



CITY of NOVI CITY COUNCIL

Agenda Item I
September 8, 2008

SUBJECT: Approval of Resolution Number 1 for Special Assessment District 174 – Wixom Road (Section 18) Sanitary Sewer Extension, authorizing the preparation of plans, specifications and cost estimates.

SUBMITTING DEPARTMENT: Engineering *R24*

CITY MANAGER APPROVAL: *[Signature]*

BACKGROUND INFORMATION:

Property owners adjacent to Wixom and Twelve Mile Roads approached the City with a petition requesting the formation of a special assessment district (SAD) to serve a portion of Section 18. If established, the SAD project would extend public sanitary sewer a distance of approximately 1,600 feet north from a point located one-third of a mile south of Grand River on the west side of Wixom Road to serve the six parcels that would receive a direct benefit (see attached maps).

After receipt of the informal petition on August 27, 2007, City Engineering staff held a public information meeting for potential SAD participants on October 11, 2007 to explain the SAD process and possible costs of the sanitary sewer extension. (At this early stage in the SAD process, costs are estimated to range from \$350,000 to \$600,000; the cost apportioned to landowners would vary based on the unit factor assigned to each parcel.) Additional information was provided to the property owners following the meeting, as outlined in the attached letter from Brian Coburn dated October 26, 2007.

A formal petition, signed by four of the six property owners in the potential SAD, was submitted to the City Clerk on August 1, 2008. The City Assessor has reviewed the petition and determined that more than 51% of the properties owners in the parcel area who would receive a direct benefit have signed the petition (see attached e-mail from Glenn Lemmon, dated August 27, 2008).

If adopted, Resolution Number 1 authorizes the preparation of plans, specifications and cost estimates for the proposed SAD 174. Engineering staff would then solicit proposals from engineering firms pre-qualified for utility work and recommend award of an engineering contract. The remaining four steps/resolutions in the SAD process are described in the attached document.

The city recoups its capital expenditures on SAD projects by collecting assessments from benefitting landowners, typically over a 20-year period. For a project of this size, the time needed to complete an SAD project (i.e., from Resolution Number 1 adoption through construction completion) ranges from 10 to 14 months.

RECOMMENDED ACTION: Approval of Resolution Number 1 for Special Assessment District 174 – Wixom Road (Section 18) Sanitary Sewer Extension, authorizing the preparation of plans, specifications and cost estimates.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Capello				
Council Member Crawford				
Council Member Gatt				

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

STATE OF MICHIGAN
COUNTY OF OAKLAND
CITY OF NOVI

**WIXOM ROAD (SECTION 18) SANITARY SEWER EXTENSION
SPECIAL ASSESSMENT DISTRICT NO. 174**

**RESOLUTION TO PROCEED WITH PREPARATION OF PLANS,
SPECIFICATIONS, AND COST ESTIMATE FOR A PROPOSED
SPECIAL ASSESSMENT DISTRICT**
(Resolution No. 1)

RECITATIONS:

The City Council has received a petition requesting construction of the proposed improvement described below, and the establishment of a special assessment district to defray the cost of such improvement by special assessment against the benefited properties.

The proposed improvement (the "**Project**") is:

The construction of approximately 1,600 feet of 10" SANITARY SEWER and related facilities and improvements in Section 18 which will provide a direct benefit to six parcels along a portion of Wixom Road.

The City Council has reviewed the petition and desires to proceed with further review of the Project by having cost estimates and project plans prepared for the Project.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The City Manager shall direct a registered professional engineer to prepare detailed plans and specifications for the Project, a cost estimate for the Project, an estimate of the life of the Project, a description of the proposed special assessment district, and other pertinent information that will assist the City Council in determining whether to proceed with the Project, and to make a preliminary estimated cost, extent and necessity of the Project, including the

portions to be paid by special assessments upon the properties that are especially benefited by the Project.

2. Upon completion, such information shall be filed with the Clerk along with the City Manager's recommendations with respect to the Project.

