#### **MEMORANDUM**

TO:

Mayor and City Council

FROM:

Tom Crawford, Financial Services Area Administrator Barnett Jones, Safety Services Area Administrator Sue McCormick, Public Services Area Administrator Jayne Miller, Community Services Area Administrator

Stephen Postema, City Attorney

SUBJECT:

**Annexation of Township Parcels** 

DATE:

For the May 12, 2008 City Council Working Session

#### INTRODUCTION AND PURPOSE

This memo summarizes major issues regarding the annexation of township islands within the overall City of Ann Arbor service area. It is intended to provide key information to decision makers and staff regarding the annexation of approximately 650 township "islands" from Ann Arbor, Pittsfield and Scio Townships to the City of Ann Arbor.

#### HISTORY AND BACKGROUND

The City of Ann Arbor became incorporated as a village in 1824. Over the past 184 years, the City has grown and expanded into areas surrounding it. In the later part of the 19<sup>th</sup> century, the City began providing municipal water and sanitary sewer service to City parcels. Paved streets became increasingly common in the City of Ann Arbor after the introduction of motor vehicles. Development pressures after World War II resulted in the City expanding its jurisdiction into surrounding areas and providing water and sewer services to newly developing neighborhoods and commercial districts. Most annexations occurred after owners requested annexation and the city services that accompanied it. This expansion resulted in a number of "islands" of township parcels whose owners did not request annexation. Approximately 650 of these township islands (totaling approximately 975 acres) remain to date within the City of Ann Arbor utility service area. Although most parcels are located within the freeway ring surrounding Ann Arbor, some exist outside of the freeway ring. Many of these township island parcels include single-family homes.

<sup>&</sup>lt;sup>1</sup> As used in this memorandum, "island" refers both to township parcels surrounded by property incorporated into the City of Ann Arbor and township parcels on the outer edges of property in the City service area.

Early in 1979, the City and Pittsfield Township signed a policy statement document that, in part, outlined "the Territory" that would ultimately be annexed to the City "in an orderly manner." In mid-1979, the City and Scio Township entered into a *Promulgation of Annexation Policy* agreement, which outlined the "ultimate permanent boundary" between the City and the Township. Neither of these agreements provide a timeline or deadline for the complete annexation of township properties within the agreed upon ultimate boundaries. Copies of these agreements are attached to this document (Attachments 1 and 2 respectively).

In 1994, the City and Ann Arbor Township also entered into a "policy statement" agreement regarding the orderly annexation of township parcels located within the City service area (Attachment 3). The agreement is, "intended to provide for orderly annexation procedures between the two governments and establish a common boundary between the communities so that each may systematically plan for the provision of services…".

The agreement was amended in 2001 to slightly adjust the boundary to include a parcel included in the description of one area but inadvertently omitted on the map of the area, and to allow the deferment of annexation for connection to water service in three specified areas (Attachment 4). Deferment of annexation already was allowed for sanitary sewer service in those three areas.

The signed document outlines the components of this agreement. The following is a summary of the major elements:

- The City will not initiate annexation of property in Ann Arbor Township prior to December 31, 2007 and Ann Arbor Township will not oppose a City initiated petition after that date.
- The Township will not oppose annexation petitions initiated by property owners at any time.
- Properties located in certain areas (Areas B, C and D), which were
  developed and occupied at the date of the execution of the agreement,
  may connect to City sanitary sewers or water mains without immediate
  annexation upon the condition that the owner sign a service agreement
  with the City requiring annexation within 5 years of connecting or by
  December 31, 2007, whichever comes first.
- The City-Township Sewer Service Agreement was extended until December 31, 2015.
- Maps indicating those portions of Ann Arbor Township that are affected by the agreement.

With the passing of the date referenced in the Ann Arbor Township document, it is appropriate at this time to review the issues and implications regarding the annexation of the remaining township islands inside the ultimate city service boundary.

#### **DUPLICATION AND INEQUITY OF MUNICIPAL SERVICES**

The City currently provides multiple services to residents of township islands without collecting revenue from those properties. Services include fire protection, police protection, City parks, street repair, street lights, leaf pickup, traffic safety control for City roads, and storm water facilities. These services are used by township island residents but are paid for by City residents, creating a disparity in service provision.

#### **MAJOR ISSUES**

#### **Safety Services**

All safety service agencies in the Ann Arbor metropolitan area practice "mutual aid" which is a universally accepted practice with public safety organizations across the United States. Mutual aid allows cross jurisdictional assistance from adjoining safety service agencies. Mutual aid will continue even if all township islands have been annexed.

<u>Police</u> – Attempts are made to determine the jurisdiction of law enforcement emergency calls in the Ann Arbor service area. Emergency calls determined to be from a township island, are routed to the appropriate emergency response organization. Calls from parcels in Pittsfield Township are routed to the Pittsfield Township Police Department while calls from Ann Arbor Township and Scio Township are directed to the Washtenaw County Sheriff's Department.

When jurisdiction is unclear, City Police units respond to emergency calls. If a crime was determined to have taken place on a township island or UM property, City of Ann Arbor police will transfer the case, and any prisoner involved, to the appropriate law enforcement agency. Residents in township islands receive police service for their property from the township police agency. Township island residents will receive City of Ann Arbor police protection for activities that take place outside of their property within the City of Ann Arbor.

Response times to township islands would slightly improve if they became incorporated into the City of Ann Arbor, since there would be no question of jurisdiction and no calls would be transferred. The annexation of township islands would clarify jurisdiction and simplify police response.

<u>Fire</u> – Historically, 911 calls have been routed to the City of Ann Arbor Fire Services Unit or one of the three Township Fire Departments. The City Fire Services Unit receives the majority of calls for emergency service within the freeway ring. The City Fire Services Unit responds to each emergency call from township islands because it wants to insure no delay in emergency response. The appropriate township fire department is also notified of the emergency call (from a township island) and may send equipment as well.

Since the City has no tanker trucks (trucks with large mobile supplies of water), it may periodically request assistance from township fire departments when responding to fires at sites without readily available hydrants. Many township islands (and a number of City parcels) currently lack infrastructure for water service. Residents in township islands receive fire/emergency services from both the City and township.

The City and surrounding townships are members of the Washtenaw County Mutual Aid Association, which was established to provide mutual assistance. The City will almost always request mutual aid when it needs tanker trucks to suppress fires. It is uncommon, however, for the City to actually request mutual aid when responding to calls from township islands. Between April 1, 2004 and December 31, 2006, the City Fire Services Unit requested mutual aid for township islands on 1 occasion (for tanker truck support). Ann Arbor Township, for example, requested mutual aid on 4 occasions during that time period. It is anticipated that the mutual aid relationship between the City and townships will remain in effect after township islands have been annexed.

#### **Public Services**

The City provides many public services to its "customers." These customers are, for the most-part, city property owners and their tenants. However, the city also provides some of these services, directly or indirectly, to township properties as well. Appropriate planning must take place when determining how best to provide public services to those areas not currently receiving them.

