

The City has posted notice (*copy att'd*) of the requisite hearing. Grant Township has received notice of the public hearing.

The City Commission is requested to hold the hearing and approve the agreement for the transfer of jurisdictional control of the requested property.

Issues & Questions. Should the City Commission hold the hearing and approve the transfer agreement?

Alternatives.

1. Hold the hearing and approve the transfer agreement.
2. Hold the hearing but do not approve the transfer agreement, thereby violating the terms of the UCA.
3. Set the decision aside to a subsequently scheduled public meeting.

Financial Impact. There is the potential for considerable economic benefit for both governmental entities. For the City, the City's tax base is expanded by the transfer. Any development on the property provides economic benefit for Grant Township and the City.

Recommendation. I recommend that the City Commission hold the requisite public hearing and subsequently approve the transfer agreement by adoption of Resolution 2023-079 (*copy att'd*).

Attachments.

1. UCA.
2. Jurisdictional Transfer Request.
3. Transfer Agreement.
4. City Attorney Memo.
5. Public Notice.
6. Resolution 2023-079.



STATE OF MICHIGAN
TERRI LYNN LAND, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

September 17, 2008

Mr. Willaim Fahey
Fahey, Schultz, Burzych & Rhodes
4151 Okemos Road
Okemos, MI 48864

RE: Urban Cooperation Agreement

Dear Mr. Fahey:

This letter serves to acknowledge the Office of the Great Seal's receipt on September 11, 2008 of the filing of the annexation pursuant to Public Act 425 of 1984, as amended, from Grant Township to the City of Clare. The receipt date is the effective date of this boundary change. This filing is designated as Job Number 08-412.

All property descriptions for any boundary changes are reviewed by the Michigan Department of Transportation (MDOT), and then published annually in the Michigan Public and Local Acts manual. If any property description is found inaccurate by MDOT, this office will contact you at that time and request a corrected description, which will not impact the effective date of the boundary change.

*****No further acknowledgment will be sent*****

Sincerely,

Michele Martin, Technician
Office of the Great Seal
517-241-1829

cc: Grant Township Clerk
Clare City Clerk
Clare County Clerk
Michigan Department of Labor and Economic Growth, State Boundary Commission
Michigan Department of Labor and Economic Growth, Liquor Control Commission
Michigan Department of Labor and Economic Growth, Office of Land Survey and Remonumentation
Michigan Department of Information Technology, Center for Geographic Information
Michigan Department of Treasury, Office of Revenue and Tax Analysis
Michigan Department of Transportation, Bureau of Transportation Planning
U.S. Bureau of the Census
Office of the Great Seal Job Number: 08-412

Cities
Clare County

In the matter of the annexation of certain property located in Grant Township to City of Clare. Annexed in accordance with the provisions of Public Act 425 of 1984, as amended the following described property:

EXHIBIT A

All lands outside the present boundaries of the City of Clare contained in the south one-half of Sections 22, 23 and 24, the east one-half of Sections 28 and 33, the southeast one-quarter of Section 21, as well as all lands within Sections 25, 26, 27, 34, 35 and 36 of Grant Township, Clare County, Michigan.

2009 SEP 11 PM 2:53

URBAN COOPERATION AGREEMENT

OFFICE OF THE GREAT SEAL
THIS AGREEMENT is made effective as of the 9th day of September, 2008, by and between the **CITY OF CLARE**, a Michigan home rule city, with its offices at 202 West Fifth Street, Clare, MI 48617 ("City"), and **GRANT TOWNSHIP**, a Michigan general law township, with its offices located at 8490 South Grant Avenue, Clare, MI 48617 ("Township").

RECITALS

A. The City and Township are "local units" as defined by Act 425 of 1984, as amended ("Act 425") (MCL 124.21 *et seq.*), which enables two local units to conditionally transfer property by written agreement for the purpose of economic development projects. The City and Township are also "local governmental units" as defined by Act 7 of 1967, as amended ("Act 7") (MCL 124.501 *et seq.*), which authorizes agreements for the joint exercise of power and for the sharing of revenues between local government units.

B. The City and Township have proposed that certain property described in the attached Exhibit A (the "Urban Cooperation Area") be conditionally transferred from the Township to the City pursuant to Act 425 and pursuant to the terms of this Agreement under Act 425 and Act 7.

C. The City and Township have considered certain factors prior to entering into this Agreement as required by Section 3 of Act 425.

D. The Township Board held a public hearing on July 15, 2008, regarding this Agreement, and the City Commission held a public hearing on July 21, 2008, regarding this Agreement, both preceded by notice in accordance with the requirements of Michigan's Open Meetings Act. At the conclusion of the public hearing, the Township Board and City Commission each approved this Agreement, subject to the referendum requirements of Act 425 and Act 7.

E. More than thirty (30) days have passed since the public hearings and more than forty-five (45) have passed since the Township Board and City Commission approved this Agreement, by a majority of elected officials to each legislative body, and neither the Township Clerk nor the City Clerk have received a petition for referendum on the Agreement; or, if such a referendum was petitioned for, the election was held and the majority vote approved this Agreement.

F. The City and Township find that the conditional transfer of the Urban Cooperation Area from the Township to the City pursuant to this Agreement will assist economic development and be beneficial to the residents of the City and the Township.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

**ARTICLE I
DEFINITIONS**

Section 1.1 Definitions.

