



**CITY of NOVI CITY COUNCIL**

**Agenda Item H  
February 21, 2012**

**SUBJECT:** Approval of Resolution No. 3 for Special Assessment District No, 176 (Woodham Road Water Main Extension) approving the preliminary plans and cost estimate, designating the special assessment district and directing the City Assessor to prepare a proposed special assessment roll.

**SUBMITTING DEPARTMENT:** Department of Public Services, Engineering Division *AS*

**CITY MANAGER APPROVAL:** *[Signature]*

**BACKGROUND INFORMATION:**

Special Assessment District 176 was initiated by a formal petition signed by eight of the nine property owners in the proposed district to finance the construction of a water main extension to provide City water to nine homes along Woodham Road in the Echo Valley Estates subdivision. (Additional background information and a location map are included in the attached October 27, 2011 memo).

To date, Resolutions 1 and 2 have been approved by City Council. Public Hearing No. 1 is scheduled to be held elsewhere on this agenda. The project design has been completed and an updated construction cost estimate has been prepared. A second public information meeting was held on January 24, 2012 with the residents to present the design and revised project cost estimates (see Coburn memo dated January 25, 2012). The project cost estimate is \$119,616, which equates to \$13,291 per parcel.

Resolution No. 3 approves the preliminary plans and cost estimate, designates the special assessment district and directs the City Assessor to prepare a proposed special assessment roll. The enclosed Resolution No. 3 has been drafted for consideration.

If Resolution No. 3 is adopted, Resolution No. 4 would be proposed for consideration on the next available City Council meeting following completion of the proposed special assessment roll by the City Assessor to receive the roll and set the date of the second public hearing. Resolution No. 5 (final resolution to proceed with the improvements) could be adopted following the second public hearing. It is anticipated that the process could be completed by early summer and that construction could take place this season.

**RECOMMENDED ACTION:** Approval of Resolution No. 3 for Special Assessment District No, 176 (Woodham Road Water Main Extension) approving the preliminary plans and cost estimate, designating the special assessment district and directing the City Assessor to prepare a proposed special assessment roll.

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

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

STATE OF MICHIGAN

COUNTY OF OAKLAND

CITY OF NOVI

**WOODHAM ROAD  
WATER MAIN EXTENSION**

SPECIAL ASSESSMENT DISTRICT NO. 176

**RESOLUTION TO PROCEED WITH THE PROJECT AND TO DEFRAY THE COST OF  
THE PROJECT BY SPECIAL ASSESSMENTS UPON  
ESPECIALLY BENEFITED PROPERTIES**

(Resolution No. 3)

**RECITATIONS:**

The City has considered construction of the proposed improvement described below (the "**Project**"), and has further requested the establishment of a special assessment district to finance and defray the cost of the Project.

The Project is further described in Exhibit A.

The Project is designed and intended to especially benefit the properties identified in the special assessment district attached to this Resolution, which shall be designated as Special Assessment District No. **176** (the "District").

After an initial consideration, the City Council adopted its Resolution no. 2 declaring its tentative intent to proceed with the Project and with the establishment of the District.

Plans for the Project, and an estimate of the cost of the Project in the amount of \$ **119,961.00**, have been prepared and notice of public hearing has been given, according to law, to the owners of property in the District to inform them of their opportunity to present comments and objections to the Project, and to the District.

The hearing was duly conducted consistent with the Notice, following which the City Council determined to proceed with the Project and with the establishment of the District.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The City shall proceed with the Project.
2. The plans and specifications prepared for the Project and the cost estimates as presented at the hearing are approved.
3. The District shall consist of the properties identified in the special assessment district attached to this Resolution and against which one hundred (100%) percent of the cost of the Project shall be assessed.
4. The duration of the District's existence shall be 20 years, and, unless paid in cash in respect to a particular property, the special assessments shall be paid in installments which shall be specified in the City Council's Resolution confirming the special assessment roll.
5. The City Assessor shall prepare a special assessment roll that includes all lots and parcels of land within the District with the names of the respective record owners of each property, if known, and shall also include the total amount to be assessed against each property. The amount to be assessed against each property shall be based upon the proportionate amount of special benefit to be received by each property from the Project. The amount spread in each case shall be based upon the detailed estimate of costs as approved by the City Council.
6. When the Assessor completes the assessment roll, he/she shall file it with the City Clerk for presentation to the City Council, along with his/her certification that the roll has been made pursuant to law and this Resolution of the City Council and that, in making the assessment roll, the Assessor has in his/her best judgment conformed in all respects to the law and the directions

contained in this Resolution. Upon receipt, the City Clerk shall forthwith present the roll and the Assessor's certification to the City Council.

