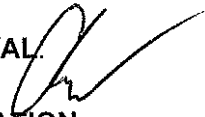


CITY of NOVI CITY COUNCIL

**Agenda Item B
February 2, 2009**

SUBJECT: Approval of 5-year Installment Contract with Waterview Farm Apartments and Westgate VI Apartments for water tap fees in connection with the Pontiac Trail watermain.

SUBMITTING DEPARTMENT: Finance/Water & Sewer

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION:

The City is a part of an intergovernmental agreement with Walled Lake. The agreement calls for Walled Lake customers on a specific area of the system to disconnect from the Walled Lake System and connect to Novi's water system when water service in Novi is available.

With the recent completion of the Pontiac Trail watermain Waterview and Westgate are connecting to Novi's water system, and as part of the agreement are required to pay Novi the related tap fees for this connection. Both Waterview and Westgate have requested installment agreements for a five-year term (20 quarterly installments) versus the standard agreement for a period of four years (16 quarterly installments). A similar agreement was recently approved by City Council for Novi Square for connection to the same system.

Staff recommends the approval of the 5-year Installment Contract with Waterview Farm Apartments and Westgate VI Apartments for water tap fees in connection with the Pontiac Trail watermain.

RECOMMENDED ACTION: Approval of 5-year Installment Contract with Waterview Farm Apartments and Westgate VI Apartments for water tap fees in connection with the Pontiac Trail watermain.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Burke				
Council Member Crawford				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				

**CITY OF NOVI
DEBT SERVICE PAYMENT AGREEMENT
INSTALLMENT CONTRACT
20 Quarterly Installments**

Notice to the user: Do not sign this contract before you read it or if it contains blank spaces. You are entitled to a copy of the contract you sign. You are entitled to a partial return of the finance charge if you prepay the balance.

This agreement made this _____ day of _____, _____ by and between the City of Novi, a municipal corporation, and _____ (hereinafter referred to as User), as follows:

Whereas, the City of Novi has adopted the Oakland County Department of Public Works Unit Factor Chart for the method of establishing unit factors for water and sewer debt charges, and connection charges; and,

Whereas, the City of Novi Code of Ordinances, Sections 34-76 and 34-145 provides that the owner of certain property may elect to pay one fifth (1/5) of service charges, connection charges, debt service charges, lateral availability fees and availability connection charges (with exception of those imposed to recoup the cost of infrastructure built pursuant to a special assessment district, or otherwise financed by private landowners, to whom the City is returning any portion of such charges) prior to the issuance of a building permit and the remaining four-fifths of such charges and fees in twenty (20) quarterly installments plus interest at eight (8) percent. The unpaid balance shall be a lien on the property and upon failure of the owner to pay, the same may be added to the next tax roll of the city and collected in the same manner in all respects as provided by law for the collection of taxes.

Whereas, the User has the option of entering into this agreement if he elects to pay the above said service charges over five years;

Now therefore, it is agreed as follows:

1. That the **City of Novi** will assign 96.782 tap units to Waterview Farm Apartments whose address is 45685 Timberlane, Novi, Michigan 48377.
2. The **User** hereby agrees to pay for the determined service charges as detailed on page 6 of this document.
3. The **User** hereby agrees to pay said installments by the due date set on each quarterly bill issued by the **City of Novi**, and acknowledges that failure to make said payment will cause the full amount to become due and payable. Late payments will result in a penalty of ten percent (10%).
4. The **User** has the option to pay said service charges in full at any time, provided interest is paid to date on the installment balance. Upon the **User's** request, the **City of Novi** will make available for examination by **User** a statement or table showing how the partial refund of the time price charge is to be computed if any balance of the contract should be prepaid.
5. This obligation to pay the said service charges shall be a lien against the **User's** property, as provided in Section 21, Act 94, of the Public Acts of Michigan, 1933, as amended.

User - Corporation Name

Authorized Signature

Title

Authorized Signature

Title

STATE OF MICHIGAN)
)SS
COUNTY OF)

ON this _____ day of _____, _____ before me personally appeared _____, and _____, to me personally known, who by me worn each for himself/herself say that they are respectively the _____ and _____ of the above named _____, which executed the foregoing instrument by authority of the _____ and acknowledge said instrument to be the free act and deed of said _____.

_____, Notary Public

_____ County, MI

My Commission Expires: _____

CITY OF NOVI, a Michigan municipal corporation,

By: _____
David B. Landry
It's: Mayor

By: _____
Maryanne Cornelius
It's: City Clerk

STATE OF MICHIGAN)
)SS
COUNTY OF)

ON this ____ day of _____, _____ before me personally appeared **David B. Landry** and **Maryanne Cornelius** to me personally known, Who being by me sworn each for himself/herself say that they are respectively the **Mayor** and **Clerk** of the City of Novi, a Municipal Corporation, which executed the within instrument by authority of the City Council and acknowledge said instrument to be the free act and deed of said Municipal Corporation.

