

CHAPTER 13

Special Assessments

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CHAPTER 13

Special Assessments

Section 1 – Introduction

Special assessment has been used much more in the United States than in other countries. Its development dates back to colonial times, although lotteries were a much more popular method of raising funds for street improvements and repairs in the 18th century. In his book, *History of American City Government*, (New York: Oxford U Press, 1938), Ernest S. Griffith notes that, “The sense of taxation according to benefit received was keen in these early municipalities, arising quite naturally from the intimate stage in which each individual was held responsible for the condition of the road in front of his own home.” The use of a special assessment in New York appeared as early as 1691 in the “New York Provincial Act.” Originally this Act provided that the entire city would be the benefit district. It was later amended, however, to provide that the assessment be “among the owners or occupants of all the houses and lots intended to be benefited in proportion, as nearly as may be, to the advantage which each may be deemed to acquire respectively.”¹

In 1865, the Massachusetts legislature passed a special assessment law which was upheld by the court a year later. In 1832, the Louisiana legislature granted the right to open new streets by special assessment to the City of New Orleans. The courts of several states initially held the theory of special assessment to be illegal. The judiciaries of Tennessee, Arkansas, and South Carolina ruled early in the 19th century that there was no distinction between special assessment and taxation. Therefore, special assessment levies were in violation of the constitutional requirement that property be taxed according to its value.

The pressure of rapid city development in northern states required them to develop special assessment laws. In 1893, Victor Rosewater wrote, “The special assessment for benefit is a distinct feature of American public finance.”² The use of special assessment grew rapidly in the first part of the 20th century. Typical improvements paid for by special assessment were sewers, paving, curbing, sidewalks, grading and widening of streets, retainer walls, parks, bridges and viaducts, and, in some cities, water mains.³

In Michigan, the territorial government authorized the City of Detroit in 1827 to pave the streets and sidewalks of the City.⁴ With its initial incorporation in 1815, Detroit had been authorized to erect and maintain drains and sewers and to make regulations necessary for their preservation in addition to sinking wells; erecting pumps; erecting, repairing, and regulating public wharves; and laying out streets, alleys, lanes, highways, water courses, and bridges. Shortly afterward, the territory gave similar power to the villages of Monroe, Ann Arbor, and Ypsilanti. Only Detroit, however, was given the power to defray a portion of the costs of such improvements by special assessment. The 1827 charter of Detroit, which was approved by the territorial government, provided such powers.⁵

Improvements along the Detroit River, including the drainage of lands and filling of lots, were paid for by special assessment of the benefiting property owners. Lotteries never received the popularity enjoyed on the East Coast, but they were used sparingly in Michigan during the 19th century. A 1908 Act provided for a road from Detroit to the rapids of the Miami River to be financed by lottery.

Another financing method used in Michigan was that of “forced labor.” The Michigan Revenue Statute of 1846 required every male person over 21 and under 50 years to provide one day of service on the roads each year. In addition, a specific levy was to be assessed upon the real and personal property of a road district and upon each tract or parcel of land within the district according to the value of that property. The taxpayer could, of course, hire another person to perform his duties for him. The theory of “special benefit” appears to be the basis of this 19th century statute.

¹Laws of New York, 1787.

²Victor Rosewater, Special Assessments - A study in Municipal Finance.

³U.S. Bureau of Census, Financial Statistics of Cities over 30,000: 1919 (Washington, D.C.: Government Printing Office, 1921), p. 63.

⁴Laws of the Territory of Michigan, Vol. I, p. 540.

⁵*Ibid.*, p. 347.

This introduction was taken from a paper written by Patrick H. Hynes, Esq., while in Law School.

Section 2 – Administration

Procedures for Establishing and Administering Special Assessment Districts

FIRST PUBLIC HEARING: ESTABLISHING THE DISTRICT

TOWNSHIPS

Public Act 188 of 1954 provides for the establishment of special assessment districts by township board resolution and/or citizen petition. Depending upon the type of public improvement being made, specific requirements must be met in procuring signatures for the petitions. Some statutes grant a “veto” power to the affected property owners who oppose districts established by board resolution. For example, if more than 20% of the affected property owners file an opposing petition, the township board must procure signatures of at least 50% of the property owners of record within the proposed district in order to proceed. [M.C.L. 41.721, 723]. In either case, a public hearing must be held to explore the decision to create a district, to propose estimates of cost, to discuss or present details of the actual improvement, and, if necessary, to confirm compliance with petition requirements. The primary purpose of the first hearing is to allow property owners the opportunity to voice objections to the creation of the special assessment district.

Preparation of the proposal to be presented at the first hearing should include a preliminary study, plans and cost projections, and notice of the public hearings. A preliminary feasibility study of the improvement should include an informal petition to determine public acceptance. Upon determining feasibility, the township attorney and the engineer should prepare a formal petition for circulation among the property owners subject to the assessment to ensure that sufficient public support is acquired prior to the public hearing.

Plans and cost projections should be prepared by a registered engineer, indicating the location and estimated cost of the improvement. Plans and cost estimates must be made available for public viewing in the clerk’s office [M.C.L. 41.724].

Notice of the public hearings must be given to **all** owners and interested parties of properties to be assessed as mandated by law. [M.C.L. 41.724, 724a, 211.741, “Open Meetings Act,” P.A. 267 of 1976, M.C.L. 15.261.]

The actual proposal presented at the first hearing should include (1) an explanation of the necessity for the improvement, (2) a complete description of the improvement, (3) a map

designating the boundaries of the district, (4) plans and cost projections prepared by a registered engineer, and a sufficiently signed formal petition, if required.

VILLAGES & CITIES

Public Acts 4 and 345 of 1974, respectively, provide for the establishment of special assessment districts by ordinance adopted by council resolution. The ordinance will authorize and define all issues related to both establishing and administering special assessments, including any requirements for public hearings. [M.C.L. 68.1-68.22 and M.C.L. 104A.1-104A.5.]

RESOLUTION AFTER THE FIRST HEARING

If after the first hearing the township board decides to proceed with the special assessment district, it must adopt a resolution [M.C.L. 41.725] which includes the following:

- Description of the public improvement
- Board approval of all the plans and cost estimates either as originally submitted or as amended
- Legal description designating boundaries of the district
- Confirmation of sufficiency of petition, if required
- Dollar amount to be specially assessed and the amount to be charged to other funds, if any
- A directive to the unit's assessing officer to prepare the special assessment roll

AWARDING THE CONTRACT

The township board must decide who will do the construction work for the improvement. If the unit will not be performing the work itself, it should advertise to accept construction bids. All bids should be reviewed by the engineer to verify compliance with the construction specifications. After all accepted bids have been reviewed, the board must approve and award the contract.

SECOND HEARING ON THE SPECIAL ASSESSMENT ROLL AND CONFIRMATION

After the assessing officer has completed and certified the special assessment roll, it must be filed with the clerk's office to be approved by the township board [M.C.L. 41.726]. A second hearing is scheduled and again proper notice must be given according to statutory

requirements [M.C.L. 211.741 et seq., 211.744 et seq., 15.261 et seq., and 41.726]. The purpose of this hearing is to hear objections to the assessments and to correct any errors on the roll. Objections heard include only the issues of whether or not a property was accurately assessed in relation to the benefits received and to the total cost of the project and/or whether procedures to date are valid. The board must maintain a written record of all persons who appear in protest, whether or not they are given an opportunity to be heard, so that a person whose appearance is recorded will be considered to have a valid protest [M.C.L. 211.741].

Confirming the roll is the final step in establishing a special assessment district. This can be done at the second hearing or at a subsequent hearing if the board directs the assessing officer to amend, correct, or revise the roll. The board may also annul the submitted roll and order a new roll to be prepared [M.C.L. 41.726]. The confirmed roll must include the following:

1. A description of the properties to be assessed
2. The name of the owner of record of each property
3. The value of each property
4. The amount of the assessment

After the roll is confirmed by the township board, the clerk must endorse it with the date of confirmation. At this point, all assessments are considered final and binding unless contested in a court of competent jurisdiction within thirty days after the date of confirmation [M.C.L. 41.726].

APPEAL PROCEDURES

TOWNSHIPS

Protests to special assessments are first filed at the second hearing of the township board. If the property owner is not in agreement with the decision of the board after appearing at the second hearing, s/he may file a written appeal with the Michigan Tax Tribunal within thirty days after the roll is confirmed [M.C.L. 211.746].

VILLAGES AND CITIES

Public Acts 4 and 345 of 1974, respectively, provide for the establishment of appeal procedures for special assessments by ordinance adopted by council resolution. Some cities have created special boards or committees to specifically address appeals. Others handle complaints during council meetings.

Section 3 – Theory and Method

The methodology to calculate the benefit in a special assessment district must be applied consistently and uniformly. The only thing that limits the amount of assessment is exceeding the enhancement in value or the benefit to the adjacent or affected property. A basic understanding of how special assessments work is essential.

A special assessment starts with a need. Early on in the development of a city, most special assessments were for water first, then sanitary sewer. In order to develop, you need water and sewer. Major trunk lines and Water Mains are placed throughout the city. These major lines are typically financed by revenue bonds. They serve the city-at-large and future residents. As lateral lines are extended from these trunk lines, special assessments become a way to finance part of the cost of these improvements or infrastructure.

