

Newaygo Community Growth Management Plan

May 2009



Developed by:
The City of Newaygo,
Brooks Township,
& Garfield Township
with assistance from LIAA

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Introduction

Intergovernmental teamwork is necessary to assure the future of shared resources, from shopping districts to parks, from farmlands to infrastructure. Thoughtful multi-jurisdictional planning and land use decision making are critical to the vitality of a community. For instance, in 2003, the Michigan Land Use Leadership Council published a report titled *Michigan's Land, Michigan's Future* that explains some of the consequences of unmanaged growth occurring in rural areas. The report asserted that the conversion of agricultural land, forestland and open space to urban uses can decrease both the visual appeal and the land-based economy of communities. Meanwhile, the infrastructure that is needed to support new growth along the urban fringe adds costs that strain local governmental resources.

Recognizing the need to work proactively, the City of Newaygo, Brooks Township and Garfield Township have joined together to tackle land use issues *upfront* rather than *reacting* to them from one step behind. In other words, these three jurisdictions wish to manage growth in a way that benefits the entire community from the perspective of “we’re in it together.” With this in mind, in March 2008, the three jurisdictions launched the *Newaygo Community Growth Management Initiative* (NCGMI). This plan is the result of that work.

This Plan, the *Newaygo Community Growth Management Plan*, represents a new approach in multi-jurisdictional planning. To date, in the state of Michigan there has not been an intergovernmental growth management strategy combined with a mechanism for funding area-wide improvements. The plan focuses on what is termed “triple bottom line goals,” which includes social, economic, and environmental factors. Through intergovernmental cooperation, this plan works to give back to the community, save money, and prevent waste.

A Call to Action

In 2006, Newaygo County worked with Michigan State University Extension to develop a *Comprehensive Development Land Use Plan*. During this process, the County administered a survey that solicited opinions from over 150 elected or appointed officials. The purpose of the survey was to gain an understanding of the key issues confronting local jurisdictions in Newaygo County.

The survey revealed that the primary desire throughout the County is to preserve rural character. Specifically, the survey response report stated that:

Communities were in unanimous agreement that the small town charm, low population density, farms, forest, rivers and lakes, federal lands, tourism, parks



and recreation opportunities are what make Newaygo County a unique and desirable place to live. They also recognize that these same attributes attract increasing growth to the county that continues to threaten this rural character. In addition, they expressed concern that as these resources are fragmented and lost, they cannot be recovered. To preserve their remaining rural characteristics, communities would like to keep future growth to a minimum and have better management of where and how that growth occurs.



City of Newaygo

The City of Newaygo was incorporated as a city in 1968. The city is governed by a seven-member council, responsible for setting city policies and approval of the annual budget. Each council member is elected. The day-to-day administrative functions are carried out by the City Manager. The City Manager is appointed by the City Council. The Public Works Department manages the maintenance and care of City parks. The Planning Commission is responsible for the review and recommendations to the City Council for new parks and park facilities.

In relation to the concern over losing rural character, the survey also revealed that local townships and cities are pressed to meet the growing demand for infrastructure expansion:

Cities/villages particularly focused on the future need to supply water as their surrounding communities continue to grow. They are concerned about the limits of their current systems and costs that future expansion may have. Similarly, many townships paralleled the concern expressed by cities/villages over demand by new residents for utilities not currently provided as their townships continue to grow. These townships do not feel that they have the financial capability to provide these utilities to their residents in the foreseeable future.

The City of Newaygo, Brooks Township and Garfield Township are no exception to these problems. The rural character referred to by survey respondents has a strong presence in the Newaygo Community. Rural character is in fact part of the community's *sense of place*. Without rural character, the Newaygo Community loses what some refer to as the "heart and soul" of area. For example, there are few places that can live up to the City of Newaygo's tagline, "an American City with a Riverstop."

Among the natural features, the dense forests, rolling farmlands and pristine water features play key roles in the community's identity. Based on 1998 figures provided by Newaygo County, forestlands are the dominant natural feature in the Newaygo Community with 25,000 acres or 55% of the total land use. The majority of the community's forestlands are found in Brooks Township. Farmlands are found throughout both townships and make up 10,700 acres or 23.5% of the total land use. In recent years, the community's most substantial crop has been Christmas trees.

The community's water features include 2,221 acres of lakes, stream, and rivers representing some of the most valuable recreation assets in the Newaygo Community. The waterways provide access to boating, swimming, fishing and serves as the primary tourist attraction in the area. Newaygo waterways also provide habitat for

a wide variety of wildlife species. These water features include Hess Lake, Brooks Lake, Emerald Lake, Sylvan Lake, Kimball Lake, Pickerel Lake, and the Muskegon River, which is well known as a first class recreational fishing river. All of these natural features are enjoyed by residents and visitors alike.

Figure 1
Newaygo Community Population Change

Community	Actual Population			Projected						
	1990	2000	Percent Increase 1990-2000	2005	2010	2015	2020	2025	2030	Percent Increase 2005-2030
Brooks Township	2,728	3,671	35%	3,947	4,379	4,858	5,390	5,980	6,634	68%
Garfield Township	2,067	2,464	19%	2,647	2,936	3,258	3,614	4,010	4,448	68%
City of Newaygo	1,336	1,670	25%	1,797	1,993	2,211	2,453	2,721	3,019	68%
Newaygo Community	6,131	7,805	27%	8,391	9,308	10,327	11,457	12,711	14,101	68%
Newaygo County	38,202	47,874	25%	52,164	57,871	64,203	71,228	79,021	87,667	68%

Source: West Michigan Shoreline Regional Development Commission

As population increases, the development of new housing, commercial buildings, and infrastructure occurs. Without managed growth, this could result in diminished rural character. That is, the reduction of forests and farmlands along with an additional impact on water quality due to increased impervious surfaces (roadways, rooftops, etc.), which allow storm water pollutants to flow directly into local lakes, rivers and streams. The population growth projections prepared by the *West Michigan Shoreline Regional Development Commission* shows that by 2030, the population in the Newaygo Community, along with the County, is likely to increase by 68% (see Figure 1). With an average County household size of 2.68 people, this could mean the development of 2,130 more housing units in the community. If the development of these units remains unchecked, a large portion of these homes could be built in the countryside. In fact, between 1990 and 2000, census figures show that 53% of the Newaygo Community’s new housing units were developed in Brooks Township. Development in the countryside not only compromises the rural character, but it puts local governments in the financially difficult position of developing and maintaining new infrastructure to meet expanding community needs. For example, just one foot of a fully installed municipal sewer, water and

paved roadway infrastructure costs about \$200. One mile into the countryside would cost \$1,056,000.



Newaygo Community Urban Growth Management Committee Members

Ron Armstrong
City of Newaygo

Rich Blachford
City of Newaygo

Rob Kinniburgh
Garfield Township

Marc Libants
Brooks Township

Mark Pitzer
Brooks Township

Les Salacina
Brooks Township

George Suchy
Garfield Township

Finding a Solution

Faced with the need for proactive measures, the City of Newaygo, Brooks Township and Garfield Township formed a committee comprised of representatives from each jurisdiction. This committee began their work by developing a mission statement to help set the direction for a course of action. Their mission statement is:

To develop and enhance the urban center of the Newaygo Community in the most efficient ways possible while protecting and preserving the rural lifestyles and natural resources of the surrounding countryside. To further this mission, the City of Newaygo, Brooks Township and Garfield Township will plan and work together to use city services to their fullest potential.

Guided by the mission, the committee explored various planning options for managing growth that would promote appropriate development, but preserve key resources and the rural lifestyle favored by Newaygo Community residents. With LIAA's assistance, the group reviewed growth management methods used in other communities across Michigan and the nation, looking for a realistic strategy that would work for Newaygo. They agreed that the best approach is the establishment of a Growth Management Area.

In brief, a Growth Management Area is that portion of the larger community that will receive the majority of urban development. By incorporating a Growth Management Area into the master plans and development controls of participating local governments, a community can more effectively guide development toward preferred locations while limiting it in other, more rural areas. The committee believes this strategy will work for Newaygo, but needs to be tailored

to this community. To answer the question of how this strategy might be tailored to fit the Newaygo Community, the committee turned to the public for help.

On May 14, 2008, the committee held a public meeting at Newaygo High School. That night, over 40 citizens turn out to provide their input. The meeting began with an overview of the *Growth Management Area* concept, followed by a question and answer period and a hands-on mapping exercise.

