

February 22, 2010

To: Clam Lake Township DDA

From: Steven Kitler, Chair, Sewer and Water Committee

Subject: Results of the Sewer Survey



Background

In September of 2009, DDA members passed a motion to poll property owners within the district to determine the level of support that exists on the concept of acquiring sewer service through a service agreement with the city of Cadillac or possibly Haring Township. Determining the level of support was deemed crucial before the DDA and Clam Lake Township initiate any discussions with the city of Cadillac and Haring Township on a possible service agreement.

Property owners within the district were polled via a letter from Mack Mckeown (see attachment A), which were mailed starting in September of 2009 and then intermittently through January of 2010. Key concepts relative to the cost of the system was relayed to the property owners as detailed in the text below.

A municipal fee for sewer service would likely come in the form of an assessment of an additional 4 - 8 mils in the DDA district, which will be applied to the latest taxable value of each property. The DDA and Township would likely be required to be bonded at a rate of 4-8 mils as well to fund construction of sewer infrastructure, which also would be applied to each property in the DDA district. Users of the sewer system would pay a fee to hook up to the system and a monthly or quarterly service fee for sewer use.

After taking the potential cost of the sewer system into consideration, property owners were then requested to respond to Mark McKeown expressing either their support or opposition of the DDA and township moving forward to obtain sewer service for the district.

Results

Property owners responded to the survey primarily through e-mail to Mark Mckeown, which was forwarded to the Sewer and Water Committee. This occurred from October of 2009 through January of 2010 with phone and e-mail follow up being conducted by Darrell Kelley, Mike Lueder, and myself to assure as many property owners responded to the survey as possible. Given resource constraints, the goal of follow up activities was to assure at least every property owner comprising the top 10 in taxable value responded to the survey.

Survey results are detailed in the attached e-mail responses (see attachment B) and on an Excel spreadsheet (see attachment B). Owners representing 31 properties with the district responded to the survey. Of these, responses for 15 properties were in support of sewer service, 6 were in opposition, and 6 had no opinion. Giving consideration to the impact any service and construction related and service milage would have on owners based on the taxable value of their property (see key concepts section above), responses were also weighted based on the taxable value under the ownership of each respondent. Results are detailed below.

- Yes - \$4,359,264.00 taxable value
- No - \$2,462,324.00 taxable value
- No Opinion - \$2,247,608.00 taxable value

Property owners representing \$2,444,804 in taxable value did not respond to the survey.

Analysis/Recommendations

Of those property owners that responded to the survey, a preponderance of support is evident for the DDA and township moving forward to try to obtain sewer service for the district. It should be noted, however, that the taxable value of property owners who either responded to the survey and expressed no opinion or did not respond to the survey is significant. If the DDA and township did attempt to secure sewer service for the district, a likely scenario would be for a 50/50 spit to exist amongst these owners either in favor or against the endeavor. Assuming the level of support continued to be gauged relative to the taxable value, there still would be a preponderance of support for the DDA and township moving forward to obtain sewer service.

Based on the findings of the sewer survey, I recommend a motion be brought forward for selected members to initiate discussions with the city of Cadillac and Haring Township on the terms of a possible service agreement for the district.

ATTACHMENT A
SURVEY LETTER TEMPLATE

9376 Mockingbird Lane
Cadillac, MI 49601
August 20, 2009

To:

The Clam Lake Township Downtown Development Authority Sewer and Water Committee are requesting you take a moment to help the committee decide on a method of future growth. We benefit greatly by our lower taxes approximately 30% less than businesses inside the city limits.

The committee is discussing alternatives to provide for the needs of the community that will offer the best chance for future growth along the Mackinaw Trail Corridor. An alternative currently being discussed is the possibility of obtaining sewer service from the city of Cadillac or Haring Township, which would require each property owner to pay a millage to the municipality for the service along with an a milage from the township to fund construction of the infrastructure.

Our current tax rate is 42 mills, the city of Cadillac is 65 mills, and Haring is 50 mills. The municipal fee for sewer service would likely come in the form of an assessment of an additional 4- 8 mils in the DDA district, which will be applied to the latest taxable value of each property. The DDA and Township would likely be required to be bonded at a rate of 4-8 mils as well to fund construction of sewer infrastructure, which also would be applied to each property in the DDA district. Users of the sewer system would pay a fee to hook up to the system and a monthly or quarterly service fee for sewer use.

Giving consideration to the information above, please offer your input on the following question:

Are you in support of the township and DDA moving forward to obtain sewer service for the DDA district?

Please provide your response to me via email to Mark McKeown mckeowns@charter.net or return mail as soon as conveniently possible. If you should have any questions and/or concerns, please contact me at the above email, address, or by telephone at 231-429-4368
Sincerely,

Mark McKeown
Executive Director
Clam Lake Township

