




CITY of NOVI CITY COUNCIL

Agenda Item G
May 7, 2012

SUBJECT: Approval of Revised Resolution No. 3 for Special Assessment District No, 176 (Woodham Road Water Main Extension) approving the preliminary plans and cost estimate, designating the special assessment district and directing the City Assessor to prepare a proposed special assessment roll—(10% reduction in project cost).

SUBMITTING DEPARTMENT: Department of Public Services, Engineering Division ^{Rly} *BTC*

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION:

Special Assessment District 176 was initiated by a formal petition signed by eight of the nine property owners in the proposed district to finance the construction of a water main extension to provide City water to nine homes along Woodham Road in the Echo Valley Estates subdivision. (See attached location map)

Resolution No. 3 approves the preliminary plans and cost estimate, designates the special assessment district and directs the City Assessor to prepare a proposed special assessment roll.

Resolution No. 3 was originally approved by City Council on February 21, 2012. An estimated project cost of \$119,961 was used to prepare the special assessment roll, which represents an assessment of \$13,329 per parcel. Subsequently, construction bids were received and the project cost incorporating the low bidder was reduced by approximately 10%. Revised Resolution 3 would direct the City Assessor to spread the roll based on the revised project estimate amount of \$107,442, resulting in a revised assessment of \$11,938 per parcel. Therefore, staff is presenting Revised Resolutions 3 and 5 for the special assessment district for consideration by City Council to reduce the parcel assessments based on the revised project costs.

Approval of a Revised Resolution No. 5, the construction award, and construction phase engineering award is being considered elsewhere on this agenda. It is anticipated that the construction of the project will begin this spring and be completed this construction season.

RECOMMENDED ACTION: Approval of Revised Resolution No. 3 for Special Assessment District No, 176 (Woodham Road Water Main Extension) approving the preliminary plans and cost estimate, designating the special assessment district and directing the City Assessor to prepare a proposed special assessment roll—(10% reduction in project cost).

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Fischer				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Wrobel				

STATE OF MICHIGAN

COUNTY OF OAKLAND

CITY OF NOVI

**WOODHAM ROAD
WATER MAIN EXTENSION**

SPECIAL ASSESSMENT DISTRICT NO. 176

**RESOLUTION TO PROCEED WITH THE PROJECT AND TO DEFRAY THE COST OF
THE PROJECT BY SPECIAL ASSESSMENTS UPON
ESPECIALLY BENEFITED PROPERTIES**

(Revised Resolution No. 3)

RECITATIONS:

The City has considered construction of the proposed improvement described below (the "**Project**"), and has further requested the establishment of a special assessment district to finance and defray the cost of the Project.

The Project is further described in Exhibit A.

The Project is designed and intended to especially benefit the properties identified in the special assessment district attached to this Resolution, which shall be designated as Special Assessment District No. **176** (the "District").

After an initial consideration, the City Council adopted its Resolution no. 2 declaring its tentative intent to proceed with the Project and with the establishment of the District.

Plans for the Project, and an estimate of the cost of the Project in the amount of \$ **107,442.00**, have been prepared and notice of public hearing has been given, according to law, to the owners of property in the District to inform them of their opportunity to present comments and objections to the Project, and to the District.

The hearing was duly conducted consistent with the Notice, following which the City Council determined to proceed with the Project and with the establishment of the District.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The City shall proceed with the Project.
2. The plans and specifications prepared for the Project and the cost estimates as presented at the hearing are approved.
3. The District shall consist of the properties identified in the special assessment district attached to this Resolution and against which one hundred (100%) percent of the cost of the Project shall be assessed.
4. The duration of the District's existence shall be 20 years, and, unless paid in cash in respect to a particular property, the special assessments shall be paid in installments which shall be specified in the City Council's Resolution confirming the special assessment roll.
5. The City Assessor shall prepare a special assessment roll that includes all lots and parcels of land within the District with the names of the respective record owners of each property, if known, and shall also include the total amount to be assessed against each property. The amount to be assessed against each property shall be based upon the proportionate amount of special benefit to be received by each property from the Project. The amount spread in each case shall be based upon the detailed estimate of costs as approved by the City Council.
6. When the Assessor completes the assessment roll, he/she shall file it with the City Clerk for presentation to the City Council, along with his/her certification that the roll has been made pursuant to law and this Resolution of the City Council and that, in making the assessment roll, the Assessor has in his/her best judgment conformed in all respects to the law and the directions

contained in this Resolution. Upon receipt, the City Clerk shall forthwith present the roll and the Assessor's certification to the City Council.

AYES:

NAYS:

ABSTENTIONS:

ABSENT:

CERTIFICATION

It is hereby certified that the foregoing Resolution is a true and accurate copy of the Resolution adopted by the City Council of the City of Novi at a meeting duly called and held on the 7th day of May, 2012.