During the mapping exercise, participants were divided into five groups and given an area map containing aerial photographs, parcel lines, and City and township boundary lines, along with a

set of colored markers. Members of the groups were asked the following questions and reflect their answer on the map:

1. What areas should be preserved as rural/natural lands?
2. What three natural or agricultural areas are most worth preserving?
3. What type of land uses do you consider urban and should be in or near the City?
4. Where would you like to see urban development?
5. Where should the Urban Growth Management boundary line go?
6. Within the Urban Growth Management Area, what areas should be developed first?

In addition, each group was asked to provide written responses regarding high priority natural and agricultural areas that they wish to protect, land uses that are most appropriate in or near the City, and the reasoning behind the group's placement of the *Growth Management Area Boundary*.

All five of the groups provided similar results. Figures 2-6 present the maps developed by the groups. The details of the written results are provided in Appendix A. In general, meeting participants wanted farmland, rivers and lakes, and the lands around the rivers and lakes preserved. At the same time, meeting participants felt that stores, restaurants, offices, apartments, homes on small lots, some homes on large lots, factories, and parks are appropriate land uses in or near the City. The groups also suggested that the majority of these urban uses should be directed either in or directly south of the City.

The How To

Using the direction set by the public, the committee developed a composite map, which stands as the plan's official *Growth Management Area Map* (see Figure 7). This map reflects the public's opinion and also provides a phased growth management strategy that is based on the location of existing infrastructure and dense urban land use. Figures 8 and 9 show the existing water and sewer infrastructure.

With the adoption of this plan, each jurisdiction has agreed to revise its master plan and applicable zoning regulations to reflect the *Growth Management Area* map. The three jurisdictions have also developed a set of innovative mechanisms to handle the extension of services and the ongoing administration of the plan.



Brooks Township

Brooks Township was established as a general-law township in 1851, and reduced to its present boundaries in 1881. The Township is governed by a five-member Township Board consisting of a supervisor, treasurer, clerk, and two trustees, all of whom are elected representatives.

As development occurs near the City and sewer or water is required, the City will need to provide these services. One of the tools that may be used by the jurisdictions is a revenue sharing agreement, otherwise known as a *425 Agreement* (P.A. 425 of 1984, Intergovernmental Conditional Transfer of Property by Contract Act).



Garfield Township

Garfield Township was established as a general-law township in 1959. The township is currently governed by a five-member Township Board consisting of a supervisor, clerk, treasurer, and two trustees, all elected representatives.

During the development of this plan, the committee created a *425 Agreement* template (see Appendix B) that spells out how the revenue sharing arrangement should operate. The agreement states:

Shared Tax Revenue: *The City will annually return to the Township that portion of the tax revenues received by the City from the Transferred Property equal to one (1) mill applied to the taxable value of the Transferred Property. All payments shall be made by the City to the Township within thirty (30) days after the last day of payment of taxes permitted without penalty or interest and shall be accompanied by calculations pertinent thereto. Any amounts not paid by such date shall bear interest at the rate of one (1%) percent per month until paid. It is understood and agreed between the parties that the foregoing payments are for the purpose of compensating the Township for lost revenues resulting from the transfer of the Property from the Township to the City. Any payments hereunder shall be subject to a pro rata repayment from the Township to the City if the taxpayer successfully challenges all or apportion of such taxes and the City is obligated to refund those taxes, or if the City is, for any reason, required to repay the County delinquent tax revolving fund.*

Development Fund: *The City of Newaygo, Garfield Township, and Brooks Township, have established a Development Fund for use within and for the benefit of the City of Newaygo, Garfield Township and Brooks Township. The City shall annually deposit in the Development Fund an amount equal to two (2) mills on the taxable value of all real and personal property within the Transferred Property. One (1) of the two (2) mills deposited will be deposited on behalf of the Township. Disbursements from the Development Fund shall be recommended by the Management Entity.*

In plain language, this means that when a location within the *Growth Management Area* is to be provided water and sewer services by the City, the City and the affected township may enter into an agreement that *conditionally* transfers the properties into the City, whereby the City can then collect taxes on that property. However, the City will then give back one mill to the township and provide two mills, one from the City and one on behalf of the township, to a development fund that goes toward community-wide projects, such as recreational facilities.

The point at which the City and a township will engage in a *Growth Management Area 425 Agreement* may take place when one of the following events occurs within the *Growth Management Area*:

1. A property or set of properties is a township “island” within the City (bordering the City on all sides).
2. Property owners petition for water or sewer services.
3. Water and sewer services are deemed necessary from a health standpoint.
4. The density and nature of a set of properties is deemed urban in form, rather than rural, and the properties are within a reasonable distance from existing water and sewer infrastructure.

Over time, as the townships engage with the City in *Growth Management Area 425 Agreements*, the shared development fund is expected to grow. To help manage this fund, along with ensuring the proper implementation of this plan, the City of Newaygo, Brooks Township, and Garfield Township have established the *Newaygo Area Growth Management Council* under the *Urban Cooperation Act* (Public Act 7 of 1967) (see Appendix C). The Council consists of nine Members, three from each jurisdiction. At least one member of the Council from each jurisdiction has planning experience. The purpose of this body is to:

1. Provide recommendations to the governing bodies regarding the appropriate sale of City service capacity, as outlined in the Growth Management Plan.
2. Provide an annual operating budget to each of the participating governing bodies for the use of shared revenue funds.
3. Provide recommendations to the governing bodies regarding the appropriate application of *Growth Management Area 425 Agreement*.
4. Work with the participating municipalities on the development and application of grant proposals for the purpose of leveraging additional funds for area-wide improvements.

This Council will meet quarterly, at a minimum, to fulfill these duties.

Conclusion

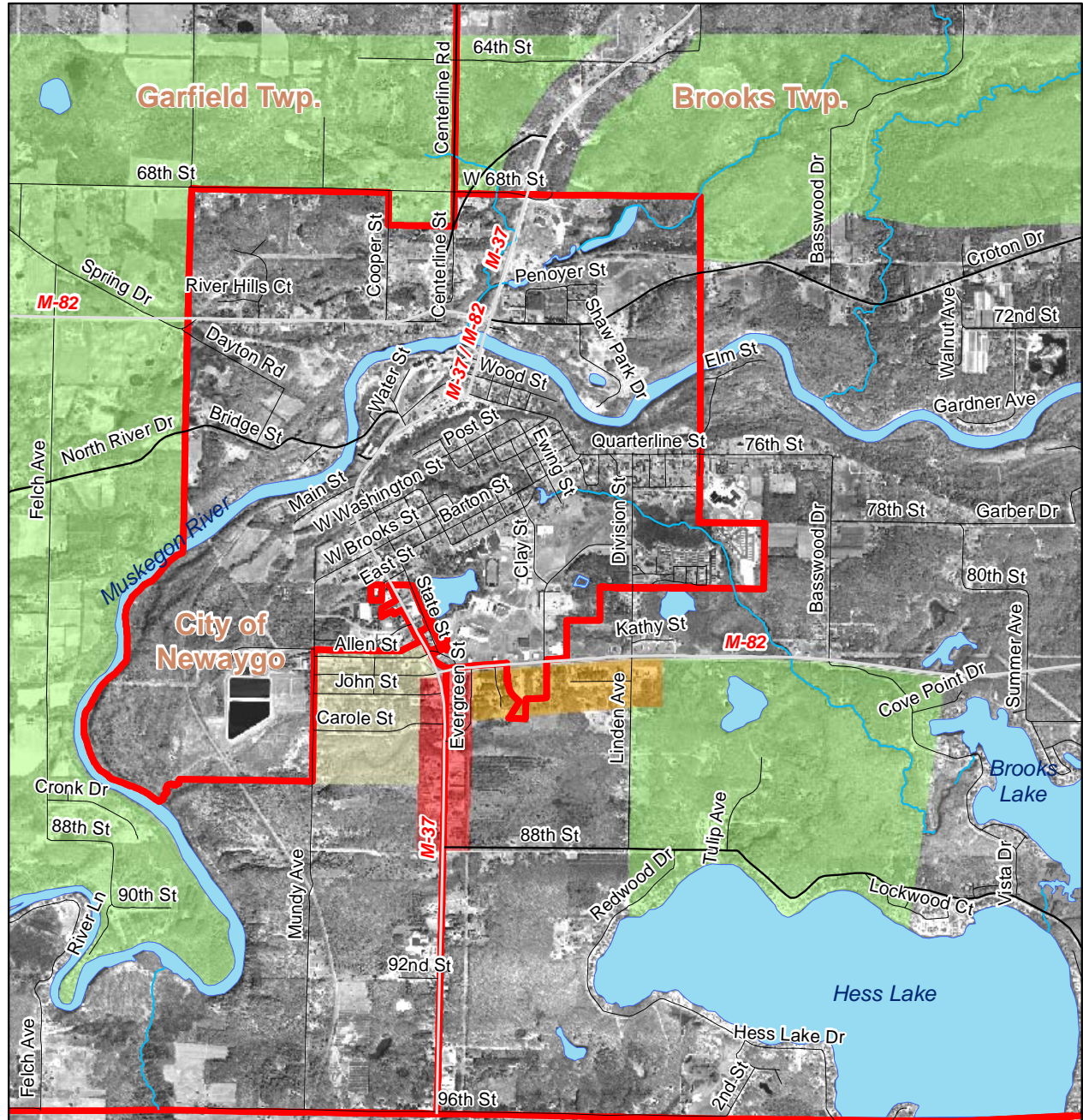
The NCGMI and this plan represent an effort on behalf of the City of Newaygo, Brooks Township and Garfield Township to view themselves as a community rather than three separate jurisdictions that have no affect on each other. For the residents of the Newaygo Community, who cross jurisdictional boundaries everyday for shopping, school, recreation, and day-to-day errands, this approach will ultimately better serve their needs by helping to preserve farmlands and natural resources while encouraging a vibrant and thriving city. Furthermore, the shared development fund established by this plan and the associated agreements is an innovative

