




ADMINISTRATIVE DIRECTIVE

DIRECTIVE NO: 2023-02	ISSUE DATE: 07/11/2023
ISSUED BY: D. McClary	SIGNATURE: 
COUNCIL APPROVAL DATE: 07/10/2023	
REVISION DATES:	
RESCINDS/REPLACES:	
CATEGORY: FINANCIAL MANAGEMENT	
SUBJECT: Special Assessment Policy	

LEGAL AUTHORITY CITATION

This administrative directive is issued by the Village Manager pursuant to the following legal authority:

- Village Charter – Sec. 3.12 – Duties of administrative officers; performing such duties as are provided for such officers by state law, this Charter, the village ordinances, and the administrative directives of the Village Manager
- Village Charter – Chapter 12 – Power to levy special assessments for public improvements
- Village Council resolution adopted on July 10, 2023

Section 1: Purpose.

The purpose of this directive is to establish fair, uniform, and consistent practices for the utilization of special assessment districts and calculation of assessments for streets, driveways approaches, sidewalks, storm sewers, storm drainages, seawalls, retaining walls, parking lots, and other public improvement projects.

Section 2: Policy.

Since the greatest benefit of most public improvements accrue to the owners of property abutting to or in close proximity to those improvements, a portion of the costs of these improvements are borne by the benefiting property owners in many municipalities. The Village of Lake Orion, like many other municipalities, has very limited resources to cover the cost of all public improvements and does not receive an adequate level of funding through general property taxes, State of Michigan Act 51 funding, grants, or other funding sources to bear the cost of constructing, resurfacing, or reconstructing municipal streets and parking lots; constructing or repairing sidewalks; constructing and repairing storm sewers and drains; constructing, reconstructing, and repairing seawalls or retaining walls abutting municipal streets. For this reason, the Village of Lake Orion hereby relies upon the special assessment approach to finance such improvements in accordance with this policy.

1. **Special Assessment Process.** The Village will follow special assessment processes and methods outlined in the Village charter and any ordinances adopted by the Village Council consistent with the charter and consistent with state laws.

2. **New Public Street.** A new street involves the construction of a street that previously did not exist. A new public street shall comply with the current engineering standards adopted by the Village. Property owners within a special assessment district (SAD) to fund a new street will be assessed for 100% of the costs eligible under Chapter 12 of the Village Charter for the construction of the new street, as well as required utilities, storm sewers, sanitary sewers, and/or water mains.

3. **Street Improvement.** A street improvement includes any repair or enhancement to an existing street, such as resurfacing, reconstruction, changes to storm sewers, and curbs and gutters. All work will meet current engineering standards adopted by the Village.

a. Major Streets. Property owners within the SAD will be assessed for 50% of all street improvements. The Village's utility funds will pay 100% of the cost for sanitary sewer and/or water main repairs, upgrades, or replacements for existing mains. The Major Streets Fund will contribute from its available unreserved fund balance, prior to calculating any necessary special assessments, an amount equal to the percentage of the project's linear footage compared to the overall Village Act 51 Major Street road system linear footage, as determined by the most recent MDOT Act 51 Street Classification and Certification Map for the Village.

b. Local Streets. Property owners within the SAD will be assessed for 75% of all street improvements. The Village will pay 100% of the cost for sanitary sewer and/or water main repairs, upgrades, or replacements for existing mains. The Local Streets Fund will contribute from its available unreserved fund balance, prior to calculating any necessary special assessments, an amount equal to the percentage of the project's linear footage, compared to the overall Village Act 51 Local Street road system linear footage, as determined by the most recent MDOT Act 51 Street Classification and Certification Map for the Village.

c. Dead-End Streets. Property owners within the SAD will be assessed for 90% of all street improvements. The Village will pay 100% of the cost for sanitary sewer and/or water main repairs, upgrades, or replacements of existing mains. Property owners will be assessed 100% of the cost for sanitary sewer and/or water mains that do not exist at the time of construction. The Local Streets Fund will contribute from its available unreserved fund balance, prior to calculating any necessary special assessments, an amount equal to the percentage of the project's linear footage compared to the overall Village Act 51 Local Street road system linear footage as determined by the most recent MDOT Act 51 Street Classification and Certification Map for the Village.

4. **Drainage Improvements.** When drainage improvements are necessary to alleviate flooding of properties or existing streets at times other than when streets are improved, the property owners within the SAD will be assessed for 100% of the cost of such drainage improvements based upon each property's contribution to the total stormwater runoff as determined by the Village engineer.

5. **Driveway Approaches.** The property owners within the SAD will be assessed for 100% of the cost of driveway approaches installed as part of a street improvement project.

6. **Sidewalks.** The Village will pay 100% of the cost of installation of standard width sidewalks in accordance with adopted engineering standards for those sidewalks that did not previously exist on, both, major and local streets. Property owners within the SAD will be assessed for 100% of the cost of replacement sidewalks. The Village will pay 100% of the cost of handicap accessible sidewalk ramps at street intersections.

7. **Seawalls and Retaining Walls.** When it is necessary for the health, safety, and welfare of persons or property to install seawalls or retaining walls along municipal rights-of-way, property owners within the SAD will be assessed 100% of the cost of such improvements.

8. **Public Parking Lots and Other Public Improvements.** Property owners benefitting from the use of public parking lots or benefitting from other public improvements will be assessed for the cost of improvements to such public facilities in a manner and to such extent as the Village shall determine to be fair and equitable on a case-by-case basis.

9. **Calculation of Assessments.** The following methods will be used in determination the calculations of special assessments governed by this policy:

a. Grant Funding. Grant funding committed to an improvement project will be deducted from the total cost of the project, thereby benefiting both the property owners within the SAD and the Village.

b. Corner Lots. A residential property owner within a street improvement project SAD owning a corner lot will be assessed one-half of the normal assessment for each side of the property abutting a street being improved.

c. Term of Special Assessments and Installment Payments. The term of special assessments varies by type of project. The special assessments payments may be spread over more than one year. The terms and installment payments for special assessment will comply with Section 12.5 of the Village Charter.

10. **Private Improvements Within Rights-of-Way.** Where private improvements, such as fencing, retaining walls, lamps, irrigation systems, ornamental or monument mailboxes, landscaping, or other private improvements, have been placed within a public right-of-way or on Village property for which improvements are necessary, the Village will give notice to the property owner to remove the private improvement. If not removed by the property owner, the Village will remove the private improvement at the property owner's cost, and the Village will not be responsible for replacing the improvement.