SERVICE DISTRICT

The first step in any special assessment project is to establish the service district when determining the benefit method. The statutory requirements and legal processes actually are established first. These elements will be discussed in a different section of this chapter.

In all special projects a clear understanding of what is being enhanced must be determined. Many improvements are sized to service areas beyond the physical limits of the improvement – a twelve inch water main or a twenty-four inch sewer for instance. The adjacent property only needs an eight inch main to serve the property. The direct benefit or assessment must be based on the cost of an eight inch main; the cost of the oversizing benefits property beyond the physical limits of the improvement. The special assessment district must be limited to the physical limits of the improvements. Only property in the Special Assessment District can receive a direct benefit, an enhancement in value. The balance of the property in the service district receives an indirect benefit which is assessed at-large. The city must pay for the indirect benefit from general funds. When the main is extended, the property that was in the service district has direct benefit and pays an assessment accordingly. In many cases it is easy to establish the service district limits, but it may not always be apparent to the assessor. In these situations an engineering analysis may be required to establish the service district.

ASSESSMENT DISTRICT

Who does the improvement serve and who or what created the need for the improvement? The method of assessment answers the question of who and what is served and who and what created the need. Is a benefit present because the property has access to an outlet, or is a benefit present because the improvement passes along the frontage of the property? Historically special assessments were done on a front foot basis. Now a unit approach is found to be the fairest and most equitable method. In a residential setting, access to a physical outlet is the key. The size (whether 10' or 100') and location (whether front, side, or back) of the main (sewer line) do not affect the enhancement to a single site property. If the property has multiple sites, the enhancement will be increased by the number of sites generally.

Above ground improvements such as paving and sidewalks historically were assessed on a front foot basis. However, today in residential area or subdivisions the unit method may be a more equitable method. As with a water main or sanitary sewer, the paving becomes a conduit. Direct access is a benefit, because it connects the driveway to an existing paved street. The size of the direct access does not increase or decrease the benefit. That is the reason why in residential areas, a corner lot should only be assessed once for paving on the side or front of the lot with driveway access. It is important to recognize that the method used to calculate the benefit that most accurately measures the enhancement may not be perfect. However, the method must be uniformly and consistently applied to every property in the special assessment district.

METHODS OF ASSESSMENT

Hundreds of methods can be used to measure benefit or enhancement. Some common methods are:

1. Front Foot Method
2. Area Basis
3. Unit Benefit
4. Frontage Area Combination
5. Unit Frontage Combination
6. Unit area Combination
7. Scientific Approaches

The most common method is the front foot method.

THE FRONT FOOT METHOD

This method is used in districts that have varying lot widths but the same or similar lot depths. The selection of this method rather than a unit benefit is based on the apparent possibility of future lot splits or divisions. The front foot method may be required by charter or statute for some types of improvements in some governmental agencies.

AREA BASIS

The area basis is based on the physical area of a given lot or parcel within the special assessment district. The benefit may be calculated based on square footage, acreage, or any other common measurement. Typically, a square foot measurement is used. The area basis has its best application in commercial and industrial zoned and used property.

Most commercial and industrial property trades in the market place based on a rate per square foot. The development potential or density of the property is a function of the size of a given site or parcel, i.e., the basis or reasoning that makes the area method an equitable measure of the increased value for non-residential zoned and used property.

When infrastructure is placed in commercial and industrial districts, the value or enhancement can be measured in the increased value per square foot of land. An area assessment may have application in a residential area for storm sewer benefit based on run-off area; however, in a contemporary subdivision the unit benefit would probably be more equitable.

UNIT BENEFIT

The unit benefit recognizes design concepts in contemporary subdivision layouts and does not penalize a lot owner with a larger curvilinear frontage lot. This method is based on the criteria that every lot in the district is a single home site.

FRONTAGE AREA COMBINATION

This method was developed to use in districts with major variances in frontage, primarily in lot depths. The size of property within the district ranges in size from a 1 acre home site to a 40 acre parcel. The object of this method is to reflect benefit based on the current use of the property and the benefit to the undeveloped acreage while maintaining a uniform application. The cost can be divided 50% on frontage and 50% on area or that proportion of cost that measures the benefit to the rear acreage that can be supported in the market place.

Combinations of frontage, unit, and area can be developed based on the desired result; however, the desired result is the actual benefit or enhancement in value that can be demonstrated based on before and after sales. A contested special assessment in court or in front of the Tax Tribunal must be defended based on independent before and after appraisals.

METHOD OF ASSESSMENT

A combination of frontage and area methods of assessing is a practical one that leads to a more equitable solution in the spreading of the assessable cost. This is especially true when assessing large residential areas with variable size parcels.

OBJECTIVE

The objective of employing a particular method of assessment is to determine as realistically as possible what this type of improvement would cost in a typical residential district. To accomplish this objective, develop an equitable assessment on the frontage property to a depth of 200 feet using both frontage and area. Then spread the remainder of the cost on an area basis to reflect the enhancement to the developable rear acreage.

UNIFORMITY

Uniformity is established by the fact that all property has the same front foot rate and the same square foot rate. However, when you compare total assessment to frontage for individual parcels, the developed rates on frontage alone are different obviously because of the great difference in the parcel depths. This is exactly the way it should be and clearly shows why the frontage approach in this type of area is unfair. It is apparent that two parcels having the same frontage, one being 200 feet deep, will have less enhancement than a parcel 1,320 feet deep.

SCIENTIFIC APPROACHES

A scientific approach is a method based on some scientific fact or engineering data. As you can see in a few pages in Case Study #4, Troy Meadows Berm was developed based on how sound diminishes with distance. If a project such as a berm is built to reduce sound levels, the characteristics of sounds were used in the measurement of the benefit. Loud noise sounds half as loud at 400 feet from the source than 100 feet. If the sound is reduced by half, the benefit at 400 feet should also be reduced by half. That was the theory and the project had very little objections.

In Case Study #5, the cost of Rochester Court Paving was spread approximately 50% based on frontage and area due to varying lot depths, and 50% based on trip distance. This method was developed based on usage determined by traffic studies. Most of the traffic on Rochester Court, a cul-de-sac street, was from three major properties: the Holiday Inn at the end of the street, the Red Roof Inn, and the Royal Coachman (a 400 unit apartment complex). The average daily trips to these three properties was multiplied by the distance traveled on Rochester Court to get the total trip distance. The cost was then spread based on the percentage of each property. As a result, the three major properties paid 73% of the assessable cost and did not object.

The following types of improvements can be special assessed: sanitary sewer, water mains, paving and storm drains, curb and gutter, sidewalks, street lights, berms and screen walls, sea walls, parking lots, parking structure, maintenance for parking structure, landscaping lake, improvements, dust control, and tree spraying.

GENERAL DISCUSSION

Ideally, to measure benefit for an individual property would require a before and after appraisal to be done on each property within a special assessment district. This is not feasible since it is cost prohibitive. A before appraisal is an appraisal valuing a property before the improvement is placed. The after appraisal is an appraisal valuing the same property after the improvement is in place. The method of assessment is estimating the difference between the before and after appraisals.

Benefit or enhancement is estimated based on the use of the land as if it were vacant. For this reason the benefit can be present or future. Generally the legal use, as opposed to the highest and best use, would be used for special assessment purposes unless re-zoning was in the master plan for the unit or city.

Most special assessments are initiated by petition. A petition is simply a request from a group of people who want an improvement such as a paved street. Public input and public reaction is important to the unit of government. An informal meeting may be held to inform residents of the pending project and to explain the project, method of assessment, and time schedule of the work. The more understanding and support for a project, the easier it is for the unit. If a petition analysis is required, and one should be done, it must be done on the same basis as the method of assessment. In other words, if a frontage method is used for the assessment, the petition analysis must be based on frontage as well.

Everyone will not agree. Someone may object to the project or the method of the project, or someone may take issue and object to the assessment. You may end up in court, so a benefit analysis of some sort is a good idea. A benefit analysis can be as simple as two or three sales of property with and without the improvement. If it is a multi-million dollar project, a detailed benefit analysis is a better idea. A detailed analysis is a form of appraisal outlining before and after sales – a form of narrative supporting the special assessment cost and method.

CORNER LOTS

Some discussion of corner lots is needed to further the understanding of benefit. Various theories and policies have been written regarding corner lots. Many communities write policies for various types of improvements, and they are usually different. The only policy that always works is looking at each project as new and different; the assessment method must be fitted to the property affected that measures the enhancement in value.

A corner lot should be treated the same as any other lot in a given district. Somewhere, someone said that corner lots are better, more valuable, etc. Corner lots may have some advantages to some people, but a corner lot may be a detriment in some special assessment situations. Will a corner lot have a side yard benefit, is there excess land, is there an additional site? A large corner lot that has additional sites will have additional benefits.

