COUNCIL DECISION REQUEST

SUBJECT: Terra Water Credits

MEETING DATE:

PAYSON GOAL: NEW: EXISTING:

ITEM NO.:

TENTATIVE SCHEDULE: Immediate

SUBMITTED BY: Buzz Walker

AMOUNT BUDGETED: -0-

SUBMITTAL TO AGENDA
APPROVED BY INTERIM TOWN MANAGER

EXPENDITURE REQUIRED: $3,570 per ERU

CONT. FUNDING REQUIRED: -0-

EXHIBITS (If Applicable, To Be Attached):

POSSIBLE MOTION I MOVE TO PURCHASE 97 REMAINING TERRA-STAR VALLEY 40, L.L.C. WATER CREDITS IN THE AMOUNT OF $4,000.00 EACH OR $388,000.00 TOTAL TO BE PAID AS FOLLOWS: TERRA-STAR VALLEY 40, L.L.C. WILL RECEIVE $3,570.00 PER EQUIVALENT RESIDENTIAL UNIT WATER DEVELOPMENT FEE COLLECTED BY THE TOWN OF PAYSON UNTIL THE AMOUNT OF $388,000.00 HAS BEEN PAID TO TERRA-STAR VALLEY 40, L.L.C. OR UNTIL AUGUST 1, 2008, WHICHEVER COMES FIRST, WITH ANY REMAINING BALANCE OWED TO BE PAID BEFORE AUGUST 15, 2008.

SUMMARY OF THE BASIS FOR POSSIBLE MOTION: Council directed staff to negotiate for the purchase of any outstanding Tower Well water credits. Terra-Star Valley 40, L.L.C. representatives have agreed that a buyout of the remaining credits at $4,000.00 each is acceptable. They have agreed to accept partial payment by accepting $3,570.00 of the $7,570.00 that we receive for each ERU that we sell from now until August 1, 2008 and the remaining balance by August 15, 2008 so they can make their commitment to pay the original landowner from which the credits were developed. In short, we pay $388,000.00 for the unassigned credits and we sell them for $734,290.00 for a net gain to the Town of $346,290.00.

PROS: Creates additional $346,290.00 for Town of Payson water development efforts.

CONS: N/A

PUBLIC INPUT (if any): Council direction.

BOARD/COMMITTEE/COMMISSION ACTIONS/RECOMMENDATIONS (if any) (give dates and attach minutes): N/A

**Addendum to JAN 24 2008 I. 3