



CITY of NOVI CITY COUNCIL

**Agenda Item O
December 21, 2015**

SUBJECT: Approval of repurchase of sewer tap coupons at face value in the amount of \$99,997, subject to the current holder executing documentation of the Purchase and Release as determined by the City Manager and City Attorney.

SUBMITTING DEPARTMENT:

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION:

The City has been approached by legal counsel for the holder of 157 City of Novi sewer connection "privilege" coupons that were purchased in the 1970s apparently by or on behalf of Practical Home Builders, Inc. Seventeen of the coupons have a face value of \$521, the remaining 140 have a face value of \$651.

If Council approves this item, the coupons would be repurchased for the face value of \$99,997. The City Attorney would prepare the Purchase and Release documentation, the form of which will also be approved by the City Manager's office.

RECOMMENDED ACTION: Approval of the repurchase of sewer tap coupons at face value in the amount of \$99,997, subject to the current holder executing documentation of the Purchase and Release as determined by the City Manager and City Attorney.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Burke				
Council Member Casey				

	1	2	Y	N
Council Member Markham				
Council Member Mutch				
Council Member Wrobel				

LAW OFFICES
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D. B. LANDRY
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August 28, 2015

HAND DELIVERED

Thomas R. Schultz
Johnson, Rosati, Schultz & Joppich, P.C.
27555 Executive Drive, Suite 250
Farmington Hills, MI 48331

Re: Novi Sewer Connection Privilege Receipts/Richard Lewiston
Our File No.: DID 26919

Dear Tom:

I am enclosing herein information with respect to 157 Novi Sewer Connection Privilege Receipts which are currently held by Mr. Richard Lewiston. Mr. Lewiston has retained me to contact the City and discuss the potential repurchase of these Sewer Connection Privilege Receipts by the City. I would appreciate if you could review these documents and get back with me to discuss this matter.

I look forward to hearing from you.

Very truly yours,

LANDRY, MAZZEO & DEMBINSKI, P.C.

David B. Landry

DBL/klm
Enclosures

NOVI SEWER CONNECTION PRIVILEGE RECEIPTS
(NOVI-HURON-ROUGE SEWAGE DISPOSAL SYSTEM)

I have 157 Novi Sewer Connection Privilege Receipts (the "Receipts") pertaining to the foregoing sewage disposal system.

The Receipts have an aggregate face value of \$99,997.00, as follows:

17 Receipts @ \$521.00 each	\$ 9,857.00
140 Receipts @ \$651.00 each	<u>91,140.00</u>
	<u>\$99,997.00</u>

Each Receipt represents the pre-payment of one (1) sewer tap-in privilege fee in and to the NOVI-HURON-ROUGE SEWAGE DISPOSAL SYSTEM in areas where sewer is available.

In the case of each Receipt, the bearer is entitled to one (1) connection privilege to the foregoing system upon proper application therefor.

Each Receipt is negotiable within the proper district.

The Receipts are described, as follows:

SEWER CONNECTION PRIVILEGE RECEIPTS #:

2320 through 2324 (dated 7/15/71) @ \$521.00 each
2328 through 2340 (dated 7/15/71) @ \$521.00 each
3061 through 3080 (dated 7/21/72) @ \$651.00 each
3821 through 3840 (dated 7/16/73) @ \$651.00 each
3841 through 3860 (dated 6/20/74) @ \$651.00 each
3861 through 3880 (dated 7/30/75) @ \$651.00 each
3881 through 3900 (dated 7/15/76) @ \$651.00 each
3901 through 3920 (dated 8/4/77) @ \$651.00 each
3921 through 3940 (dated 9/6/78) @ \$651.00 each

Typical Receipts are attached hereto, together with typical billings.

R E C E I P T

(Negotiable within Proper District)

The VILLAGE OF NOVI, County of Oakland, State of Michigan hereby acknowledges receipt of the sum of **Five Hundred Twenty-One and No/100 Dollars (\$521.00)** plus six per cent (6%) interest accrued from January 1, 1964, to date hereof, in payment of one (1) sewer tap-in privilege fee in and to the Novi-Huron-Rouge Sewage Disposal System, in area where sewer is available.