- (a) "Agreement" means this Urban Cooperation Agreement.
- (b) "Urban Cooperation Area" means that portion of the Township described in the attached Exhibit A.
- (c) "District I" means that part of the Urban Cooperation Area outside of District II, defined below.
- (d) "District II" means that part of the Urban Cooperation Area in which the property owner voluntarily requests a transfer of his or her property to District II by signing and filing a notarized copy of the District II Transfer Agreement attached as Exhibit B with the City and the Township. For purposes of MCL 333.12751, *et seq.*, the sanitary sewer system operated by the City shall not be deemed to be "available" to properties within District I until the property owner(s) signs and files a copy of the District II Transfer Agreement as provided above; provided, however, that until December 31, 2023, if any property within District I containing an existing residential, commercial or industrial improvement on the Effective Date of this Agreement is required by the Michigan Department of Environmental Quality, the Clare County Department of Public Health, or other governmental agency to connect to the City's sanitary sewer system, then such property shall not be transferred to District II until fifteen (15) years after such sewer connection or December 31, 2023, whichever is earlier; and provided that, during the period that such properties within District I receive sewer service from the City, those customers shall pay sewer service rates determined by the City in accordance with applicable law. Upon receiving the District II Transfer Agreement, the City Commission and the Township Board shall each conduct a public hearing on such transfer as required by Act 425. Thirty (30) days after the public hearings, the Township and the City shall both execute the District II Transfer Agreement, and the City Clerk shall file one copy with the Michigan Secretary of State, and shall file one copy with the Clare County Clerk. A copy of such Agreement, certified as filed with the Clare County Clerk or the Michigan Secretary of State, shall be prima facie evidence of the transfer of the described property to District II of the Urban Cooperation Area. The City will reimburse the Township for the Township's legal and administrative costs incurred as a result of each transfer to District II, upon invoice from the Township.

ARTICLE II
AREA AND JURISDICTION TRANSFERRED

Section 2.1 Transfer of Property. The Urban Cooperation Area shall be conditionally transferred from the jurisdiction of the Township to the jurisdiction of the City for the limited purposes specified in this Agreement.

Section 2.2 Jurisdiction After Termination or Expiration. Upon the termination, expiration, or non-renewal of this Agreement, District I shall for all purposes return to the jurisdiction of the Township, and District II shall for all purposes remain under the jurisdiction of the City.

Section 2.3 Jurisdiction – Governmental Services.

(a) District I of the Urban Cooperation Area 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 District I for the purpose of providing water and sanitary sewer service to District II properties.

(b) District II of the Urban Cooperation Area shall receive all services from the City normally provided to City properties. The City shall bear the cost of maintaining and improving the portion of any public road within District II and one-half the cost of any public road contiguous to properties within District II.

Section 2.4 Jurisdiction – Zoning of Transferred Area. During the term of this Agreement, the Township shall have all zoning authority, if any, including the authority to make zoning decisions, if any, within District I, and the City shall have all zoning authority, including the authority to make zoning decisions, within District II.

Section 2.5 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 District I of the Urban Cooperation Area, and all *ad valorem* property taxes shall be levied and collected by the City at the normal City millage rate for District II of the Urban Cooperation Area.

Section 2.6 Sharing – Taxes.

(a) During the term of this Agreement, the Township shall annually receive tax sharing from the City of the real and personal property taxes collected by the City with respect to District II, based on the following calculation:

The Township shall receive an amount equal to the

Township's then effective millage rate, up to a maximum of three (3) mills, times the taxable value of the real and personal property within District II.

(b) In addition, during the first full tax year after any property is transferred to District II, the City shall share with the Township an amount equal to one-half (1/2) of the City's then effective millage rate times the taxable value of the property so transferred.

(c) All tax sharing due the Township under this section shall be paid by the City no later than September 30th of each tax year, subject to rebate in proportion to any tax refunds resulting from Tax Tribunal proceedings. For purposes of this Section, taxable value shall be calculated irrespective of whether any abatements, exemptions, or tax increment financing have been approved for property within District II of the Urban Cooperation Area. In the event that the City proposes to use tax increment financing that captures taxable value or taxes within all or any portion of District II, and the law authorizing that capture permits the Township to exempt from capture its tax sharing under this Agreement, then the City may use that method of tax increment financing within District II. If the applicable law does not allow the Township to exempt its tax sharing under this Agreement from capture, then the City may not use that method of tax increment financing within District II unless the City annually reimburses the Township for any tax sharing under this Agreement that is captured by the tax increment financing arrangement.

Section 2.7 Jurisdiction – State and Federal Revenue Sharing. For state and federal revenue sharing purposes, District I of the Urban Cooperation Area shall be within the Township's jurisdiction. For state and federal revenue sharing purposes, District II of the Urban Cooperation Area shall be within the City's jurisdiction. The City shall annually pay the Township a portion of the City's state and federal revenue sharing payments equal to the then current population of District II, multiplied by the then current per capita state and federal revenue sharing received by the Township in the balance of the Township.