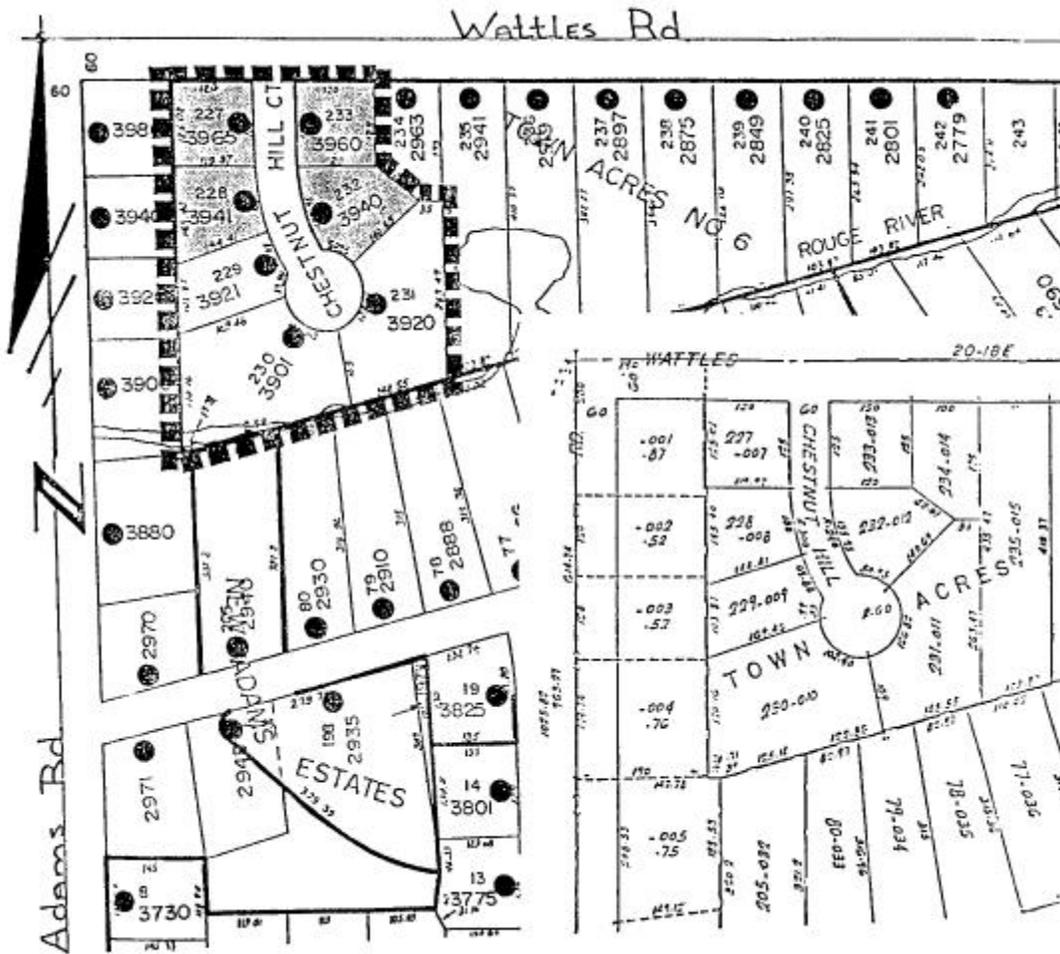
A corner lot has two and one half times more sidewalk than an interior lot and two and one half times more curb and gutter than an interior lot. In a residential setting, a sidewalk benefits a corner lot virtually the same as an interior lot; it may cost two and one half times more for the sidewalk, but the benefit is about the same or at least closer to being the same than two and one half times more than for other lots.

Consider the curb and gutter. If the project were designed with curb appeal and presentation in mind, a different approach may be considered than if it were designed only for storm sewer. The policy that always works is to treat no two properties the same; the assessment method must be designed to measure the benefit and the value enhancement based on the improvement and function or purpose of the improvement. Two similar improvements may have different purposes and, therefore, warrant different methods of assessment.

CASE STUDY #1

The Unit Benefit For Paving

This project was a small project to pave Chestnut Hill Ct. in the City of Troy. This project only included 7 lots in a small court that extends south off of Wattles Road (17 mile) at Adams. This district is an example of the application of a unit benefit. As you can see from the sketch all seven lots are a different size and have varying frontages; lot 228 has 100 feet of frontage, and lot 232 has 187 feet along two curves. As indicated earlier in this section regarding benefit, the unit method measures an equal benefit to each home site. The benefit or enhancement for a paved street is not measured by the length of the street that touches a given lot; the benefit is measured based on the paved surface from the driveway to the existing connecting paved road system. The distance traveled or the fact that this street is a cul-de-sac will be discussed in a later section.



CASE STUDY #2

Front Foot Approach

This special assessment district was for sanitary sewer on Hartland Street. The district extended west of Rochester Road to just east of Kilmer Street. The method of assessment was a straight frontage approach. The total assessable frontage was 4,666.08 feet. The total estimated cost was \$137,159.00 dollars. The benefit per front foot equaled \$29.39 ($137,159 / 4,666.08$).

The property owners petitioned for this improvement. The results of the petition indicated that owners of 2,868.37 feet of assessable frontage were in favor or 61.47% of the assessable frontage. The lot sizes ranged from 70 feet to 462 feet of frontage; however, most of the lots have 90 feet to 150 feet of frontage. The zoning in this area allows for 60 foot lots and, due to the house location and the varying lot widths, it was impossible to know how future lot splits may occur. For this reason a frontage method was selected.

CASE STUDY #3

Frontage and Area Combination

This project was for concrete curbs, storm sewers, and resurfacing on Barrett Street. Barrett Street is an industrial area on the north side of Maple between Livernois and Crooks. The parcels were very irregular. On one side of the street parcels were several hundred feet deep; on the other only 165 feet deep. It was apparent that some form of frontage area combination was going to be required due to the depth of the parcels on the west side of the street. Normally in an industrial area a straight area assessment method would be satisfactory. The fact that a new curb was part of this project suggested a frontage benefit simply due to curb appeal or the presentation of the property by eliminating the open ditches. For these reasons 66% of the cost was assessed based on the area, and 33% of the cost was assessed to the frontage. This division of cost was expected to generate the benefit needed to the rear portion of the deep parcels on the west side of the street.

Sec. 28
Project 87.208.1

11-23-87

Resolution #4 - Barrett Street
Concrete Curb and Gutter, Resurfacing and Storm Sewer
Resolution #4 - Barrett Street Concrete Curb & Gutter,
Resurfacing and Storm Sewer - Section 28 - Project 87.208.1

B-1
11-23-87

(Cost Assessed 2/3 to Frontage and 1/3 to Area)

Resolution #87-1368

Moved By: Liebrecht

Supported By: Stine

RESOLVED, that Standard Resolution #4 be hereby adopted to confirm the roll for the installation of paving and storm sewer, Barrett Street, in Section 28, all pursuant to Chapter 5 of the Code of the City of Troy, as follows:

Total Estimated Cost:	\$272,000
Assessment:	206,649
City's Share:	65,351
Frontage Assessment (66.6%):	2,231.53 @ \$64.5297/front foot
Area Assessment (33.3%):	796,297 @ \$0.0904/square foot
Number of Installments:	15
Payable:	January 1, 1989

Yes: Liebrecht, Stine

No: Doyle, Husk, Pallotta, Schilling, Taucher

Motion FAILED

BARRETT STREET PAVING - CONTINUED B-1

(Cost Assessed 1/3 to frontage and 2/3 to area)

Resolution #87-1369

11-16-87

Moved By: Pallotta

Supported By: Husk

RESOLVED, that Standard Resolution #4 be hereby adopted to confirm the roll for the installation of paving and storm sewer, Barrett Street, in Section 28, all pursuant to Chapter 5 of the Code of the City of Troy, as follows:

Total Estimated Cost:	\$272,000
Assessment:	206,649
City's Share:	65,351
Frontage Assessment (33%):	2,231.53 @ \$32.26/front foot
Area Assessment (33.3%):	796,297 @ \$0.1808/square foot
Number of Installments:	15
Payable:	January 1, 1989

Yes: Doyle, Husk, Pallotta, Schilling, Taucher

No: Liebrecht, Stine

CASE STUDY #4

Troy Meadows Berm

This 1972 project was a very interesting project and likely one of a kind. This special assessment district was for an earth berm along I-75 and the Troy Meadows subdivision. The total project cost was \$41,700.00, all of which was to be assessed to the adjacent subdivision or a portion of the lots closest to the berm.

The service district and the special district were the same. The district included all of the lots in Troy Meadows west of Lawson Drive. Lawson Drive was a logical and existing physical barrier and was approximately 700 feet from the proposed berm.

The method of assessment was coined as an increasing unit method. The basis of the method was determined based on the fact that sound at a distance of 400 feet is half of what it is at 100 feet. A 10 decibel drop in sound level reduces loudness by 50% for most people.