, Notary Public

_____ County, MI

My Commission Expires: _____

Sidewell Number: **50-22-04-200-009**

Parcel Description:

T1N, R8E, SEC 4 PART OF NE 1/4 BEG AT PT DIST S 89-30-00 W 774.00 FT FROM NE SEC COR, TH S 00-39-51 E 377.42 FT, TH S 89-30-00 W 476.58 FT, TH S 00-39-51 E 483.74 FT, TH N 89-20-09 E 197.22 FT, TH S 65-50-26 W 469.52 FT, TH N 75-09-34 W 217.55 FT, TH S 88-50-26 W 60.00 FT, TH N 01-09-34 W 292.11 FT, TH S 88-50-26 W 352.00 FT, TH N 01-09-34 W 704.15 FT TO N SEC LINE, TH N 89-30-00 E 1340.63 FT TO BEG EXC N 60 FT IN RD 19.87 A

**City of Novi
Installment Payment Schedule
for
Waterview Farm Apartments**

TOTAL CHARGE \$ 179,046.70
 1/5 DOWN 35,809.34
 AMOUNT TO BE FINANCED \$ 143,237.36
 RATE 8.0%
 TERM IN YEARS 5

 PAYMENT \$8,759.93

Invoice Quarter Ending	PAYMENT NUMBER	INTEREST	PRINCIPAL	TOTAL PAYMENT	UNPAID BALANCE
	1	\$ 2,864.75	\$ 5,895.18	\$ 8,759.93	\$ 137,342.18
	2	2,746.84	6,013.09	8,759.93	131,329.09
	3	2,626.58	6,133.35	8,759.93	125,195.74
	4	2,503.91	6,256.02	8,759.93	118,939.72
	5	2,378.79	6,381.14	8,759.93	112,558.58
	6	2,251.17	6,508.76	8,759.93	106,049.82
	7	2,121.00	6,638.93	8,759.93	99,410.89
	8	1,988.22	6,771.71	8,759.93	92,639.18
	9	1,852.78	6,907.15	8,759.93	85,732.03
	10	1,714.64	7,045.29	8,759.93	78,686.74
	11	1,573.73	7,186.20	8,759.93	71,500.54
	12	1,430.01	7,329.92	8,759.93	64,170.62
	13	1,283.41	7,476.52	8,759.93	56,694.10
	14	1,133.88	7,626.05	8,759.93	49,068.05
	15	981.36	7,778.57	8,759.93	41,289.48
	16	825.79	7,934.14	8,759.93	33,355.34
	17	667.11	8,092.82	8,759.93	25,262.52
	18	505.25	8,254.68	8,759.93	17,007.84
	19	340.16	8,419.77	8,759.93	8,588.07
	20	171.76	8,588.07	8,759.83	-
		<u>\$ 31,961.14</u>	<u>\$ 143,237.36</u>	<u>\$ 175,198.50</u>	

**CITY OF NOVI
DEBT SERVICE PAYMENT AGREEMENT
INSTALLMENT CONTRACT
20 Quarterly Installments**

Notice to the user: Do not sign this contract before you read it or if it contains blank spaces. You are entitled to a copy of the contract you sign. You are entitled to a partial return of the finance charge if you prepay the balance.

This agreement made this _____ day of _____, _____ by and between the City of Novi, a municipal corporation, and _____ (hereinafter referred to as User), as follows:

Whereas, the City of Novi has adopted the Oakland County Department of Public Works Unit Factor Chart for the method of establishing unit factors for water and sewer debt charges, and connection charges; and,

Whereas, the City of Novi Code of Ordinances, Sections 34-76 and 34-145 provides that the owner of certain property may elect to pay one fifth (1/5) of service charges, connection charges, debt service charges, lateral availability fees and availability connection charges (with exception of those imposed to recoup the cost of infrastructure built pursuant to a special assessment district, or otherwise financed by private landowners, to whom the City is returning any portion of such charges) prior to the issuance of a building permit and the remaining four-fifths of such charges and fees in twenty (20) quarterly installments plus interest at eight (8) percent. The unpaid balance shall be a lien on the property and upon failure of the owner to pay, the same may be added to the next tax roll of the city and collected in the same manner in all respects as provided by law for the collection of taxes.

Whereas, the User has the option of entering into this agreement if he elects to pay the above said service charges over five years;

Now therefore, it is agreed as follows:

1. That the City of Novi will assign 116.521 tap units to Westgate VI Apartments whose address is 45265 Gateway Road, Novi, Michigan 48377.
2. The User hereby agrees to pay for the determined service charges as detailed on page 6 of this document.
3. The User hereby agrees to pay said installments by the due date set on each quarterly bill issued by the City of Novi, and acknowledges that failure to make said payment will cause the full amount to become due and payable. Late payments will result in a penalty of ten percent (10%).
4. The User has the option to pay said service charges in full at any time, provided interest is paid to date on the installment balance. Upon the User's request, the City of Novi will make available for examination by User a statement or table showing how the partial refund of the time price charge is to be computed if any balance of the contract should be prepaid.
5. This obligation to pay the said service charges shall be a lien against the User's property, as provided in Section 21, Act 94, of the Public Acts of Michigan, 1933, as amended.