Section 2.8 Jurisdiction – Special Assessments. As long as this Agreement is in effect, District I of the Urban Cooperation Area shall be treated as being within the jurisdiction of the Township for purposes of any special assessments, and District II shall be treated as being within the jurisdiction of the City for purposes of any special assessments.

Section 2.9 Voting. Any qualified electors residing in District I shall, for election and voting purposes, be considered qualified electors of the Township. Any qualified electors residing in District II shall, for election and voting purposes, be considered qualified electors of the City.

Section 2.10 Jurisdiction – Building Inspection. During the term of this Agreement, the Township Building Inspector or his designee will be responsible for building inspections in District I, and the City Building Inspector or his designee will be responsible for building inspections within District II.

Section 2.11 Jurisdiction – Assessing. During the term of this Agreement, the Township Assessor will be responsible for the calculation of the assessed and taxable value in District I, and the City Assessor will be responsible for the calculation of the assessed and taxable value in District II.

Section 2.12 Jurisdiction – Applicability and Enforcement of Ordinances.

(a) District I of the Urban Cooperation Area shall be treated as being 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 shall be responsible for enforcing all such ordinances, rules and regulations.

(b) District II of the Urban Cooperation Area shall be treated as being 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 shall be responsible for enforcing all such ordinances, rules and regulations.

(c) Nothing in this Agreement shall be construed to limit the discretion of any police officer or fire official to enforce the statutes of the State of Michigan.

Section 2.13 Jurisdiction – Annexation. During the term of this Agreement, no portion of the Urban Cooperation Area shall be annexed to the City. In the event that any petitions for annexation are filed for any portion of the Urban Cooperation Area, the City and the Township agree to actively oppose such petitions by, at a minimum, stating their opposition in writing, requesting in writing that such petitions be dismissed and denied, and refraining from providing any direct or indirect assistance or support to the petitioners. If any petition for annexation is filed by a property owner within the Urban Cooperation Area, such petition shall be construed to be a Request for Transfer to District II under this Agreement, and shall be handled by the parties in the same manner as a Request for Transfer is handled under Section 1.1(d) of this Agreement.

ARTICLE III TERM AND TERMINATION

Section 3.1 Term. The initial term of this Agreement shall be for forty-five (45) years from its effective date. This Agreement shall be automatically renewed for one additional term of forty-five (45) years upon the expiration of the initial term. During the

term of this Agreement and any renewal, the parties shall review this Agreement at fifteen (15) year intervals for compliance with state and federal law, and shall negotiate in good faith if any amendments are required to make this Agreement comply with any changes in state or federal law after the effective date.

Section 3.2 Termination – Rescission. This Agreement may be terminated by the expiration of the term of this Agreement and any renewal, or by operation of law if a court of competent jurisdiction orders the termination of this Agreement.

Section 3.3 Status of Utility Improvements and Service Upon Termination. In the event any portion of the Urban Cooperation Area is returned to the Township, all sanitary sewer and water improvements owned by the City within the Urban Cooperation Area shall upon termination of this Agreement for any reason, belong to and shall be owned by the City, subject to the rights of sanitary sewer and water customers within the Township to continue to receive sanitary sewer and water service from the City. Upon return of any portion of the Urban Cooperation Area to the Township, the City shall continue to charge rates for use of any sanitary sewer and water services to any Township customers of the City sanitary sewer and water systems at a rate permitted by law, but not more than 1.5 times the rate charged to similar customers within the City.

ARTICLE IV ENFORCEMENT

Section 4.1 Enforcement. In the event of a dispute between the parties arising under this Agreement, this Agreement shall be enforced by either party in an action commenced in Clare County, Michigan, and under Michigan law.

ARTICLE V MISCELLANEOUS

Section 5.1 Amendment. This Agreement may only be amended with the prior written approval of both the City Commission and the Township Board.

Section 5.2 Employees and Liabilities. The City shall be solely responsible for the manner of employing, engaging, compensating, transferring or discharging any employees, independent contractors or other personnel with respect to the government services the City shall provide under Section 2.3 of this Agreement. The Township shall be solely responsible for the manner of employing, engaging, compensating, transferring or discharging any employees, independent contractors or other personnel with respect to the governmental services the Township shall provide under Section 2.3 of this Agreement. The City and Township shall each be responsible for such liabilities as may be incurred through their respective provision of governmental services and

other performance of this Agreement under Article II and shall respond to and provide for such potential liabilities on the same basis as the City and Township do on their own behalf generally.

Section 5.3 Notices. Any notice, demand, or communication required, permitted, or desired to be given under this Agreement shall be deemed effectively given by a writing personally delivered or mailed by first class or certified mail addressed as follows:

If to the City: City of Clare
 Attn: City Manager
 202 West Fifth Street
 Clare, MI 48617

If to the Township: Grant Township
 Attn: Supervisor
 8490 South Grant Avenue
 Clare, MI 48617

The parties may, by written notice, designate any further or different address to which subsequent notices, demands, or communications may be given.

Section 5.4 Governing Law. This Agreement has been executed and delivered and it shall be interpreted, construed, and enforced pursuant to and in accordance with the laws of the State of Michigan. All duties and obligations of the parties created under this Agreement shall be performed in Clare County, Michigan, and under Michigan law. This Agreement was mutually drafted and cannot be construed against either the City or the Township upon the basis that one was the scrivener of the Agreement.