<u>Streets</u> – The Washtenaw County Road Commission (WCRC) transferred jurisdiction of most of the remaining County roads and streets within the ultimate city boundary to the City of Ann Arbor in 2001 and 2002. City taxpayers now pay for the resurfacing and reconstruction of these streets.

All drivers in Michigan pay gas and weight taxes when buying fuel for their vehicles. A portion of these taxes is returned to local street agencies, such as the WCRC and the City, based on the number of miles of public streets under the control of that agency per Act 51. Act 51 dollars pay for the <u>operation</u> and <u>maintenance</u> of these public streets, including, repairing potholes, traffic signals, and snow plowing.

The City allocates 5% of the Act 51 dollars it receives to fund non-motorized projects. Therefore, by adding these former County roads to the City's street network system the funding of the Non-Motorized Fund has been incrementally increased. However, the City's maintenance liability has also been incrementally increased.

Meanwhile, City taxpayers pay for the <u>resurfacing</u> and <u>reconstruction</u> of these city streets through a voter approved street resurfacing millage. The street millage in Ann Arbor pays for resurfacing and some reconstruction. The millage dollars are also used to leverage federal and state funding sources for major road reconstruction projects (e.g. the reconstruction of Stadium Boulevard depended on 50% MDOT funding and 50% local funding).

Therefore, while township island residents indirectly contribute to the funding of street maintenance and operations in the city via Act 51 funding, they do not pay for street resurfacing and reconstruction funded by the street millage. Consequently, township island residents benefit from these improvements without contributing to their funding.

<u>Storm Water Service</u> – Storm water issues are generally associated with public street improvements. Many of the public streets that front township island parcels were historically roads under the jurisdiction of the WCRC. The County roads were typically rural in nature with ditch and culvert drainage systems rather than an urban system utilizing curb & gutter with storm sewers. Most storm water that drains from township parcels is ultimately handled by City storm water facilities. The operation of this City stormwater system is funded by the City's stormwater utility. The ratepayers for stormwater utilities are City property owners. Consequently, township island residents receive the benefit of this service without contributing to its funding.

As City streets fronting township islands become improved, it may be appropriate to include curb and gutter along with storm sewers at that time. Conversely, it would not be typical for storm sewers to be extended on unimproved (gravel) streets as the erosion of the road material into the storm sewers would increase maintenance costs and degrade downstream water quality. However, if such an extension would be constructed, township island residents would not pay their fair share of the improvement until they were annexed into the City, yet receive the benefit from the new system immediately after construction.

<u>Water Service</u> – The City currently provides water service to approximately 27,300 customers, including approximately 22,200 residential customers. The City provides water service to Ann Arbor Township and Scio Township by contract for resale by the townships to township customers outside of the City's ultimate service area boundaries. The City does not provide contract water service to Pittsfield Township.

The City's water distribution system is a pressurized system that has been developed to a very large degree as a "looped" system with multiple feed points and interconnectivity throughout the system. This provides a much more reliable system with fewer interruptions of water service due to water main breaks or maintenance or construction operations. In addition, this enhances the water quality provided to water customers as the water circulates through a looped

system rather than sitting in a dead-end system where the water can become stagnant resulting in taste and odor problems.

To develop and extend such a "looped system", a network-based approach is used, rather than a linear based approach. In other words, as the system grows, the interconnectivity of the looped system requires that water mains be placed throughout an area rather than extended in a single line. As a result, water mains tend to be constructed in locations where they will provide direct service. Because annexation has generally been a requirement for connection and use of the City's water distribution system, the system has grown through the development of property within the City (e.g., platted subdivisions, commercial developments, etc.) or extension by the City itself to service areas where property owners have requested this service. Therefore, in areas with isolated township island parcels amongst mostly City properties, it is likely that there is an existing water main present providing service to the city parcels in the area. Conversely, in areas made up of mostly of township properties, there is a high probability that City water mains do not currently exist in the immediate vicinity.

The City's approach to loop water mains will provide challenges in broadening the water distribution system into a number of these township island clusters. Looping may require extensive water mains to service a relatively small number of residential customers. Some cross-lot water mains may be necessary which will require the need to obtain utility easements from individual property owners. In addition, there are very narrow public rights-of-way in some locations making construction more difficult. In other areas, private streets and/or drives will require utility easements or perhaps even the need for condemnation in order to provide public utilities.

The funding and programming of utility improvements also presents challenges. The City would need to fund the up-front capital costs to construct new water main extensions, and then recapture those costs over a number of years from property owners benefiting from the water service. The initial up-front costs will need to be paid by the City utility rate payers. Since resources are limited, the installation of water service to township islands will affect the City's capacity to perform other capital projects. The prioritization of these system expansions compared to other asset management needs must be thoroughly examined. Developing a strategic plan for providing water service into areas not currently receiving it will be a more efficient way to provide the service instead of responding to individual requests. Extending water service into areas not currently receiving the service will improve the ability to fight fires. Since the township islands are within the City's service area, the question is not "if" service will be provided but "how" and "when".

<u>Solid Waste Service</u> – The City provides comprehensive solid waste services including weekly garbage, recycling and yard waste pickup throughout Ann Arbor. Township residents are not provided these services. Township residents

must contract with private service providers for pick-up of solid waste items, or dispose of them personally at an approved waste disposal facility.

The annexation of the township islands will result in more efficiently providing solid waste services to all residents in the service area. The Public Services Area has recently improved operational efficiency that will allow township islands to be easily absorbed into the system without creating significant challenges in service delivery. Some of these recent efficiency improvements include: (a) construction of a new and larger waste transfer station adjacent to the existing materials recovery facility, and (b) construction of the new City maintenance facility on the same site as the City Materials Recycling Facility. The new maintenance facility will allow vehicles to be maintained more cost efficiently. The pick-up schedule may need to be re-evaluated after township parcels are annexed to determine if pickup days should be adjusted to ensure the efficient and uniform delivery of solid waste services.

The City's seasonal leaf pickup program, which is funded by the Solid Waste Fund, services all city streets including those with township parcels. Nearly all of the public streets within the ultimate City boundaries are City streets. As a result, if township residents on a City street deposit their leaves into the street in advance of the leaf pickup day, the city crews will pick up those leaves. The leaf pickup, however, is paid for by a funding source that township residents do not contribute to. The annexation of these township island parcels fronting city streets will eliminate this inequity.

Additional issues regarding solid waste services and the township island parcels include:

- The City has implemented a new cart system for garbage (and soon yard waste) citywide which has likely resulted in some township residents no longer having their garbage or yard waste picked up by City solid waste crews.
- Although unimproved roads exist in many clusters of township islands, solid waste trucks access most of them to service City residents.
- Annexing township islands will require additional staff hours to provide solid waste service. However, the City's solid waste millage will be collected from these properties to pay for the delivery of this additional service.

<u>Sanitary Sewer Service</u> – The City currently provides sanitary sewer service to approximately 26,700 customers, including approximately 22,000 residential customers. Of these customers, fewer than 100 are township island properties receiving service through "outside city service agreements." The City provides sanitary service to Ann Arbor, Scio and Pittsfield Townships by contract for resale by the townships to township customers outside of the City's ultimate service area boundaries.