User - Corporation Name

Authorized Signature

Title

Authorized Signature

Title

STATE OF MICHIGAN)

)SS

COUNTY OF _____)

ON this _____ day of _____, _____ before me personally appeared _____, and _____, to me personally known, who by me worn each for himself/herself say that they are respectively the _____ and _____ of the above named _____, which executed the foregoing instrument by authority of the _____ and acknowledge said instrument to be the free act and deed of said _____.

, Notary Public

_____ County, MI

My Commission Expires: _____

CITY OF NOVI, a Michigan municipal corporation,

By: _____
David B. Landry
It's: Mayor

By: _____
Maryanne Cornelius
It's: City Clerk

STATE OF MICHIGAN)
)SS
COUNTY OF)

ON this _____ day of _____, _____ before me personally appeared **David B. Landry** and **Maryanne Cornelius** to me personally known, Who being by me sworn each for himself/herself say that they are respectively the **Mayor and Clerk** of the City of Novi, a Municipal Corporation, which executed the within instrument by authority of the City Council and acknowledge said instrument to be the free act and deed of said Municipal Corporation.

, Notary Public

_____ County, MI

My Commission Expires: _____

Sidewell Number: 50-22-03-101-006

Parcel Description:

T1N, R8E, SEC 3 PART OF NW FRC 1/4 BEG AT NW SEC COR, TH S 89-16-30 E 418.84 FT, TH S 00-40-23 W 823.37 FT, TH S 89-20-52 E 625.44 FT, TH S 35-43-57 W 456.87 FT, TH N 55-36-43 W 56.17 FT, TH ALG CURVE TO LEFT, RAD 290 FT, CHORD BEARS N 71-59-24 W 163.55 FT, DIST OF 165.79 FT, TH N 88-22-05 W 100.09 FT, TH ALG CURVE TO RIGHT, RAD 205 FT, CHORD BEARS N 67-23-17 W 146.80 FT, DIST OF 150.13 FT, TH N 46-24-30 W 42.58 FT, TH ALG CURVE TO LEFT, RAD 60 FT, CHORD BEARS S 43-35-30 W 60 FT, DIST OF 314.16 FT, TH S 46-24-30 E 42.58 FT, TH ALG CURVE TO LEFT, RAD 265 FT, CHORD BEARS S 67-23-17 E 189.76 FT, DIST OF 194.07 FT, TH S 88-22-05 E 100.09 FT, TH ALG CURVE TO RIGHT, RAD 230 FT, CHORD BEARS S 71-59-24 E 129.71 FT, DIST OF 131.49 FT, TH S 55-36-43 E 54.76 FT, TH S 35-43-57 W 333.55 FT, TH S 35-24-46 W 75.62 FT, TH N 88-40-43 W 505.53 FT, TH N 00-24-43 E 1576.09 FT TO BEG 20.33 A

**City of Novi
Installment Payment Schedule
for
Westgate VI Apartments**

TOTAL CHARGE \$ 215,563.85
 1/5 DOWN 43,112.77
 AMOUNT TO BE FINANCED \$ 172,451.08
 RATE 8.0%
 TERM IN YEARS 5
 PAYMENT \$10,546.54

Invoice Quarter Ending	PAYMENT NUMBER	INTEREST	PRINCIPAL	TOTAL PAYMENT	UNPAID BALANCE
	1	\$ 3,449.02	\$ 7,097.52	\$ 10,546.54	\$ 165,353.56
	2	3,307.07	7,239.47	10,546.54	158,114.09
	3	3,162.28	7,384.26	10,546.54	150,729.83
	4	3,014.60	7,531.94	10,546.54	143,197.89
	5	2,863.96	7,682.58	10,546.54	135,515.31
	6	2,710.31	7,836.23	10,546.54	127,679.08
	7	2,553.58	7,992.96	10,546.54	119,686.12
	8	2,393.72	8,152.82	10,546.54	111,533.30
	9	2,230.67	8,315.87	10,546.54	103,217.43
	10	2,064.35	8,482.19	10,546.54	94,735.24
	11	1,894.70	8,651.84	10,546.54	86,083.40
	12	1,721.67	8,824.87	10,546.54	77,258.53
	13	1,545.17	9,001.37	10,546.54	68,257.16
	14	1,365.14	9,181.40	10,546.54	59,075.76
	15	1,181.52	9,365.02	10,546.54	49,710.74
	16	994.21	9,552.33	10,546.54	40,158.41
	17	803.17	9,743.37	10,546.54	30,415.04
	18	608.30	9,938.24	10,546.54	20,476.80
	19	409.54	10,137.00	10,546.54	10,339.80
	20	206.80	10,339.80	10,546.60	-
		\$ 38,479.78	\$ 172,451.08	\$ 210,930.86	