3. No contract or expenditure, except for the cost of preparing the necessary profiles, plans, designs, specifications and estimates of cost described above, shall be made for the Project, nor shall any improvements be commenced until the City Council confirms the special assessment roll to defray the costs of the Project.

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 _____, 200__.

CITY OF NOVI

By: _____
MARYANNE CORNELIUS, CITY CLERK

Proposed Special Assessment District 174
 Wixom Road (Section 18) Sanitary Sewer Extension



City of Wixom
 City of Novi

Proposed Sanitary Sewer

Legend

- Existing Sanitary Sewer
- Signed SAD Petition?
 - No
 - Yes

CITY OF NOVI

ENGINEERING DIVISION
 45175 W. TEN MILE ROAD
 NOVI, MI 48375-3024
 (248) 547-0454
 MAP AUTHOR: Brian Coburn, PE



MAP PRINT DATE: 9/29/08

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.

0

**PETITION FOR SPECIAL ASSESSMENT DISTRICT
SEWER IMPROVEMENTS**

TO: The City Council of the City of Novi

We, the undersigned, owners of property on WIXOM ROAD
Section 18 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
sewer and all necessary appurtenances on WIXOM ROAD 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>Frank A. Pellerito</i>	50-22-18-200-002	Lakeside Oakland	7-20-08
2. <i>Frank A. Pellerito</i>	50-22-18-200-020	Development Company 30295 Embassy Dr. Beverly Hills, MI 48025	7-20-08
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			

STATE OF MICHIGAN)
COUNTY OF OAKLAND)

The undersigned, being first duly sworn upon his oath deposes and states that
he 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 the 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.

Frank A. Pellerito

Frank A. Pellerito

ADDRESS: Lakeside Oakland Development Company
30295 Embassy Dr., Beverly Hills, MI 48025

Subscribed and sworn to before me on this 20th day of July
20 08

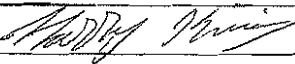
Carol C. Higley

Notary Public Carol C. Higley
Wayne County, MI
My Commission Expires December 25, 2012

**PETITION FOR SPECIAL ASSESSMENT DISTRICT
SEWER IMPROVEMENTS**

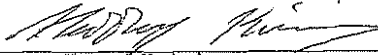
TO: The City Council of the City of Novi

We, the undersigned, owners of property on WIXOM ROAD,
Section 18, 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
sewer and all necessary appurtenances on WIXOM ROAD 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. 	22-18-200-009	26675 Wembley Ct. Farmington Hills, MI 48331	7-20-08
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			

STATE OF MICHIGAN)
COUNTY OF OAKLAND)

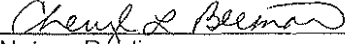
The undersigned, being first duly sworn upon his oath deposes and states that
HE is the owner of real property located in the proposed District, that each signature
to the above and foregoing petition is the genuine signature of the person signing
same; and that to _____ best knowledge and belief each 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.



Harry Kzirian
ADDRESS: 26675 Wembley Ct., Farmington Hills, MI
48331

Subscribed and sworn to before me on this 20th day of JULY
2008

Cheryl L. Beeman
Notary Public
Livingston County, Michigan
Acting in Oakland County, MI
My Commission Expires April 7, 2013



Notary Public
_____ County, MI
My Commission Expires _____

**PETITION FOR SPECIAL ASSESSMENT DISTRICT
SEWER IMPROVEMENTS**

TO: The City Council of the City of Novi

We, the undersigned, owners of property on WIXOM ROAD, Section 18, 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 sewer and all necessary appurtenances on WIXOM ROAD 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. <u>L. STEVEN WEINER</u> <u>L. Steven Weiner</u>	22-18-200-003	Edward C. Levy Co. 8800 Dix Ave. Detroit, MI 48209	7/21/08
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			

STATE OF MICHIGAN)
COUNTY OF OAKLAND)

The undersigned, being first duly sworn upon his oath deposes and states that _____ 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 _____ 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.