The City's sanitary sewer system takes tremendous advantage of the fact that Ann Arbor is located in the Huron River valley with nearly 275 feet of ground elevation difference across the City. The City's water treatment plant is located at one of the highest points in the City (approximately 1,010 feet above sea level with the lowest point in the system being the Wastewater Treatment Plant (WWTP) at approximately 740 feet above sea level. In taking advantage of this relief in terrain, with only a few small, isolated exceptions, the city's sanitary sewer system has been established as a full gravity sewer system.

In creating and expanding this system, it is necessary, in most instances, to follow the natural "lay of the land" with the location of sanitary sewer mains. Historically, some of the areas that needed to be traversed by the expanding City sanitary sewer system were township lands, requiring the City to obtain easements or rights-of-way from the property owners to allow the construction and maintenance of these sewers across their property. Through the process of negotiating the terms of these easements, some of the property owners obtained the right to connect to the City sanitary sewer system while keeping their property in the township. The details of these terms varied from site to site.

As a result, in contrast to the situation described above concerning the water distribution system, several of the township island cluster areas contain City sanitary sewers which can, and do, service many of the properties in the cluster areas. However, there are still some cluster areas where it was not necessary for the system to traverse to serve other upstream City areas, so they do not have existing City sanitary sewers at this time.

Similar to the situation regarding the extension of water mains, there will be challenges to extending sanitary sewers into some of these areas. Some cross-lot sanitary sewers may be necessary which will require the utility easements from individual property owners. Again, narrow public rights-of-way in some locations will also present challenges to some utility extensions, as well as private streets and/or drives requiring utility easements or perhaps even the need for condemnation in order to provide public utilities.

As with the water distribution system, the funding of utility improvements also presents challenges. The City would need to fund the up-front capital costs to construct new water main extensions, and then recapture those costs over a number of years from property owners benefiting from the water service. The initial up-front costs will need to be paid by the City utility rate payers. Since resources are limited, the installation of water service to township islands will affect the City's capacity to perform other capital projects. The prioritization of these system expansions compared to other asset management needs must be thoroughly examined. Since the township islands are within the City's service area, the question is not "if" service will be provided but "how" and "when".

An additional factor regarding the extension of sanitary sewer service to new customers currently in the township is that flows from these new connections will result in increased flows to the Waste Water Treatment Plant. These additional flows may result a need to expand the City's footing drain disconnection program. Utility ratepayers may need to pay for some of the costs associated with expanding this program.

#### **OTHER ISSUES**

Assessment and Fiscal Implications – In March of the year after a township parcel is annexed, the City mails an assessment change notice indicating what the new assessed value and taxable value are for the property. If no transfer of ownership or constructed additions have taken place in the previous year (year of annexation), the taxable value will remain capped as it was in the township. A new assessment will be provided by the City Assessor's Office, which may result in an increase or decrease in assessed value. The taxable value may go up but is limited by the Consumer Price Index. The taxable value will be limited by Proposal A (1994).

Though the taxable value would not be uncapped in this case, the millage rate that is applied to this taxable value will increase. The City millage rate in 2007 was 16.78 mils, which is a higher rate than the local millage of any of the three townships (Ann Arbor Township: 4.75; Pittsfield Township: 5.20; Scio Township: 1.45).

Additionally, the City's federal CDBG and HOME allocations are based on population. The annexation of township islands typically results in increasing the City's population.

Land Use – Parcels that are annexed into the City are subject to all City development regulations including, but not limited to, master plans and zoning. Annexed parcels, in some case, have opportunities to be divided to create new buildable parcels since the minimum lot sizes of single-family districts in the City are typically smaller than the minimum lot sizes of single-family districts in the three townships. The availability of water and sanitary sewer services can also create incentives for the development of land. Although most township island parcels consist of single-family parcels, a number of large, vacant sites also exist that provide significant development opportunities. Most of the large parcels include high quality natural features. These natural features are, in some cases, not regulated by township natural features protection ordinances since large parcels generally have "agricultural" zoning. Annexation to the City would result in these natural features being regulated by City natural features protection measures.

<u>Legal Issues</u> – There are multiple ways to annex large numbers of township parcels. Each includes its own unique set of advantages and disadvantages. These methods include:

(a) No City initiated annexation (continue processing annexation requests when initiated by individual property owners).

(b) City initiated annexations of clusters of township parcels.

(c) Boundary adjustments that require action by the City and each affected township.

(d) Phased boundary adjustments

Option (b) would not require a referendum of affected township residents to approve the city-initiated annexation as long as each affected area has fewer than 100 residents. For those annexations, the City would follow the annexation procedures required by MCL 117.9 Options (c) and (d) would require the governing bodies of the City and of the affected township to pass boundary adjustment resolutions after notice to affected property owners, and a public hearing regarding the proposed action.

**<u>Political Decision Making</u>** – The City Administrator and Service Area Administrators should work with surrounding townships and City Council to determine an appropriate strategy for the annexation of township islands.

Relationship Between Infrastructure and Fire Protection Services – Some of the areas within the City service boundaries containing township islands have city water mains and fire hydrants already in place. However, many areas do not have any water distribution infrastructure at this time. Additionally, a significant number of the township island parcels have been created and developed in a manner that does not provide for adequate vehicular access by emergency response units and perhaps not even by routine service vehicles, such as solid waste and recycling units. As a result, fire response will require continued mutual aid until upgraded infrastructure is provided.

The City's Public Services Area has begun working with the Safety Services Area to identify, evaluate and prioritize the future infrastructure expansion necessary to provide water service as well as improved access to areas with clusters of township island properties. The addition or upgrade of emergency access and water distribution infrastructure, will improve fire protection to those areas that have challenging circumstances regarding the provision of these public services. Challenges include private drives, lack of turnaround space, and absence of right-of-way. The planning of these improvements must be closely examined as there will be cost implications to the water system as described in more detail below.

The availability of water mains and hydrants affects the ability to suppress fire for some township island locations. Mutual aid will continue to be provided by the

Ann Arbor Township Fire Department in the form of tanker trucks to assist fire fighting areas where water service is not available. Water service is intended to be eventually provided to all parcels within the Ann Arbor city limits, though this effort will take a number of years.

<u>Staff Time</u> – Processing individual or clusters of annexation petitions is a time consuming process. It requires staff from multiple service areas to participate in the review process. City initiated annexations would require the City to obtain accurate legal descriptions for each parcel which is a time consuming process. It is unlikely that the City will be able to collect fees to defer expenses for City initiated annexations.

<u>Trade Center Drive Area</u> – Approximately 12 acres of township (Pittsfield) land exists north of Ellsworth Drive in the far southeast corner of the ultimate City service area. Five parcels exist that include research/office/ commercial uses. This area does not receive water or sewer service from either Pittsfield Township or the City of Ann Arbor. Further analysis should be conducted to determine which public agency can most easily provide public services and whether these properties should be annexed into the City or remain in Pittsfield Township.