CITY OF NOVI

BY: _____
MARYANNE CORNELIUS, CLERK

SPECIAL ASSESSMENT DISTRICT NO. 176

50-22-29-203-011

50-22-29-203-012

50-22-29-203-013

50-22-29-203-014

50-22-29-203-019

50-22-29-204-002

50-22-29-204-003

50-22-29-204-004

50-22-29-204-005

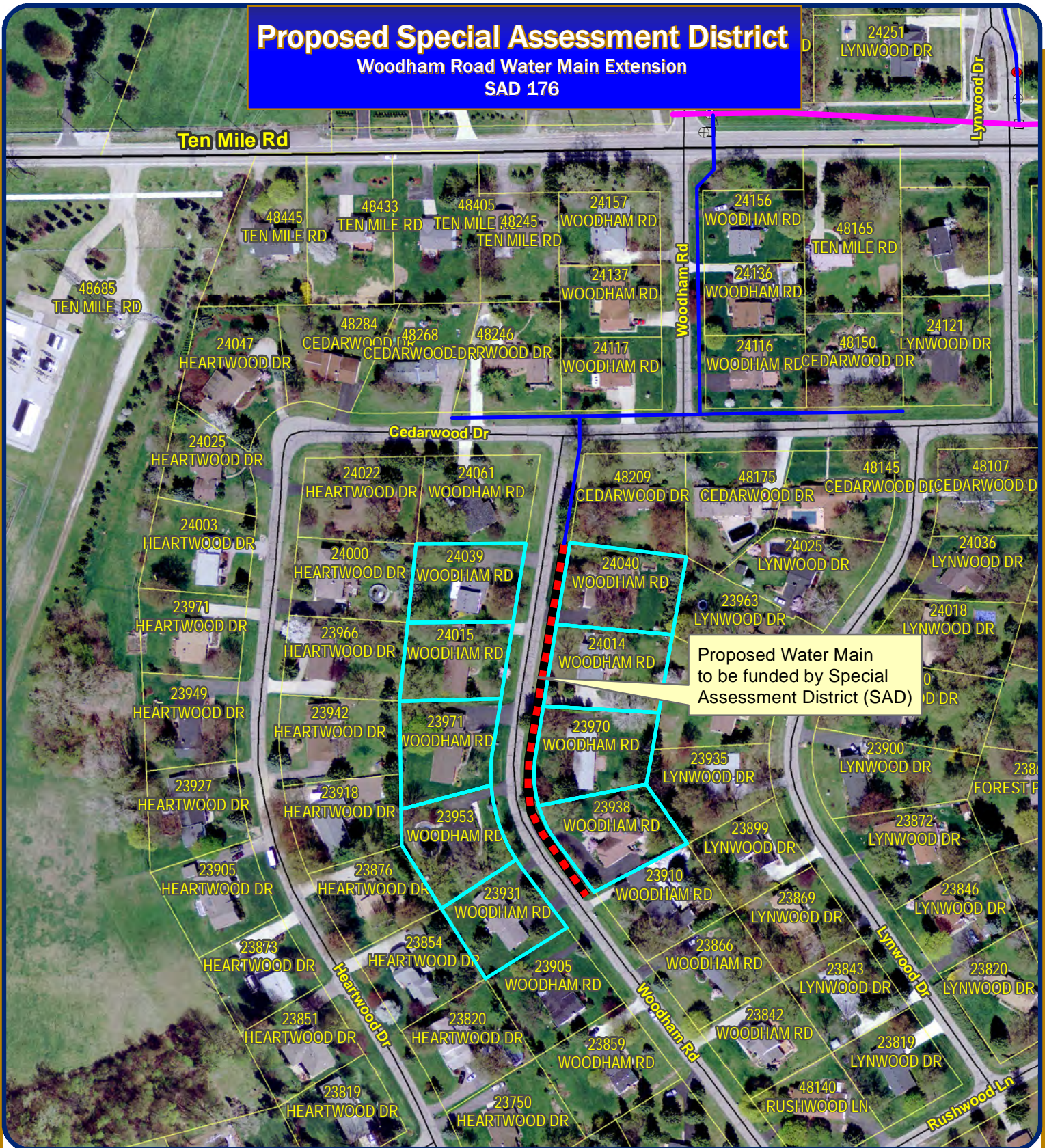
EXHIBIT A

SAD 176 **WOODHAM ROAD** **WATER MAIN EXTENSION**

The construction of approximately 525 feet of 8" WATER MAIN and related facilities and improvements in Section 29 which will provide a direct benefit to nine parcels in Echo Valley Estates along a portion of Woodham Road.

Proposed Special Assessment District

Woodham Road Water Main Extension
SAD 176



Map Author: Croy
Date: 8/29/11
Project: Potential Woodham SAD
Version #: V1.1



Feet



1 inch = 182 feet



City of Novi

Engineering Division
Department of Public Services
26300 Delwal Drive
Novi, MI 48375
cityofnovi.org

MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.