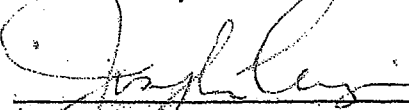
UPON SURRENDER of this receipt to the Village of Novi the bearer hereof will be entitled to one (1) connection privilege in and to said Novi-Huron-Rouge Sewage Disposal System, upon proper application therefor, within sewer available area.

**SEWER
CONNECTION
PRIVILEGE**

No 2320



Village Clerk



Village President



Date

RECEIPT

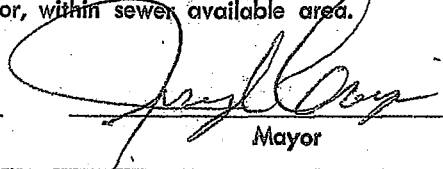
(Negotiable within Proper District)

The CITY OF NOVI, County of Oakland, State of Michigan hereby acknowledges receipt of the sum of Six Hundred Fifty-One and No/100 Dollars (\$651.00) plus six per cent (6%) interest accrued from January 1, 1969, to date hereof, in payment of one (1) sewer tap-in privilege fee in and to the Novi-Huron-Rouge Sewage Disposal System, in area where sewer is available.

UPON SURRENDER of this receipt to the City of Novi the bearer hereof will be entitled to one (1) connection privilege in and to said Novi-Huron-Rouge Sewage Disposal System, upon proper application therefor, within sewer available area.



City Clerk



Mayor

SEWER
CONNECTION
PRIVILEGE

PROPERTY DESCRIPTION

No 3061
7-21-72

Date



City of Novi

25850 NOVI ROAD
NOVI, MICHIGAN 48050
PHONE 349-4300

No 3887 - 3900

NOTIFICATION OF THE AMOUNT OF PRINCIPAL AND INTEREST
NEXT BECOMING DUE ON YOUR OBLIGATION FOR THE CONSTRUCTION
OF THE HURON - ROUGE SEWAGE DISPOSAL SYSTEM, PER YOUR
AGREEMENT WITH THE CITY OF NOVI

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June 18, 1976

Practical Home Builders
21790 Coolidge Highway
Oak Park Michigan 48237

NOTICE IS HEREBY GIVEN of the 8th annual installment
on your obligation of the construction of Huron - Rouge
Sewage Disposal System, per Agreement No. 12, dated
May 6, 1969, which installment becomes due on the
1st day of June 1, 1976:

Installment No. <u>8</u> - <u>20</u> taps @ \$521.00	\$ <u>10,420.00</u>
Interest on Obligation ((\$26.00 Per year - per tap)	\$ <u>6,240.00</u>
Total Due:	\$ <u>16,660.00</u> \$=====

We will appreciate your prompt payment of this sum to
insure the City that funds will be available for the
payment due the Oakland County Department of Public
Works covering the installments on the bonding issue
for construction of this sewer system.

Sincerely,

Frances A. Loynes
City Controller

NOVI became

MICHIGAN'S LARGEST CITY OF NOVI

Box 335, 25850 Novi Road, Novi, Michigan 48050

City of Novi
25850 Novi Road
Novi, Michigan 48050

NOTIFICATION OF THE AMOUNT OF PRINCIPAL AND INTEREST NEXT BECOMING DUE ON YOUR OBLIGATION FOR THE CONSTRUCTION OF THE HURON-ROUGE SEWAGE DISPOSAL SYSTEM, PER YOUR AGREEMENT WITH THE VILLAGE OF NOVI

Practical Development Co.
21790 Coolidge Highway
Oak Park, Michigan 48237

June 19, 1969

NOTICE IS HEREBY GIVEN of the Sixth annual installment on your obligation for the construction of the Huron-Rouge Sewage Disposal System, per Agreement No. 12A, dated January 1967 which installment became due on the last of July 1969.

Installment No. <u>6</u> - <u>8-1/3</u> taps @ \$521.00	\$ <u>4,341.49</u>
Interest on Obligation	\$ <u>1,083.29</u>
Total Due:	\$ <u>5,424.80</u>

78

Final Payment Date, 9/1/69.

We will appreciate your prompt payment of this sum to insure the Village that funds will be available for the payment due the Oakland County Department of Public Works covering the Sixth installment on the bonding issue for the construction of this sewer system.

Sincerely,
Harold N. Ackley
Harold N. Ackley,
Village Manager

HNA/fag