Section 5.5 Assignment. This Agreement may not be assigned unless approved in writing by both parties' consent in writing. This Agreement shall be binding upon the parties and their successors in interest.

Section 5.6 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 the Agreement has failed, the parties shall renegotiate in good faith to amend the Agreement to make it valid and satisfactory to both parties.

Section 5.7 Articles and Other Headings. The article and other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

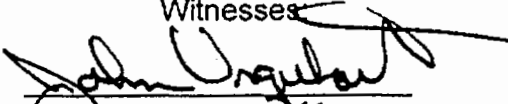
Section 5.8 Counterparts. This Agreement may be executed in any number of counterparts and each such counterpart shall be considered a valid original.

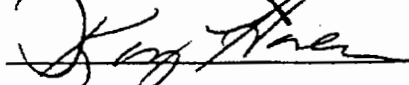
Section 5.9 Entire Agreement. This Agreement constitutes the entire agreement between the parties. Neither party shall be entitled to benefits other than those specified in this Agreement. No oral statements or prior or contemporaneous written material not specifically incorporated or referenced herein shall be of any force and effect, and both parties specifically acknowledge in entering into and executing this Agreement they rely solely upon the representations and agreements contained in this Agreement, and in the other contracts specified herein.

Section 5.10 Filing and Effective Date. In accordance with Act 425, following the execution of this Agreement by the City and Township, a duplicate original of the Agreement shall be filed with the Clerk of Clare County and with the Michigan Secretary of State. This Agreement, certified as filed with the Clare County Clerk or Secretary of State, shall be prima facie evidence of the conditional transfer of the Urban Cooperation Area. This Agreement shall be effective on the day it is filed with the Clare County Clerk and Secretary of State.

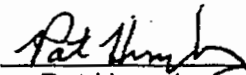
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above by authority of the respective City Council and Township Board.

Witnesses

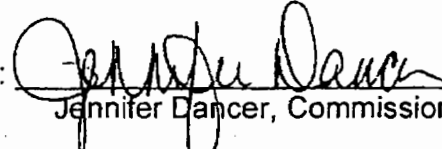




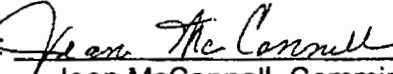
CITY OF CLARE

By: 

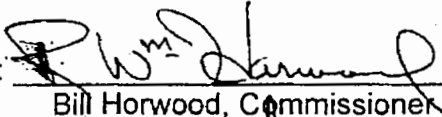
Pat Humphrey, Mayor

By: 

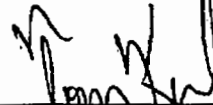
Jennifer Dancer, Commissioner

By: 

Jean McConnell, Commissioner

By: 

Bill Horwood, Commissioner

By: 

Tom Koch, Commissioner

Witnesses:

[Signature]
[Signature]

GRANT TOWNSHIP

By: [Signature]
Dan Dysinger, Jr., Supervisor

By: [Signature]
Sue Wentworth, Clerk

By: [Signature]
Tammy L. Shea, Treasurer

By: [Signature]
Margery Bell, Trustee

By: [Signature]
Richard Zinser, Trustee

DISTRICT II TRANSFER AGREEMENT

REQUEST FOR TRANSFER

September 13, 2023


Grant Township
8490 South Grant Avenue
Clare, Michigan 48617

City of Clare
202 West Fifth Street
Clare, Michigan 48617

The Red Hook Properties, LLC. requests that the following described property, hereinafter referred to as the "Subject Property" which is owned by Red Hook Properties, LLC., be transferred to District II of the Urban Cooperation Agreement Area pursuant to the provisions of Section 1.1(d) of the Urban Cooperation entered into and between the City of Clare and Grant Township on the 9th day of September 2008.

Legal Description of Subject Property:

T17N R4W SEC 27 10674 S CLARE AVE S 99 FT OF E 330 FT OF NE 1/4 OF SE 1/4 & N 33 FT OF E 330 FT OF SE 1/4 OF SE 1/4.



James R. Paetschow

STATE OF MICHIGN)
)ss
COUNTY OF CLARE)

On the 13 day of September, (James), personally appeared before me Erica Bohy, who certifies that he is the legal and official representative of (Red Hook Properties, LLC), the owner of the Subject Property and requests a transfer of the Subject Property to District II of said Urban Cooperation Area.



Notary Public
Clare County, Michigan
My Commission Expires: Feb. 22, 2029
Acting in the County of Clare