L. Steven Weiner
L. Steven Weiner, V.P.
Edward C. Levy Co.
ADDRESS: 8800 Dix Ave., Detroit, MI 48209

Subscribed and sworn to before me on this 21st day of July, 2008

IRENE K. BLUDZIUS
Notary Public, State of Michigan
County of Wayne
My Commission Expires Apr. 08, 2014
Acting in the County of Wayne

Irene K. Bludzius
Notary Public
Wayne County, MI
My Commission Expires April 08, 2014

Coburn, Brian

From: Lemmon, Glenn
Sent: Wednesday, August 27, 2008 9:49 AM
To: Troutman, Sue
Cc: Coburn, Brian; Tom Schultz
Subject: RE: SAD 174 - Wixom Road

Sue,

Please be advised that I have reviewed the petitions for the proposed 174 sanitary sewer SAD. From discussions with Mr. Coburn, it is my understanding that neither Island Lakes nor Catholic Central will not participate or benefit from the proposed project.

There currently appears to be 6 parcels in the proposed district with petition signatures from 4 of those parcels (67%). Lakeside Oakland Development owns two parcels and has signed a petition. Jointly, Richard Herbel and Jerome Toler own two parcels and have not signed a petition for either parcel. Therefore, with four distinct ownerships, 50% of the property owners have signed petitions.

The two Herbel/Toler (non-signature) parcels are the smallest of the six potential beneficiaries. By area, petition signatures represent 95% of the proposed district.

It's possible that we may want to consider some of the parcels to the west of these subjects as having an indirect benefit to the sanitary sewer. This could reduce the costs to the directly benefiting properties and allow for future development in this area.

Although the limits of the project have not been fully determined, it appears that there is enough interest to proceed to the next step in the process. If you have any questions, feel free to contact me.

D. Glenn Lemmon, Assessor
City of Novi

From: Troutman, Sue
Sent: Tuesday, August 26, 2008 12:57 PM
To: Coburn, Brian
Cc: Lemmon, Glenn
Subject: SAD 174 - Wixom Road

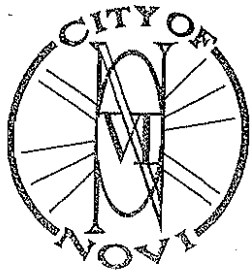
Hi, Brian,

I left a copy of the request for verification of property owners in your chair; could you please see Glenn Lemmon as soon as possible to discuss a couple of questions he has? Thank you.

Sue Troutman
Executive Secretary
Novi City Clerk's Office
45175 W. Ten Mile Road
Novi, MI 48375

Office Phone: 248/347-0458
Office Fax: 248/347-0577
email address: stroutman@cityofnovi.org

08/29/2008



October 26, 2007

Re: Follow-up to Public Information Meeting
Potential Special Assessment District
Wixom Rd Sanitary Sewer Extension

CITY COUNCIL

Mayor
David B. Landry

Mayor Pro Tem
Kim Capello

Bob Gatt

Terry K. Margolis

Andrew Mutch

Toni Nagy

Lynne Paul

City Manager
Clay J. Pearson

City Clerk
Maryanne Cornelius

Dear Property Owner:

This letter is to follow-up on the Public Information Meeting that was held on October 11, 2007 at Novi City Hall. During the meeting, there was discussion about the two methods of developing a special assessment district (SAD) to provide sanitary sewer to the parcels located along the west side of Wixom Road, south of Grand River Avenue.

The first method of establishing an SAD is the traditional method, which requires five resolutions by City Council and two public hearings. It also requires the City to develop the roll, or cost allocation, based on the existing master plan or zoning; and because the parcels are undeveloped, assumptions would be made about potential uses.

The second method is a contract SAD, in which the participants would enter into an agreement with the City to finance the construction of the project. Such an agreement would require an allocation of cost amongst the properties in the SAD, and would need to be acceptable to all participants in the SAD. There was interest amongst those in attendance in investigating the contract SAD option, but the need was expressed for more information from the City to discuss the potential cost allocation of the project.