Benefits of the Growth Management Area (GMA)

1. The GMA will help maintain the community’s rural character by guiding development to urban areas in and adjacent to the city while preserving natural and agricultural lands in outlying areas.
2. The increased revenues from development in the GMA return to the community by helping to pay for services and contributing to recreational and other community-wide amenities.
3. The GMA will help ensure that existing resources such as roads, water lines and sewers are used most efficiently, keeping costs as low as possible.
4. Development procedures and patterns will be more predictable, making land investments more secure for residents and developers.

approach to providing public amenities on a community-wide level. It is anticipated that this approach will not only benefit the resident of the Newaygo Community, but will also serve as a model for communities across the state during a time when inter-jurisdictional cooperation is being encouraged by state leaders, but remains in unchartered territory for most communities within Michigan.

Figure 2 – Group 1 Mapping Exercise



Newaygo Urban Growth Management Mapping Exercise (Group #1)

- Phase 1
- Phase 2
- Phase 3
- Preserve
- Jurisdiction Boundary
- Highways
- Major Roads
- Minor Roads
- Lakes
- Streams

0 0.25 0.5 1 1.5 Miles



Map designed and produced October 15, 2008 by:

Figure 2



Source:
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Figure 3 – Group 2 Mapping Exercise

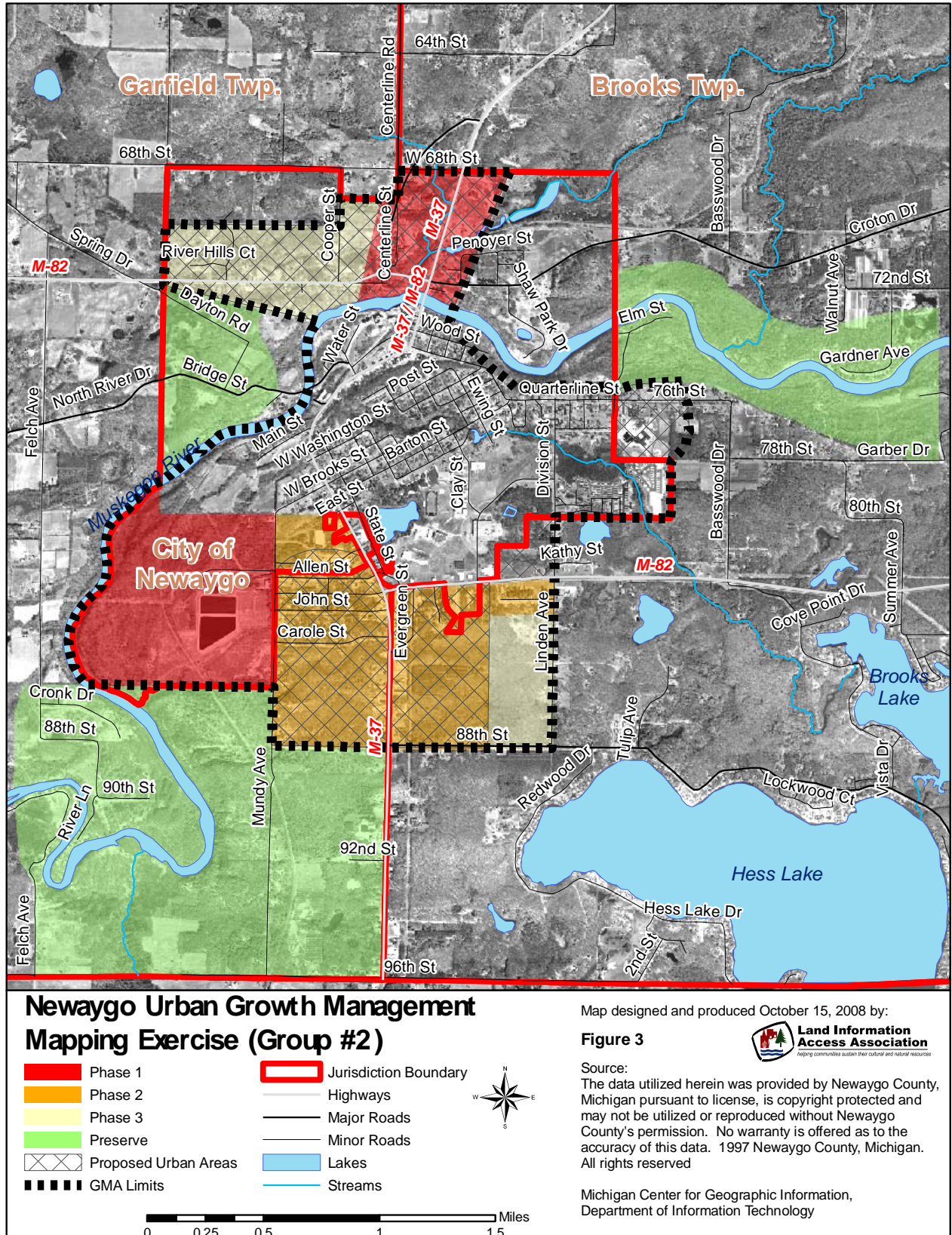
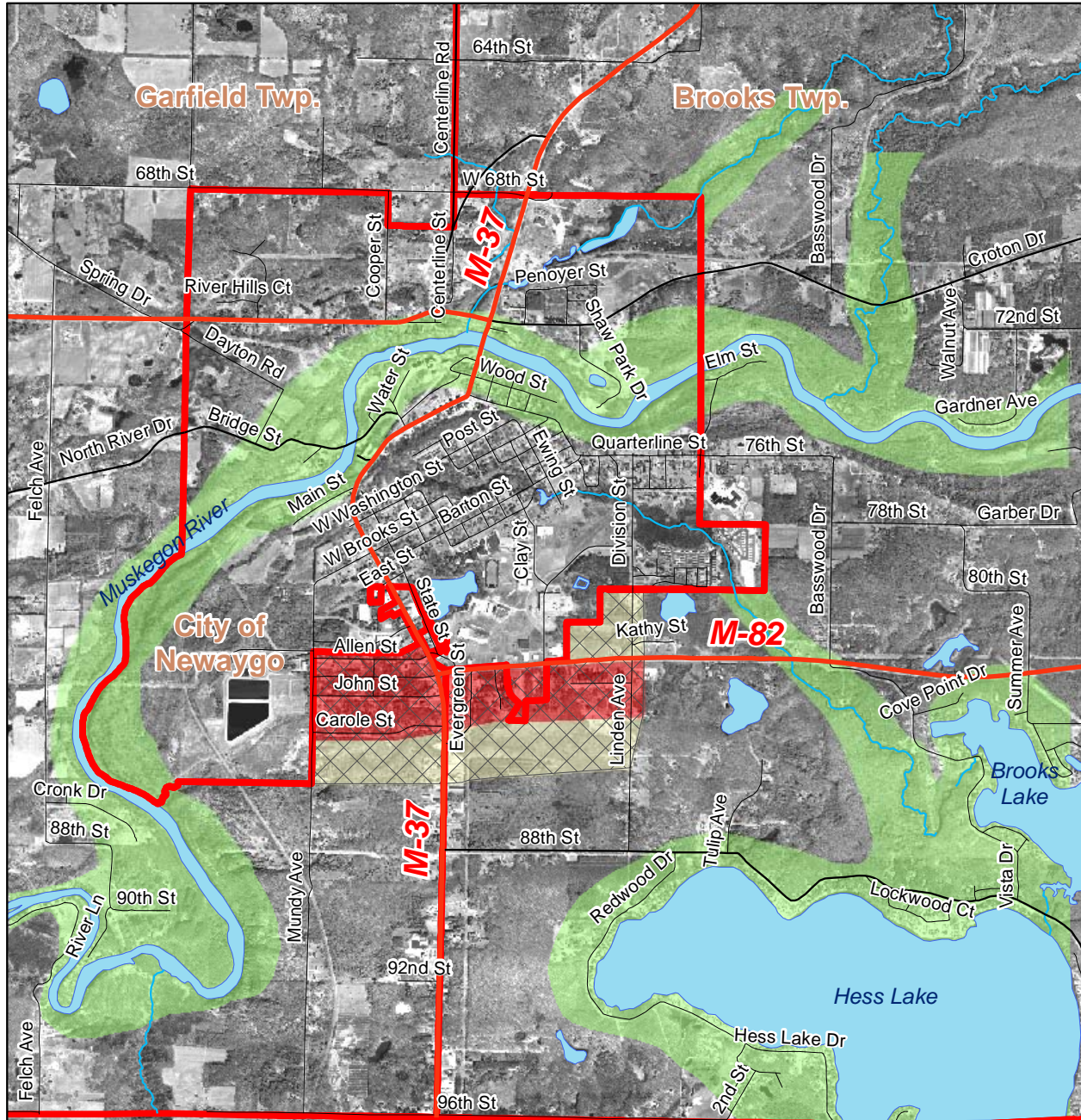
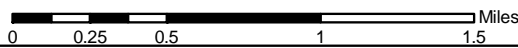


