



TO: VICTOR CARDENAS, CITY MANAGER
FROM: DANIELLE MAHONEY, ASSISTANT CITY MANAGER
SUBJECT: OVERVIEW OF THE SPECIAL ASSESSMENT DISTRICT PROCESS
DATE: FEBRUARY 8, 2025

MEMORANDUM

Mayor and Council –
Before the holidays the Grand River Corridor Improvement Authority (CIA) met regarding new streetlights along Main St. From the meeting, staff was directed to identify how property owners could be assessed for these improvements that **they** are responsible for. Prior to sending this out to the CIA, we wanted to share with you as Council would be very involved in the creation of a new SAD.

- Victor

The Special Assessment District (SAD) Process is a critical tool for funding public improvements that directly benefit specific properties within a defined district. For the Novi Corridor Improvement Authority (CIA), this process offers a mechanism to achieve shared community goals, such as infrastructure upgrades, streetscape enhancements, and other projects that promote economic development and improve the quality of life for residents and businesses.

Below is an overview of the process and its five key resolutions, followed by a broader narrative on its importance and a short history of special assessments in Novi.

Steps and Resolutions

1. **Preparation of Plans, Specifications, and Costs (Resolution #1)**
 - o The City Council directs the City Manager to prepare detailed plans, cost estimates, and descriptions of the proposed assessment district.
 - o This information helps the council determine the project's necessity, estimated costs, and the proportion to be covered by special assessments versus city funds.
2. **Tentative Determination of Necessity (Resolution #2)**
 - o The council reviews the plans and determines whether the improvement is necessary.
 - o A resolution is passed outlining the project scope, the affected assessment district, and the proposed allocation of costs.
 - o A public hearing is scheduled to allow property owners to provide input.
3. **Council Determination to Proceed (Resolution #3)**
 - o Following the public hearing, the council decides whether to proceed with the project.
 - o A resolution is passed confirming the plans, cost estimates, and the division of benefits between the properties and the city.
 - o The council directs the City Assessor to prepare a special assessment roll.
4. **Acceptance of the Special Assessment Roll (Resolution #4)**
 - o Once the special assessment roll is prepared, the council passes a resolution to accept it.
 - o The roll is made available for public examination, and a second public hearing is scheduled to address objections or corrections.

5. Confirmation of the Special Assessment Roll (Resolution #5)

- After the second public hearing, the council confirms the special assessment roll by resolution.
- This resolution finalizes the assessments, allows for installment payments, and authorizes the City Treasurer to collect the assessments.

The Importance of the Process for Corridor Improvements

For the CIA, the special assessment process is not just a means of funding; it is a collaborative framework that aligns property owners, city leaders, and the broader community around shared goals. By following this structured approach, the city ensures:

- **Equity and Transparency:** The process is designed to fairly allocate costs based on the direct benefits received by each property. Property owners are informed at every step and given opportunities to voice their concerns or support.
- **Community Engagement:** Public hearings and notifications provide a platform for open dialogue, fostering trust between property owners and the city. This collaboration is key to building consensus and ensuring successful implementation of projects.
- **Long-Term Impact:** Special assessments enable transformative projects—such as infrastructure improvements or streetscape enhancements—that might not otherwise be possible. These projects can attract new businesses, increase property values, and improve the overall experience for those living, working, and visiting the corridor.

Novi's History with Special Assessments

The City of Novi has a long history of utilizing the SAD process to fund a wide range of infrastructure projects, including paving, water, sewer, and other essential utilities. One of the earliest examples is the Willowbrook Sewer Project, which encompassed SADs four through seven. More recently, this financing mechanism has been used for Main Street Streetscapes, Town Center Streetlighting, and the Dixon Road Sanitary Sewer Extension, demonstrating its continued effectiveness in supporting community improvements.

The CIA may leverage the SAD process to fund critical enhancements within the corridor, including street lighting, streetscape improvements, and other right-of-way infrastructure upgrades. By using this financing tool, the CIA can ensure that the costs of these enhancements are equitably distributed among benefiting properties while promoting economic development and an improved public realm. Additionally, the SAD process allows for reimbursement opportunities, enabling the CIA to recapture funds for future investment in corridor revitalization efforts.

Through this collaborative and structured approach, the special assessment process becomes a tool not only for funding but also for creating a legacy of improvement and investment in Novi's corridors. It ensures that the CIA's vision for revitalization on either side of Grand River Avenue from Wixon Road to Haggerty Road is achieved in a way that engages stakeholders and strengthens the community as a whole.

