


CITY COMMISSION POLICY

<p>GRAND RAPIDS</p>  <p>MICHIGAN</p>	NUMBER: 1000-14	HISTORY	
	DATE: March 24, 1981	FILE #	DATE
	FILE NUMBER: 83451	38362	3/24/81
	DEPARTMENT: Engineering	83451	5/13/14

SUBJECT: SPECIAL ASSESSMENTS FOR VARIOUS PUBLIC IMPROVEMENTS

PURPOSE: To establish a policy for the allocation of costs of various public improvements through special assessment procedures to benefit properties in existing developed and/or platted areas. It is not intended that this policy be used for new residential, commercial, and industrial development.

POLICY:

1. It is the desire of the City of Grand Rapids to encourage public improvements within the City limits through use of the special assessment procedure set out in Chapter 10 of the City Code and as defined herein.
2. Community Development funds may be used to defray the special assessment costs to properties for the above-mentioned improvements provided that such defrayments are found to be in conformance with the most current rules and regulations of the Department of Housing and Urban Development.
3. In all cases whenever assessments are levied against properties for any of the above-mentioned improvements, the minimum annual payment to be paid by the property owner to the City shall be \$100.00 or the remaining balance whichever is smaller *or a lesser amount approved by resolution of the City Commission.*
4. The various improvements and recommended methods of assessment are as follows:
 - A. Full Street Improvement – page 2
 - B. Partial Street Improvement – page 3
 - C. Alley Improvement – page 4
 - D. New Sidewalks – page 4
 - E. New Driveway Approach – page 5
 - F. Alley Lighting – page 5
 - G. Street Lighting – page 6
 - H. Storm Sewer Improvement – page 7
 - I. Park Improvement – page 8
 - J. Park Acquisition – page 8

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A. Full Street Improvement

Description - Full Street improvement shall consist of grading, pavement, curb and gutter, storm sewer, and appurtenant drainage facilities, topsoil and seed in the parkway, and trees. Full street improvement shall not include sidewalk or street lighting improvements. If sidewalk and/or street lighting improvements are desired, they shall each be assessed separately in accordance with the sections of this policy which pertain to street lighting and sidewalk improvements.

Cost Assessment – The City Commission shall approve a standard assessment rate for full street improvement that shall be assessed to the properties that are defined as being in the special assessment district. Two standard assessment rates for full street improvement will be employed. There will be one standard assessment rate for full street improvement when no storm sewer is necessary and another standard assessment rate when storm sewer is necessary.

The standard assessment rate will be set by the City Commission and it will be adjusted periodically as construction costs change. The design of an average street and the most current construction costs will be used to compute the standard assessment rate. The City will pay the cost of all work within the public right-of-way at intersections of streets and alleys or other public right-of-way. The City will pay one half (1/2) of the assessed cost of the long side on corner lots of normal size.

Should the total of the assessments to the properties based on the standard assessment rate and any City costs be less than necessary to defray the cost of the full street improvement, then the City will fund the amount in excess of this total up to twenty-five percent (25%) of the total cost for the full street improvement. If additional funds are needed in excess of the total of the assessment costs, plus City costs, plus twenty-five percent (25%) of the total costs of the full street improvement, the City Commission may provide a spreading of an additional assessment, as described in Section 5 of this policy, to assess the additional cost to the properties within the special assessment district.

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B. Partial Street Improvement

Description – Partial street improvement shall consist of grading, pavement, storm sewer, appurtenant drainage facilities *and trees*. Partial street improvement shall not include sidewalk or street lighting improvements. If sidewalk and/or street lighting improvements are desired, they shall each be assessed separately in accordance with the sections of this policy which pertain to street lighting and sidewalk improvements.

Cost Assessment - The City Commission shall approve a standard assessment rate for partial street improvement that shall be assessed to the properties that are defined as being in the special assessment district. Two standard assessment rates for partial street improvement will be employed. There will be one standard assessment rate for partial street improvement when no storm sewer is necessary and another standard assessment rate when storm sewer is necessary.

The standard assessment rate will be set by the City Commission and it will be adjusted periodically as construction costs change. The design of an average street and the most current construction costs will be used to compute the standard assessment rate. The City will pay the cost of all work within the public right-of-way at intersections of streets and alleys or other public right-of-way. The City will pay one-half (1/2) of the assessed cost of the long side on corner lots of normal size.

Should the total of the assessments to the properties based on the standard assessment rate and any City costs be less than necessary to defray the cost of partial street improvement, then the City will fund the amount in excess of this total up to twenty-five percent (25%) of the total cost for the partial street improvement. If additional funds are needed in excess of the assessment costs, plus City costs, plus twenty-five percent (25%) of the total cost of the partial street improvement, the City Commission may provide for the spreading of an additional assessment as described in Section 5 of this policy, to assess the additional cost to the properties within the special assessment districts.

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C. Alley Improvement

Description – Alley improvement shall consist of grading, concrete pavement, new alley approaches when necessary and storm sewer, and appurtenant drainage facilities when necessary.