Five units of benefit were calculated; the first level, the farthest from the berm, was \$203.41 and the fifth level, the highest level next to the berm, was \$1,017.07. The total number of assessable lots was 65. The mathematical calculations were as follows:

Level	5	4	3	2	1		
	x	x	x	x	x		
# of Lots	16	15	10	11	13	=65	
	=	=	=	=	=		
	80+60+30+22+13=205					Total Weight	$\$41,700.00 / 205 = \$203.41 = \text{level cost}$

$\$41,700.00 = \text{Total Project Cost}$	$\text{level cost} \times \text{level \#} = \text{Benefit Cost}$
	Ex. $\$203.41 \times 2 = \406.83

Level	5	4	3	2	1
Benefit Cost	\$1,017.07	\$813.66	\$610.24	\$406.83	\$203.41

Level 5	16	x	\$1,017.07	=	\$16,273.12	or	39%
Level 1	13	x	\$ 203.41	=	\$ 2,644.33	or	6%

It is interesting to note that level 5 lots (16), closest to the berm, paid 39% of the total cost while level 1 lots (13), farthest away from the berm, paid only 6% of the total project cost.

CASE STUDY #5

Rochester Court Paving Benefit Method

The Benefit Method for this project was based on several factors. The first goal was to develop a typical residential benefit of \$1,200, more or less, for the small lots. Secondly, it was important to develop a benefit for the deeper residential lots that would reflect their potential future use. That is why a frontage area combination was selected. Some form of area basis would have been used regardless due to the varying lot depths. Based on these criteria, \$9.00 per front foot was assigned and \$.05 per s.f., making the assessments for the smaller lots \$1,181.25 to \$1,108.60. The larger residential lots (90 x 525) were \$3,112.87. The small office and commercial properties were being equally assessed with the residential properties. This caused some concern, and for this reason, a reduction of the residential zoned property from \$9.00 per front foot to \$7.00 per front foot was justified. This method was then applied uniformly throughout the district. The total cost for this project was \$127,000; the assessable cost was \$105,572.80; and the frontage and area cost was \$53,577.24. The balance of the cost, \$51,995.56, was assessed to the three major properties: Holiday Inn, Royal Coachman, and the Red Roof Inn based on a trip distance basis. (The trip distance benefit was developed based on the percentage of the total trips and distance traveled on the new pavement for each of the major properties.)

Trip Distance Calculations

	Trips/day		Distance	=	Trip-Dist.	%	Cost
Holiday Inn	954	x	950	=	906,300	35.84	\$18,635.21
Royal Coach	2736	x	300	=	820,800	32.46	\$16,877.76
Red Roof Inn	2291	x	350	=	801,850	31.70	<u>\$16,482.59</u>
Total					2,528,950	100.00	\$51,995.56

Rochester Court Paving
S.A.D. 74.102.1

Par. #	F.F.	Area	F.F. Cost	Area Cost	Total	Note
27-276-004	153.31	35,378	1,379.79	1,768.90	3148.69	
27-276-005	76.18	41,342	533.26	2,067.10	2,600.36	Res.
27-276-006	78.50	40,759	549.50	2,037.95	2,587.45	Res.
27-276-007	90.58	45,953	634.06	2,297.65	2,931.71	Res.
27-276-008	73.42	35,961	513.94	1,798.05	2,311.99	Res.
27-276-011	191.88	165,336	1,726.92	8,266.80	9,993.72	H.I.
Trip Distance Benefit 35.84% of \$51,995.56				0	18,635.21	
				0	26,628.93	
27-251-006	175.32	81,269	1,577.88	4,063.45	5,641.33	R.C.
Trip Distance Benefit 32.46% of \$51,995.56				0	16,877.76	
				0	22,519.09	
27-279-004	145	17,110	1,305	855.50	2,160.50	
27-279-005			0	0	0	
27-279-006			0	0	0	
27-279-007	0	36,480	0	1,824	1,824	
27-279-008			0	0	0	
27-279-011			0	0	0	
27-279-012			0	0	0	
27-279-013			0	0	0	
27-279-014			0	0	0	
27-279-023	136.20	16,072	1,225.80	803.60	2,029.40	
27-279-024	310.70	140,117	2,796.30	7,005.85	9,802.15	R.R.I.
Trip Distance Benefit 31.70% of \$51,995.56				0	16,482.59	
				0	26,284.74	
27-279-025	0	23,000	0	1,150	1,150	
27-401-023	58	13,185	406	659.25	1,065.25	Res.
27-401-024	58	12,460	406	623	1,029	Res.
27-401-025	58	11,732	406	586.60	992.60	Res.
27-401-023	58	11,006	406	550.30	956.30	Res.
27-426-001	50	6,064	350	303.20	653.20	Res.
27-426-003	0	12,082	0	604.10	604.10	
27-426-004			0	0	0	
27-426-005			0	0	0	
27-426-010	0	8,640	0	432	432	
27-426-011	0	6,000	0	300	300	
27-426-002	60.02	4,904	420.14	245.20	665.34	Res.
27-427-001	52.90	6,557	370.30	327.85	698.15	Res.
Totals	1,826.01	771,407	15,006.89	38,570.35	\$105,572.80	

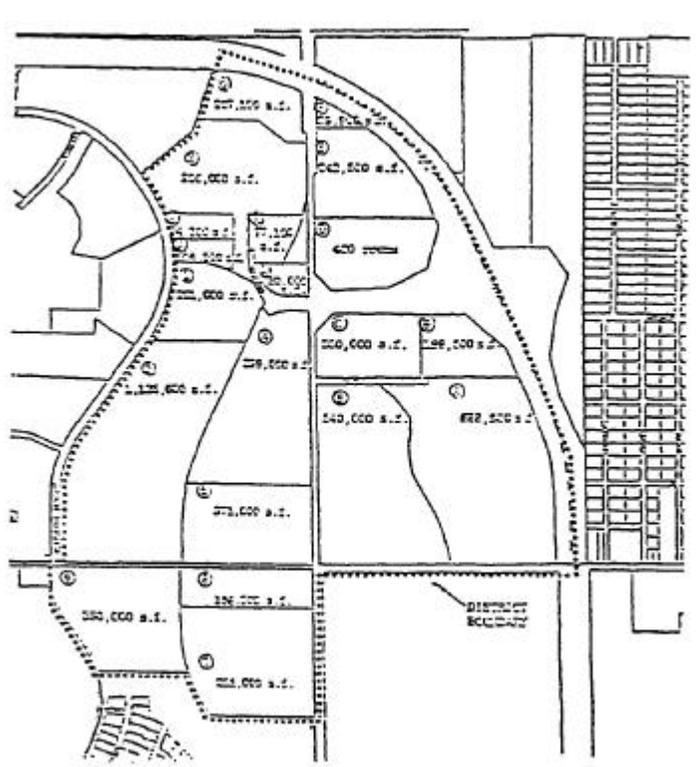
Total Assessment	\$105,572.80
Frontage Area Cost	53,577.24
Trip Distance Benefit	51,995.56
City Share	21,427.20
Project Cost	\$127,000.00

CASE STUDY #6

Area Method

This project was assessed based on area only. The Northfield Hills special assessment district was a unique undertaking. This project cost \$11,769,800 and included a four lane boulevard, street lights, sidewalks, storm drains, and landscaping. The city share or at-large benefit was \$2,773,000. The at-large benefit was based on the cost of a two-lane pavement on Crooks and Long Lake. This project area was zoned for office use with two hotels within the boundaries of the district. An interesting nuance was established in this project: several of the developments already in Northfield had invested approximately \$800,000 for infrastructure, mostly for paving and storm sewers. These improvements were depreciated for age and added back into the project cost. The credit was given to the several properties, so in effect they got their investment back.

This area supports a potential for 5,000,000 square feet of office space and 650 hotel rooms. The density potential is what determines the value of the land and the area of a parcel determines the density; therefore, benefit must be measured based on area. The total assessable area in the district was 396.27 acres or a benefit per acre of \$24,147.51 dollars or about \$.55 per square foot.



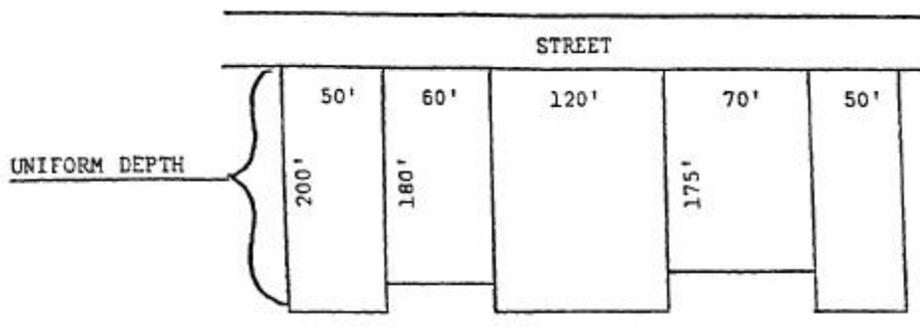
NORTHFIELD HILLS S.A.D.