#### **POLICY OPTIONS**

A number of strategies or combination of strategies are possible regarding the annexation of township islands. They include:

- 1. **No change in current policy.** The <u>advantage</u> of this approach is that neither the City nor the three townships would need to take any immediate action. The <u>disadvantages</u> include: a) the City and townships would need to continue devoting staff time to processing multiple, individual annexation requests; b) the duplication of public services would continue; c) the City would continue to provide many services to township residents without compensation; and d) some parcels may not annex for many years.
- 2. City initiated annexation of clusters of township parcels. The advantage of this approach is that the City would annex township parcels systematically ultimately resulting in the gradual annexation of all township parcels. Disadvantages include: a) State law requires that if City initiated annexations affect more than 100 persons at a time, a referendum vote of the affected township property owners is required to approve the annexation, resulting in a very time consuming process; b) extensive staff time would be devoted to the annexation process; c) duplication of services would continue for an extended period of time; d) the City would continue to provide many services to township residents for an extended period of time without compensation.

- 3. Boundary adjustments through mutual resolutions between the City and each township with public hearings at each jurisdiction. This process would require Ann Arbor and Pittsfield Townships (Scio Township is not a chartered township and therefore does not have the ability to adjust boundaries with the City) to enter into separate agreements with the City to adjust their jurisdictional boundaries resulting in township islands becoming incorporated as part of the City of Ann Arbor. The City would enter into separate agreements with either of the two townships. Advantages of this approach include: a) reduced staff time compared with processing individual or clusters of township islands; b) the duplication of services would end more quickly; c) the City would be compensated for services it already provides; d) services, such as solid waste, could be provided more efficiently and police response times would slightly improve; and e) natural features on larger sites would be regulated by the City's natural features protection measures. The disadvantage is that it would require the townships to amend the agreements already in place with the City described earlier in this report. Each township may choose to adjust their agreement or to not adjust their agreement. Annexation may raise expectations of infrastructure service.
- 4. **Phased Boundary Adjustments.** This would be a modified version of the above option but would adjust boundaries systematically and gradually over time to annex clusters of Ann Arbor or Pittsfield township islands. This method could be more closely correlated with the availability of infrastructure. The primary <u>advantage</u> would be to more efficiently annex multiple parcels as opposed to annexing individual parcels. The primary <u>disadvantage</u> would be that it would take years to annex all of the township parcels within the service area extending the duplication and inequity of service provision.

#### STAFF RECOMMENDATION

Based on the above list of advantages and disadvantages, staff recommends that the City approach representatives of Pittsfield and Ann Arbor Townships to explore the feasibility of adjusting jurisdictional boundaries. If the townships are amenable to adjusting the boundaries, then City Council should take appropriate action to pursue boundary adjustments.

If boundary adjustments are not feasible, it is recommended that the City examine the feasibility of annexing clusters of township parcels until all township parcels within the City's ultimate boundaries are annexed.

Regardless annexation strategy that is adopted, City staff has developed a prioritization model to help determine an effective approach to providing public services (water and sanitary) to clusters of township islands.

#### Attachments:

1.	Policy	Statement	Between	City	of Ann	Arbor	and	Pittsfield
	Towns	hip.						

- 2.
- Policy Statement between City of Ann Arbor and Scio Township. Policy Statement Between City of Ann Arbor and Ann Arbor 3. Township.
- First Amendment to Policy Statement Between City of Ann 4. Arbor and Ann Arbor Township.

CITY OF ANN ARBOR-CHARTER TOWNSHIP OF PITTSFIELD

FOLICY STATEMENT
January 15, 1979

#### Promulgation of Policies

The CITY OF ANN AREOR, a Michigan municipal corporation, with its main offices located at 100 North Fifth Avenue, Ann Arbor, Michigan 48104 (hereinafter the "City"), and the CHARTER TOWNSHIP OF PITTSFIELD, a Michigan municipal corporation, with its main offices located at 701 West Ellsworth Road, Ann Arbor, Michigan 48104, (hereinafter the "Township"), by their respective governing bodies, for the purpose of furthering their common welfare, do hereby promulgate certain policies and declare their intentions to abide by the same in their exercise of governmental authority insofar as practical and not in conflict with law.

#### I. ANNEXATION - GENERAL

- A. All land areas in the Township lying west of U.S. 23 Expressway and north of the south line of Ellsworth Road from U.S. 23 to the west line of State Road, thence northerly to the south line of I-94, thence westerly along the southerly right-of way of I-94 to the western boundary of the Township, shall be designated as "The Territory" and shall be eventually annexed to the City in an orderly manner.
- B. It shall be understood that this aforementioned line is the unofficial boundary line until such time as it can be so officially designated.
- C. Inasmuch as the Township and the City have an existing contract for sewer service for portions of the Township, the Township shall not make plans to provide municipal sewer and/or water service to any properties within said

Territory; however, the Township shall maintain all other legal authority and responsibility for Township lands and residents in the Territory until such time as they do become annexed to the City.

- D. Notwithstanding previous policies, decisions and procedures, the City and Township hereby agree that individual properties in the designated area may be annexed to the City even where such annexation may create new islands. Neither the City nor the Township shall interpose in any judicial or other proceeding pertaining to the annexation of any portion of the said Territory an objection to such annexation by reason that the same would create an enclave of Township land within the City.
- E. Neither the City nor the Township shall seek to require annexation to the City of any such enclave of Township land lying within the Territory solely because of its constituting an enclave, whether now existing or hereafter created through the annexation of a portion of the Territory. Nevertheless, upon request to the City by the owner of a property within any said enclave for City water or sewer service to such property, the City may require such property to become annexed to the City as a condition of granting such service.
- F. The Township agrees that, rather than furthering litigation in the case of the Pittsfield islands, it will agree to the Boundary Commission decision of 1973 (File #8322) if the individual review procedure as set forth in paragraph I. H. is applied. Accordingly, the suit appealing that decision will be dismissed.

- erning bodies, any portion of the City and Township governing bodies, any portion of the Territory within the designated area may be annexed to the City upon the petition therefor signed by the petitioners, as provided by MCLA 117.9(8), in the case of such alternate method of annexation. The legal description of such land shall include the total width of the street or highway adjacent to the land. Property that remains in the Township and is adjacent to a street or highway that has been annexed to the City shall have the curb cut rights of access to City streets that other City properties enjoy.
- Upon annexation to the City of properties from said Territory, the City "deferred charges" thereon for benefits conferred by capital improvements made prior to the annexation shall be payable at the property owners option, either in full or in not less than six (6) equal annual installments, provided that the same shall be payable in up to twelve (12) equal annual installments in cases of a property being, and continuing to be, the homestead of an owner/occupant who has special hardship problems or is otherwise adjudged in need of special consideration. Hardship and special considerations may be conferred upon the single owner/occupant at the time of annexation. A Transition Appeals Committee shall be established for the purpose of determining such need. It shall be authorized to make recommendations to City Council for special consideration and shall be comprised of two (2) members appointed from the City and one (1) member appointed from the Township.