Figure 4 – Group 3 Mapping Exercise



Newaygo Urban Growth Management Mapping Exercise (Group #3)

- Phase 1
- Phase 2
- Phase 3
- Preserve
- Proposed Urban Areas
- Jurisdiction Boundary
- Highways
- Major Roads
- Minor Roads
- Lakes
- Streams



Map designed and produced October 15, 2008 by:

Figure 4



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Figure 5 – Group 4 Mapping Exercise

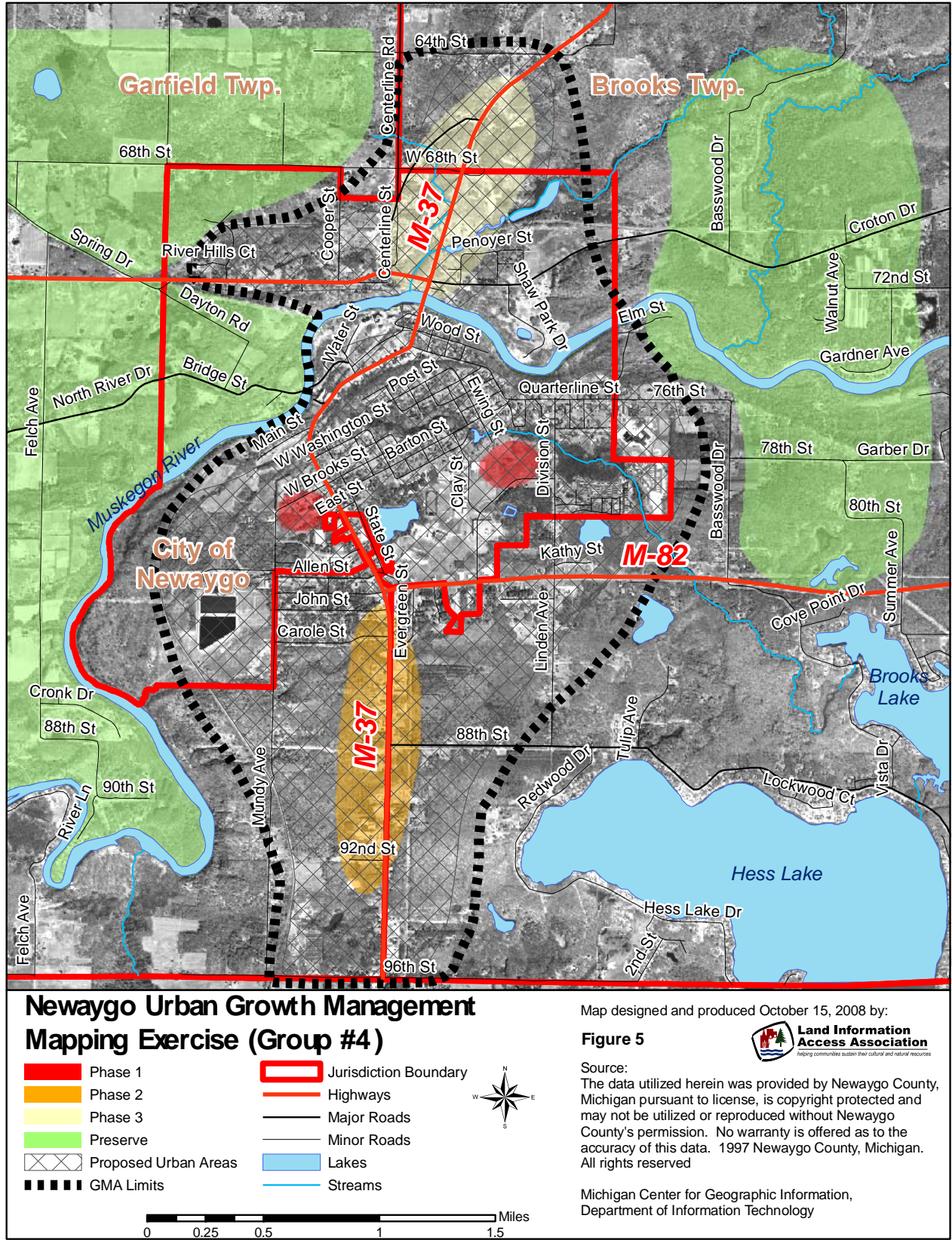
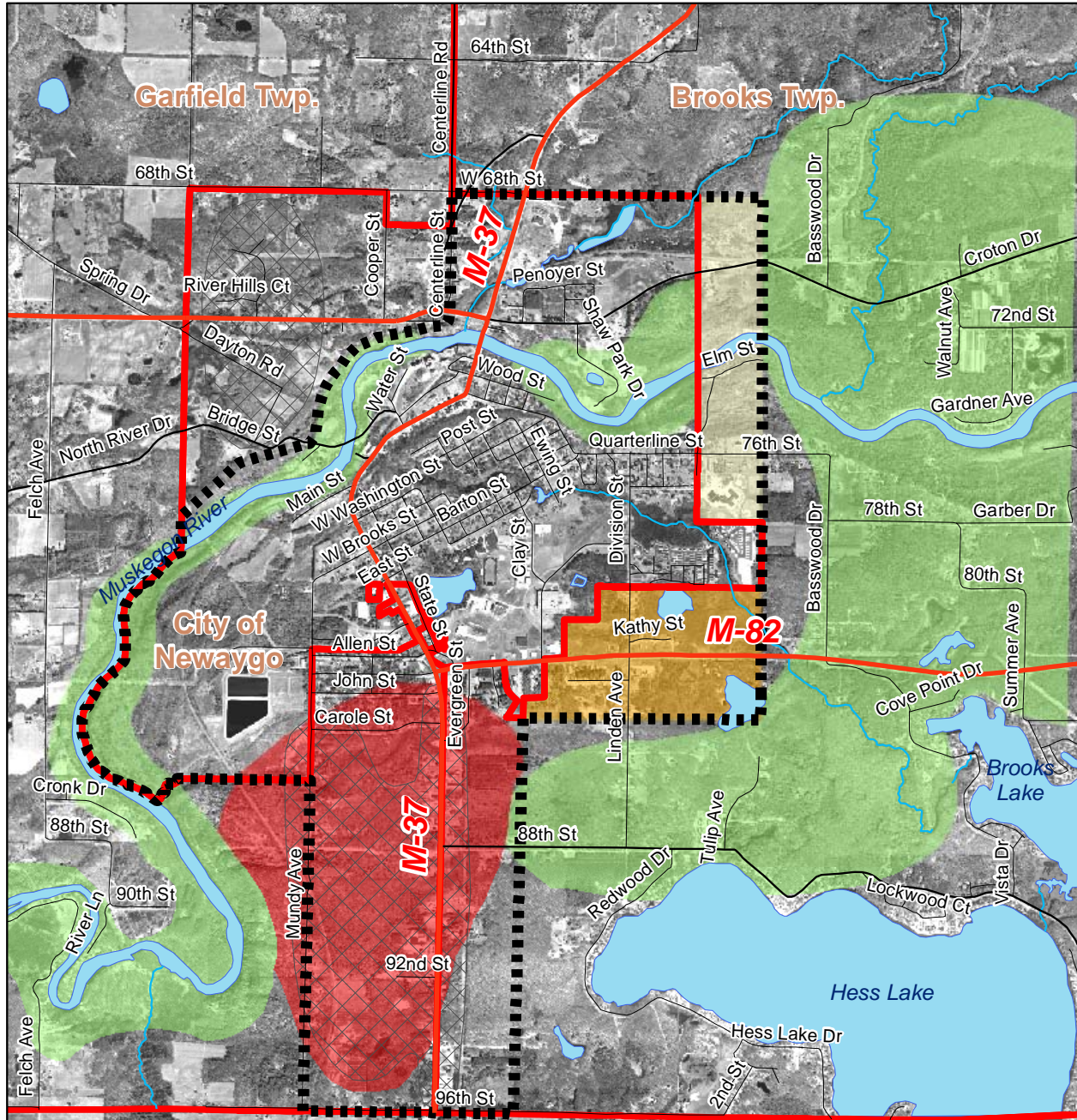


