

## Genoa Charter Township



### **Procedure to Establish a Special Assessment District Road Improvements Resident Based Petition**

Public Improvements Act 188 allows the Township to assess the cost of the road improvements against the properties benefited. Road improvement projects are often funded by a resident petitioned Special Assessment District (SAD), which requires property owners to sign a petition requesting the Township Board to levy the assessment. Below is a summary of the major steps involved with this process:

1. Preliminary Road Evaluation – Manager

The initial step for Township staff is to complete a site visit and review any historic files associated with the area. The Township Consulting Engineer will rate the road per the current PASER manual and make recommendations for proposed improvements. The Township will update the interested property owner(s) with the recommendations and a ball park cost estimate to gauge if there is interest in moving forward with the project.

2. Identify Project Limits – Manager & Assessor

Typically for road improvements projects each parcel adjacent to the road is included in the assessment district as an equal participator. For instance, if 20 parcels are adjacent to the road proposed for improvements than each property owner would pay 1/20<sup>th</sup> of the project cost. For larger neighborhoods and/or multiple roads the Township will make recommendation for the parcels to be included in the proposed district based on the preliminary road evaluation.

3. Conceptual Cost Estimate Prepared -Manager

The Township Consulting Engineer will complete a site visit, attend a meeting with the Road Commission (if necessary and the road is public), assign the road a current PASER rating, make recommended improvements, prepare a conceptual opinion of probable construction cost, and summarize the findings in a Memorandum.

4. Informational/Instructional Meeting – Clerk & Manager

Following a request from property owner(s) the Township may host an informational meeting with the interested parties to explain the steps involved in establishment of a special assessment district. A second option would be to write a letter providing pertinent information to all homeowners within the district. The response to this initial request will aid the Township in determining whether or not the project moves forward with the next step of the process.

5. Generate Petition for Circulation - Clerk

A petition form for circulation will be generated by the Clerk's office. The petition will state the name of the road to be improved and the estimated project cost based on the engineer's opinion of probable construction cost. The Township Assessing office will generate a proposed assessment roll which will include a list of properties to be included in the special assessment district.

6. Property Owner's Circulate Petition - Clerk

The resident based petition process depends on property owners circulating the petition within the district. The property owners shall circulate the petition and submit it to Township when the appropriate number of signatures has been obtained. The individual that is responsible for circulating the petition should be familiar with the following:

*Should the Township Host a Public Meeting or send informational letter?*

If the proposed district is large, and/or there is a need, the Township may hold a public informational meeting. A letter explaining the project may be sent in lieu of a Township Meeting,

*How many signatures are required?*

A minimum of 51% must be obtained. Ideally, a super majority of property owners (65%) will sign in support of the proposed SAD.

*Does the Township contribute any funds to the project?*

The Township maintains a revolving fund for use by our residents to pay for road improvement projects. The interest rate for the loan, if any, will be determined by the Township Board. A loan from the Township can be used for public or private roads within the Township.

Michigan law prohibits the expenditure of public funds for private roads. If the proposed road for improvement is public and 66% of the property owners sign the

petition the Township Board has the option of funding up to 25% of the project cost, or \$1,000/parcel, whichever is less.

*How many years is the district spread over?*

Typically the Township spreads road improvement projects over a 2 – 5 year period.

*Who Approves the District?*

The Township Board has final say on approval of the district and the time period, even if the appropriate number of signatures is obtained.

*What are the requirements for signatures on the petition?*

The signatures on the petition shall match the proposed roll exactly. For instance, if two people are listed as the property owners on the proposed roll, then two signatures must be obtained for that property. Also, if one person owns more than one parcel they should sign the petition for each parcel owned. Only property owners can sign the petition.

7. Assessor Verifies Roll - Assessor

The Township Assessing Office verifies that the signatures on the petition match the proposed roll. The Township Assessor will prepare a Memorandum documenting the percentage of people in support of the proposed special assessment district based on the number of acceptable signatures.

8. Prepare Resolutions for Township Board – Clerk

The Township's Clerks office will prepare the resolutions necessary to establish the special assessment district. In total, five resolutions must be approved by the Township Board. In addition, the Township Board will have two public hearings during a regularly scheduled Township Board meeting. The first public hearing will review the proposed special assessment district and the second public hearing will establish the special assessment roll. The Township Board generally meets on the 1<sup>st</sup> and 3<sup>rd</sup> Monday's of each month, and everyone within the proposed district will be notified of the public hearings and will have a chance to voice their support and/or concerns during the public hearing.

9. Levy Assessment onto Taxes - Treasurer

The Treasurer's office will levy the cost of the assessment district plus mailings, publication, or other fees onto the taxes of those parties included in the district. If the approved project included 20 parcels over a 3 year time frame the conceptual cost of the project would be divided by 20 parcels and 3 years and placed onto either the summer or winter taxes of each parcel within the district. Ultimately, the property owners will pay for the actual cost of the project. If the project comes in under the conceptual opinion of cost the property owners will get a discount at the end of the project. The total cost assessed to the property owners cannot exceed 10% of the conceptual opinion of cost or the process must begin over again.

10. Project Implementation - Manager

Once the above steps are completed the design and construction of the project can begin. Depending on the size of the project and the proposed improvements full design plans may be necessary. If the road is public a permit from the Road Commission will be necessary. Bids will be obtained and construction can begin. Depending on the complexity of the project design, permitting, and bidding can take as little as 2 months and as much as a year before construction can begin.

(Policy/road SAD procedure)