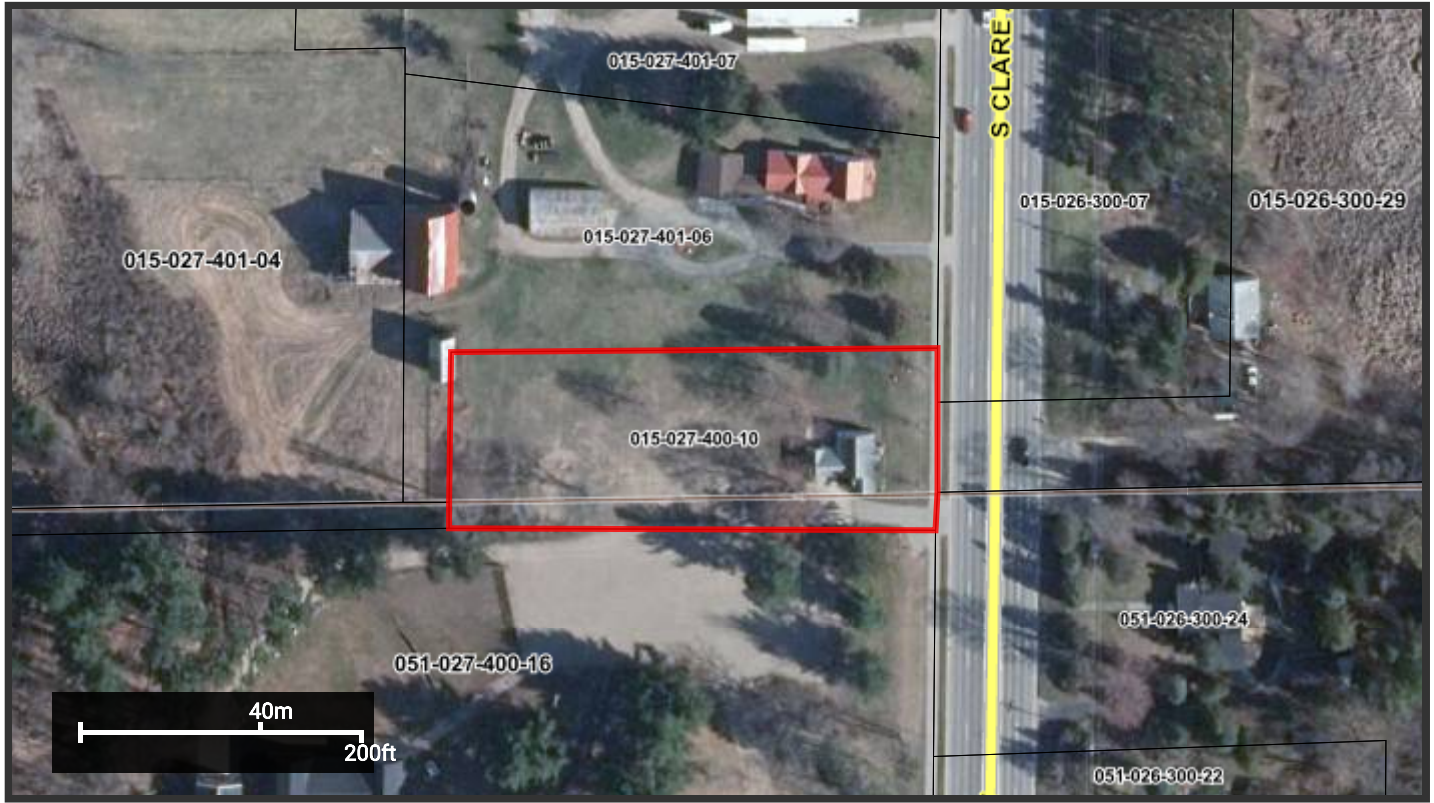


Clare County GIS

Parcel Report: 015-027-400-10

9/14/2023

12:55:33 PM



Property Address

10674 S CLARE AVE

CLARE, MI, 48617

Owner Address

RED HOOK PROPERTIES LLC

--

PO BOX 236

CLARE, MI 48617

Unit: 015

Unit Name: GRANT TOWNSHIP

General Information for 2023 Tax Year

Parcel Number: 015-027-400-10

PART II
AGREEMENT FOR TRANSFER

This Agreement is made effective as of the ___ day of _____, 20___, by and between the City of Clare, a Michigan home rule city, with its offices at 202 W. 5th Street, Clare, Michigan 48617 ("City") and Grant Township, a Michigan general law township, with its offices located at 8490 South Grant Avenue, Clare, Michigan 48617 ("Township").

RECITALS

A. The City and Township are "local units" as defined by Act 425 of 1984, as amended ("Act 425") (MCL 124.21 *et seq.*), which enables two Local Units to conditionally transfer property by written agreement for the purpose of economic development projects.

B. The City and Township have previously entered into an Urban Cooperation Agreement dated September 9, 2008 ("Urban Cooperation Agreement"), which Agreement remains in effect between the City and the Township.

C. This Agreement is entered into with respect to the Subject Property identified and described in Part I above.

D. The City and Township enter into this Agreement pursuant to and subject to the terms of the Urban Cooperation Agreement, for the purpose of transferring the Subject Property to District II of the Urban Cooperation Area identified and described in the Urban Cooperation Agreement.

E. The Township Board held a public hearing on _____, 20___, and the City Commission held a public hearing on _____, 20___, regarding this Agreement, and more than thirty (30) days have passed since such public hearings, and neither the Township Clerk or the City Clerk have received a petition for referendum on this transferor, or, having received such a petition, the referendum was held and the transfer was approved by the electors.

F. The City and Township find that the conditional transfer of the Subject Property to District II of the Urban Cooperation Area will allow for the development of an existing or proposed economic development project and will promote economic development and be beneficial to the residents of the City and the Township.