OWNER'S NAME	SIDWELL NUMBER	NET AREA	BASE COST	CREDITS	ASSESSABLE COST
Excello	08-227-001	10.97	\$ 260,551.63	-----	\$ 260,551.63
Excello	08-228-001	20.00	482,950.19	48,075	434,875.19
Lucas	08-276-002	6.16	148,748.66	40,015	108,733.66
Bellemead	08-276-003	8.08	195,111.88	19,745	175,366.88
Grand	08-451-002	58.93	1,423,012.74	-----	1,423,012.74
Bellemead	08-476-007	7.39	178,450.10	-----	160,422.10
Bellemead	08-476-009	8.88	214,429.86	-----	168,733.86
Bellemead	08-476-011	14.26	344,343.49	-----	344,343.49
Bellemead	08-476-012	27.68	668,403.07	-----	688,403.07
Kelly	08-477-001	24.60	594,028.74	-----	594,028.74
Hayman Co.	09-151-003	10.98	265,139.66	-----	245,356.66
Hilton	09-151-004	17.43	420,891.09	-----	389,478.09
MCL Partn.	09-151-005	2.25	54,331.90	-----	54,331.90
Hayman Co.	09-151-006	6.76	163,237.17	12,177	151,060.17
NBD	09-301-003	15.37	371,147.22	27,707	343,440.22
Bellemead	09-301-007	11.68	282,042.91	43,413.25	238,629.66
Beacon	09-301-009	9.59	231,574.62	-----	231,574.62
Bellemead	09-301-008	73.43	1,773,151.63	266,681.40	1,506,470.23
Hagelstein	17-200-002	1.48	35,738.31	-----	35,738.31
Dirco	17-200-004	2.65	63,990.90	-----	63,990.90
Detroit Bank	17-200-005	1.79	43,224.04	-----	43,224.04
Select Group	17-200-006	1.55	37,428.64	-----	37,428.64
Biltmore	17-200-018	21.80	526,415.72	-----	526,415.72
Bellemead	17-200-019	<u>30.70</u>	<u>741,328.56</u>	<u>-----</u>	<u>741,328.56</u>
TOTAL		396.27	\$9,568,933.65	\$572,733.65	\$8,996,200.00

Total Assessable Cost	=	\$8,996,200.00	
Credits for Private Proj.	=	572,733.65	
Base Cost	=	9,568,933.65	or 24,147.5096525/AC
City Share	=	2,773,000.00	
Total Project Cost	=	11,769,200.00	“Not include R.O.W.”

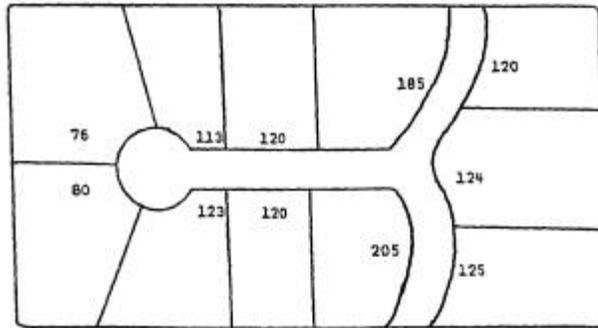
Front Foot Method

This approach is used in districts having varying lot widths and similar lot depths. The selection of this method rather than unit is based on the apparent possibility of future lot division.



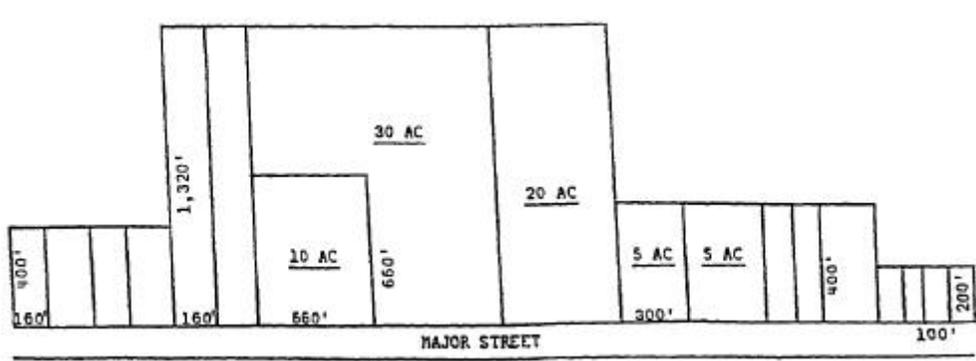
Unit Benefit Method

A unit benefit recognizes design concepts in modern subdivision layout and will not penalize a lot owner with a larger curvilinear frontage lot. This method is based on the criteria that every lot in the district is a single home site.



Frontage and Area Combination

This method was developed to use in areas with major variances in frontage and primarily lot depths. The size of property within this district will vary from a 1-acre home site to a 40-acre parcel. The objective in this method is to reflect benefit based on current usage of the property and develop a benefit to the rear acreage while maintaining a uniform technique.



Section 4 – A Complete Special Assessment Project

MUNICIPAL PARKING MAINTENANCE

INTRODUCTION

The City of XYZ has two municipal parking lots located in its west downtown business district. The businesses located within the business district do not have sufficient on-site parking, so business patrons must use the municipal parking. The Department of Public Works maintains the parking lots. The parking lots are not metered and do not generate any money to offset the parking related expenses.

To recuperate some of the maintenance costs, the City Council has determined a special assessment district be established. Section 15.10 of the City Charter permits the City Council to levy a special assessment against any parcel of land in order to recover the cost of providing any city service. The Council is not permitted to make the assessments unless the affected taxpayers have been notified in accordance with law.

It was determined that the costs to be spread among businesses include catch basin cleaning, sweeping, pothole repair, snow removal, and salting of the lots. Other costs include lot stripping and parking lot lighting.

The special assessment for each benefiting property would take into consideration the building square footage, use of the building, number of on-site parking spaces, and distance from the municipal parking lots.

THE ANATOMY OF A SPECIAL ASSESSMENT DISTRICT

1. Assessor determines the boundaries of the properties which receive benefit for the service and/or improvement.
2. Cost estimates are determined.
3. City Council sets the date and time of the public hearing for the establishment of the district.

4. City is required to publish notice of the public hearing and notify affected property owners by mail at least 15 days prior to hearing. Notice must state the purpose of the public hearing and the legal description of the proposed district.
5. Public hearing is held to hear objections to the proposed service/improvement. Council resolution creating the district is adopted.
6. Assessor prepares and certifies proposed special assessment roll.
7. City Council sets the date and time of the public hearing for the confirmation of the special assessment roll.
8. City is required to publish notice of the public hearing and notify affected property owners by mail at least 15 days prior to hearing. Notice must state the purpose of the public hearing and the legal description of the affected properties.
9. Proposed special assessment roll is available in clerk's office for public inspection.
10. Public hearing is held to hear objections to the proposed special assessment roll. Council resolution creating the district is adopted.
11. Property owner may file an appeal within 30 days with the Michigan Tax Tribunal if objection was filed at the public hearing.

1996 ANNUAL MAINTENANCE COST - GARRISON PARKING LOTS

Prepared by City of XYZ Department of Public Works

CATCH BASIN CLEANING

1	Vactor w/radio	\$63.76/hr x 6 hrs	\$382.56	
1	Truck Driver	\$13.82/hr x 6 hrs	\$82.92	
1	Equip Operator I	\$14.44/hr x 6 hrs	\$86.64	
	Fringe Benefits	92.9% of labor	\$157.52	
		ANNUAL COST		\$709.64

SALTING OF PARKING LOT

1	Dump Truck	\$17.58/hr x 2 hrs	\$35.16	
1	Truck Driver	\$13.82/hr x 2 hrs	\$27.10	
8	Tons of Salt	\$30.03/tons x 8 tons	\$240.24	
	Fringe Benefits	92.9% of labor	\$25.18	
		COST PER SALTING	\$327.68	
		AVERAGE 10 TIMES PER YEAR		\$3,276.80

SNOW PLOWING OF PARKING LOT

	(By contractor)	Per Push	\$2,354.43	
		AVERAGE 4 TIMES PER YEAR		\$9,417.72

SNOW REMOVAL FROM PARKING LOT

1	Grader	\$57.46/hr x 8 hrs	\$459.68	
1	Loader	\$27.06/hr x 8 hrs	\$216.48	
5	Dump Trucks	\$17.58/hr x 8 hrs	\$703.20	
1	Equip Operator II	\$15.16/hr x 8 hrs	\$121.28	
1	Equip Operator I	\$14.44/hr x 8 hrs	\$115.52	
5	Truck Drivers	\$13.82/hr x 8 hrs	\$552.80	
	Fringe Benefits	92.9% of labor	\$733.54	
		COST PER REMOVAL	\$2,902.50	
		AVERAGE 2 TIMES PER YEAR		\$5,805.00

SWEEPING AND FLUSHING OF PARKING LOT

2	Sweeper	\$61.94/hr x 2 hrs	\$247.76	
1	Flusher	\$21.84/hr x 2 hrs	\$43.68	
3	Equip Operator I	\$14.44/hr x 2 hrs	\$86.66	
2	Loads Water	\$3.00 per load	\$6.00	
	Fringe Benefits	92.9% of labor	\$80.51	
		COST PER CLEANING	\$464.61	
		CLEANED AN AVERAGE OF 36 TIMES PER YEAR		\$16,725.96

