



MEMORANDUM

301 W. MAIN ▪ OWOSSO, MICHIGAN 48867-2958 ▪ WWW.CI.OWOSSO.MI.US

DATE: June 7, 2021

TO: Owosso City Council

FROM: Ryan E. Suchanek, Director of Public Services & Utilities

SUBJECT: McMillan Avenue Resurfacing – Special Assessment Resolution No. 2

Each year the city considers a street program to improve selected city streets. Streets are selected for inclusion in the program either by citizen initiated petition or by selection by the city. **McMillan Avenue, from south end to Industrial Drive**, is proposed by the city for street rehabilitation.

Reconstruction and/or resurfacing of these streets is funded in part via special assessment. Special Assessment is the process by which a portion of the cost for making a local improvement is assessed against a property owner based upon the value that the property receives from the improvement. The city assumes the remaining portion of the cost (public benefit portion). In recent years, the city has spread this amount as 60% public benefit and 40% property benefit. The city usually finances special assessments for property owners over a 10, 15, or 20 year period (determined by method of construction) at 6% interest. The property owner can pay an assessment in one lump sum or in installments over the 10, 15, or 20 year period.

The special assessment process has five steps, each having its own purpose and accompanying resolution.

Step One/Resolution No. 1 identifies the special assessment district(s), directs the city manager to estimate project costs and the amounts to be specially assessed, and determines the life of the proposed improvements. Resolution No. 1 for the proposed improvement was approved by City Council at its **February 1, 2021** meeting.

Step Two/Resolution No. 2 sets the date for the hearing of necessity on the projects. It directs notices to be sent to each affected property owner detailing the proposed project, notifying them of the public hearing date, and the estimated amount of their assessment. City Council is asked to act upon Resolution No. 2 on **June 7, 2021** for the proposed improvement, setting a public hearing for Monday, **June 21, 2021**.

Step Three/Resolution No. 3 documents the hearing of necessity. This hearing provides affected residents with the opportunity to comment on whether they feel the project is necessary and of the proper scale. After hearing citizen comment on the project the city council has three options: 1) If council agrees that the project should proceed as proposed, the district is established and staff is directed to go on with the next steps of the proposed project, including obtaining bids; 2) If council agrees the project should go forward, but with some adjustments they may direct staff to make those adjustments and proceed; 3) If council determines the project is not warranted and should not proceed at all they would simply fail to act on Resolution No. 3, effectively stopping the process.

Step Four/Resolution No. 4 takes place after the bids are received. Estimated assessment

amounts are adjusted if necessary to reflect the actual cost as dictated by the bids received. A second public hearing is set to allow property owners to comment on their particular assessment. Each property owner is sent a second notice containing the date and time of the public hearing and the amount of the proposed assessment for their property.

Step Five/Resolution No. 5 documents the second public hearing, finalizes the special assessment roll and sets the terms of payment. This public hearing is designed to allow affected citizens the opportunity to argue whether or not the amount of their assessment is fair and equitable in relation to the benefit they receive from the project. If, after hearing citizen comment, the council decides adjustments need to be made to the assessment roll they may do so. Alternately, if they feel all the assessments are fair and equitable they may pass the resolution as written.

Tonight the council will be considering Resolution No. 2 for the proposed district as a part of the Consent Agenda.

Staff recommends authorization of Resolution No. 2 for the following district, setting the hearing of necessity for Monday, **June 21, 2021**:

McMillan Avenue, a Public Street, from south end to Industrial Drive

Attachments: Resolution No. 2 – McMillan Avenue
Special Assessment Roll – McMillan Avenue
Engineer's Estimate - McMillan Avenue
Tax Assessment Map - McMillan Avenue

Special Assessment Resolution No. 2 for McMillan Avenue

Special Assessment District No. 2021-04

McMillan Avenue, a Public Street, from south end to Industrial Drive

RESOLUTION NO.