G. The City and Township have considered certain factors prior to entering into this Agreement as required by Section 3 of Act 425.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

**ARTICLE I
AREA AND JURISDICTION TRANSFERRED**

Section 1.1 Transfer of Property. The Subject Property shall be conditionally transferred to District II of the Urban Cooperation Area for the purposes specified in the Urban Cooperation Agreement, for the term of that Agreement and any renewal.

Section 1.2 Jurisdiction After Termination or Expiration. Upon the termination, expiration, or non-renewal of the Urban Cooperation Agreement, the Subject Property shall for all purposes remain under the jurisdiction of the City.

Section 1.3 Governmental Services. During the term of the Urban Cooperation Agreement and any renewal, the Subject Property shall receive all services from the City normally provided to City properties.

Section 1.4 Zoning. During the term of the Urban Cooperation Agreement and any renewal, the Subject Property shall be subject to the City's zoning authority, including the authority to make zoning decisions with respect to the Subject Property.

Section 1.5 Taxes. During the term of the Urban Cooperation Agreement and any renewal, the Subject Property shall be subject to the City's *ad valorem* property taxes at the normal City millage rate.

Section 1.6 Sharing of Taxes.

(a) During the term of the Urban Cooperation Agreement and any renewal, the Township shall annually receive tax sharing from the City of the real and personal property taxes collected by the City with respect to the Subject Property, based on the following calculation:

The Township shall receive an amount equal to the Township's then-effective millage rate, up to a maximum of three (3) mills, times the taxable value of the real and personal property within the Subject Property.

(b) In addition, during the first full tax year after the Subject Property is transferred hereunder, the City shall share with the Township an amount equal to one-half (1/2) of the City's then-effective millage rate times the taxable value of the Subject Property.

(c) All tax sharing due the Township under this section shall be paid by

the City no later than September 30 of each tax year, subject to rebate in proportion to any tax refunds resulting from tax tribunal proceedings. For purposes of this section, taxable value shall be calculated irrespective of whether any abatements, exemptions, or tax increment financing have been approved by the City with respect to the Subject Property. In the event that the City proposes to use tax increment financing that captures taxable value or taxes within all or any portion of the Subject Property, and the law authorizing that capture permits the Township to exempt from capture its tax sharing under this Agreement, then the City may use that method of tax increment financing with respect to the Subject Property. If the applicable law does not allow the Township to exempt its tax sharing under this Agreement from capture, then the City may not use that method of tax increment financing with respect to the Subject Property unless the City annually reimburses the Township for any tax sharing under this Agreement that is captured by the tax increment financing arrangement.

Section 1.7 State and Federal Revenue Sharing. During the term of the Urban Cooperation Agreement and any renewal, the Subject Property shall be within the City's jurisdiction for state and federal revenue sharing purposes. The City shall annually pay the Township a portion of the City's state and federal revenue sharing payments equal to the then-current population within the Subject Property, multiplied by the then-current per capita state and federal revenue sharing received by the Township in the balance of the Township.

Section 1.8 Special Assessments. During the term of the Urban Cooperation Agreement and any renewal, the Subject Property shall be within the jurisdiction of the City for purposes of any special assessments.

Section 1.9 Voting. During the term of the Urban Cooperation Agreement and any renewal, electors residing within the Subject Property shall be considered qualified electors of the City for election and voting purposes.

Section 1.10 Building Inspection. During the term of the Urban Cooperation Agreement and any renewal, the City Building Inspector or his designee will be responsible for building inspections within the Subject Property.

Section 1.11 Assessing. During the term of the Urban Cooperation Agreement and any renewal, the City Assessor will be responsible for the calculation of the assessed and taxable value for the Subject Property.

Section 1.12 Applicability and Enforcement of Ordinances. During the term of the Urban Cooperation Agreement and any renewal, the Subject Property shall be within the ordinance jurisdiction of the City and subject to all City ordinances, rules and regulations enacted now or in the future. The City shall be responsible for enforcing all such ordinances, rules and regulations.

Section 1.13 Annexation. During the term of the Urban Cooperation Agreement and any renewal, no portion of the Subject Property shall be annexed to the City.

ARTICLE II TERM AND TERMINATION

Section 2.1 Term. The initial term of this Agreement shall be for the remaining, unexpired initial term of the Urban Cooperation Agreement, and this Agreement shall be automatically renewed for one additional term of forty-five (45) years upon the expiration of the initial term. If this Agreement is first entered into during the renewal term of the Urban Cooperation Agreement, this Agreement shall expire upon the expiration of said renewal term. During the term of this Agreement and any renewal, the parties shall review this Agreement at fifteen (15) year intervals for compliance with state and federal law, and shall negotiate in good faith if any amendments are required to make this Agreement comply with any changes in state or federal law after the effective date.

Section 2.2 Termination - Rescission. This Agreement may be terminated by the expiration of the term of this Agreement and any renewal, or by operation of law if a court of competent jurisdiction orders the termination of this Agreement.

Section 2.3 Status of Utility Improvements and Service Upon Termination. In the event the Subject Property is returned to the Township, all sanitary sewer and water improvements owned by the City within the Subject Property shall, upon termination of this Agreement for any reason, belong to and shall be owned by the City, subject to the rights of sanitary sewer and water customers within the Township to continue to receive sanitary sewer and water service from the City. Upon return of any portion of the Subject Property to the Township, the City shall continue to charge rates for use of any sanitary sewer and water services to any Township customers of the City sanitary sewer and water systems at a rate permitted by law, but not more than 1.5 times the rate charged to similar customers within the City.

