



CITY of NOVI CITY COUNCIL

Agenda Item E
June 5, 2017

SUBJECT: Approval of Ordinance No. 17-28.57, amending Chapter 34, "Utilities", Article III, "Sewage Disposal System," Division 3, "Operation and Maintenance," Subdivision XV, "Special Assessment District No. 170 Sewer Extension," Section 34-499.17, "The Non-SAD Properties," in order to remove the requirement of an availability fee once the entire indebtedness under SAD 170 has been paid. **SECOND READING**

SUBMITTING DEPARTMENT: Finance

CITY MANAGER APPROVAL: *PK*

BACKGROUND INFORMATION:

Section 34 of the City of Novi's Utilities Ordinance addresses Special Assessment District No. 170 Sewer Extension that was established for the purposes of financing the extension of the public sanitary sewer system for properties located in sections 31 and 32 of the City. The Special Assessment district assessed the costs to those properties directly served by the sewer extension over fifteen years. The ordinance establishes an availability fee to those properties that were indirectly served by the extension (Non SAD Properties) that had not otherwise contributed to the cost of the sewer extension. Any payments received by the City for the availability fee would reduce the final installment of the assessed properties until such time that the assessment is paid in full. Any payment received after the SAD has been paid in full would remain in the Water and Sewer Fund towards operating and capital costs. At such time that no further payments are due to the City and further collection of the availability fee would be in excess of all costs an amendment to the ordinance would be needed in order to discontinue collection of the availability fee.

The final installment of the Special Assessment will be billed on the 2017 summer tax bill and at that time, no further payments will be due to the City. Any additional payments of the availability fee will be in excess of all costs and expenses paid and incurred in connection with Special Assessment 170.

RECOMMENDED ACTION: Approval of Ordinance No. 17-28.57, amending Chapter 34, "Utilities", Article III, "Sewage Disposal System," Division 3, "Operation and Maintenance," Subdivision XV, "Special Assessment District No. 170 Sewer Extension," Section 34-499.17, "The Non-SAD Properties," in order to remove the requirement of an availability fee once the entire indebtedness under SAD 170 has been paid. **SECOND READING**

STATE OF MICHIGAN

COUNTY OF OAKLAND

CITY OF NOVI

ORDINANCE NO. 17-28.57

AN ORDINANCE TO AMEND THE CITY OF NOVI CODE OF ORDINANCES, AT CHAPTER 34, "UTILITIES," ARTICLE III, "SEWAGE DISPOSAL SYSTEM," DIVISION 3, "OPERATION AND MAINTENANCE," SUBDIVISION XV, "SPECIAL ASSESSMENT DISTRICT NO. 170 SEWER EXTENSION," SECTION 34-499.17, "THE NON-SAD PROPERTIES," IN ORDER TO REMOVE THE REQUIREMENT OF AN AVAILABILITY FEE ONCE THE ENTIRE INDEBTEDNESS UNDER SAD 170 HAS BEEN PAID.

THE CITY OF NOVI ORDAINS:

PART I. That Chapter 34, "Utilities," Article III, "Sewage Disposal System," Division 3, "Operation and Maintenance," Subdivision XV, "Special Assessment District No. 170 Sewer Extension," Section 34-499.17, "The Non-SAD Properties," of the City of Novi Code of Ordinances is hereby amended to read as follows:

34-499.17. - The Non-SAD Properties.

- (a) The Non-SAD Properties identified as 50-22-32-300-004, 50-22-32-400-013 and 50-22-32-400-014 shall pay an availability fee in the amount set as provided below. Such availability fee payment shall be made if and when a request is made to connect all or part of one of such Non-SAD Properties to the sewer extension constructed under SAD 170. The following allocation of such payment shall be made by the city upon receipt of the payment: If any non-delinquent installments under SAD 170 remain unpaid as of the date the availability payment in respect of such Non-SAD Properties is paid, the payment shall be allocated to reduce the amounts then owing by the SAD Properties under SAD 170, in the proportion of the debt of each of the respective SAD Properties in relation to the total debt of the special assessment, all as shown on the Special Assessment Roll of SAD 170; such payment shall be paid into a separate account and credited at the time of the final installment. ~~If and to the extent the payment exceeds the amount of principal and interest then remaining due by all of the SAD Properties, or if the entire indebtedness under SAD 170 has been paid, then, the excess portion of the payment, or the entire payment, as the case may be, shall be allocated to the city water and sewer fund. At such time as there are no further payments due to the City or to any other governmental entity under and in connection with SAD 170 and no further payments owed by the city to any person or entity in connection with SAD 170, the city shall determine whether any Non-SAD Properties remain unconnected to the city sanitary sewer system. If any such properties remain unconnected, and it is determined that the payment of additional availability fees~~

~~under this subdivision will be likely and would result in the city receiving payments in excess of all costs and expenses paid and incurred in connection with SAD 170, an appropriate amendment of this subdivision may be presented to council to discontinue collection of the availability fee hereunder, provide for refunds of excess fees collected and/or the like.~~

(b) As to the balance of the Non-SAD Properties, i.e., the Non-SAD Properties not addressed in subsection (a) above (the "single family lots"), the following shall apply. If a request is made to connect a single family lot to the sewer extension constructed under SAD 170, and such request is for a single sewer tap to serve one single family residence, then, an availability fee payment for such single family lot shall not be required for such connection. However, if a request is made to connect a single family lot to the sewer extension, and such request is for more than one tap, i.e., more than one tap is requested in connection with one exempt single family lot, then, an availability fee payment shall be required for such connection, in the amount set as provided below, to be paid and credited as if the single family lot in question was a Non-SAD Parcel addressed under the immediately preceding subsection (a).

~~(c) As to all Non-SAD Properties, once the entire indebtedness under SAD 170 has been paid, then no availability fee will be charged by the City. To the extent the a required availability fee payment exceeds the amount of principal and interest then remaining due by all of the SAD Properties, or if the entire indebtedness under SAD 170 has been paid, then the availability fee will be charged by the City shall be limited to the amount due under the SAD.~~

PART II. Severability. Should any section, subdivision, clause, or phrase of this Ordinance be declared by the courts to be invalid, the validity of the Ordinance as a whole, or in part, shall not be affected other than the part invalidated.

PART III. Savings Clause. The amendment of the Novi Code of Ordinances set forth in this Ordinance does not affect or impair any act done, offense committed, or right accruing, accrued, or acquired or liability, penalty, forfeiture or punishment, pending or incurred prior to the amendment of the Novi Code of Ordinances set forth in this Ordinance.

PART IV. Repealer. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

PART V. Effective Date. The provisions of this Ordinance are ordered to take effect following publication in the manner prescribed by the Charter of the City of Novi.

PART VI. Adoption. This ordinance is hereby declared to have been adopted by the Novi City Council in a meeting thereof duly held and called on the 27th day of February, 2017, in order to be given publication in the manner prescribed by the Charter of the City of Novi.

Made, Passed and Adopted by the Novi City Council this __ day of __, 2017.

