

COUNCIL COMMUNICATION

From: The City Manager

Subject: Approval of Water Service Agreement with Spaulding Township

Manager's Recommendation:

I recommend Council approve a water service agreement between the City of Saginaw and Spaulding Township for the provision of treated water to Spaulding Township and for revenue sharing between the two communities. The Agreement has been approved by me as to substance and the City Attorney as to form.

Justification:

The City of Saginaw has water treatment and transmission facilities which it uses to supply potable water services to various wholesale customers, including Spaulding Township. Spaulding Township requires a secure source of water service into the future to assist development in its municipality. The City of Saginaw and Spaulding Township have negotiated an agreement to provide water services and share in the revenue produced by the economic development created by those water services.

The additional revenue to be paid the City for additional water services in economic development projects includes the following:

1. A one-time payment of \$2,000 for additional water extensions to residential units requiring a permit.
2. A one-time fee, between \$5,000 and \$40,000, for additional water extensions to commercial or industrial units that require a permit.
3. Payment of Income Tax by employees within the economic development projects, with the revenue shared by the City of Saginaw and Spaulding Township on a 90% to 10% basis.
4. The Agreement is for thirty-(30) years.

The Agreement has already been approved by Spaulding Township.

Council Action:

Council_____ moved the recommendation of the City Manager be approved.