PATCHING REPAIRS

1	Dump Truck	\$17.58/hr x 16 hrs	\$281.28	
1	Truck Driver	\$13.82/hr x 16 hrs	\$221.12	
1	Driver Laborer	\$13.82/hr x 16 hrs	\$221.12	
1	Ton Cold Patch	\$36.00/Ton	\$36.00	
	Fringe Benefits	92.9% of labor	\$410.84	
		ANNUAL COST		\$1,170.36

PAINT STRIPING OF LOTS

	19,157 lineal feet x \$0.04/lineal feet	\$766.28	
	7 Handicap Symbols x \$6.38 each	\$44.66	
		COST PER STRIPING	\$810.94
		LOTS STRIPING EVERY 2 YEARS (COST PER YEAR)	\$405.47

STREET LIGHTING (CITY OWNED)

\$9,424.80

TOTAL GARRISON PARKING MAINTENANCE COSTS

\$46,935.75

1996 ANNUAL MAINTENANCE COST - NEWMAN PARKING LOTS

Prepared by City of XYZ Department of Public Works

CATCH BASIN CLEANING

1	Vactor w/radio	\$63.76/hr x 3 hrs	\$191.28	
1	Truck Driver	\$13.82/hr x 3 hrs	\$41.46	
1	Equip Operator I	\$14.44/hr x 3 hrs	\$43.32	
	Fringe Benefits	92.9% of labor	\$78.76	
		ANNUAL COST		\$354.82

SALTING OF PARKING LOT

1	Dump Truck	\$17.58/hr x 1.25 hrs	\$21.98	
1	Truck Driver	\$13.82/hr x 1.25 hrs	\$17.28	
10	Tons of Salt	\$30.03/tons x 5 tons	\$150.15	
	Fringe Benefits	92.9% of labor	\$16.05	
		COST PER SALTING	\$205.46	
		AVERAGE 10 TIMES PER YEAR		\$2,054.60

SNOW PLOWING OF PARKING LOT

	(By contractor)	Per Push	\$1,154.13	
		AVERAGE 4 TIMES PER YEAR		\$4,616.52

SNOW REMOVAL FROM PARKING LOT

1	Grader	\$57.46/hr x 4.5 hrs	\$258.57	
1	Loader	\$27.06/hr x 4.5 hrs	\$121.77	
5	Dump Trucks	\$17.58/hr x 4.5 hrs	\$395.55	
1	Equip Operator II	\$15.16/hr x 4.5 hrs	\$68.22	
1	Equip Operator I	\$14.44/hr x 4.5 hrs	\$64.98	
5	Truck Drivers	\$13.82/hr x 4.5 hrs	\$310.95	
	Fringe Benefits	92.9% of labor	\$444.15	
		COST PER REMOVAL	\$1,664.19	
		AVERAGE 2 TIMES PER YEAR		\$3,328.38

SWEEPING AND FLUSHING OF PARKING LOT

2	Sweeper	\$61.94/hr x 1 hr	\$123.88	
1	Flusher	\$21.84/hr x 1 hr	\$21.84	
3	Equip Operator I	\$14.44/hr x 1 hr	\$43.32	
3	Loads Water	\$3.00 per load	\$9.00	
	Fringe Benefits	92.9% of labor	\$40.24	
		COST PER CLEANING	\$238.28	
		CLEANED AN AVERAGE OF 36 TIMES PER YEAR		\$8,578.08

PATCHING REPAIRS

1	Dump Truck	\$17.58/hr x 8 hrs	\$140.64	
1	Truck Driver	\$13.82/hr x 8 hrs	\$110.56	
1	Driver Laborer	\$13.82/hr x 8 hrs	\$110.56	
1	Ton Cold Patch	\$36.00/Ton	\$36.00	
	Fringe Benefits	92.9% of labor	\$205.42	
		ANNUAL COST		\$603.18

PAINT STRIPING OF LOTS

	11,079 lineal feet x \$0.04/lineal feet	\$443.16	
	5 Handicap Symbols x \$6.38 each	\$31.90	
		COST PER STRIPING	\$475.06
		LOTS STRIPING EVERY 2 YEARS (COST PER YEAR)	\$237.53

STREET LIGHTING (CITY OWNED)

\$18,625.20

TOTAL NEWMAN PARKING MAINTENANCE COSTS

\$38,398.31

TOTAL GARRISON PARKING MAINTENANCE COSTS

\$46,935.75

TOTAL NEWMAN PARKING MAINTENANCE COSTS

\$38,398.31

TOTAL WEST XYZ PARKING MAINTENANCE COSTS

\$85,334.06

**RESOLUTION FOR SETTING DATE AND TIME OF
PUBLIC HEARING TO ESTABLISH DISTRICT**

RESOLUTION

Offered by: _____ Supported by: _____

WHEREAS: The Department of Assessment has requested a public hearing for the creation of Special Assessment District No. 815 for the public purpose of maintaining city-owned parking lots in the West XYZ business district for a one-year period; therefore be it

RESOLVED: That the City Council shall hold a public hearing on Tuesday, May 14, 1996 in the Council Chambers, City Hall, City of XYZ at 8:15 p.m., or as soon thereafter as the Council order or business will permit, to create Special Assessment District No. 815 for the public purpose of maintaining city-owned parking lots in the West XYZ business district for a one-year period; be it further

RESOLVED: That the City Clerk is hereby authorized and directed to publish a copy of the following "Notice of Hearing" in the official newspaper for the City of XYZ as follows:

NOTICE OF HEARING

CREATION OF SPECIAL ASSESSMENT DISTRICT No. 815
(City-Owned Parking Lots - West XYZ Business District)

The XYZ City Council will hold a public hearing at a special meeting on Tuesday, May 14, 1996 at 8:15 p.m. in the Council Chambers of the XYZ City Hall, (ADDRESS), for the creation of Special Assessment District No. 815. The public purpose is for maintaining city-owned parking lots in the West XYZ business district for a one-year period

The legal description of the properties to be included in the proposed Special Assessment District is as follows:

(LIST ALL LEGAL DESCRIPTIONS WITHIN BOUNDARIES)

A notice will be sent to the owner of each business property located within the proposed district by mail at least 15 days prior to the public hearing. Any persons having objections to the creation of the special assessment district must either attend the hearing or file their objections in writing with the City Clerk prior to the hearing date.

Individuals with disabilities who require special accommodations, auxiliary aids or services to attend or participate in this meeting should contact the City Clerk at (PHONE #) or the TDD at (PHONE #). Reasonable advance notice is required.

CLERK'S NAME
City Clerk

be it further

RESOLVED: That to insure the timely implementation of the provisions of this resolution, it is hereby given immediate effect.

***RESOLUTION FOR ESTABLISHING THE SPECIAL
ASSESSMENT DISTRICT***

RESOLUTION

Offered by: _____ Supported by: _____

WHEREAS: A special meeting of the City Council was held on May 14, 1996 to hold a public hearing for the creation of Special Assessment District No. 815; and

WHEREAS: The Department of Assessment requested the creation of Special Assessment District No. 815 for the public purpose of maintaining city-owned parking lots in the West XYZ business district for a one-year period; and

WHEREAS: The properties to be included in Special Assessment District No. 815 are as follows:

(LIST ALL LEGAL DESCRIPTIONS WITHIN BOUNDARIES)

Therefore be it

RESOLVED: That the City Council establish Special Assessment District No. 815, for the public purpose of maintaining city-owned parking lots in the West XYZ business district for a one-year period; be it further

RESOLVED: That to ensure the timely implementation of the provisions of this resolution, it is hereby given immediate effect.

DETERMINING THE SPECIAL ASSESSMENT ROLL

SPECIAL ASSESSMENT ROLL NO. 815

METHODOLOGY

The special assessments for public parking lot maintenance were made on a pro rata basis according to the benefit to be derived by the affected property owners within Special Assessment District No. 815.

The methodology reflects the building size, type of use, credit for on-site parking, and a distance from parking factor.

STEP 1 – Active Building Area: The formula to determine the active building area is as follows:

$$\text{Gross Building Area} \times 80\% \times \text{Use Factor} = \text{Active Building Area}$$

The gross building area is multiplied by 80% to adjust for stairwells, storage area, employee bathrooms, etc. This 80% is used to stay consistent with Building and safety's calculations for parking requirements.

Use factors were determined by grouping similar types of uses. The zoning ordinance's parking requirements were used as a guideline to help determine the groupings. It is necessary to make an adjustment to reflect the use of the property on the parking.

The following are the grouping of types of uses:

<u>5.00 Use</u> Cabaret	<u>1.50 Use</u> Arcades Supermarkets Dance Halls	<u>1.00 Use</u> General Offices Retail Stores Medical Offices	<u>0.75 Use</u> Multi-Family Housing Private Clubs Public Utility Use
<u>2.00 Use</u> Restaurants Bars	Health Spas Fitness Centers Beauty Schools Dining Halls Exhibition Halls Pool Rooms	Manufacturing Senior Apartments Hotels/Motels Service Stations Housing for Elderly Banks & Financial Institutions	Furniture Stores Assembly Halls Lodges
<u>1.25 Use</u> Shopping Centers		Museums, Library, & Cultural Centers Beauty or Barber Shops Dry Cleaning Pick-Up Stations	

STEP 2 – Parking Credit: The property is credited for the private parking which will not exceed the active building area. After the private parking credit is deducted from the active building area, the result is called the net building area. The formula to arrive at the net effective building area is as follows:

$$\text{Active Building Area} - (\text{No. of Private Parking Spaces} \times 200 \text{ SF}) = \text{Net Building Area}$$

(The typical size of a parking space is 10 x 20 feet.)

