



### **Special Assessment Districts - Roads**

Poor road conditions have become a problem throughout Grand Blanc Township and the State of Michigan. We are plagued with a lack of road funding in our county, leaving the repaving of local (subdivision) streets up to the residents. This can be accomplished by creating a special assessment district where the cost of repaving is spread out amongst all properties in the district.

Below is a guideline and estimated timeframe for establishing a special assessment district:

#### **Step 1:**

Residents request that the Township investigate having their subdivision roads paved. This can be done by a group of residents or an individual. The Township will request that the Genesee County Road Commission (GCRC) prepare a cost estimate for the repaving. This process can take from 1 month to 6 months based on how many projects are currently being estimated.

#### **Step 2:**

Once the estimate comes back to the Township from the Road Commission, it will be provided to the individual or group that made the request. A meeting may be held with all property owners in the district to go over the cost estimates and the process of creating a special assessment district. If a meeting is held, a meeting notice will be sent by the Township to owners of record of all parcels within the proposed district. Every effort shall be made to hold the meeting within 60 days of receipt of the estimate to the individual or group that made the request.

#### **Step 3:**

Residents will request petitions from the DPW Director, and they may circulate them for no more than 180 days. Homeowners representing 51% of the total lineal road footage in the project area will have to sign the petition for the project to proceed. It is important to note that if there are two names on a deed to the property, then both parties must sign the petition in order for the property to count.

\*\*\* Parcel/Lot Combinations approved after creation of the petition may not be considered for the purposes of the Special Assessment District \*\*\*

#### **Step 4:**

Once the petitions have been circulated and turned into the Township, the Clerk will verify that all the signatures are valid, and the Assessor will verify that 51% of total lineal footage in the project area has been met. If the threshold is met, The Board will set the date of the first of two Public Hearings.

Step 5: The Board will hold Public Hearing #1 to establish the Special Assessment District, accept the verified petitions, review the proposed scope of improvements, and the estimated cost. The Supervisor will be directed to create the Special Assessment Roll and file with the Clerk's office for public noticing. Persons who wish to object to the Special Assessment District must do so at Public Hearing #1, or prior to the hearing by submitting their written (email is acceptable) objections to the Clerk's Office.

Step 6: The Board will hold Public Hearing #2 to consider the Special Assessment Roll and the total amount to be assessed against each parcel. Persons who wish to object to the roll must do so at Public Hearing #2, or prior to the hearing by submitting their written (email is acceptable) objections to the Clerk's Office. This objection is only to preserve your right to appeal this special assessment to the Michigan Tax Tribunal.

*Scott Bennett, Supervisor*

*Dave Robertson, Clerk ~ Mike Yancho Sr., Treasurer*

*Damon Brown, Trustee ~ Joel Feick, Trustee ~ Sarah Hugo, Trustee ~ Paul White, Trustee*

*Dennis Liimatta, Superintendent*

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Step 7: Following the hearing, the Board will consider a resolution adopting the proposed SAD roll; and if approved, the Board may authorize a local road agreement with GCRC to proceed with the project. Once design and bidding are complete (a process that may take up to 6 months), if the bids received exceed 10% of the engineer's estimate, a third and final public hearing will be held to receive comments.

Step 8: The Township will secure funding for the estimated cost of the project and allocate an equal share of the total cost of the project to each parcel, which includes construction costs, bond costs (if applicable), administrative fees, and interest.

Step 9: Once construction is completed, the assessment for the project will be placed on the first winter tax bill after the project completion. The assessment is spread out over a specified number of years as determined in the petition language. The interest rate is dependent entirely on current interest rates when the bonds are issued by the Township. These details are not available until the project has been approved and the assessment district has been created. The assessment may also be paid in a lump sum once determined.

#### FAQ'S

- There is a 1% administrative fee added to the net interest rate on the bonds for the Township to cover all ongoing administrative costs over the life of the assessment or any shortfall in bond payments that may arise due to prepayments. Bond issuance costs, administrative costs to prepare the SAD, mailing costs, and publication costs will be added as up-front costs in addition to the 1% administrative fee. These are mandatory costs.
- The cost of the assessment will be spread out equally amongst all parcels as identified and adopted in the special assessment roll.
- If you sell your home during the life of the assessment, the mortgage and/or title company will determine if it must be paid off prior to selling the property.
- The Township, at its discretion, may perform crack sealing on new subdivision roads during the life of the assessment (10-15 years) that may add years of life to the road surface.
- **The GCRC is responsible for and has sole jurisdiction over public roadways and rights-of-way in our Township.**
- The Township acts as the financing arm for the project. The GCRC manages and oversees the project.
- New or repaired streets and roads do not come with a warranty from the contractor to the homeowners in the SAD and remain the sole responsibility of the GCRC.
- Road funding in Michigan comes from fuel taxes and vehicle registration fees and is provided to the GCRC as authorized through MCL 247.651 (Public Act 51 of 1951). Townships do not directly receive any funding for streets and roads.

*Scott Bennett, Supervisor*

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