Figure 6 – Group 5 Mapping Exercise



Newaygo Urban Growth Management Mapping Exercise (Group #5)

- Phase 1
- Phase 2
- Phase 3
- Preserve
- Proposed Urban Areas
- GMA Limits
- Jurisdiction Boundary
- Highways
- Major Roads
- Minor Roads
- Lakes
- Streams

0 0.25 0.5 1 1.5 Miles



Map designed and produced October 15, 2008 by:

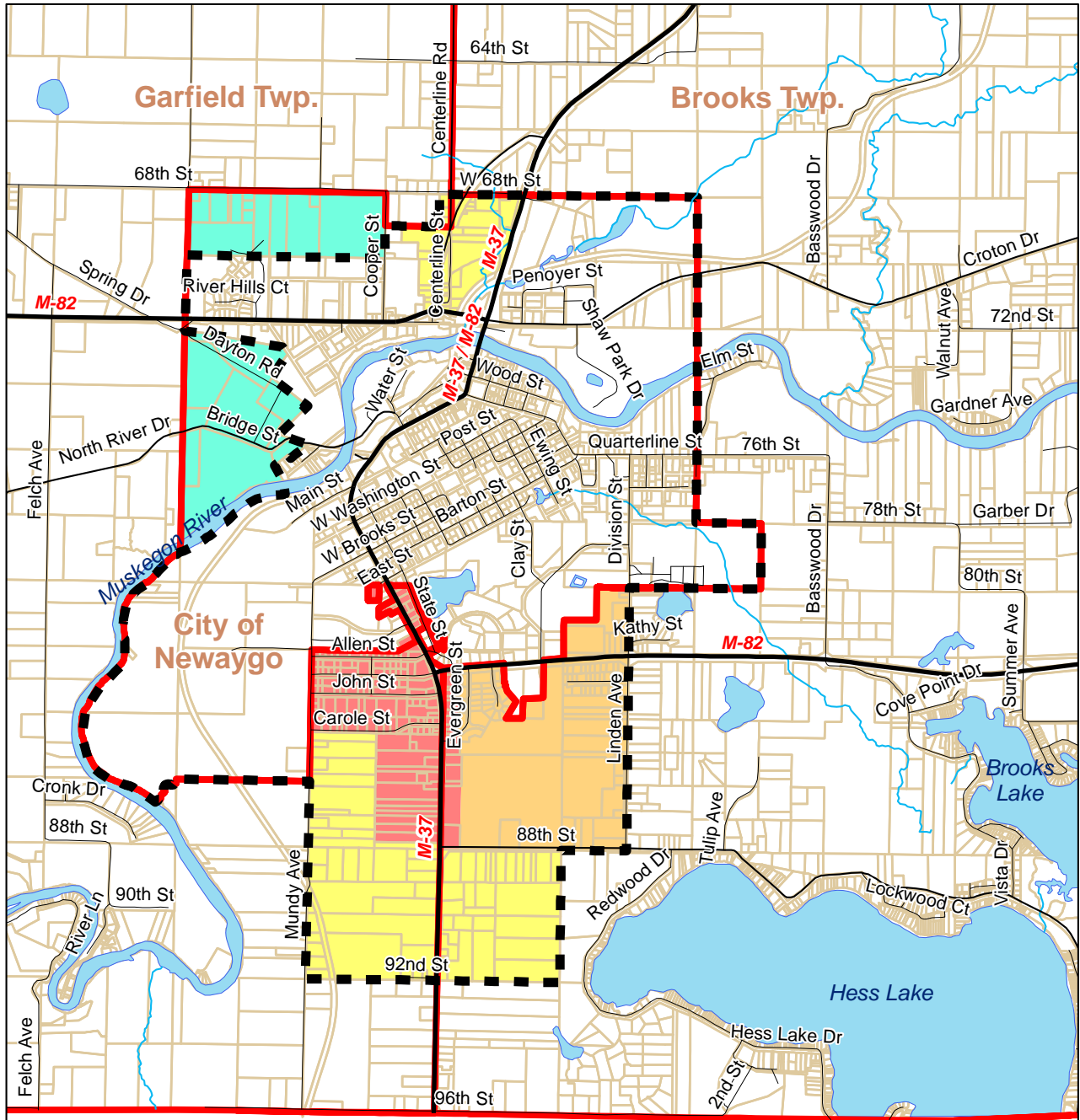
Figure 6



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Figure 7 – Newaygo Urban Growth Management Area



Newaygo Urban Growth Management Area

- Phase 1
- Phase 2
- Phase 3
- Possible Detachment
- Composite GMA Limits
- Jurisdiction Boundary
- Highways
- Major Roads
- Minor Roads
- Lakes
- Streams



Map designed and produced October 15, 2008 by:

Figure 7



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Figure 8 – Existing Water System