AYES:

NAYS:

ABSTENTIONS:

ABSENT:

**CERTIFICATION**

It is hereby certified that the foregoing Resolution is a true and accurate copy of the Resolution adopted by the City Council of the City of Novi at a meeting duly called and held on the \_\_\_\_\_ day of \_\_\_\_\_, 2012.

**CITY OF NOVI**

BY: \_\_\_\_\_  
MARYANNE CORNELIUS, CLERK

SPECIAL ASSESSMENT DISTRICT NO. 176

50-22-29-203-002  
50-22-29-203-003  
50-22-29-203-004  
50-22-29-203-005  
50-22-29-203-011  
50-22-29-203-012  
50-22-29-203-013  
50-22-29-203-014  
50-22-29-203-019

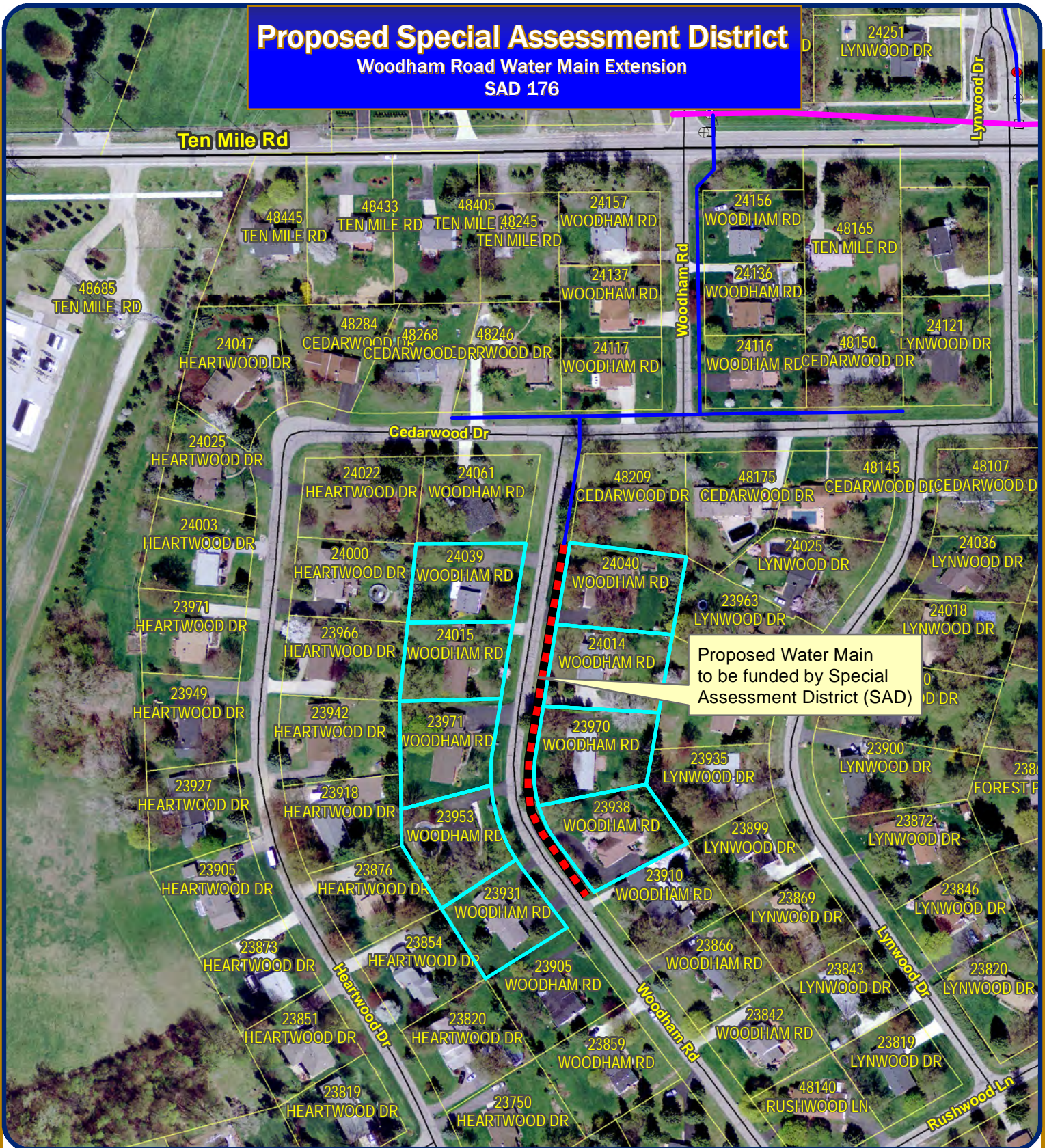
## **EXHIBIT A**

### **SAD 176** **WOODHAM ROAD** **WATER MAIN EXTENSION**

The construction of approximately 525 feet of 8" WATER MAIN and related facilities and improvements in Section 29 which will provide a direct benefit to nine parcels in Echo Valley Estates along a portion of Woodham Road.

