

ROAD COMMISSION AND CITY AGREEMENT FOR MILLAGE REVENUE
DISTRIBUTIONS
2014-2025

THIS AGREEMENT is made and entered into this ____ day of _____, 2015, by and between the City of Charlotte and the Board of Eaton County Road Commissioners.

WHEREAS: On November 4, 2014 the voters of Eaton County approved a County wide tax levy of up to 1.5 mils on all property in Eaton County for the years 2014 through 2025 for the purpose of the rehabilitation, restoration, and resurfacing of county local roads and municipal streets, and

WHEREAS: Michigan law allocates and distributes revenue from such a tax levy to the County Road Fund and the cities and villages in Eaton County by a formula based in part on state equalized valuation, county primary road mileage and city major street mileage, unless otherwise agreed by the city and the Road Commission, and

WHEREAS: Both the Eaton County Road Commission and the City of Charlotte desire to set forth the terms of an agreement to distribute the proceeds of the tax levy that is different than the formula described in the law, and

WHEREAS: The purpose of this agreement is to set forth the agreed upon allocation of road millage revenue between the County Road Fund and the City of Charlotte to serve as instruction to the Eaton County Treasurer in distributing millage revenue in accordance with MCL 224.20b, and

WHEREAS: Portions of certain County Local roads that are under the jurisdiction of the Eaton County Road Commission lie inside the City of Charlotte, and portions of certain city streets under the jurisdiction of the City of Charlotte lie outside the City of Charlotte, and

WHEREAS: Both the City and the Road Commission desire to take this overlap in taxing authority and road jurisdiction into consideration in the distribution of revenue from the road millage.

IT IS NOW THEREFORE AGREED:

That the City of Charlotte shall receive a total distribution from County road millage collections that is equal to 100% of the road millage revenue derived each year from properties on the City of Charlotte tax roll, plus or minus the Adjustment calculated through the formula contained in Exhibit A, and less any amounts that are distributed to Downtown Development Authorities, Tax Increment Financing Authorities, Local Development Financing Authorities and Brownfield Redevelopment Financing Authorities located inside the City of Charlotte. For purposes of this agreement, the term "road millage revenue" shall exclude penalties and interest applied to any delinquent road

millage tax payment and shall be reduced by amounts refunded to tax payers as a result of Michigan Tax Tribunal decisions or similar actions.

Both parties agree that:

This agreement serves as an agreement under the terms of MCL 224.20b. This agreement shall apply only for the period necessary to distribute millage proceeds from the Road Repair millage approved by the voters on November 4, 2014 or until such time as a properly executed successor agreement is presented to the Eaton County Treasurer.

This agreement may be changed at any time upon the mutual written agreement of both parties. The City of Charlotte and the Eaton County Road Commission agree to renegotiate a successor agreement in response to any changes in city boundaries and/or changes to road jurisdiction inside city boundaries and/or changes to the amount of road miles certified to the Michigan Department of Transportation by the City of Charlotte.

CITY OF CHARLOTTE on this _____ day of _____, 2015

Mayor

Witness

Clerk

Witness

BOARD OF EATON COUNTY ROAD COMMISSIONERS on this _____ day of _____, 2015.

Chairman

Member

Vice Chairman

Member

Member

Witness

Exhibit A

The Adjustment for County Local roads lying inside the city and city roads lying outside the city is calculated by the following formula where:

Factor A is the total of all city street mileage certified to the Michigan Department of Transportation (MDOT) by the City of Charlotte as of December 1 of each year (37.82 miles in 2014).

Factor B is the total miles of city streets certified to the MDOT by the City of Charlotte as of December 1 of each year that are border roads lying partially in the townships of Eaton County (0.48 miles in 2014).

Factor C is the total miles of road certified to the MDOT by the City of Charlotte as of December 1 of each year that are entirely within the townships of Eaton County (none in 2014).

Factor D is the total of all county local road miles certified by the Eaton County Road Commission to MDOT as of December 1 of each year that are border roads lying partially inside the City of Charlotte (1.62 miles in 2014).

Factor E is the total of all county local road miles certified by the Road Commission to MDOT as of December 1 of each year that lie entirely inside the City of Charlotte (none in 2014)

The Adjustment, expressed as a percentage of the total of all the road millage revenue derived from properties on the City of Charlotte tax roll, shall be calculated as equal to:

$$100 \times \left[\frac{\frac{B - D}{2} + C - E}{A} \right] = \%$$

This Adjustment is calculated and agreed to be equal to -1.51% in 2014.