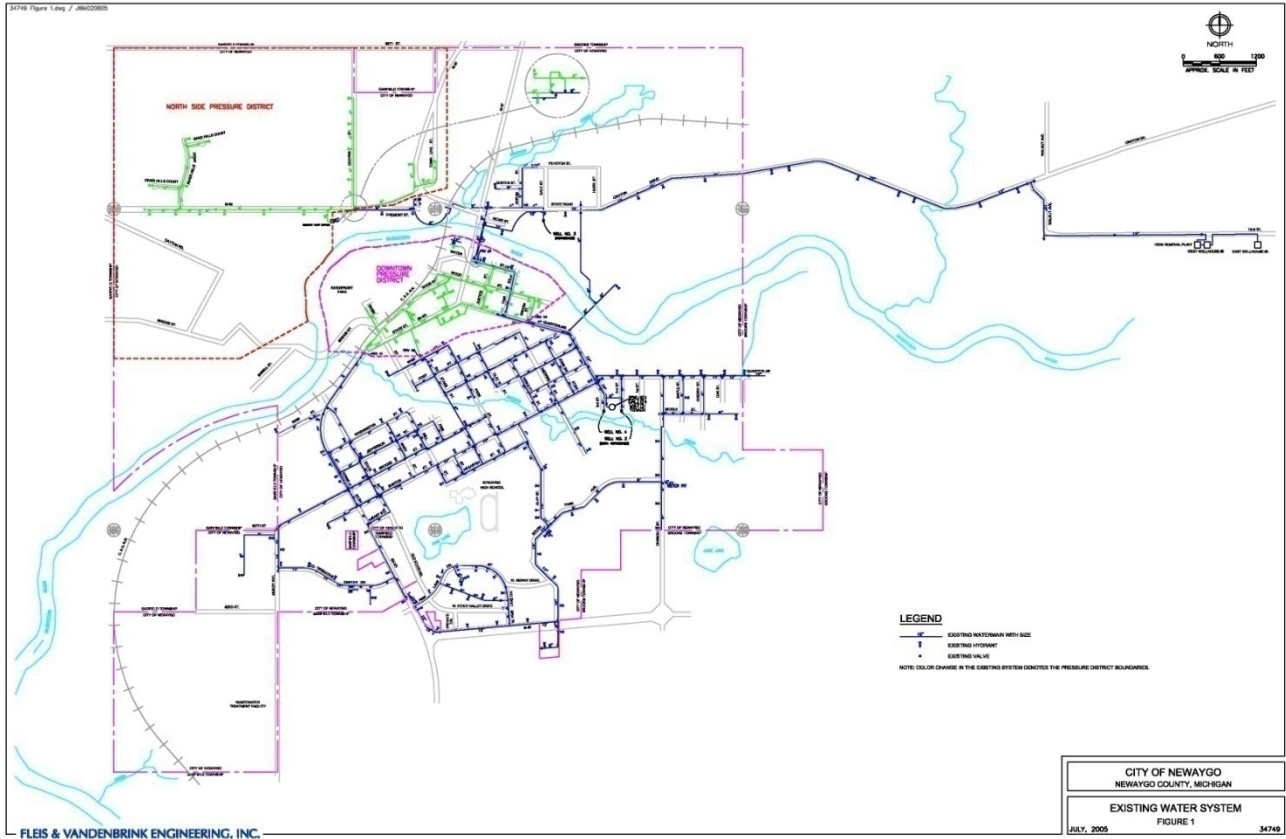
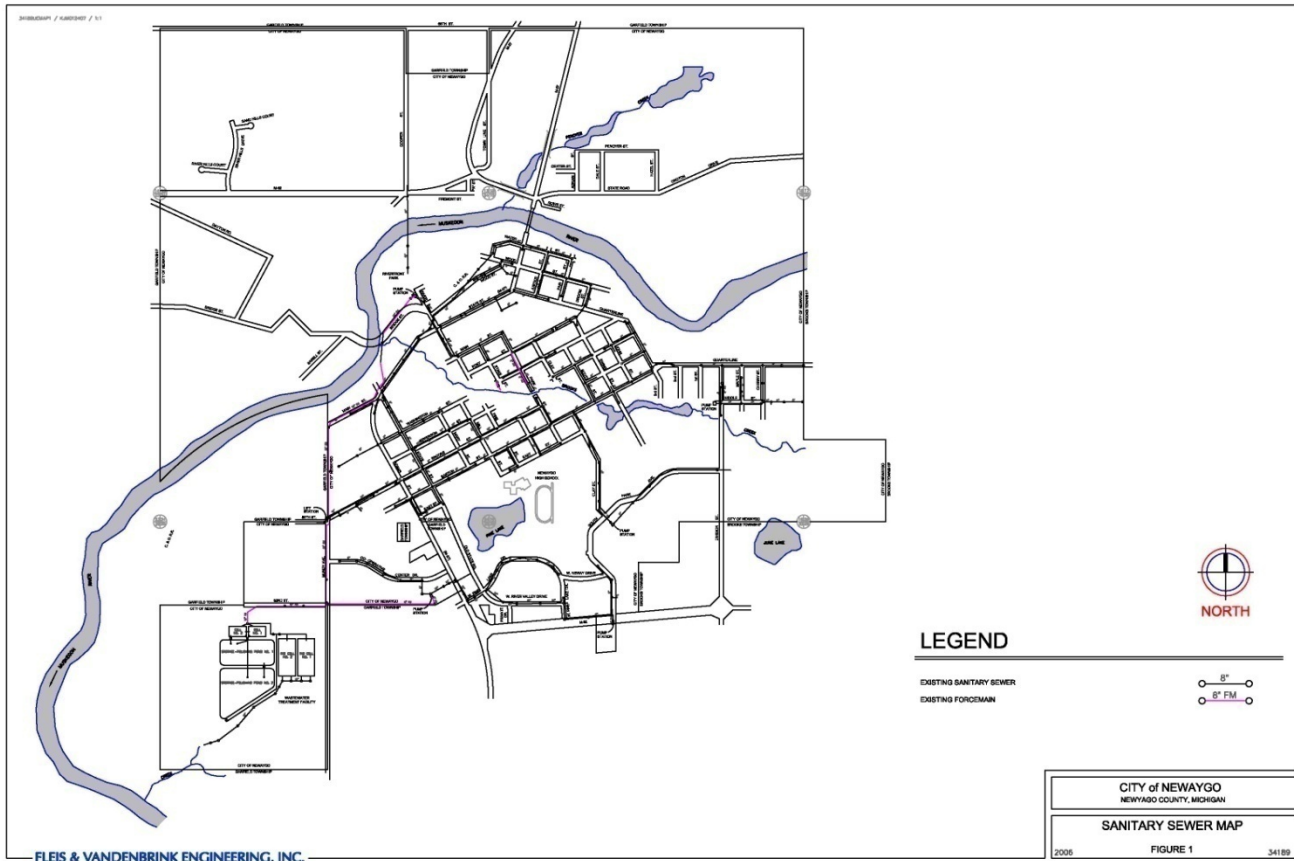


Figure 9 – Existing Sewer System



**Appendix A
Group Feedback
May 14, 2008 Public Meeting**

**Newaygo Community Growth Management Initiative
Compiled Group Notes
Public Meeting May 14, 2008**

**1. What three natural or agricultural areas are most worth preserving and why?
Please number these areas on the map.**

- 1) *Brooks – between Brooks, Hess & Butterfield*
- 2) *North of river east in Brooks (except corridor)*
- 3) *North of river west of 37*
- 4) *Muskegon River Valley*
- 5) *Garfield agriculture area west and south of the river (green area 1&2)*
- 6) *Area around lakes and land adjoining federal lands (a lot in Brooks)*
- 7) *River corridor and stream corridor*
- 8) *Farmland*
- 9) *Lakes*
- 10) *Farmland west of the river (Garfield Township)*
- 11) *North (68th Street area) (Garfield Township)*
- 12) *Croton Road and both sides of the river*
- 13) *Wooded area around Hess Lake waterway, natural, rural*
- 14) *River buffer, green belt around the areas that attract tourists*
- 15) *Farmland – we don't want to lose it, Garfield, smart growth*

2. **Please circle the land use categories that the group thinks are most appropriate to be in or near the city. Please provide a brief explanation of why the category was chosen.**

Stores and Restaurants *1st south M-37 to 88th, 50/50 Mix, corridor, major highway*

Offices *Urban*

Apartments *Urban, City*

Homes on small lots *Carole, John, Frederick, Allen Streets, 50/50 Mix, by schools, fire, police*

Homes on large lots *M-82 east to Linden, 50/50 Mix*

Farms *Rural, Garfield Township*

Factories *Urban, City, already in the city*

Parks *50/50 Mix, River front Henning*

Other *High density residential commercial – hospital, nursing home, schools, Anything non-residential – if it is residential, less than an acre or acre or less*

3. **Please provide any group comments explaining why the group placed the Urban Growth Management Area boundary where it did.**

Common sense approach, current infrastructure needs, commercial exists already

It makes sense

Because of M-37 – develop along that area

Preserve all along the river as much as possible

4. **Other comments**

Recognizing the need for sewer around the lakes, Hess & Brooks

GMA must be in perpetuity.

Great idea

Appendix B

425 Agreement Template

**AGREEMENT FOR CONDITIONAL TRANSFER OF PROPERTY BETWEEN
CITY OF NEWAYGO AND _____**

This agreement, made the ____ day of ____, between the City of Newaygo, a Michigan municipal corporation, 28 State Road, P.O. Box 308, Newaygo, Michigan 49337-0308 (the “City”) and ____ Township, a Michigan municipal corporation ____ (the “Township”).

RECITAL OF FACTS

The City and Township are “local units” as defined by Public Act 425 of 1984, as amended (Act 425) (MCLA 124.21 et. seq.). Act 425 enables two local units of government to conditionally transfer property by written agreement for the purpose of economic development projects, as defined in the Act.

The cooperation among the parties is intended to ensure economic development; managed growth; the availability of certain services needed to accommodate that growth while preserving the environment and protecting the public health, safety and welfare; to contain and minimize sprawl and blight; to limit the adverse effects on residential uses; to preserve farmland and open space; to protect and enhance the property values, tax base, employment and general economic vitality of the greater Newaygo community; to preserve and enhance the relationships among the parties by minimizing causes of disputes; to provide for cooperative efforts to further the needs and goals of both parties; to avoid the duplication of certain services; and to otherwise preserve and advance the general welfare of the people of the greater Newaygo community.

The City and the Township have proposed that certain property, legally described in the attached Exhibit A, be conditionally transferred from the Township to the City pursuant to Act 425. The City and the Township have considered and agreed upon certain factors prior to entering into this Agreement conditionally transferring property, and pursuant to Act 425, the Township before signing this Agreement held a public hearing on _____, regarding this conditional transfer, and the City Commission held a public hearing on _____ regarding this conditional transfer, both preceded by notice in accordance with the requirements of Michigan Open Meetings Act.

The parties to this Agreement have considered the following factors in formulating this contract:

- 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 area to be transferred. Comparative data for the transferring local unit and the portion of the local unit remaining after transfer of the property shall be considered.
- b. The need for organized community services; the present cost and adequacy of governmental services in the area to be transferred; the probable future needs for services; the practicability of supplying such services in the area to be transferred; the probable effect of the proposed transfer and of alternative courses of action on the cost and adequacy of services in the area to be transferred and on the remaining portion of the local unit from which the area will be transferred in relation to the benefits expected to accrue from the transfer; and the financial ability of the local unit responsible for services in the area to provide and maintain those services.
- c. The general effect upon the local units of the proposed action; and the relationship of the proposed action to any established city, village, township, county or regional land use plan (MCL 124.23).