# Proposed Special Assessment District

Woodham Road Water Main Extension  
SAD 176



Map Author: Croy  
Date: 8/29/11  
Project: Potential Woodham SAD  
Version #: V1.1



Feet

0 35 70 140 210 280

1 inch = 182 feet



City of Novi

Engineering Division  
Department of Public Services  
26300 Delwal Drive  
Novi, MI 48375  
cityofnovi.org

#### MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.

**PRELIMINARY PROJECT COST ESTIMATE  
POTENTIAL WATER MAIN SAD  
WOODHAM ROAD**

January 2012

<u>TYPES OF COSTS</u>	<u>ESTIMATED COSTS</u>
<b>A. Water Main Project Construction Costs (must be paid regardless)</b>	
1. SAD related project cost (preliminary estimate)	\$119,615.95
2. Estimated number of benefitting properties	9
3. Estimated per property cost (preliminary estimate) (To be paid over 20 years)	<b>\$13,290.66</b>
<b>B. Fixed Connection Costs (paid at time of water connection)</b>	
1. Connection Charge	\$1,850.00
2. Meter Charge (5/8" Meter)	\$276.00
<b>C. Other Water Related Costs (to be determined by homeowner)</b>	
1. Plumbing Costs	?
2. Service line from property line to home	?
3. Any plumbing changes in the home	?
4. Retiring the well (optional, may be used for irrigation)	?

Note: The installation cost of the water service lead to the property line is included in the SAD Construction Cost. The homeowner is responsible for hiring a contractor to extend the service from the property line to the home. These costs vary depending on the location of the existing well and the amount of plumbing changes required to accommodate the new service.

**D. City of Novi Water and Sewer Charges (effective 8/2/11)**

The City of Novi bills quarterly for water and sewer charges. The water charges depend on the size of the meter connection to your property. Most single family residential homes have a 5/8-inch meter.

- |                               |         |
|-------------------------------|---------|
| 1. Water Charges (5/8" meter) |         |
| a. Flat fee per quarter       | \$35.00 |
| b. Cost per 1,000 gallons     | \$3.31  |

*Note: The average family home without lawn sprinklers uses approximately 15,000-27,000 gallons of water per quarter. Your particular home may use more or less water.*

**NOTE:** The figures presented above are preliminary estimates based on a preliminary design of the project. These figures are being presented for informational purposes only and are subject to change. Once a final design is completed for the project, more accurate costs will be developed, however actual costs will not be known until bids are received from contractors. The fees presented here are per current City Ordinances and are subject to change.





## MEMORANDUM

**TO:** ROB HAYES, P.E.; DIRECTOR OF PUBLIC SERVICES  
**FROM:** BRIAN COBURN, P.E.; ENGINEERING MANAGER *BC*  
 BEN CROY, P.E.; CIVIL ENGINEER *BC*  
**SUBJECT:** SAD 176 PUBLIC INFORMATION MEETING  
**DATE:** JANUARY 25, 2012

*1/26/12*  
*To Mayor & City Council/Rob Hayes*  
*FYI*

The Engineering Division hosted the second public information meeting last night for the Special Assessment District (SAD) 176—Woodham Road Water Main Extension. The meeting was attended by representatives from six of the nine properties within the district. Staff presented the proposed design plans and project cost estimates to the residents, provided an overview of the SAD process, and answered several questions from the residents. Staff took an informal poll at the end of the meeting and all of the residents in attendance remain in favor of the project. The public information meeting was held in advance of Public Hearing No. 1 scheduled for the February 21, 2012 City Council meeting.

The SAD process consists of five resolutions and two public hearings as outlined in more detail below.

