ESTABLISHING NEW ROAD IMPROVEMENT SPECIAL ASSESSMENT DISTRICTS

Project Name/Location: ________________________________

SPECIAL ASSESSMENT DISTRICTS ARE TYPICALLY ESTABLISHED FOR A 10-YEAR PERIOD; HOWEVER, THE ASSESSMENT SHOULD NOT OUTLAST THE IMPROVEMENT.

PROCESS OF ESTABLISHING NEW ROAD IMPROVEMENT S.A.D. DISTRICTS

Step 1: Initial Contact. Resident or Property Owner will contact Township requesting that their road(s) be maintained and/or improved by the Township through a Special Assessment District. Must determine the services that the property owners desire, i.e. gravel, grading, snow removal, dust control, chipseal, paving, etc. Must also determine if the road(s) is private or public. **If the road is public, the Livingston County Road Commission must give the Township permission to perform any type of maintenance or improvement to the road.**

Step 2: Drafting of Petition Form. Prepare the petition form that will be signed by the property owners in the proposed district based upon the services requested by the property owners. Method of assessment is generally determined by the Board of Trustees unless a method is specifically requested by property owners.

Step 3: Prepare Map of Proposed District – Must be included with petition form. Confirm district property information to make sure all parcels are included in the proposed district boundaries.

Step 4: Prepare Preliminary Estimate of Cost for Project. Estimates based upon current contractor pricing received for similar road maintenance projects. (Only preliminary at this point.) If the road is public, the Livingston County Road Commission’s Engineer must prepare a preliminary project description and estimate of cost to forward to the Township to be used in the preparation of the project petition forms.

Step 5: Draft and Mail Letter explaining the proper circulation method of the Petition Form, District Map, and Estimate of Cost to the property owner requesting petition to establish district.

NOTE: A road improvement district in this example requires the sale of bonds to finance the proposed road improvement project.
PROJECT TRACK SHEET: Once Signed Petitions Returned to Township:

____ Verify signatures on petitions as the property owners of record.
____ Calculate total road front footage of properties located along both sides of road.
____ Calculate total road front footage owned by property owners who signed in favor or establishing district.
____ Determine if road is public or private. If private, proceed with following checklist. If the road is public, send copies of petitions to Livingston County Road Commission and request for approval of maintenance/improvement request. Must wait for County authorization and permits to proceed with project.
____ If more than 50% in favor, project is forwarded to Township Board for review, acceptance and setting of 1st public hearing date.
____ If less than 50% in favor, property owners are notified of results and no further action is taken on project unless additional petitions are received by Township.
____ Prepare project information sheet, prepare map showing property owners in support, copy petitions, and provide all information to Township Clerk.
____ Prepare Supervisor’s Certificate to acknowledge receipt of petitions and confirm support of property owners within proposed district. Attach to petitions once signed by Supervisor.
____ Draft Resolution No. 1 — Reimbursement Resolution for Township Board’s review.
____ Draft Resolution No. 2 – Resolution Authorizing Publication of Notice of Intent to Issue Bonds for Road Improvements.

BE ADVISED: If the Township Board feels that the cost of the proposed project is too much the Township is not obligated to accept any request for establishment of a Special Assessment District even if more than 50% of property owners are in favor of establishing a district. The Township Board must give final approval before any S.A.D. is created or established.

____ If the proposed project is approved, the Board passes Resolutions #1 and #2 tentatively declaring the Township’s intent to sell bonds to finance the proposed road improvements and to reimburse the township for any expenses related to the proposed project.
____ Notice of Intent to Issue Bonds for Road Improvement Project is published in local paper.
____ Draft Resolution No. 3 — Resolution to Proceed with the Project and Directing Preparation of the Plans and Cost Estimates. NOTE: If public roads, the request for bids shall be completed by the Livingston County Road Commission.
____ Draft Resolution No. 4 — Resolution to Approve the Project, Scheduling the First Hearing and Directing the Issuance of Statutory Notices.

____ If approved, Board passes Resolution #4 tentatively declaring intent to create S.A.D. and scheduling of 1st Public Hearing.
NEWSPAPER/INDIVIDUAL NOTICES FOR 1st HEARING – Published in local newspaper

Sent to Clerk on: ____________________  To be Published On: ____________________

Notice in newspaper must be published twice before the hearing in a newspaper circulating in the Township.

THE FIRST NOTICE MUST BE PUBLISHED AT LEAST 10 DAYS BEFORE THE DATE OF THE HEARING.

The Township is also required to give notice to each property owner or party with an interest in property to be assessed, whose name appears on the last township tax assessment roll, by first class mail at least 10 days before the hearing.

Date Notice Mailed to Property Owners: ____________________

___ Prepare and sign Affidavit of Mailing stating that Notices were mailed by first class mail to property owners, have signature notarized, and provide copy of Notice along with list of names and addresses of who Notices were mailed to and provide to Township Clerk.