NOW, THEREFORE, it is agreed by the parties hereto as follows:

**ARTICLE I
GENERAL PROVISIONS**

- 1.1 **Purpose:** The purpose of this Agreement is to provide for the economic development of the Property. This Agreement provides for the transfer of this land to the City so that it will come within the corporate boundaries of the City and, except as otherwise herein provided, under the jurisdiction of the City for all purposes permitted by the Home Rule Cities Act (PA 279, 1909; MCL 117.1-117.38).
- 1.1.1 **Consideration:** In return for the transfer of jurisdiction to the City for the term of this Agreement, the Township shall receive an annual payment from the City throughout the life of this Agreement as set forth in Article III.
- 1.1.2 **Term:** This Agreement shall have a term of fifty (50) years from the effective date of this Agreement with an automatic extension of an additional fifty (50) years unless both the City and the Township affirmatively, by majority vote of the City Council and Township Board, decide to terminate this Agreement as permitted hereunder.
- 1.1.3 **Transfer of Employees:** There shall be no transfer of any employees from either the City or the Township under this Agreement. The employees of the City shall operate within the boundaries of the Property during the term of this Agreement as if the Property were within the permanent boundaries of the City, and shall be supervised and paid by the City.
- 1.1.4 **Equipment:** There will be no sale, transfer or disposal of real property, facilities or equipment or other personal property under this Agreement. The City shall use its own equipment and materials necessary to carry out the purposes of this Agreement.
- 1.1.5 **Financing:** The City shall remain responsible for the payment of the salaries and benefits of any of its employees performing any municipal function under this Agreement. The Township shall have no responsibility to finance any public works projects or other projects unless otherwise agreed to in writing by both the City and the Township.
- 1.1.6 **Cooperation:** The City and the Township agree that they will cooperate with each other in the performance of any action required hereunder, pursuant to the terms herein, or required of them by Act 425, to make this Agreement Legally binding.

**ARTICLE II
TRANSFER OF JURISDICTION**

- 2.1 **Conditional Transfer of Property Jurisdiction:** Upon the effective date of this Agreement, as set forth in Article IV, the City shall provide to the Transferred Property all City services now available to residents and property owners within current City boundaries, or which may be made available within the City in the future, in the same manner and subject to the same conditions and limitations as are applicable to other residents and property owners within the City. Also, upon the effective date of this Agreement, the City shall assume full authority and municipal jurisdiction over said Property as though the Transferred Property were a part of the City itself. The City shall have the right and duty to exercise all of its municipal powers under the law over the Transferred Property.
- 2.2 **Jurisdiction upon Expiration of the Agreement:** Upon expiration of the term of this Agreement and any renewal, the Transferred Property shall remain permanently within the jurisdictional boundaries of the City.
- 2.3 **Zoning and Land Use:** In the Transferred Property, zoning and land use approvals, including use, bulk, height, site plan and sign regulations and approvals, building permits, building code, fire code, electrical code, mechanical code, plumbing code, and housing code regulations and approvals shall be provided by and under the jurisdiction of the City.

2.4 **Voting:** for purposes of voting jurisdiction, any qualified electors residing in the Transferred Areas shall be considered qualified electors of the City entitled to vote on all City, state and federal matters.

**ARTICLE III
TAX SHARING**

- 3.1 **Collection of Taxes:** From and after the effective date hereof, the City shall, where authorized by law, collect as “revenue” the *ad valorem* real and personal property taxes, if any, and/or specific taxes or funds made available to the City by the State of Michigan, if any, in lieu of *ad valorem* property taxes from the Property. The City shall also collect any resident or nonresident income taxes, if any, from residents of said Transferred Property. All other revenues or sources of income derived from the Property including, but not limited to, licenses, permits, and fees where applicable, special assessments or any other taxes, user fees or state revenue sharing collected by the City, shall belong exclusively to the City.
- 3.2 **Shared Tax Revenue:** The City will annually return to the Township that portion of the tax revenues received by the City from the Transferred Property equal to one (1) mill applied to the taxable value of the Transferred Property. All payments shall be made by the City to the Township within thirty (30) days after the last day of payment of taxes permitted without penalty or interest and shall be accompanied by calculations pertinent thereto. Any amounts not paid by such date shall bear interest at the rate of one (1%) percent per month until paid. It is understood and agreed between the parties that the foregoing payments are for the purpose of compensating the Township for lost revenues resulting from the transfer of the Property from the Township to the City. Any payments hereunder shall be subject to a pro rata repayment from the Township to the City if the taxpayer successfully challenges all or apportion of such taxes and the City is obligated to refund those taxes, or if the City is, for any reason, required to repay the County delinquent tax revolving fund.
- 3.3 **Development Fund:** The City of Newaygo, Garfield Township, and Brooks Township, have established a Development Fund for use within and for the benefit of the City of Newaygo, Garfield Township and Brooks Township. The City shall annually deposit in the Development Fund an amount equal to two (2) mills on the taxable value of all real and personal property within the Transferred Property. One (1) of the two (2) mills deposited will be deposited on behalf of the Township. Disbursements from the Development Fund shall be made by the Management Entity according to the budget approved by the participating municipalities. Amendments to the budget shall be approved by the participating municipalities.
- 3.4 **State and Federal Revenue Sharing:** For population and census purposes, the Transferred Property shall be within the City’s jurisdiction and shall retain all state and federal revenue sharing payments, if any, attributable to the Transferred Property, any persons working on, residing on or occupying it, any improvements, to the Transferred Property, or any personal property located on the Transferred Property.
- 3.5 **Limit of Shared Tax Revenues:** No other assets, liabilities or other taxes, grants revenues, payments or awards other than those described in paragraphs 3.2, 3.3 and 3.4 shall be shared between the parties as a result of this Agreement.
- 3.6 **Accounting:** The City shall provide along with the payment described in paragraph 3.2 accounting of the annual taxable value of the Property as carried on the City property tax rolls and the tabulation by the City Treasurer’s office of how the Shared Tax Revenue was arrived at.

**ARTICLE IV
EFFECTIVE DATE**

- 4.1 **Effective Date:** This Agreement shall be effective (the “Effective Date”) as of the day and date of the satisfaction of all of the following conditions.
- 4.1.1 The Agreement shall have been duly approved by a majority vote of the elected members of the legislative bodies of the City and the Township, and duly executed by their authorized representatives; and
 - 4.1.2 Thirty (30) days shall have elapsed from the date of the hearings on the 425 Agreement without the filing of any petitions calling for the referendum permitted under Section 5 of Act 425; and
 - 4.1.3 A fully executed and approved copy of this Agreement shall have been filed with the County Clerk for the County of Newaygo and with the Secretary of the State of Michigan.

**ARTICLE V
INDEMNIFICATION**

- 5.1 **Indemnification by the City:** In the event that the Township or its officials or employees are named in a lawsuit or as part of a claim by a third party as a result of any actions or inactions by the City or its officials or employees under this Agreement, the City agrees to hold the Township and its officials and employees harmless from and defend and indemnify them against any costs, fees, judgments, or claims required to defend or settle said actions.

**ARTICLE VI
ENFORCEMENT**

- 6.1 **Enforcement:** Any dispute that arises hereunder between the parties hereto shall be submitted to a court of proper jurisdiction within Newaygo County, Michigan.

**ARTICLE VII
SEVERABILITY**

- 7.1 **Severability:** In the event that any portion of the Agreement is held to be unenforceable or any portion of the Transferred Area is held to be invalidly transferred for any reason, the unenforceability or invalidity thereof shall not affect the remainder of this Agreement which shall remain in full force and effect and enforceable in accordance with its terms, except, in the event this Agreement is held to be void, the Transferred Area shall return to the Township’s complete jurisdiction. If, because of the invalidity of any part of this Agreement or major changes in state or federal law, either party determines that 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.

Appendix C
Urban Cooperation Act (P.A.7 of 1967)
Growth Management Council
Agreement

**AGREEMENT
Under the Urban Cooperation Act
Public Act 7 of 1967**

This Agreement is entered into between the City of Newaygo, a Michigan municipal corporation, 28 State Road, P.O. Box 308, Newaygo, Michigan 49337-0308 (the “City”), Brooks Township, a Michigan municipal corporation, 490 Quarterline Road, P.O. Box 625, Newaygo, Michigan, 49337-0625, and Garfield Township, 7190 Bingham Ave., Newaygo, MI 49337, effective _____

RECITAL OF FACTS

Whereas, the City of Newaygo is organized under the Home Rule Cities Act being Public Act 279 of 1909, as amended, MCL 117.1 et seq.; and

Whereas, Brooks Township and Garfield Township are general law townships organized and existing under Chapter 16 Revised Statutes of 1846 being MCL 41.1 et seq. (the Township Act); and

Whereas, the parties are local governmental units as that term is defined by the Urban Cooperation Act (Public Act 7 of 1967).

