

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Bridgeport Township Water Service Agreement

**Manager's Recommendation:**

I recommend approval of the Water Service Agreement between the City of Saginaw ("City") and Bridgeport Charter Township for the provision of treated water to the 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 has water treatment and transmission facilities, which it uses to supply potable water services to various wholesale customers, including Bridgeport Charter Township ("Township"). The Township requires a secure source of water service into the future to assist development in its municipality. The City and 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 to the City for additional water services in economic development projects includes the following:

1. A one-time payment of \$2,000.00, with a cumulative annual increase of 3%, for additional water extensions to residential units requiring a permit.
2. A one-time fee, between \$5,000.00 and \$40,000.00, with a cumulative annual increase of 3%, for additional water extensions to commercial or industrial units that require a permit.
3. Payment of Income Tax by employees and employers for businesses that employ ten or more persons, within the economic development projects, with the revenue shared by the City and the Township on a 90% to 10% basis, respectively.
4. The Agreement is for thirty (30) years.

The Agreement was approved by Bridgeport Charter Township Board of Trustees on December 2, 2008.

**Council Action:**

Council \_\_\_\_\_ moved the recommendation of the City Manager be approved.

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