* This Notice must contain all information regarding services to be performed for road maintenance and the process of establishing a special assessment district along with date, time and place of hearing.

1st Public Hearing – Hearing of Necessity

___ Property owners given opportunity to object to establishing district.

___ Property owners given opportunity to object to proposed district boundaries.

___ Property owners given opportunity to object to amount of preliminary estimate of project cost.

___ Draft Resolution No. 5 — Resolution Approving Project, Cost Estimates, Special Assessment District and Causing the Special Assessment Roll to be Prepared.

___ If approved, the Board passes Resolution #5 to finalize the costs of the S.A.D. and to prepare the proposed Assessment Roll.

___ Send project specifications to contractors for official request for proposal to provide road maintenance services as requested by property owners. Provide copy of bid specification form and list of contractors who received requests for bids to Clerk. Post notice of request for bids at Township Hall so that other contractors may bid. If the roads are public, the Livingston County Road Commission shall be responsible for bidding out the project and determining final costs.

___ Prepare Annual Assessment Costs for first year and second year of project based on bids.

___ Prepare Project Budget for accounting department/Clerk’s office in order to determine assessments on property tax bills once district is established.
Prepare Assessment Roll listing all property owner names, addresses, property legal descriptions, unit benefit factors (if necessary), and amount of assessment based on bids received from the Contractors.

Prepare Supervisor’s Certificate for Assessment Roll and attach to roll before presenting to Clerk.

Draft Adopt Resolution No. 6 — Resolution Scheduling the Second Hearing and Directing the Issuance of Statutory Notice.

If approved, the Board passes Resolution #6 tentatively declaring the Township’s intent to schedule the 2nd Public Hearing.

NEWSPAPER/INDIVIDUAL NOTICES FOR 2nd HEARING – Published in local newspaper

See Publication and Mailing Notice requirements above under 1st Public Hearing.

This Notice must contain a listing of all parcel numbers located within the proposed special assessment district along with a map of the district boundaries along with date, time and place of hearing. This Notice must also clearly state that property owners must object to the amount of their assessment if they want to appeal to the Michigan Tax Tribunal.

Prepare and sign Affidavit of Mailing stating that Notices were mailed by first class mail to property owners, have signature notarized, and provide copy of Notice along with list of names and addresses of who Notices were mailed to and provide to Township Clerk.

2nd Public Hearing – Hearing of Assessment

Property owners given opportunity to object to amount of assessment for road maintenance. Property owners who wish to appeal the amount of their assessment to the Michigan Tax Tribunal have 30 days to do so once the Township adopts the Assessment Roll.

Adopt Resolution No. 7 — Resolution Confirming the Special Assessment Roll

If approved, the Board passes Resolution #7 to confirm the assessment roll.

Provide any necessary documentation to property owners concerning special assessment district if they wish to appeal their assessment to the Michigan Tax Tribunal. The Township

FINANCING OF ROAD IMPROVEMENT PROJECT

Draft Resolution No. 8 — Resolution Authorizing Filing with the Michigan Department of Treasury.

Draft Resolution No. 9 — Bond Authorizing Resolution.

If approved, the Board passes Resolutions #8 and #9 to sell bonds to finance the proposed road improvements under the special assessment district.
___ File Application for Approval to Issue Bonds with the Michigan Department of Treasury.
___ Obtain Approval to Issue Bonds from the Michigan Department of Treasury.
___ Prepare and Publish Preliminary Official Statement.
___ Prepare and Publish Official Notice of Sale.
___ Conduct Bond Sale.
___ Authorized Officer (Township Supervisor) signs Award Certificate for the Bond Sale.
___ Publish Final Official Statement.
___ Closing on Bond Issue and Receipt of Bond Proceeds*

* Road improvement work cannot begin until the Township has received the bond proceeds in order to pay for the work to be completed under the improvement project.

AWARD PROJECT TO CONTRACTOR

___ Draft Agreement Regarding Road Maintenance based upon approved and accepted contractor bid and have signed by the Contractor, Supervisor, and Clerk. Agreement is based on services requested by petition of the property owners.

___ If the roads are public, the Township must enter into a Project Agreement with the Livingston County Road Commission. Construction and scheduling of the road improvement is then turned over and is coordinated through the Road Commission engineering department.

___ Begin Construction on the Project.

___ Establish project schedule with Contractor and verify and approve all invoices for services provided by Contractor.

___ Coordination of dust control spraying schedule with individual contractor grading roads in order to ensure that all roads are graded prior to chloride applications – 3 times per year. Applies to gravel roads only.

___ Continually receive and respond to all road improvement project calls and concerns from residents in the road improvement district. Note, if public roads property owners should contact the Livingston County Road Commission at (517) 546-4250 with questions and concerns.

Checklist Prepared by:
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Allow Up to Twelve (12) Months for Processing of an S.A.D. Program