



COUNCIL ACTION SUMMARY SHEET

MEETING DATE: October 26, 2026

TOPIC 2026 Street Improvement Project Special Assessment Methodology

BACKGROUND BRIEF:

Council is scheduled to adopt a resolution establishing Council's desired methodology for specially assessing a portion of the costs of the 2026 Street Improvement Project against benefitting properties. Village Engineer Spence prepared a report with three options for specially assessing properties for the improvements. The report is attached. Engineer Spence will be in attendance at Monday's meeting to answer questions.

Administration recommends adhering to the Village's 2023 special assessment policy, which is reflected in Alternative A in the Engineer's report (cost per front foot/no unit). The proposed resolution assumes approval of Alternative A as the special assessment methodology. The special assessments would be divided into up to 10 annual assessments at a minimum of \$500.00 annually until paid in full. The interest rate would be 6.00% simple interest annually on the unpaid principal special assessment balances after the first year. Therefore, if a property owner paid the entire special assessment to the Village prior to June 1, 2027, they would incur no interest charges and will be removed from the special assessment roll.

Once Council determines the desired method of specially assessing for the project, Administration will have the Township Assessor prepare the proposed special assessment roll. Once the proposed special assessment roll is prepared and filed with the Village Clerk, a public hearing on the proposed assessments will be scheduled. Notices of the proposed special assessments and the public hearing will be mailed to each affected property owner prior to the public hearing in accordance with ordinance requirements.

SUMMARY OF PREVIOUS COUNCIL ACTION:

None

FINANCIAL IMPACT:

The total cost of the project is estimated to be \$909,150.00. The Village will be contributing \$159,843.39 through its Act 51 Local Street funds. A total of \$499,306.61 would be specially assessed against benefitting properties over up to ten years. The Village would front the project costs using Act 51 and General Fund reserves. All special assessment revenue, including interest, would be posted to

the Local Streets Fund. The first year's special assessments would be collected with the Summer 2027 taxes.

RECOMMENDED MOTION:

#1 – To accept and approve Nowak & Fraus Engineers' **2026 Pavement Improvements, Local Streets west of M-24, east of Lake Orion - Village of Lake Orion Estimate for Final SAD Project Costs** dated October 7, 2026; and to authorize the Village Manager to execute the acceptance and approval on behalf of the Village.

#1 - To adopt Resolution No. 2026-039 determining to proceed with the 2026 Street Improvement Program, Contract A; establishing the special assessment district; determining the estimated cost and allocation of project expenses; establishing the method of determining special benefits; and directing preparation of the special assessment roll and scheduling of a public hearing on the same.