**MCMILLAN AVENUE
FROM SOUTH END TO INDUSTRIAL DRIVE
SPECIAL ASSESSMENT RESOLUTION NO. 2**

WHEREAS, the City Council has ordered the City Manager to prepare a report for public improvement, more particularly hereinafter described; and

MCMILLAN AVENUE, A PUBLIC STREET, FROM SOUTH END TO INDUSTRIAL DRIVE;
STREET RESURFACING

WHEREAS, the City Manager prepared said report and the same has been filed with the City Council as required by the Special Assessment Ordinance of the City of Owosso and the Council has reviewed said report.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The plans and estimate of cost and the report of the City Manager for said public improvement shall be filed in the office of the City Clerk and shall be available for public examination.
2. The City Council hereby determines that the Public Improvement hereinafter set forth may be necessary.
3. The City Council hereby approves the estimate of cost of said public improvement to be \$147,709.56 and determines that \$28,951.04 thereof shall be paid by special assessment imposed on the lots and parcels of land more particularly hereinafter set forth, which lots and parcels of land are hereby designated to be all of the lots and parcels of land to be benefited by said improvements and determines that \$118,758.52 of the cost thereof shall be paid by the City at large because of benefit to the City at large.
4. The City Council hereby determines that the portion of the cost of said public improvement to be specially assessed shall be assessed in accordance with the benefits to be received.
5. The City Council shall meet at the Owosso City Hall Council Chambers on Monday, June 21, 2021 for the purpose of hearing all persons to be affected by the proposed public improvement.
6. The City Clerk is hereby directed to cause notice of the time and place of the hearing to be published once in The Argus Press, the official newspaper of the City of Owosso, not less than seven (7) days prior to the date of said hearing and shall further cause notice of said hearing to be sent by first class mail to each owner of property subject to assessment, as indicated by the records in the City Assessor's Office as shown on the general tax roll of the City, at least (10) full days before the time of said hearing, said notice to be mailed to the addresses shown on said general tax rolls of the City.
7. The notice of said hearing to be published and mailed shall be in substantially the following form:

**NOTICE OF SPECIAL ASSESSMENT HEARING
CITY OF OWOSSO, MICHIGAN**

TO THE OWNERS OF THE FOLLOWING DESCRIBED PROPERTY:

McMillan Avenue, a Public Street, from south end to Industrial Drive

TAKE NOTICE that the City Council intends to acquire and construct the following described public improvement: **Street Resurfacing.**

The City Council intends to defray apart or all of the cost of the above-described public improvement by special assessment against the above described property.

TAKE FURTHER NOTICE that City Council has caused plans and an estimate of the cost and report for the above described public improvement to be prepared and made by the City Manager and the same is on file with the City Clerk and available for public examination.

TAKE FURTHER NOTICE that the City Council will meet at the Owosso City Hall Council Chambers, Owosso, Michigan at 7:30 o'clock p.m. on Monday, June 21, 2021 for the purpose of hearing any person to be affected by the proposed public improvement.



City of Owosso

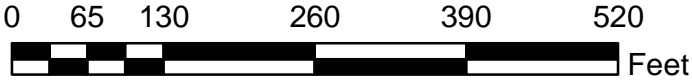
Proposed Special Assessment No. 2021-05

McMillan Avenue
from South end to Industrial Dr.