ARTICLE III ENFORCEMENT

Section 3.1 Enforcement. In the event of a dispute between the parties arising under this Agreement, this Agreement shall be enforced by either party in an action commenced in Clare County, Michigan, and under Michigan law.

**ARTICLE IV
MISCELLANEOUS**

Section 4.1 Amendment. This Agreement may only be amended with the prior written approval of both the City Commission and the Township Board.

Section 4.2 Employees and Liabilities. The City shall be solely responsible for the manner of employing, engaging, compensating, transferring or discharging any employees, independent contractors or other personnel with respect to the government services the City shall provide under Section 1.3 of this Agreement. The Township shall be solely responsible for the manner of employing, engaging, compensating, transferring or discharging any employees, independent contractors or other personnel with respect to the governmental services the Township shall provide under Section 1.3 of this Agreement. The City and Township shall each be responsible for such liabilities as may be incurred through their respective provision of governmental services and other performance of this Agreement under Article I and shall respond to and provide for such potential liabilities on the same basis as the City and Township do on their own behalf generally.

Section 4.3 Notices. Any notice, demand, or communication required, permitted, or desired to be given under this Agreement shall be deemed effectively given by a writing personally delivered or mailed by first class or certified mail addressed as follows:

If to the City: City of Clare
 Attn: City Manager
 202 West Fifth Street
 Clare, MI 48617

If to the Township: Grant Township
 Attn: Supervisor
 8490 South Grant Avenue
 Clare, MI 48617

The parties may, by written notice, designate any further or different address to which subsequent notices, demands, or communications may be given.

Section 4.4 Governing Law. This Agreement has been executed and delivered and it shall be interpreted, construed, and enforced pursuant to and in accordance with the laws of the State of Michigan. All duties and obligations of the parties created under this Agreement shall be performed in Clare County, Michigan, and under Michigan law. This Agreement was mutually drafted and cannot be construed against either the City or the Township upon the basis that one was the scrivener of the Agreement.

Section 4.5 Assignment. This Agreement may not be assigned unless approved in writing by both parties' consent in writing. This Agreement shall be binding on the parties and their successors in interest.

Section 4.6 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 the Agreement has failed, the parties shall renegotiate in good faith to amend the Agreement to make it valid and satisfactory to both parties.

Section 4.7 Articles and Other Headings. The article and other 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 4.8 Counterparts. This Agreement may be executed in any number of counterparts and each such counterpart shall be considered a valid original.

Section 4.9 Entire Agreement. This Agreement constitutes the entire agreement between the parties, except that the Urban Cooperation Agreement between the parties, referenced above, shall be specifically incorporated into this Agreement, and this Agreement shall be subject to the terms of the Urban Cooperation Agreement. Neither party shall be entitled to benefits other than those specified in this Agreement. No oral statements or prior or contemporaneous written material not specifically incorporated or referenced herein shall be of any force and effect, and both parties specifically acknowledge in entering into and executing this Agreement they rely solely upon the representations and agreements contained in this Agreement, and in the other contracts specified herein.

Section 4.10 Filing and Effective Date. In accordance with Act 425, following the execution of this Agreement by the City and Township, a duplicate original of the Agreement shall be filed with the Clerk of Clare County and with the Michigan Secretary of State. This Agreement, certified as filed with the Clare County Clerk or Secretary of State, shall be prima facie evidence of the conditional transfer of the Subject Property. This Agreement shall be effective on the day it is filed with the Clare County Clerk and Secretary of State.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above by authority of the respective City Council and Township Board.

Witnesses:

CITY OF CLARE

By: _____
Its: Mayor

By: _____
Its: Clerk

GRANT TOWNSHIP

By: _____
Its: Supervisor

By: _____
Its: Clerk

Memo

To: Clare City Commissioners

From: Jaynie Hoerauf

October 3, 2013

Re: Urban Cooperation Act and Public Act 425 Transfers, vs annexation

It has been a long time since we entered into the UCA, and went through all of the agony attendant to its creation. I thought that a review was in order, to support your agenda materials.

The Urban Cooperation Act agreement that we all refer to as the "UCA" is a contract that the City has entered into with Grant Township. UCA agreements are a tool given local units of government, by the State, that are designed to foster and encourage economic development, support creation of jobs and industry. UCA agreements can be as varied as the topics of interest to humankind, for the most part. Clare and Grant Township's UCA agreement provides a mechanism that governs when and how property will be transferred into the city, as a means of permitting development. Greatly simplified, a transfer is sought in order to obtain public utilities (water and sewer) that are necessary for whatever is planned, for a parcel. For instance, developers typically require public water and sewer for apartments, condominiums and for shopping developments.

Let's start with a list of what the UCA requires and does:

1. Creates two Districts "I" and "II."
2. District 1 is a box shaped area adjacent to the city defining what properties could be eligible to transfer to city jurisdiction.
3. District 2 consists of the properties that have transferred to city jurisdiction.
4. Upon receiving a request to transfer to the City from a District 1 property owner, both the City Commission and the Township Board are required to schedule and public hearings, and after 30 days have passed (after the public hearing) to sign the "District 2 Transfer Agreement."
5. Once the signed agreement is filed with the appropriate authorities, the city's boundaries are adjusted to include the property.