STEP 3 – Distance Factor: All properties are not immediately adjacent to the public parking. Therefore, an adjustment (Distance Factor) must be applied to the net building area. The following Distance Factors were used to adjust for proximity:

0 Feet - 150 Feet	100%
151 Feet - 200 Feet	90%
201 Feet - 250 Feet	80%
251 Feet - 300 Feet	70%
Over 301 Feet	60%

The distances were measured from the closest points of the property line to the municipal parking. Multiplying the net building area by distance factor results in an effective building area.

STEP 4 – Effective Net Building Area: The effective net building area is determined by multiplying the Net Building Area by the distance factor.

$$\text{Net Building Area} \times \text{Distance Factor} = \text{Effective Net Building Area}$$

STEP 5 – Special Assessment District (SAD) Charge: To determine the individual SAD Charge, the effective net building area of the property is divided by the total effective net building area of the district and then multiplied by the total SAD costs.

$$\frac{\text{Effective Net Building Area}}{\text{Total Effective Net Building Area of District}} \times \text{Total SAD Costs} = \text{SAD Charge}$$

Recap of Special Assessment Roll No. 815

Gross Bldg. Area x 80% x Use Factor = Active Bldg. Area

Active Bldg. Area – (No. of On-Site Parking Spaces x 200 SF) = Net Bldg. Area

Net Building Area x Distance Factor = Effective Net Building Area

$\frac{\text{Effective Net Building Area}}{\text{Total Effective Net Building Area of District}} \times \text{Total SAD Costs} = \text{SAD Charge}$

Example: A restaurant has 7,300 square feet of gross building area. The building is located within 150 feet of a municipal parking lot. The restaurant has 31 on-site parking spaces. The Total Effective Net Building Area is 437,641 square feet and the total SAD costs are \$84,223.76.

Gross Bldg. Area x 80% x Use Factor = Active Bldg. Area

$$7,300 \text{ SF} \times 80\% \times 2.00 = 11,690 \text{ SF}$$

Active Bldg. Area – (No. of On-Site Parking Spaces x 200 SF) = Net Bldg. Area

$$11,690 \text{ SF} - (31 \text{ Spaces} \times 200 \text{ SF}) = 5,490 \text{ SF}$$

Net Building Area x Distance Factor = Effective Net Building Area

$$5,490 \text{ SF} \times 1.00 = 5,490 \text{ SF}$$

$\frac{\text{Effective Net Building Area}}{\text{Total Effective Net Building Area of District}} \times \text{Total SAD Costs} = \text{SAD Charge}$

$$\frac{5,490 \text{ SF}}{437,641 \text{ SF}} \times \$84,223.76 = \$998.64$$

SAD Charge for 1996 is \$998.64

WEST XYZ - 1996 PARKING LOT MAINTENANCE SAD 815

Parcel Number	Legal Description	Business Name	Property Address	Building Area	Use Factors			Active Building Area	Onsite Parking Spaces	Net Building Area	Distance Divisor	Effective Net Building Area	1996 SAD 815 Amount
					1st	2nd	3rd						
1.	820922110007			1,488	1.00			1,190	6	0	1.00	0	\$0.00
2.	820922110008			1,488	1.00			1,190	10	0	1.00	0	\$0.00
3.	820922110009			1,488	1.00			1,190	6	0	1.00	0	\$0.00
4.	820922108002			3,281	1.00			2,625	0	2,625	1.00	2,625	\$515.01
5.	820922108003			5,525	1.00			4,420	0	4,420	1.00	4,420	\$867.19
6.	820922105003			151,512	1.00			121,210	407	39,810	1.00	39,810	\$7,810.56
7.	820922108012			2,604	1.00			2,083	11	0	1.00	0	\$0.00
8.	820922109002			1,950	1.00			1,560	0	1,560	0.90	1,404	\$204.83
9.	820922108011			5,442	1.00			4,354	1	4,154	1.00	4,154	\$618.80
10.	820922305007			4,033	1.00			3,226	1	3,026	0.80	2,421	\$474.99
11.	820922110010			7,077	2.00			11,324	47	1,924	1.00	1,924	\$0.00
12.	820922305006			4,878	1.00	0.75		3,466	15	466	0.90	419	\$82.21
13.	820922305005			9,250	1.00			7,400	12	5,000	1.00	5,000	\$980.98
14.	820922110004			10,424	1.00			8,339	16	5,139	1.00	5,139	\$1,008.25
15.	820922305001			4,320	2.00	0.75		5,592	30	0	1.00	0	\$0.00
16.	820922305003			7,425	2.00	0.75		8,864	23	4,264	1.00	4,264	\$836.58
17.	820922305004			3,426	2.00	0.75		4,393	13	1,793	1.00	1,793	\$351.78
18.	820922110011			3,520	1.00			2,816	0	2,816	1.00	2,816	\$552.49
19.	820922109021			15,445	1.00	1.00		11,828	4	11,028	1.00	11,028	\$2,163.65
20.	820922304011			19,487	1.00			12,011	0	12,011	1.00	12,011	\$2,356.51
21.	820922109008			13,688	1.00			10,950	8	9,350	1.00	9,350	\$1,912.91
22.	820922304009			6,273	2.00	1.00		8,056	9	6,256	1.00	6,256	\$1,227.40
23.	820922304008			3,696	1.00			2,657	6	1,457	1.00	1,457	\$285.86
24.	820922304007			2,413	2.00			3,860	0	3,860	1.00	3,860	\$757.32
25.	820922304006			7,776	2.00			12,442	0	12,442	1.00	12,442	\$2,205.63
26.	820922109007			8,966	1.00			7,173	1	6,973	1.00	6,973	\$1,368.07
27.	820922304014			1,395	2.00			2,232	12	0	1.00	0	\$0.00
28.	820922109006			3,373	1.00			2,698	9	898	1.00	898	\$176.18
29.	820922304013			1,166	1.00			933	5	0	1.00	0	\$0.00
30.	820922304012			1,442	1.00			1,154	5	154	1.00	154	\$30.21
31.	820922109005			3,641	1.00			2,913	4	2,113	1.00	2,113	\$414.56
32.	820922304003			4,228	1.50			5,073	12	2,673	1.00	2,673	\$524.43
33.	820922109004			7,920	1.00			6,336	10	4,336	1.00	4,336	\$850.71

WEST XYZ - 1996 PARKING LOT MAINTENANCE SAD 815

Parcel Number	Legal Description	Business Name	Property Address	Building Area	Use Factors			Active Building Area	Onsite Parking Spaces	Net Building Area	Distance Divisor	Effective Net Building Area	1996 SAD 815 Amount
					1st	2nd	3rd						
34.	820922304002			3,950	1.00			3,160	14	360	1.00	360	\$70.63
35.	820922304001			23,481	1.00	1.00	2.00	20,161	8	18,561	1.00	18,561	\$3,641.59
36.	820922109003			1,181	1.00			945	27	0	1.00	0	\$0.00
37.	820922108009			11,440	1.00			9,152	7	7,752	1.00	7,752	\$1,481.67
38.	820922303014			9,594	1.00			9,347	21	5,147	1.00	5,147	\$1,049.06
39.	820922108008			7,300	2.00			11,690	31	5,490	1.00	5,490	\$998.64
40.	820922108007			3,031	1.00			2,425	2	2,025	1.00	2,025	\$397.30
41.	820922108006			3,076	1.00			2,461	2	2,061	1.00	2,061	\$404.36
42.	820922108005			2,841	2.00			4,546	5	3,546	1.00	3,546	\$695.71
43.	820922108004			9,434	1.00			4,213	7	2,813	1.00	2,813	\$551.90
44.	820922107012			19,313	1.00			15,130	4	14,330	1.00	14,330	\$2,811.49
45.	820922302006			107,074	1.00			85,659	125	60,659	1.00	60,659	\$11,901.05
46.	820922107011			7,799	1.00			6,239	0	6,239	1.00	6,239	\$1,224.07
47.	820922107010			15,578	1.00			12,462	0	12,462	1.00	12,462	\$2,444.99
48.	820922302005			11,136	1.00			6,430	1	6,230	1.00	6,230	\$1,222.30
49.	820922107009			10,466	1.00	2.00	1.00	11,133	0	11,133	1.00	11,133	\$2,184.25
50.	820922302004			26,520	0.75			15,912	0	15,912	1.00	15,912	\$3,121.87
51.	820922302003			4,261	1.00			3,409	0	3,409	1.00	3,409	\$668.83
52.	820922302002			6,784	1.00	2.00	0.75	8,554	9	6,754	1.00	6,754	\$1,325.11
53.	820922107014			8,596	1.00			6,782	31	582	1.00	582	\$0.00
54.	820922302001			8,592	1.00			6,874	60	0	1.00	0	\$0.00
55.	820922107006			6,568	1.50			7,861	29	2,081	1.00	2,081	\$0.00
56.	820922107005			13,232	1.50			12,000	14	9,200	1.00	9,200	\$1,805.00
57.	820922107004			46,452	1.00			45,469	0	45,469	1.00	45,469	\$8,920.83
58.	820922107003			1,680	1.00	0.75	1.50	1,476	0	1,476	1.00	1,476	\$289.59
59.	820922110001			21,484	0.75			12,890	0	12,890	1.00	12,890	\$2,251.33
60.	820922109012			3,200	0.75	1.00		2,240	0	2,240	1.00	2,240	\$627.83
61.	820922302007			2,230	0.75			1,338	1	1,138	1.00	1,138	\$223.27
62.	820922306002			8,400	1.50			10,080	3	9,480	1.00	9,480	\$1,859.94
63.	820922306001			13,344	1.00			10,675	46	1,475	0.90	1,328	\$260.55
64.	820922309002			22,974	1.00			18,379	11	16,179	1.00	16,179	\$3,213.49
				771,051				654,670	1,141	437,641		436,686	\$84,223.76