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#### II. HUNICIPAL AIRPORT

- A. The City agrees that the pending appeal of the decision of the Washtenaw Circuit Court in the suit of the Township vs. the City (Docket #77-12619) respecting the City's proceedings to annex territories in and about the Municipal Airport and a portion of Eisenhower Boulevard shall be dismissed.
- B. The Township agrees to cooperate with the City in the establishment of an Airport land use plan which recognizes the compatibility of light industrial, warehousing, gravel mining and other uses on Airport lands. The Township will review and comment on the plan before City adoption. It is further understood that any private construction on Airport lands will require approval under Township zoning and site plan requirements, as well as Township Building and Safety Department permit requirements. Plans for municipal construction on Airport lands must be submitted to the Township for review and comment.
- C. The Township agrees to establish a land use plan for the environs of the Airport which recognizes only land uses which are compatible to Airport operations from a safety and environmental point of view. The City will review and comment on the plan before adoption by the Township.
- D. It is further agreed that gravel mining may take place only for use on City of Ann Arbor roads and public works projects and for use on Pittsfield Township roads and public works projects. In addition, it is agreed that a gravel processing plan, a restoration plan and a soil erosion plan be filed and approved by the Township.

E. Excepting as exempt by law, the Township shall assess for taxes the real and personal properties of and upon the Airport lands.

(3)

F. The Township agrees to provide capacity for City sanitary sewage usage to the Airport as a direct City customer. The actual construction cost of future interceptor and major trunkline sewers designed to serve the City and the Township shall be apportioned in accordance with the design capacity provided in the sewers and shall be prorated among the properties served.

#### III. LANDFILL

- A. The City desires to expand its landfill operations to the west on property known as the Derck, Nielsen, and McCalla parcels.
- B. The Township agrees to actively support and assist in land acquisition negotiations for such expansion on the conditions that:
  - A land use and restoration plan be developed for long-range use of the landfill area.
  - 2. That a reasonable strip of land in accordance with state law, but not less than 200 feet immediately east of Stone School Road, as well as along the southern and northern perimeters, shall be used for landscape buffering. Under state law such buffers must be a part of the landfill but cannot be used for landfill purposes. When landfill use of land is completed, the buffer strip may be available for private uses. The buffering shall include an earthen berm

which is separated from the perimeter by plant materials. All legal instruments for the purchase of the land shall require such landscape buffering.

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- C. A Landfill Expansion Advisory Committee composed of four (4) persons appointed by the City and three (3) persons appointed by the Township shall be created to advise the City on environmental and operational plans.
- D. The Township agrees that it be given preferred customer consideration by the City in the use of the landfill or offered an opportunity for proportionate investment equity if the landfill is to be expanded in this location for landfill or shredding operations or a transfer station.
- E. The Township shall not adopt any ordinance, rule or regulation which prevents the City's use of the unannexed landfill for disposal of refuse materials or for park purposes.
- F. The City and Township agree to be continuing partners in seeking additional sites within the Township for solid waste disposal needs.

#### IV. SEWER/WATER SERVICES

.... Little Beer C.

A. Upon acceptance and execution of this position paper, the City agrees to immediately approve the Township's request for sewer service limited to the Township Hall and the State Road frontage of a proposed commercial development at Ellsworth and State Roads in accordance with procedures established in Paragraph I-A of the Ann Arbor-Pittsfield sewer service agreement dated September 30, 1975. It is understood State Department of Natural Resources approval will be sought eagerly by the City.

B. The sewer service will be provided at 103% of City rates in accordance with the aforementioned agreement.

Dated this And day of Allican, 1979.

IN THE PRESENCE OF:

CHARTER TOWNSKIP OF PITTSFIELD, a Michigan municipal corporation

Janis, P. Frund

Robert A. Lillie Its Township Supervisor

Copilia C. Kolholin

Perry E Brown
Its Township Clerk

CITY OF ANN ARBOR, a Michigan municipal corporation

Janin D. Frund

Gatha C. Kille

By Journ W. Belcher
Louis D. Belcher
Its Mayor

E. F. Vollbrecht Its City Clerk

Approved by the Council for the City of Ann Arbor January 15, 1979.

PROMULGATION OF ANNEXATION POLICY

(City of Ann Arbor - Scio Township)

TO:CPC From: MWO

### Attachment 2.

Add this one to your packet of Agreements

#### WITNESSETH:

The City and the Township, for the purpose of furthering their common welfare, do hereby promulgate, as their mutual policy, and declare their intentions to abide by the same in their exercise of overnmental authority insofar as practiced and not in conflict with law, as follows:

- the Township will be: Beginning at the intersection of I-94 and Scio Church Road; thence northerly along I-94 to the centerline Liberty Road; thence westerly to the centerline of Wagner Road; thence northerly to the centerline of M-14; thence northeasterly to an ending point at the intersection of M-14 and Maple Road.
- (2) Upon the execution of this agreement, the City and the Township will stipulate to dismiss Washtenaw County Circuit Court case number 78-16253-CZ.

(3) Nothing contained herein is intended to affect the right of an individual property owner to object to the annexation of his or her land to the City.

Approved as to Substance:

Sylvester Murray

City Administrator

Approved as to Form:

R. Bruce Laidlaw City Attorney CITY OF ANN ARBOR, a Michigan municipal corporation

Вv

Louis D. Belcher

Its Mayor

E. F. Vollbrecht

Its City Clerk

TOWNSHIP OF SCIO, a Michigan municipal corporation

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Its Clerk

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Its

I-2

# POLICY STATEMENT BETWEEN CITY OF ANN ARBOR AND ANN ARBOR CHARTER TOWNSHIP

#### PROMULGATION OF POLICIES

The City of Ann Arbor, a Michigan municipal corporation, with its main office located at 100 N. Fifth Avenue, Ann Arbor, Michigan 48104 (hereinafter the "City") and Ann Arbor Charter Township, a Michigan municipal corporation with its main office located at 3792 Pontiac Trail, Ann Arbor, Michigan 48105 (hereinafter the "Township") hereby state that for the purpose of furthering the common welfare, they are promulgating policies set forth below and declare their intentions to abide by those policies in their exercise of their governmental authority insofar as it is practical and permitted by law. This agreement is intended to provide for orderly annexation procedures between the two governments and establish a common boundary between the communities so that each may systematically plan for the provision of services to the area to be included within its boundaries.

#### I. Common Boundary

All land in the Township lying west of U.S. 23 and south of M-14 shall be annexed to the City in an orderly manner. That portion of the Township lying north of M-14, east of Maple Road and south of the Huron River, excluding therefrom the area located east of Maple Road, west of Newport Road, and south of the Huron River, as shown on the map attached as Exhibit A-1 and as more specifically described in the legal description attached as Exhibit A-2, shall also be annexed to the City in an orderly manner. It is understood that this aforementioned boundary is unofficial until such time as it can be officially designated pursuant to the procedures required under applicable state law and regulations.

The parties agree to the following policies:

- A. The City shall be the only municipality to provide sewer and water service to all areas within the area identified herein as areas to be annexed to the City.
- B. The City may initiate a petition for annexation of any Township property located within the area designated area A on the map attached as Exhibit B.