Action	Description	Date
Resolution 1	Directs staff to have plans and a cost estimate prepared for the project	Approved 11/14/11
Resolution 2	Determines the tentative necessity for the improvement and sets the date for Public Hearing 1	Approved 1/23/12
Public Hearing 1	To hear comments and objections on the proposed improvement and on the proposed special assessment district	Scheduled for 2/21/12 meeting
Resolution 3	Approves the preliminary plans and cost estimate, designates the special assessment district and directs the City Assessor to prepare a proposed special assessment roll	Proposed for Consideration at 2/21/12 meeting *
Resolution 4	Receives the proposed special assessment roll from the City Assessor and sets a date for Public Hearing 2.	To be determined
Public Hearing 2	To hear comments and objections on the proposed special assessment roll	To be determined
Resolution 5	Final determination on proceeding with the improvement and confirmation of the special assessment roll	To be determined

It is anticipated that the process could be completed this spring or early summer and that construction would take place this season.

cc: Kathy Smith-Roy, Finance Director  
 Glenn Lemmon, City Assessor  
 Rob Hayes, Director of Public Services

10/25/2011

To: Mayor and City  
Council members  
FYI; SAD consideration moving forward.  
Clay



## MEMORANDUM

**TO:** ROB HAYES, P.E.; DIRECTOR OF PUBLIC SERVICES  
**FROM:** BRIAN COBURN, P.E.; ENGINEERING MANAGER *BIC*  
**SUBJECT:** PROPOSED SPECIAL ASSESSMENT DISTRICT 176  
WOODHAM DRIVE WATER MAIN EXTENSION  
**DATE:** OCTOBER 25, 2011

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The enclosed formal petition to create a special assessment district (SAD) for the construction of water main along Woodham Drive in Echo Valley Subdivision has been received. The petition is signed by eight of the nine property owners in the proposed district. This SAD would connect to the water main that was previously constructed on Woodham Drive under SAD 171 and extend the water main approximately 500 feet. The project costs are currently estimated to be \$12,300 plus interest per parcel, which would typically be financed over 20 years.

Staff has been working with the residents on Woodham since earlier this summer when an informal petition was received. A preliminary cost estimate was developed and presented to the property owners on October 6, 2011 at a public information meeting. The formal petitions were provided to the residents at that meeting and were returned with signatures to the City Clerk on October 11.

The enclosed page from the City's website provides additional detail regarding the SAD process. The first step following receipt of the formal petition is to present Resolution 1 for City Council consideration. Resolution 1 would authorize staff to hire a consultant and develop design plans and specifications for the project.

We plan to prepare Resolution 1 for consideration by City Council at an upcoming meeting.

cc: Kathy Smith-Roy, Finance Director  
Victor Cardenas, Assistant City Manager

# PETITION FOR SPECIAL ASSESSMENT DISTRICT WATER IMPROVEMENTS

TO: The City Council of the City of Novi

We, the undersigned, owners of property in Echo Valley Estates, Section 29, of the City of Novi, do hereby petition the Novi City Council to hold a Public Hearing on the necessity of establishing a Special Assessment District relative to installing a water line and all necessary appurtenances within Echo Valley Estates to service the aforementioned properties, and to make the necessary arrangements to create a Special Assessment District for the purpose of paying the cost of such public improvement.

SIGNATURE OF OWNERS	SIDWELL NUMBER	ADDRESS	DATE SIGNED
1. <i>[Signature]</i>		24039 WOODHAM	10/6/11
2. <i>[Signature]</i>		24040 Woodham	10/6/11
3. <i>George A Revi</i>		23953 Woodham	10/6/11
4. <i>Bob &amp; Jane</i>		24015 WOODHAM	10/6/11
5. <i>[Signature]</i>		23971 Woodham	10/6/11
6. <i>[Signature]</i>		23970 WOODHAM	10/9/11
7. <i>[Signature]</i>		23968 Woodham	10/10/11
8. <i>Robert Taker</i>		23931 Woodham	10/10/11
9.			
10.			
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16.			
17.			
18.			

2011 OCT 11 A 9:20  
 CITY OF NOVI  
 CITY CLERK'S OFFICE

STATE OF MICHIGAN)  
COUNTY OF OAKLAND)

property owners

The undersigned, being first duly sworn upon his oath deposes and states that George A Revi is the owner of real property located in the proposed District, that each signature to the above and foregoing petition is the genuine signature of the person signing same; and that to his best knowledge and belief each person signing said petition was, at the time of signing, an owner of real property located in the proposed district in the City of Novi, County of Oakland, State of Michigan.

*George A Revi*

ADDRESS: 23953 WOODHAM - NOVI

Subscribed and sworn to before me on this 11<sup>th</sup> day of October 2011

*Natalie Laitinen*

Notary Public

Oakland

County, MI

NATALIE LAITINEN  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF OAKLAND  
MY COMMISSION EXPIRES Dec 14, 2012  
ACTING IN COUNTY OF Oakland

My Commission Expires 12-14-12

## Special Assessment District Update

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In February 2003, the Novi City Council adopted "Review the SAD Process" as one of its goals. The new procedure detailed here is the result of ordinance review and comparison studies of similar communities. It is believed that this new SAD Ordinance, adopted October 6, 2003, will reduce the process by four months.