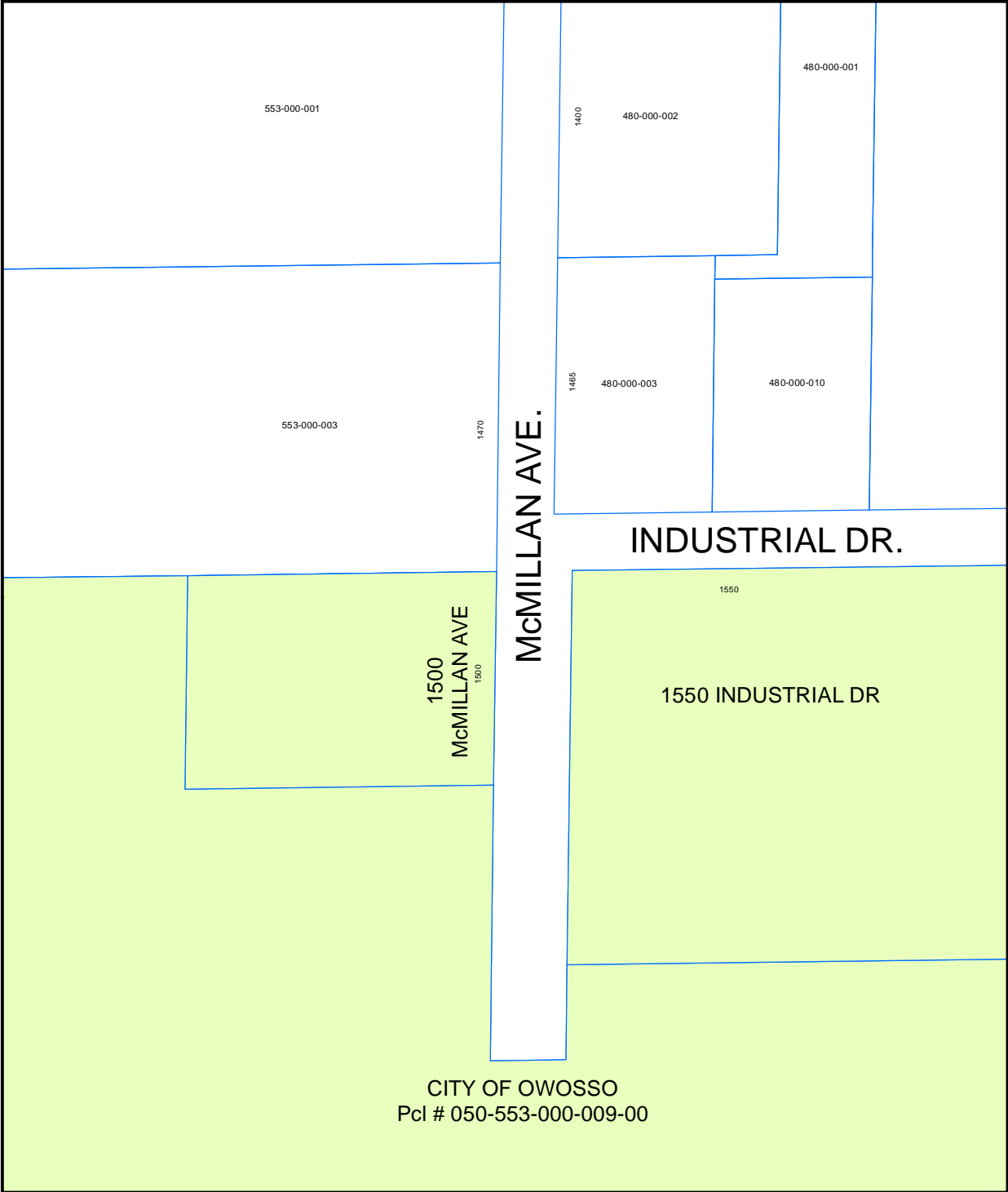


Legend

-  Special Assessment Parcels
-  Other City of Owosso Parcels
- 501 Street Address Number