- C. The Township agrees to release any property in area A which is presently receiving or in the future requests a connection to City sewer or water mains.
- D. Any land in areas A through D as shown on the map attached as Exhibit B for which connection to Ann Arbor City water service is requested will be released by the Township at the request of the owner. The Township agrees that it will not object to such annexations or refuse to release the properties because of the requested connection to the City water supply.
- E. The Township agrees that the creation of islands is not a basis for objection to any annexation within areas to be within the City as provided by this boundary policy.
- F. The Township agrees that the currently pending requests for annexation to the City listed on Exhibit C will be released immediately after this agreement is approved by both governing bodies.
- G. All properties located within areas B through D which request connection to Ann Arbor City sewer will be released by the Township forthwith upon the owner's request for annexation to the City.
- H. Property which is developed and occupied on the date of this agreement in areas B through D may connect to City sewers without immediate annexation upon the condition that the owner sign an agreement which includes the following:
  - 1. The owner agrees to do all things necessary to have the property annexed to the City of Ann Arbor within five years from the date of connection to the City sewer or by December 31, 2007, whichever comes first.
  - 2. The owner agrees to pay the City the same rates as Township residents pay for sewer service after the connection to a City sewer main but before annexation to the City and to comply with all City ordinances and regulations regarding the use of sanitary sewer.
  - 3. The owner agrees to pay the proportionate cost of the sewer main which serves the property at the time of connection in the same

amount and upon the same terms as would be required of City residents.

4. The City may include such lawful terms in the agreement as it deems appropriate to enforce the condition that the owner of the property seek to have it annexed within the time stated in sub-paragraph 1 above. The Township will not intervene on behalf of property owners who do not comply with their agreement to pursue and complete annexation to the City.

#### II. Sewer and Water Agreements

- A. The City will withdraw its notice of nonrenewal of the "City of Ann Arbor-Ann Arbor Township Wastewater Treatment Contract" dated November 8, 1976 (the City-Township Sewer Agreement) pursuant to which the Township receives sewer service from the City of Ann Arbor, so that such Agreement will be extended until December 31, 2015.
- B. The Township agrees that it will not interfere with or delay construction, by the City, of sanitary sewers or water mains to serve any of the areas to be included within the City.
- C. The parties agree to revise the City-Township Sewer Agreement and the "City of Ann Arbor-Ann Arbor Township Water Supply Contract" dated June 22, 1984 (the City-Township Water Agreement) as set forth in this paragraph (those areas were originally described in the May 1976 Final Facilities Plan for Wastewater Management in the Ann Arbor-Ypsilanti Areas of the Huron River Valley, Washtenaw County, Michigan, and such description was incorporated in the City-Township Sewer Agreement and the City-Township Water Agreement). The parties agree to revise area 3A in the City-Township Sewer Agreement as shown on the map attached as Exhibit D to include that portion of the Township located east of Maple Road, west of Newport Road, and south of the Huron River (as described in section I above) so that the Township may serve that area under the City-Township Sewer Agreement. At the Township's request, the parties will revise sewer and water area 5A in the City-Township Sewer and Water Agreements as shown on the map attached as Exhibit D, so that the Township may serve that area with water and sewer service under those Agreements. The parties further agree to reallocate sewer

service capacity under the City-Township Sewer Agreement from area 3A to area 5A as reasonably requested by the Township. However, nothing in this policy agreement requires the City to provide the Township with more than the total sewer and water service capacities set forth in the existing City-Township Sewer and Water Agreements.

#### III. Existing Agreements

Nothing in this boundary policy and agreement is intended to alter the terms of the existing agreements between Township residents and the City concerning annexation or the provision of water or sewer service by the City to those residents.

#### IV. Petitions to State Boundary Commission

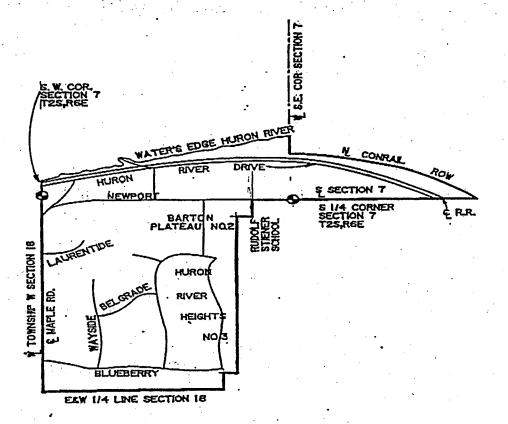
The City agrees it will not initiate a petition to the State Boundary Commission to annex any owner occupied land in areas B, C, or D before December 31, 2007. After that date, the Township will not oppose a petition by the City to annex properties in Areas B, C, or D or otherwise intervene on behalf of the owner.

#### V. Pending Litigation

The City and Township agree to take all necessary action to dismiss or otherwise conclude, in a manner consistent with this agreement, all pending litigation and State Boundary Commission proceedings involving annexation of Township land into the City.

City of Ann Arbor, a municipal corporation	Charter Township of Ann Arbor, a municipal corporation
	To zalreh Variotas
Mayor	Supervisor
	Catronie a. Braun
Clerk	Clerk
Dated:	Dated: There 17,1994
Approved as to substance	
Alfred A. Gatta, City Administr	ator
Approved as to form	
Fligsboth P Sahwartz City Att	277 077





# EXHIBIT A-1

CLIENT: ANN ARBOR CHARTER TOWNSHIP		PROJECT NO. 84540-01
LEGAL DESCRIPTION OF TOWNSHIP LIMITS IN SECTIONS 7 & 18	PAUL V. *  ** SCHWIMMER **  No. 24618	SCALE 1 INCH = FEET DRAWN PVS DATE 12-17-93 CHECKED CRO REMSED REMOVED SCHOOL DATE 1-10-94
E REGISTERED LAND SURVEYOR NO.	NO. 24618	CHECKED CRO FIELD BOOK NONE PG SHEET - OF -