Whereas, based on past and projected trends, the parties anticipate growth in Brooks Township and Garfield Township; and

Whereas, the parties recognize that the additional public services, facilities and infrastructure required for such growth can and should be planned, constructed, operated and maintained most effectively and most cost efficiently through the combined efforts and cooperation of the parties, and

Whereas, the parties wish to ensure managed growth; the availability of certain services needed to accommodate that growth while preserving the environment and protecting the public health, safety and welfare; to contain and minimize sprawl and blight; to limit the adverse effects on residential uses; to preserve farmland and open space; to protect and enhance the property values, tax base, employment and general economic vitality of the greater Newaygo community; and

Whereas, the parties wish to preserve and enhance the relationships among the parties by minimizing causes of disputes; to provide for cooperative efforts to further the needs and goals of both parties; to avoid the duplication of certain services; and to otherwise preserve and advance the general welfare of the people of the greater Newaygo community; and

Whereas, the parties recognize the additional potential benefits to be realized by each of them from increased ad valorem tax revenues or specific taxes levied in lieu of general ad valorem taxes, upon both real and personal property; and

Whereas, the parties desire to share tax revenue from ad valorem tax revenues for use within and for the benefit of the City of Newaygo, Brooks Township and Garfield Township; and

Whereas, to help manage growth, establish a system for revenue sharing, and maintain cooperative relationships, the City, Brooks Township and Garfield Township have developed the Newaygo Area Growth Management Plan (hereafter, “Growth Management Plan”); and

Whereas, the Growth Management Plan was adopted on _____ by each of the participating municipalities; and

Whereas, the City, Brooks Township and Garfield Township have a mutual desire to extend the City’s water and waste water system consistent to their present Growth Management Plan, in regard to development density, to better manage and control long term infrastructure costs to all parties; and

Whereas, the parties wish to establish a Management Entity to oversee the Growth Management Plan’s implementation.

Now therefore, the parties agree to as follows:

**ARTICLE I
Purpose**

It is the goal of the participating municipalities to take proactive, cooperative steps to develop and enhance the urban center of the Newaygo Community in the most efficient ways possible while protecting and preserving the rural lifestyles and natural resources of the surrounding countryside. Through this Urban Cooperation Act Agreement, the participating municipalities agree to achieve this goal by (1) following the adopted Growth Management Plan, and (2) establishing a Growth Management Council to oversee the implementation of the Growth Management Plan.

**ARTICLE II
Definitions**

Council: The Newaygo Area Growth Management Council

Participating Municipalities: City of Newaygo, Brooks Township, Garfield Township

Growth Management Plan: The Newaygo Area Growth Management Plan

Participating Entities: City of Newaygo Council, Brooks Township Board, Garfield Township Board, and the Newaygo Area Growth Management Council.

**ARTICLE III
Growth Management Plan**

Each of the participating municipalities shall follow the adopted Growth Management Plan to help ensure managed growth; the availability of certain services needed to accommodate that growth while preserving the environment and protecting the public health, safety and welfare; to contain and minimize sprawl and blight; to limit the adverse effects on residential uses; to preserve farmland and open space; to protect and enhance the property values, tax base, employment and general economic vitality of the greater Newaygo community.

Each participating municipality agrees to utilize the Growth Management Plan. If any participating municipality wishes to change this format, these changes shall be made during the review process, as described in Article V, paragraph 1.

ARTICLE IV
The Newaygo Area Growth Management Council

Formation of the Council: The participating municipalities hereby create a new legal entity known as the Newaygo Area Growth Management Council (hereafter, “Council). The purpose of the Council is to oversee the implementation of the Growth Management Plan. The Council shall consist of nine (9) Members. The governing bodies of each participating municipality shall appoint (3) members each with at least one of the members having planning experience.

Terms of Committee Members: For each of the participating municipalities, one member of the Council shall be appointed for a term three (3) year, the second member shall be appointed for a term of five (5) years, and the third member shall be appointed for a term of seven (7) years. Any member may be removed by his/her appointing municipality for good cause as determined by the appointing municipality. Members may be reappointed to successive terms.

Conduct of Council Business: The Council shall meet at least quarterly. The Council may meet more frequently as needed. Council meetings shall be called and convened in compliance with Act 267, Public Acts of Michigan, 1976, as amended (the Open Meetings Act). The Council shall elect a Chair, a Vice Chair, a Secretary, and a Treasurer from its membership to serve for one-year terms that can be renewed. Special meetings of the Board may be called by the Chairperson, or any two (2) members thereof, by written notice at least twenty-four (24) hours prior to the time of such meeting.

Quorum and Majority: The Council shall not take action except at a properly convened meeting in compliance with the Open Meetings Act, at which a quorum is present. A majority of the members of the Council, with at least one (1) representative from each municipality, shall constitute a quorum for the transaction of business; unless otherwise indicated in the Agreement, action is to be taken by the affirmative vote of at least a majority of the Council members appointed and serving. Each Council member shall have one vote. Proxy voting is not permitted.

Minutes: Minutes shall be kept by the secretary and distributed to each member along with the agenda three days in advance of the Council meeting.

Council Powers: The Council shall perform all functions expressly granted to it by the participating municipalities. These shall include, but not be limited to:

- a. Providing recommendations to the governing bodies regarding the appropriate sale of service capacity, as outlined in the Growth Management Plan.
- b. Providing recommendations to the governing bodies regarding the appropriate application of Public Act 425 of 1984, as amended (Act 425) (MCLA 124.21 et. seq.), as outlined in the Growth Management Plan.
- c. Providing an annual budget for the Council to each of the participating governing bodies.

- d. Working with the participating municipalities on the development and application of grant proposals for the purpose of leveraging additional funds for area-wide improvements.

Council Budget: The Council shall prepare an annual operating budget. The proposed budget shall be submitted to the governing body of each participating municipality by March 1st. This budget shall be reviewed by the respective governing bodies and may be amended, adopted, or rejected by them. If any participating municipality amends or rejects the budget recommended by the Council, the participating municipality's governing body shall submit a list of objections to the Council. The Council and objecting municipality shall attempt in good faith to resolve any disagreements concerning the budget using the dispute resolution process outlined under Article V.

Funding: The Council's operating budget shall be funded by the shared revenue generated by Public Act 425 of 1984, as amended (Act 425) (MCLA 124.21 et. seq.) agreements associated with the Growth Management Area, as outlined in the Growth Management Plan.

Insurance and Liability: The Council shall maintain liability insurance in such amounts as the Council shall determine. No participating municipality shall be held liable for any act or omission which is solely attributable to the Council. The Council shall indemnify and hold harmless the participating jurisdictions from any liability resulting from any act or omission of the Council relating to its duties under this Agreement. Each participating municipality shall indemnify and hold harmless the Council and the other participating municipalities for any liability stemming from any action taken by that municipality.

ARTICLE V **Miscellaneous**

Plan Review: Upon the agreement of the majority participating entities, which includes the governing bodies of each participating municipality and the Council, a plan review can be initiated. Any changes to the plan must be approved by all of the participating entities. The course of the review shall inquire into the extent of compliance with this Agreement and the consistency with the Growth Management Plan adopted by the participating municipalities and will determine whether any modifications to this Agreement or Growth Management Plan need to be accomplished.

Term/Termination: This Agreement shall commence upon execution by all governing bodies signatory, and shall continue in force indefinitely, provided, however, that any participating municipality, upon giving six-month written notice to the other parties, may withdraw from this Agreement. The Agreement will remain in full force and effect as to the other (non-withdrawing) municipalities. Upon withdrawal, the members appointed by the withdrawing municipality shall be removed from the Council.

Severability: This Agreement shall be interpreted under Michigan law. If any portion is held to be illegal, invalid, or unenforceable, the remainder of the Agreement shall be deemed severable and shall remain in full force and effect.

Dispute Resolution Procedure: To the extent that participating municipalities have disputes among themselves regarding the operation of this Agreement, the following procedures shall be used: An attempt shall be made to resolve the dispute by a meeting of the Council. If the matter is not resolved to the satisfaction of all parties, then there shall be a meeting between the participating municipalities' governing bodies and the Council. The parties may seek the assistance of an outside mediator or facilitator to assist in the conduct of any meeting called for the purpose of dispute resolution. No participating municipality may submit its written notice of intent to withdraw from this Agreement until it complies with the dispute resolution procedure.