For the purpose of discussing the cost allocations under a contract SAD, we are providing the following information:

- Map showing the proposed SAD boundary (revised to include the northern parcel 22-18-200-002),
- Map showing the existing zoning of the parcels,
- Map showing the existing master plan designations for the parcels,
- Original cost estimate for the project (Please note that the costs will not change because only the size of the district changed and not the length of sanitary sewer to serve the district),
- Excerpt from 2004 Master Plan for Land Use discussing the master plan designations,
- Table showing parcel numbers along with the existing zoning and master plan designations for each,
- City of Novi Sewer Unit Factor Chart showing the Residential Equivalent Unit (REU) allocation for a variety of uses, and
- Table showing potential uses and REU allocations for each zoning district.

45175 W. Ten Mile
Novi, MI 48375
(248) 347-0460
(248) 347-0577 Fax
www.ci.novi.mi.us



The enclosed master plan map shows an area that is designated as a Special Planning Area. The Master Plan and Zoning Committee is currently reviewing the parcels in northern part of Section 18, which includes the three parcels at the northern part of Wixom Road. There will be a recommendation within the next few months on the future master plan for this area that will provide more guidance.

The attached information was used to develop two scenarios for the cost allocation calculation as shown below. The first method of allocating project cost is based on the average REU/acre for the primary zoning on the parcel. The second method is based on parcel area without any consideration to zoning or potential development scenarios. We are presenting these two scenarios as a starting point for discussion purposes should the property owners decide to pursue a contract SAD.

Table 1. Potential Cost Allocation Based on Average REU for Primary Zoning on Parcel

Parcel	Owner	Total Area	REU	Assumption	Percent
2218200002	LAKESIDE OAKLAND DEV	15.36	28	Use average B-2 density of 1.8 REU/acre.	33%
2218200003	CADILLAC ASPHALT & PAVING	5.29	16	Use average I-2 density of 3 REU/acre	19%
2218200020	LAKESIDE OAKLAND DEV	16.89	30	Use average B-2 density of 1.8 REU/acre.	36%
2218200007	HERBEL, RICHARD & MARIE	1.62	4	Use average B-1 density for a small site of 2.68 REU/acre	5%
2218200008	HERBEL, RICHARD & TOLER, JEROME	0.43	1	Use average B-1 density for a small site of 2.68 REU/acre	1%
2218200009	27047 WIXOM PROPERTY, LLC	1.70	5	Use average B-1 density for a small site of 2.68 REU/acre	5%

Table 2. Potential Cost Allocation Based on Parcel Land Area

Parcel	Owner	Total Area	Assumption	Percent
2218200002	LAKESIDE OAKLAND DEV	15.36	Land Area	37%
2218200003	CADILLAC ASPHALT & PAVING	5.29	Land Area	13%
2218200020	LAKESIDE OAKLAND DEV	16.89	Land Area	41%
2218200007	HERBEL, RICHARD & MARIE	1.62	Land Area	4%
2218200008	HERBEL, RICHARD & TOLER, JEROME	0.43	Land Area	1%
2218200009	27047 WIXOM PROPERTY, LLC	1.70	Land Area	4%

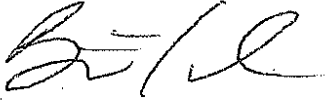
The above tables are two examples of how the project costs could be allocated under a contract SAD. Please review this additional information and contact our office with questions or comments.

Letter to Wixom Road Property Owners
October 26, 2007
Page 3 of 3

We have scheduled another public information meeting to discuss this additional information. The meeting will be held on November 8, 2007 at 7:00 PM in the Community Center at Novi City Hall. In the meantime, please feel free to contact me at 248-735-5632 with any questions or comments.

Sincerely,

ENGINEERING DEPARTMENT



Brian T. Coburn, P.E.
Civil Engineer

cc: Clay Pearson, City Manager
Pam Antil, Assistant City Manager
Tom Schultz, City Attorney
Rob Hayes, P.E.; City Engineer
Kathy Smith-Roy, Finance Director
Bill Bowman, Sr; Thompson-Brown Realtors
(30180 Orchard Lake Rd, Ste 200, Farmington Hills, MI 48334)

City of Novi

Special Assessment District (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.