Auran Lawie Marris & May Inc. 3959 RESEARCH PARK DRIVE ANN ARBOR, MICHIGAN 48104

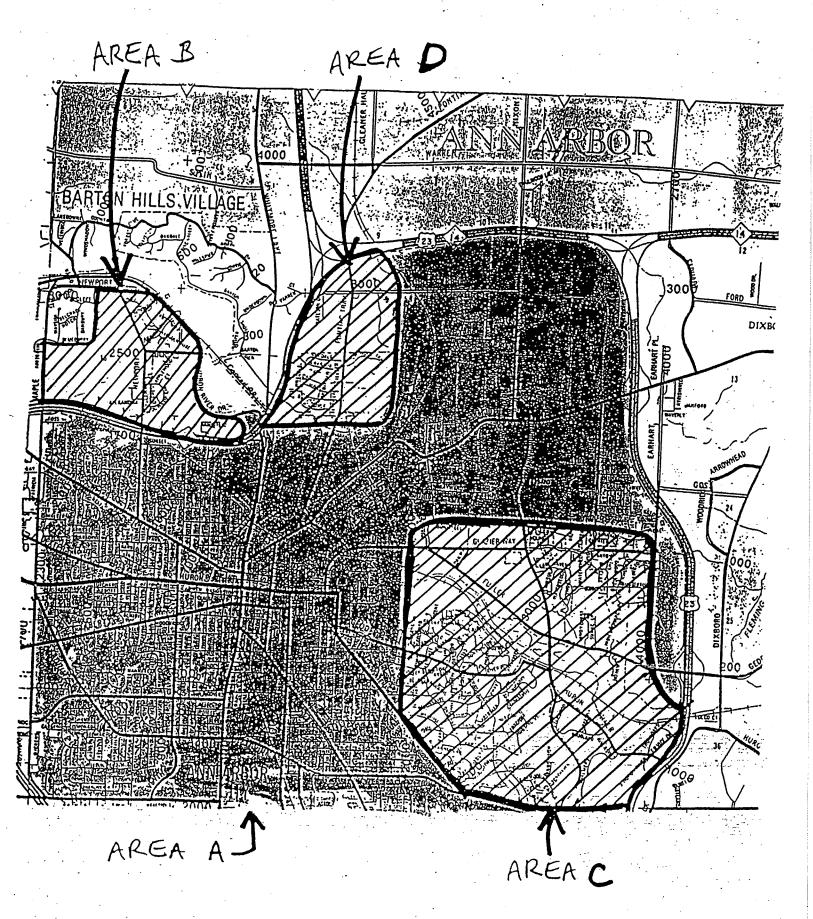
DESCRIPTION OF A LINE BETWEEN PORTIONS OF ANN ARBOR TOWNSHIP AND THE CITY OF ANN ARBOR FOR THE PURPOSE OF DEFINING LIMITS OF ANNEXATION

BEGINNING AT A POINT MARKING THE INTERSECTION OF THE WEST LINE OF THE SOUTHEAST 1/4 OF SECTION 7, ANN ARBOR TOWNSHIP, TOWNSHIP 2 SOUTH, RANGE 6 EAST, WASHTENAW COUNTY, STATE OF MICHIGAN AND THE NORTHERLY RIGHT OF VAY LINE OF THE CONRAIL RAILROAD, THENCE SOUTHEASTERLY ALONG SAID NORTHERLY RIGHT OF VAY TO ITS INTERSECTION WITH THE SOUTH LINE OF SAID SOUTHEAST 1/4 SECTION 7, THENCE WEST ALONG SAID SOUTH LINE OF THE SOUTHEAST 1/4 TO THE SOUTH LINE OF THE SOUTHEAST 1/4 TO THE SOUTH LINE OF THE SOUTHEAST 1/4 TO THE SOUTH LINE OF SAID SECTION 7, THENCE CONTINUING WEST ALONG THE SOUTH LINE OF THE SOUTHEAST 1/4 TO THE SOUTH SOUTH ALONG THE EAST 1/4 TO THE SOUTH ALONG THE EAST 1/4 TO THE SOUTH ALONG THE EAST 1/4 TO THE SOUTH ALONG THE EAST 1/4 THENCE SOUTH SOUTH SOUTH 1/4 THE SOUTH LINE OF SAID SUBDIVISION TO A POINT 2/5.41 FEET NOTH DET THE EAST 1/4 THENCE CONTINUING WEST ALONG SAID 1/4 LINE AND THE SOUTH LINE OF SAID HURDN RIVER HEIGHTS SUBDIVISION TO A SOUTH SOUTH

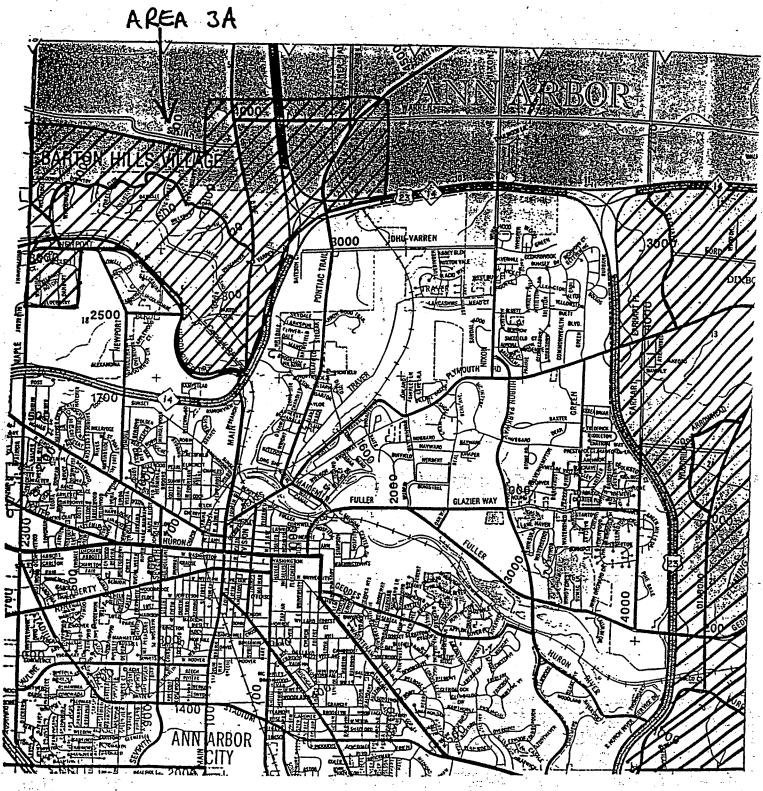
# EXHIBIT A-2

-- CLIENT: ANN ARBOR CHARTER TOWNSHIP PROJECT NO. 84540-01 TE OF MICE LEGAL DESCRIPTION OF TOWNSHIP SCALE 1 INCH LIMITS IN SECTIONS 7 & 18 PVS DRAWN 256E 12-17-93 DATE PAUL V. SCHWIMMER CHECKED CRO 05793 REVISED REMOVED SCHOOL ≣★ 1-10-94 DATE CHECKEDICRO AED LIES NONE PG FIELD BOOK OF SHEE" REGISTERED LAND SURVEYOR NO.

### EXHIBIT B



# EXHIBIT D-AREAS 3A & SA AS REVISED



AREA SA

Attachment 4.

# FIRST AMENDMENT TO POLICY STATEMENT BETWEEN CITY OF ANN ARBOR AND ANN ARBOR CHARTER TOWNSHIP

The City of Ann Arbor, a Michigan municipal corporation, with offices at 100 N. Fifth Avenue, Ann Arbor, Michigan 48104 ("City") and Ann Arbor Charter Township, a Michigan municipal corporation, with offices at 3792 Pontiac Trail, Ann Arbor, Michigan 48105 ("Township") agree to amend the Policy Statement executed by the parties on February 1, 1994, as follows:

- 1) Article I, Paragraph H, is amended to read as follows:
  - H. Property which is developed and occupied on the date of this agreement February 1. 1994, in areas B through D may connect to City sewers or City water without immediate annexation upon condition that the owner sign an agreement which includes the following:
    - 1. The owner agrees to do all things necessary to have the property annexed to the City of Ann Arbor within five years from the date of connection to the City water or sewer or by December 31, 2007, whichever comes first.
    - 2. The owner agrees to pay the City the same rates as Township residents pay for sewer <u>or water</u> service after connection to a City sewer <u>or water</u> main but before annexation to the City and to comply with all City ordinances and regulations regarding the use of <u>City water and</u> sanitary sewer.
    - 3. The owner agrees to pay the proportionate cost of the <u>water or</u> sewer main which serves the property at the time of connection in the same amount and on the same terms as would be required of City residents, and agrees to pay all connection and meter set charges for water and sewer in the same amount and on the same terms as required of City residents.
    - 4. The City may include such lawful terms in the agreement as it deems appropriate to enforce the condition that the owner of the property seek to have it annexed within the time stated in sub-paragraph 1 above. The Township will not intervene on behalf of property owners who do not comply with their agreement to pursue and complete annexation to the City.
- 2) Exhibit A-1 is amended to depict correctly the legal description in Exhibit A-2 as shown on attached First Amended Exhibit A-1. No change is made to Exhibit A-2.