Cost Assessment – An assessment rate for alley improvement shall be assessed to the properties that are defined as being in the special assessment district.

The assessment rate will be set individually for each alley improvement and shall be based on the preliminary cost estimate for all necessary work within the alley right-of-way. The City will pay the cost of all work within the public right-of-way at intersections of streets and alleys or other public rights-of way. The City will pay one half (1/2) of the assessed cost of the long side on corner lots of normal size.

If additional funds are needed in excess of the total of the assessment costs plus any City costs, the City Commission may provide for spreading of an additional assessment, as described in Section 5 of this policy, to assess the additional cost to the properties within the special assessment district.

D. New Sidewalks

Description – New sidewalks shall consist of grading and concrete pavement.

Cost Assessment – The City Commission shall approve a standard assessment rate for new sidewalks that shall be assessed to the properties that are immediately adjacent to the new sidewalk. The standard assessment rate will be set by the City Commission and it will be adjusted periodically as construction costs change. One hundred percent (100%) of the current construction costs for constructing new sidewalks with average grading conditions will be used for computing the standard assessment rate. The City will pay the cost of all work within the public right-of-way at intersections of streets and alleys or other public rights-of-way.

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New Sidewalks (Continued)

Should the assessments to the properties, based on the standard assessment rate, be less than necessary to defray the cost of the new sidewalk because of increased costs due to unusual grading conditions, then the City will fund the amount in excess of the standard assessment rate up to twenty-five percent (25%) of the total cost for the new sidewalk. If additional funds are needed in excess of the total of the standard assessment rate plus twenty-five percent (25%) of the total cost of the new sidewalk, the City Commission may provide for spreading of an additional assessment, as described in Section 5 of this policy, to assess the additional cost of the properties within the special assessment district.

E. New Driveway Approaches

Description – New driveway approaches shall consist of grading and concrete pavement.

Cost Assessment – The cost for a new driveway approach shall be assessed one hundred percent (100%) to each property when the property owner chooses to have one constructed. The City will not contribute any funds for new driveway approaches. The assessment rate for driveway approaches will be set just prior to the special assessment hearing for the particular street improvement of which the driveway approaches are a part. If additional funds are needed in excess of the total assessment rate, the City Commission may provide for spreading of an additional assessment, as described in Section 5 of this policy, to assess the additional cost to the properties within the special assessment district.

F. Alley Lighting

Description – Alley Lighting shall consist of new wood poles where necessary, luminaires, and overhead wiring.

Cost Assessment – The cost for alley lighting shall be assessed one hundred percent (100%) to the properties that are defined as being in the special assessment district for the alley lighting improvement. The City will not contribute any funds to alley lighting improvement. The assessment rate will be set individually for each alley lighting improvement. If additional funds are needed in excess of the total assessment rate, the City Commission may provide for spreading an additional assessment, as described in Section 5 of this policy, to assess the additional cost to the properties within the special assessment district.

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Alley Lighting (Continued)

On small lighting projects involving one or two lights or one block the City may allow the property owners the option to have these alley lights placed without going through the special assessment procedure. Upon request, the City will provide the property owners with a cost estimate to place the alley lights and a sketch showing approximately where the lights will be placed. Prior to the City placing the alley lights, the requesting property owners must submit payment to the City for the full amount of the cost estimate and they must also submit a document which will show that over sixty-five percent (65%) of the property owners along the alley are in favor of the alley lights being placed.

The final decision as to whether the alley lights will be installed without going through special assessment procedures will be made by the City.

G. Street Lighting

Description – Street lighting shall consist of new poles where necessary, luminaires, and overhead or underground wiring.

Cost Assessment – The City will install wood poles, luminaires and overhead wiring, or wood poles luminaires and underground wiring, whichever is the least expensive as determined by the City, as its standard street lighting installation at no cost to the property owners. The City shall not participate in any cost for street lighting along those streets for which the street lighting has been upgraded since 1968 to the lighting standard in effect at the time of the upgrading. Where the majority of property owners desire a street lighting system which is different from the standard street lighting system and where said system has not been upgraded since 1968 as previously stated and when this street lighting system is more costly than the estimated cost of the standard street lighting system, then the properties shall be assessed for the cost which is in excess of the estimated cost for the standard street lighting system. The City will contribute to the project an amount of funds equal to the cost for installation of the standard street lighting system and the remainder of the project cost will be assessed to the properties.

In areas where an ornamental street lighting system with overhead or underground wiring presently exists, the maintenance of said system will be the responsibility of the City. However, in the event a majority of property owners should desire to increase the number of ornamental poles and luminaires, all costs to install additional ornamental poles and luminaires including wiring, shall be assessed to the affected properties.

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Street Lighting (Continued)

There will be no City costs in such cases.

Should other street lighting projects arise which this policy does not specifically address, the City will review such projects and make a determination as to the City's share of the project and the amount, if any, to be assessed to the affected properties. The City shall make its determination based on the general intent of this policy.

In any case, assessment rates shall be set individually for each street lighting project and all proposed street lighting systems must be approved by the City.