The District II Transfer Agreements are also known as Act 425 Conditional Transfer agreements. What the agreement accomplishes is, transferring the property into the city with a sharing of tax revenue back to the township as follows:

- During the first full tax year in the city, the Township receives half of the city's effective millage rate times the property value. This is not

- half of the taxes collected, but half of what is theoretically levied on the property.
- Thereafter the Township receives the taxes that they would otherwise have collected (up to 3 mills, but usually less) on the property.
 - There are provisions for sharing of per capita revenue sharing (which is mostly gone anyway).
 - The initial term of the conditional transfer in this case will be 83 years. Although the parties are obligated to review and renegotiate the terms of the agreement to comply with state and federal law every 15 years.
 - At the end of the agreement, the property is annexed to the city and all tax sharing ends.

The object of the UCA is to avoid the political wars and agony attendant to annexation fights, which are 100% political, can be lengthy and expensive.

These are just some highlights for you.

Always,

Jaynie



CITY OF CLARE

202 West Fifth Street | Clare, Michigan 48617-1490

Office 989.386.7541 | Fax 989.386.4508

www.cityofclare.org

PUBLIC NOTICE

CITY HALL

Ph 989.386.7541
Fx 989.386.4508
www.cityofclare.org
Manager x102
Assessor x103
Clerk x106
Treasurer x107

DEPARTMENT OF PUBLIC WORKS

Ph 989.386.2182 or
989.386.7541 x202
Fx 989.386.4508

UTILITY BILLING

Ph 989.386.7541 x201

W/WWT PLANT

Ph 989.386.2321
Fx 989.386.2387

POLICE DEPT. NON-EMERGENCY

Ph 989.386.2121
Fx 989.386.0440

FIRE DEPT. NON-EMERGENCY

Ph 989.386.2151
Fx 989.386.3020

PARKS & RECREATION

Ph 989.386.7541 x213
Fx 989.386.4508

AIRPORT

Ph 989.386.0445
Fx 989.386.4508

The City of Clare has received a request from Red Hook Properties, LLC to transfer jurisdictional authority of property from Grant Township to the City of Clare in accordance with the terms of the Urban Cooperation Agreement in effect between the Township & the City. The property is identified as parcel 015-027-400-10, commonly known as 10674 S. Clare Avenue. A public hearing will be held @ 6 p.m. on Monday, October 2, 2023, to receive comments related to the transfer request. Public comment will be accepted by the Clare City Commission during the hearing or in writing if such comment is received by the Clare City Clerk prior to 4:00 p.m. on the date of the scheduled hearing. The transfer request, property description related to the request, and the UCA are available for public review by contacting the City Clerk @ 989-386-7541 or dlyon@cityofclare.gov. The City of Clare is an equal opportunity provider and employer.

Diane Lyon
Clare City Clerk



RESOLUTION 2023-079

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING A PROPERTY TRANSFER AGREEMENT FOR PARCEL 015-027-400-10 FROM GRANT TOWNSHIP TO THE CITY OF CLARE UNDER THE PROVISIONS OF ITS URBAN COOPERATION AGREEMENT WITH GRANT TOWNSHIP.

WHEREAS, the City of Clare and Grant Township approved an Urban Cooperation Agreement in 2008 outlining the terms, process, and procedures for the transfer of jurisdictional control of specifically designated property within Grant Township's geographical boundaries to the City of Clare; and

WHEREAS, Grant Township and the City of Clare have received a request from the Red Hook Properties, LLC to transfer jurisdictional control of approximately 1 acre of property, legally described as T17N R4W SEC 27 10674 S CLARE AVE S 99 FT OF E 330 FT OF NE 1/4 OF SE 1/4 & N 33 FT OF E 330 FT OF SE 1/4 OF SE 1/4, and commonly known as 10674 S. Clare Ave., to the City of Clare under the terms of said Agreement; and

WHEREAS, said property is eligible for transfer under the terms of said Urban Cooperation Agreement; and

WHEREAS, the City of Clare posted requisite notice of a public hearing to receive comment and opinion regarding said transfer of jurisdictional control of said property; and

WHEREAS, the Clare City Commission has held said requisite hearing at its regularly scheduled meeting of October 2, 2023, and duly considered any comments presented at said hearing.

NOW THEREFORE BE IT RESOLVED THAT the Clare City Commission hereby approves the "Agreement for Transfer" of jurisdictional control of approximately 1 acre of property owned by Red Hook Properties, LLC., said property described within the "Request for Transfer" of jurisdiction dated September 13, 2023, and submitted to Grant Township and the City of Clare, and authorizes its Mayor and City Clerk to execute said "Agreement for Transfer" on behalf of the City of Clare.

BE IT FURTHER RESOLVED THAT the approval of the "Transfer of Agreement" and the actual transfer of jurisdiction shall be declared null and void should the State of Michigan not accept, decide to reject, or declare the transfer disqualified or ineligible.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner ____ and supported by Commissioner ____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 2nd day of October, 2023.

Diane Lyon, City Clerk