Project Cost Estimate
Based on Proposed May 7, 2012 Contract Award
Woodham Road 2011/2012 Water Main SAD
Section 29

I.	Total Estimated Construction Costs		
	A. Construction Costs (Construction Bid)	\$	83,480.00
	B. Construction Contingency	\$	3,758.00
	Total Estimated Construction Cost	\$	87,238.00
III.	Consultant Engineering Services		
	A. Design Engineering	\$	9,023.00
	B. Construction Administration Services	\$	6,261.00
	C. Construction Inspection	\$	4,920.00
	Total Engineering Services	\$	20,204.00
	TOTAL ESTIMATED PROJECT COST:	\$	107,442.00

<i>Estimated Number of Units in Proposed District:</i>	<i>9</i>
<i>Estimated Cost per Unit:</i>	<i>\$ 11,938.00</i>



May 1, 2012

Re: Special Assessment District 176
Woodham Road Water Main Extension

Dear Property Owner:

We are sending this letter to provide an update on the above referenced project. The final resolution was approved by City Council on April 9, 2012 allowing the project to proceed to construction. Construction bids were received shortly thereafter and were approximately 10% less than budgeted. This resulted in a decrease in the project costs from \$13,329 per parcel to \$11,938 per parcel.


We have prepared revised resolutions for consideration by City Council at the May 7, 2012 meeting to formally make that adjustment to the assessment roll so it would be reflected on your July tax bill. The table on the next page outlines the revised assessment for each parcel in the district based on an interest rate of 6% financed over 20 years. The complete assessment roll is available upon request and can be viewed at the City Clerk's office at City Hall. Please note that you may file a written appeal to the Michigan Tax Tribunal within 30 days of the final confirmation of the special assessment roll.

We have also prepared the construction award to contractor to build the water main at the May 7, 2012 meeting. The construction should begin within 4 to 6 weeks after the contract is awarded, which should be sometime in June. We will provide more detailed information regarding construction once the contractor is under contract.

Aaron Staup, City Construction Coordinator, will become the primary contact in the field once construction begins and he can be reached at 248-347-3270. You can also contact me at 248-735-5635 with any questions.

Sincerely,

ENGINEERING DIVISION


Benjamin Croy, PE
Civil Engineer

cc: Bev Valente, Assistant Treasurer
Brian Coburn, PE; Engineering Manager
Aaron Staup, Construction Engineering Coordinator

CITY COUNCIL

Mayor
Bob Gatt

Mayor Pro Tem
Dave Staudt

Terry K. Margolis

Andrew Mutch

Justin Fischer

Wayne Wrobel

Laura Marie Casey

City Manager
Clay J. Pearson

**Director of Public Services/
City Engineer**
Rob Hayes, P.E.

Department of Public Services
Field Services Complex
26300 Lee BeGole Dr.
Novi, Michigan 48375
248.735.5640
248.735.5659 fax

cityofnovi.org

PROPOSED ASSESSMENT FOR EACH PARCEL
SPECIAL ASSESSMENT DISTRICT NO. 176

Year		Balance	Principal	Interest	Annual Payment
1	2012	\$11,938.00	\$596.90	\$0.00	\$596.90
2	2013	\$11,341.10	\$596.90	\$680.47	\$1,277.37
3	2014	\$10,744.20	\$596.90	\$644.65	\$1,241.55
4	2015	\$10,147.30	\$596.90	\$608.84	\$1,205.74
5	2016	\$9,550.40	\$596.90	\$573.02	\$1,169.92
6	2017	\$8,953.50	\$596.90	\$537.21	\$1,134.11
7	2018	\$8,356.60	\$596.90	\$501.40	\$1,098.30
8	2019	\$7,759.70	\$596.90	\$465.58	\$1,062.48
9	2020	\$7,162.80	\$596.90	\$429.77	\$1,026.67
10	2021	\$6,565.90	\$596.90	\$393.95	\$990.85
11	2022	\$5,969.00	\$596.90	\$358.14	\$955.04
12	2023	\$5,372.10	\$596.90	\$322.33	\$919.23
13	2024	\$4,775.20	\$596.90	\$286.51	\$883.41
14	2025	\$4,178.30	\$596.90	\$250.70	\$847.60
15	2026	\$3,581.40	\$596.90	\$214.88	\$811.78
16	2027	\$2,984.50	\$596.90	\$179.07	\$775.97
17	2028	\$2,387.60	\$596.90	\$143.26	\$740.16
18	2029	\$1,790.70	\$596.90	\$107.44	\$704.34
19	2030	\$1,193.80	\$596.90	\$71.63	\$668.53
20	2031	\$596.90	\$596.90	\$35.81	\$632.71