SPECIAL ASSESSMENT CERTIFICATE

SPECIAL ASSESSMENT ROLL CERTIFICATE

I, (NAME OF ASSESSOR), Assessor of the City of XYZ, (NAME) County, Michigan, hereby certify that Special Assessment Roll No. 815 is to defray the cost of maintenance of parking lots in the West XYZ Business District for a period of one year.

This Special Assessment Roll No. 815 contains a description of all the parcels of land constituting Special Assessment District No. 815, as established by the City Council by resolution adopted on the 4th day of June, 1998, and shown on the map thereof, prepared by the City Engineer, and benefited by such improvement; the special assessment cost of each of such parcels of land and the names of the persons, if known, chargeable with the cost thereof.

I also certify that every assessment was made by benefits; that such benefits equal that portion of the cost assessed against the parcels of land in such Special Assessment District; that no assessment against any parcel of land therein contained exceeds the assessed valuation of each such parcels of land; and that we have complied with all of the provisions of the Charter of said city regulating the making of such assessments.

Dated this 4th day of June, 1998, A.D., at the City of XYZ, (NAME) County, Michigan.

(NAME OF ASSESSOR)
(TITLE)

RESOLUTION SETTING DATE AND TIME OF PUBLIC HEARING FOR THE CONFIRMATION OF THE ROLL

RESOLUTION

Offered by: _____ Supported by: _____

WHEREAS: Council Resolution No. ____ created Special Assessment District No. 815; and

WHEREAS: The Department of Assessment has prepared Special Assessment Roll No. 815 for the purpose of distributing a portion of the annual cost of maintenance of the city-owned parking lots in the West XYZ Business District; and

WHEREAS: The Assessor has certified the Special Assessment Roll is based on a pro-rata basis according to the benefit to be derived by affected property owners; and

WHEREAS: The Special Assessment Roll No. 815 is available for public inspection in the City Clerk's Office; and

WHEREAS: The Department of Assessment requested a public hearing for the distribution of costs of Special Assessment District No. 815 for the public purpose of maintaining city-owned parking lots in the West XYZ Business District for a one-year period; therefore be it

RESOLVED: That the City Council shall meet on Wednesday, June 26, 1998 in the Council Chambers, City Hall, City of XYZ at 7:00 p.m., or as soon thereafter as the Council order of business will permit, to review and to hear objections to Special Assessment Roll No. 815; be it further

RESOLVED: That Special Assessment Roll No. 815 was prepared for the public purpose of distributing the cost of maintenance for city-owned parking lots in the West XYZ Business District. Said roll is hereby ordered to be filed by the Assessor in the office of the City Clerk for public inspection during regular business hours; be it further

RESOLVED: That the City Clerk is hereby authorized and directed to publish a copy of the following "Notice of Hearing" in the official newspaper for the City of XYZ in accordance with Section 15.2 of the City Charter and by mailing at least 15 days prior to the hearing to affected property owners:

NOTICE OF HEARING

CONFIRMATION OF SPECIAL ASSESSMENT ROLL No. 815
(West XYZ Business District)

The XYZ City Council will hold a public hearing at a special meeting on Wednesday, June 26, 1998 at 7:00 p.m. in the Council Chambers of the XYZ City Hall, (ADDRESS), for the confirmation of Special Assessment Roll No. 815. The public purpose is for distributing costs of maintaining city-owned parking lots in the West XYZ Business District for a one-year period.

A notice has been sent to the owner of each business property located within Special Assessment District No. 815 by mail at least 15 days prior to the public hearing. The proposed Special Assessment Roll No. 815 is available for public inspection at the City Clerk's Office. Any persons having objections to the distribution of costs within the special assessment district must either attend the hearing or file their objections in writing with the City Clerk prior to the hearing date.

The owner or any person having an interest in the real property may file a written appeal of the special assessment with the Michigan Tax Tribunal within 30 days after the confirmation of the special assessment roll if that special assessment was protested at the hearing held for the purpose of confirming the roll.

Individuals with disabilities who require special accommodations, auxiliary aids or services to attend or participate in this meeting should contact the City Clerk at (PHONE NUMBER) or the TDD at (PHONE NUMBER). Reasonable advance notice is required.

(NAME OF CLERK)
City Clerk

be it further

RESOLVED: That notice of said meeting be published in the official newspaper of the city as soon as possible in the interest of informing the largest number of members of the public; and be it further

RESOLVED: That to insure the timely implementation of the provisions of this resolution, it is hereby given immediate effect.

**RESOLUTION CONFIRMING THE SPECIAL
ASSESSMENT ROLL**

RESOLUTION

Offered by: _____ Supported by: _____

WHEREAS: Council Resolution No. ____ acknowledged that the City Assessor had prepared proposed Special Assessment Roll No. 815 for the public purpose of distributing the cost of maintenance for city-owned parking lots in the west XYZ business district; and

WHEREAS: In compliance with Chapter 15 of the City Charter, the City Assessor has certified said roll as having been made on a pro-rata basis according to the benefit to be derived by affected property owners; and

WHEREAS: The portion to be distributed is based on an estimated annual expense of approximately \$84,223.76; and

WHEREAS: Said Council Resolution No. 6-422-96 designated Wednesday, June 26, 1998 at the Council Chambers, City Hall, City of XYZ at 7:00 p.m. as the date for holding a public hearing to review Special Assessments as identified in the certified proposed Special Assessment Roll No. 815 and a public hearing was held in accordance with the provisions of the City Charter; and

WHEREAS: The City Council has reviewed maintenance costs for the city-owned parking lots as identified by the City Assessor in Special Assessment Roll No. 815 and determined that \$80,578.44 should be specially assessed against the businesses and the portion of the benefit to be derived from such public improvements by the individual property owners; be it

RESOLVED: That the City Council hereby confirms Special Assessment Roll No. 815 certified by the City Assessor for the special assessments levied for the maintenance for the city-owned parking lots in the West XYZ Business District; be it further

RESOLVED: That all Special Assessments contained in Roll No. 815 shall be due and payable within thirty (30) days of billing by the City Treasurer; seven and one-half percent (7 1/2%) interest shall be charged on all accounts not paid within thirty (30) days of billing date, be it further

RESOLVED: That to insure the timely implementation of the provisions of this resolution, it is hereby given immediate effect.

Section 5 – Court Cases

EXCERPTS FROM MICHIGAN SUPREME COURT CASES

Dixon Rd. Group v. Novi (Mich. 1986)

Special assessments will be declared invalid only when the party challenging the assessment demonstrates that “there is a substantial or unreasonable disproportionality between the amount assessed and the value which accrues to the land as a result of the improvements.”

In this case the cost of special assessment improvements was approximately 2.6 times the increase in value of the property being specially assessed, and for that reason it was held that the special assessment was invalid.

NOTE: There must be some proportionality between the amount of the special assessment and the benefits derived therefrom.

Johnson v. Inkster (Mich. 1977)

Special assessments were struck down in part because the plaintiffs were required to defray the cost of rectifying conditions mainly brought about by the public at large and not specially and peculiarly related to the use or needs of the persons residing in the assessment district.

Crampton v. Royal Oak (Mich. 1961)

The court accepted the view that an assessment must be levied in proportion to benefits. It was also decided that the court would not invalidate a special assessment unless there was a “substantial excess” between the cost of an improvement and the benefits accruing to the land as a result. The court must consider potential uses of the property made more feasible by the improvements as well as actual uses to determine if a special benefit exists.

Knott v. City of Flint (Mich. 1961)

There is a clear distinction between what are termed general taxes and special assessments. The former are burdens imposed generally upon property owners for governmental purposes without concern to the individual benefits received.

The latter are sustained upon the theory that the value of the property in the special assessment district is enhanced by the improvement for which the assessment is made.

Kuick v. Grand Rapids (Mich. 1918)

A special benefit maybe found from an increase in value, relief from a burden or in the creation of a special adaptability in the land.