If additional funds are needed in excess of the assessment costs, the City Commission may provide for spreading of an additional assessment, as described in Section 5 of this policy, to assess the additional costs to the properties within the special assessment district.

H. Storm Sewer Improvement

Description – This work shall consist of installing storm sewer and appurtenant drainage facilities, and restoration of disturbed areas.

Cost Assessment – An assessment rate for storm sewer improvement shall be assessed to the properties that are defined as being in the special assessment district.

The assessment rate will be set individually for each storm sewer improvement and shall be based on the preliminary cost estimate for all of the necessary work. The cost for a standard size storm sewer improvement shall be assessed seventy-five percent (75%) to the properties that are defined as being in the special assessment district for the storm sewer improvement. A standard size storm sewer shall be defined as a storm sewer 24 inches in diameter or less. If the storm sewer being constructed needs to be oversized (larger than 24 inches in diameter) to be able to serve other areas outside of the special assessment district, then the City will fund the cost for furnishing and installing the oversized sewer that is in excess of the cost for furnishing and installing the standard size storm sewer. It is the intent that the properties be assessed for seventy-five percent (75%) of the cost of the standard size storm sewer improvement and that the City fund twenty-five percent (25%) of the standard size storm sewer and one hundred percent (100%) of the cost of oversized any standard size storm sewer.

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Storm Sewer Improvement (Continued)

If additional funds are needed in excess of the total of the assessment costs plus any City costs, the City Commission may provide for spreading of an additional assessment, as described in Section 5 of this policy, to assess the additional cost to the properties within the special assessment district.

I. Park Improvement

Description - This work shall consist of improvements to parks defined as an area of land or water, or both, dedicated to (i) recreational purposes including trails; (ii) open or scenic space; (iii) environmental, conservation, nature or wildlife areas. The work could include, but not be limited to earthwork, utilities, environmental remediation, landscaping, walks, paths, equipment (play and athletic), water features (splash pads and pools), buildings, and all appurtenant support facilities and structures.

Cost Assessment – An assessment rate for park improvement shall be assessed to the properties that are defined as being in the special assessment district.

The assessment rate will be set individually for each park based on the extent and scope of the proposed improvements and available funding sources. It may be determined that a tiered approach shall be appropriate based upon the extent of the proposed improvements and the proximity and accessibility of the improvements to the property owners. If additional funds are needed in excess of the total assessment rate, the City Commission may provide for spreading an additional assessment, as described in Section 5 of this policy, to assess the additional cost to the properties within the special assessment district.

J. Park Acquisition

Description - This work shall consist of costs related to the acquisition of parks defined as an area of land or water, or both, dedicated to (i) recreational purposes including trails; (ii) open or scenic space; (iii) environmental, conservation, nature or wildlife areas. The work could include, but not be limited to appraisals, environmental evaluations, purchase price and closing costs.

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Cost Assessment – An assessment rate for park acquisition shall be assessed to the properties that are defined as being in the special assessment district.

The assessment rate will be set individually for each park acquisition and shall be based on the preliminary cost estimate for all of the expenses related to the acquisition. If additional funds are needed in excess of the total assessment rate, the City Commission may provide for spreading an additional assessment, as described in Section 5 of this policy, to assess the additional cost to the properties within the special assessment district.

5. Whenever it is determined that the assessment rate that was established for any of the above-mentioned public improvements will need to be increased in order to provide sufficient additional funds to pay for such improvements, the City Commission will proceed with the spreading of an additional assessment to the properties in accordance with Section 1.436 of Chapter 10 of the City Code provided that the assessment rate which was previously voted upon by the property owners will not be increased by more than 10%.

If it is determined that the assessment rate to the properties will need to be increased by more than 10%, then another vote will be taken of the property owners on the increased assessment rate and the matter will be referred to the City Commission as to how to assess the additional cost or whether or not to proceed with the project.

6. Each Special Assessment District shall be assigned an interest rate within the parameters of the City Charter and the City Code
 - A) For Special Assessment Districts where the improvements to be constructed are financed internally without issuance of bond debt or use of other financial instrument available to the City, the interest rate shall be pegged to the Bond Buyer G.O., 20 Municipal Index in effect 10 days prior to the scheduled date of confirmation of the Assessment Roll rounded to the nearest tenth of 1%. For example, if the Bond Buyer G.O. 20 Municipal Index was 4.27% 10 days prior to the scheduled confirmation of the assessment roll by the City Commission, the rate the City Assessor would present in the City Commission resolution would be 4.3%.
 - B) For Special Assessment Districts where the improvements to be constructed will be financed by issuance of bonds or other financial instrument available to the City, the rate shall be either a) the interest rate borne by the bonds or financial instrument plus 1% if known at the time of the confirmation of the assessment roll, or b) the Bond Buyer G.O. 20 Municipal index in effect 10 days prior to the scheduled date of confirmation of the assessment roll plus 1% if the interest rate is not known at the time of the confirmation of the roll.
 - C) In no case shall the interest rate assigned under paragraph 6(B) exceed 6.0% as provided by Title X, Section 11 of the City Charter, plus 1.0%, for a total of 7.0%