### What is a Special Assessment?

A Special Assessment can be made for any public improvement within Novi, which is of such a nature as to directly benefit any property within a defined area.

### What types of improvements are financed by Special Assessment?

The most common types of improvements that are financed through the SAD process include:

- Road improvements
- Sanitary sewers
- Water mains
- Storm sewers
- Street lighting
- Sidewalks

### How does the process begin?

The SAD process is initiated by either a resident Request for Information Petition or Resolution by the City Council.

If the process is begun through the new Request for Information Petition, it must be signed by 30 percent of the total units of benefit in the district. Then, a public informational meeting is held regarding the SAD process, preliminary design and cost estimates for the project, and timeframe for the process. The City of Novi's Engineering Division does preliminary engineering for the public informational meeting.

Residents then have 60 days following the public information meeting in which to submit a formal Petition to Start a Special Assessment District, which must be signed by 51 percent of the total units of benefit (per tap unit, front foot, etc. ) in the proposed district. District boundaries may change between the public information meeting and the submission of the Petition to Start a Special Assessment District. This petition initiates the formal SAD process.

### What is a unit of benefit?

A unit of benefit is determined by the City of Novi on a basis appropriate to the improvement.

### Who oversees the bid process?

The City of Novi's Engineering Division facilitates the bid process and oversees construction of projects.

### Once the process is started, can it be stopped?

City Council views this process as a partnership between the City and the residents. The ordinance does state that property owners can request to stop the process at any time until the City Council adopts Resolution #5; however, since the City incurs significant planning and design expenses at the onset of the process, the City Council has the right to approve or deny such request.

### How many years can the SAD payments be spread over and what is the payment schedule?

The amount of years varies by type of project, however the term is normally less than the life expectancy of the improvement (not to exceed 15 years for roads and 20 years for all other utilities).

The first installment is due upon confirmation of the SAD roll before construction begins, OR on such date as the City Council may determine. Subsequent installments are billed with the summer property tax bill.

### What is the interest rate?

The interest rate reflects current market conditions and is not to exceed eight percent. The rate is established by the City Council. Interest is calculated on the unpaid balance. If the assessment is prepaid prior to the commencement of interest date, there is no interest charge.

### If I move or sell my property, am I still responsible for the loan?

Once the SAD roll is confirmed the City places a lien on the properties and assumes the position of first lien holder. The City does not require that the assessment be paid off during a real estate transfer; however, individuals should consult with a title company to verify requirements.

### Is there a procedure that would provide relief for property owners with a demonstrated financial hardship?

With the approval of the City Council and the City Assessor, a Special Assessment may be deferred by the reason of poverty per "Federal guidelines" for a specific property. The lien is placed on the property and all payments are deferred until the property is transferred. However, interest accrues on the unpaid balance.

### **SAD Process**

#### **Resolution # 1**

City Council makes three tentative determinations: the necessity of the improvement; the conclusion on whether to proceed with the improvement; and, the establishment of a proposed district of properties that will be specially benefited by the improvement (the proposed "special assessment district"). Once such determinations are made, the Council directs the City Manager to have plans and a cost estimate prepared for the improvement.

#### **Resolution # 2**

City Council confirms the tentative necessity of the improvement, sets a public hearing date on the issues to be considered for Resolution # 3, and directs the City Clerk to provide notice of the public hearing as provided in the City Code.

First Public Hearing is held to allow the Council to hear comments and objections on the proposed improvement and on the proposed special assessment district.

#### **Resolution # 3**

Following the public hearing, City Council again determines whether to proceed with the improvement, and, if so, this resolution approves the preliminary plans and cost estimate, designates the special assessment district, and directs the City Assessor to prepare a proposed special assessment roll, reflecting the total cost of designing, financing and constructing the improvement and the amount each property in the special assessment district will have to pay.

#### **Resolution # 4**

City Council receives the proposed special assessment roll prepared by the City Assessor, sets a date for a public hearing on the proposed assessment roll, and directs the City Clerk to provide notice of the public hearing as provided in the City Code.

Second Public Hearing is held to allow the Council to hear comments and objections on the proposed special assessment roll.

#### **Resolution # 5**

Following the public hearing, City Council makes the final determination on proceeding with the improvement, and confirms the special assessment roll, either as presented or as modified based upon comments and objections received at the public hearing.

The approved improvement is then pursued, and properties are assessed in accordance with Resolution # 5.

### **For more information**

Brian Coburn, Engineer  
45175 W. Ten Mile Road  
Novi, MI 48375

248-347-0454

[Email](#)