All terms, conditions and provisions of the original Policy Statement executed by the parties on February 1, 1994, unless specifically amended above, apply to this amendment and are made a part

of this amendment as though expressly rewritten, incorporated and included herein.

This amendment to the agreement between the parties shall be binding on the heirs, successors and assigns of the parties.

Dated this Oct. 22, 2004.

For City of Ann Arbor

John Heiftje, Mayor

Mar. il

, Interim City Clerk

For Ann Arbor Charter Township

Michael C. Moran, Supervisor

Catherine A. Braun, Clerk

Approved as to substance

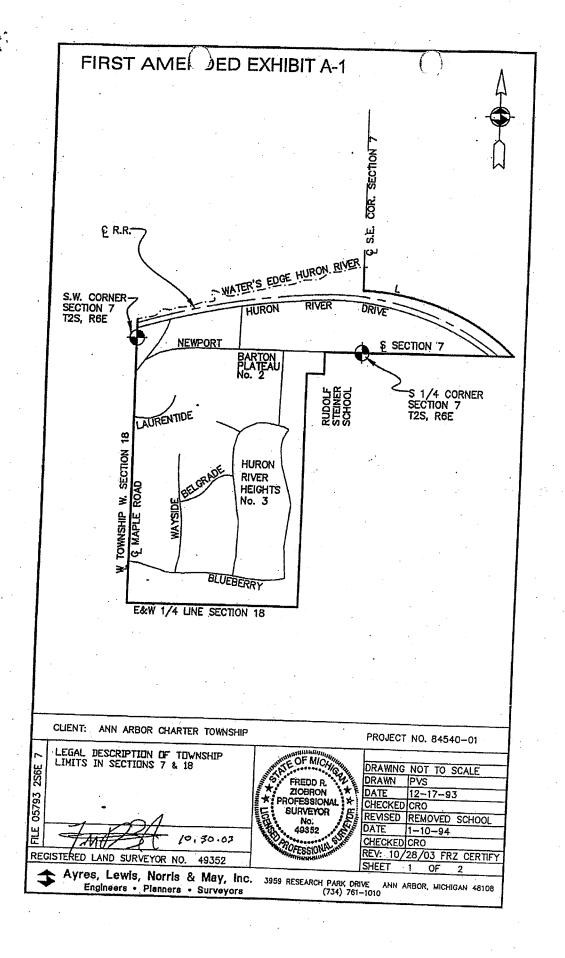
Sue F. McCormick, Public Services Area

Administrator

Roger W. Fraser, City Administrator

Approved as to form

Abigail Ellas, Chief Assistant City Attorney



#### **EXHIBIT A-2**

DESCRIPTION OF A LINE BETWEEN PORTIONS OF ANN ARBOR TOWNSHIP AND THE CITY OF ANN ARBOR FOR THE PURPOSE OF DEFINING LIMITS OF ANNEXATION.

BEGINNING AT A POINT MARKING THE INTERSECTION OF THE WEST LINE OF THE SOUTHEAST 1/4 OF SECTION 7, ANN ARBOR TOWNSHIP, TOWNSHIP 2 SOUTH, RANGE 6 EAST, WASHTENAW COUNTY, STATE OF MICHIGAN AND THE NORTHERLY RIGHT OF WAY LINE OF THE CONRAIL RAILROAD; THENCE SOUTHEASTERLY ALONG SAID NORTHERLY RICHT OF WAY TO ITS INTERSECTION WITH THE SOUTH LINE OF SAID SOUTHEAST 1/4, SECTION 7; THENCE WEST ALONG SAID SOUTH LINE OF THE SOUTHEAST 1/4 TO THE SOUTH 1/4 CORNER OF SAID SECTION 7; THENCE CONTINUING WEST ALONG THE SOUTH LINE OF SAID SECTION 7 AND CENTERLINE OF NEWPORT ROAD 492,60 FEET; THENCE SOUTH LINE OF SECTION 7 192 FEET TO THE EASTERLY LINE OF BARTON PLATEAU SUBDIVISION No. 2, AS RECORDED IN LIBER 19 OF PLATS, PAGES 33 & 34, WASHTENAW COUNTY RECORDS; THENCE SOUTH ALONG THE EAST LINE OF SAID SUBDIVISION No. 3, AS RECORDED IN LIBER 19 OF PLATS, PAGES 33 & 14, WASHTENAW COUNTY RECORDS; THENCE SOUTH ALONG THE EAST LINE OF SAID SUBDIVISION No. 3, AS RECORDED IN LIBER 18 OF PLATS, PAGES 13 & 14, WASHTENAW COUNTY RECORDS; THENCE SOUTH ALONG THE EAST LINE OF SAID SUBDIVISION No. 3, AS RECORDED IN LIBER 18 OF PLATS, PAGES 13 & 14, WASHTENAW COUNTY RECORDS; THENCE CONTINUING WEST ALONG SAID SECTION 18; THENCE CONTINUING SOUTH 275,41 FEET; THENCE WEST ALONG SAID SECTION 18; THENCE CONTINUING SOUTH 275,41 FEET; THENCE WEST ALONG SAID SECTION 18; THENCE CONTINUING WEST ALONG SAID 1/4 LINE AND THE SOUTH LINE OF SAID HURON RIVER HEIGHTS SUBDIVISION No. 3 326.54 FEET; THENCE CONTINUING WEST ALONG SAID 1/4 LINE AND THE SOUTH LINE OF SAID SECTION 18 (A SUBDIVISION NO. 2 AS RECORDED IN LIBER 16 OF PLATS, PAGES 24 & 25, WASHTENAW COUNTY RECORDS 1803.09 FEET; THENCE NORTH ALONG THE WEST LINE OF SAID SECTION 18 AND THE WEST LINE OF SAID SECTION 18 OF SA

CLIENT: ANN ARBOR CHARTER TOWNSHIP	PROJECT NO. 84540-01
LEGAL DESCRIPTION OF TOWNSHIP LIMITS IN SECTIONS 7 & 18	PROFESSIONAL * CHECKED CRO  SURVEYOR SERVISED REMOVED SCHOOL
/0.35.03 REGISTERED LAND SURVEYOR NO. 49352	49352 DATE 1-10-94 CHECKED CRO REV: 10/28/03 FRZ CERTI SHEET 1 OF 2