1 inch = 165 feet



MCMILLAN AVENUE FROM SOUTH END TO INDUSTRIAL DRIVE ENGINEER'S ESTIMATE

DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT	ELIGIBLE AMOUNT	CITY COST 60 PERCENT	ASSESSMENT	ASSESSMENT
							AT 40% RESIDENTIAL	AT 40% COMMERCIAL
Mobilization, Max 10%, (Road and Storm)	0.11	LSUM	\$52,000.00	\$ 5,720.00	\$ 5,720.00	\$ 3,432.00	\$ 2,288.00	\$ 2,288.00
Culv, Rem, Less than 24 inch	1	Ea	\$350.00	\$ 350.00				
Pavt, Rem	372.65	Syd	\$9.00	\$ 3,353.85				
Embankment, CIP	5	Cyd	\$8.00	\$ 40.00				
Excavation, Earth	392	Cyd	\$10.00	\$ 3,920.00				
Subgrade Undercutting, Type II	2.75	Cyd	\$25.00	\$ 68.75				
Subbase, CIP	29	Cyd	\$10.00	\$ 290.00				
Aggregate Base, LM, Modified	2.75	Cyd	\$20.00	\$ 55.00				
Aggregate Base, 10 inch, Modified	234	Syd	\$19.00	\$ 4,446.00	\$ 889.20	\$ 533.52		\$ 355.68
HMA Base Crushing and Shaping, Modified	1118	Syd	\$2.00	\$ 2,236.00	\$ 745.33	\$ 447.20		\$ 298.13
Material, Surplus and Unsuitable, Rem, LM	2.75	Cyd	\$20.00	\$ 55.00				
Salv Crushed Material, LM	1.1	Cyd	\$10.00	\$ 11.00				
Asphalt Cement Stabilized Base, Modified	1118	Syd	\$2.40	\$ 2,683.20	\$ 1,341.60	\$ 804.96		\$ 536.64
Ashpalt Cement Binder	1788	Gal	\$3.50	\$ 6,258.00	\$ 3,129.00	\$ 1,877.40		\$ 1,251.60
Trenching, Modified	3	Sta	\$250.00	\$ 750.00	\$ 500.00	\$ 300.00		\$ 200.00
Maintenance Gravel	11	Ton	\$20.00	\$ 220.00				
Approach, CI I, LM	13	Cyd	\$30.00	\$ 390.00				
Shoulder, CI I	68	Ton	\$30.00	\$ 2,040.00	\$ 2,040.00	\$ 1,224.00	\$ 816.00	\$ 816.00
Geotextile, Separator, Modified	148	Syd	\$2.00	\$ 296.00				
Culv End Sect, Conc, 12 inch	5	Ea	\$500.00	\$ 2,500.00				
Culv, CI E, Conc, 12 inch	250	Ft	\$50.00	\$ 12,500.00				
Sanitary Service, Conflict	0.55	Ea	\$1,350.00	\$ 742.50				
Abandoned Gas Main, Conflict	0.55	Ea	\$500.00	\$ 275.00				
Dr Structure Cover, EJ 1040 w/ Type O2 Beehive	1	Ea	\$700.00	\$ 700.00	\$ 700.00	\$ 420.00	\$ 280.00	\$ 280.00
Dr Structure, 48 inch dia, Modified	1	Ea	\$2,000.00	\$ 2,000.00				
Cold Milling HMA Surface	953	Syd	\$2.00	\$ 1,906.00	\$ 1,906.00	\$ 1,143.60	\$ 762.40	\$ 762.40
HMA, 3E3 (3")	203	Ton	\$75.00	\$ 15,225.00	\$ 15,225.00	\$ 9,135.00	\$ 1,015.00	\$ 5,075.00
HMA, 4E3 (2")	136	Ton	\$80.00	\$ 10,880.00	\$ 10,880.00	\$ 6,528.00	\$ 4,352.00	\$ 4,352.00
HMA, 5E3 (1.5")	102	Ton	\$85.00	\$ 8,670.00	\$ 8,670.00	\$ 5,202.00	\$ 3,468.00	\$ 3,468.00
Cement	0.22	Ton	\$200.00	\$ 44.00				
Driveway, Nonreinf Conc, 9 inch	255	Syd	\$60.00	\$ 15,300.00				
Barricade, Type III, High Intensity, Double Sided, Lighted, Furn & Oper	1	Ea	\$105.00	\$ 105.00				
Minor Traf Devices, Max \$10,000	0.11	LSUM	\$10,000.00	\$ 1,100.00	\$ 1,100.00	\$ 660.00	\$ 440.00	\$ 440.00
Plastic Drum, Fluorescent, Furn and Oper	1.65	Ea	\$35.00	\$ 57.75				
Sign, Type B, Temp, Prismatic, Furn and Oper	50	Sft	\$5.00	\$ 250.00				
Pedestrian Type II Barricade, Temp	0.22	Ea	\$125.00	\$ 27.50				
Turf Establishment, Performance	1254	Syd	\$6.00	\$ 7,524.00				
Post, Steel, 3 lb	5.5	Ft	\$8.00	\$ 44.00				
Sign, Type III. Erect, Salv	0.55	Ea	\$60.00	\$ 33.00				
Sign, Type III, Rem	0.55	Ea	\$45.00	\$ 24.75				
Miscellaneous Work Items	1	LSUM	\$10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 6,000.00	\$ 4,000.00	\$ 4,000.00
SUB TOTALS				\$123,091.30	\$62,846.13	\$37,707.68	\$17,421.40	\$24,123.45
ENGINEERING AT 15% ASSESSABLE COST				\$ 18,463.70	\$ 9,426.92	\$ 5,656.15	\$ 2,613.21	\$ 3,618.52
ADMINISTRATIVE AT 5% ASSESSABLE COST				\$ 6,154.57	\$ 3,142.31	\$ 1,885.38	\$ 871.07	\$ 1,206.17
GRAND TOTALS				\$147,709.56	\$75,415.36	\$45,249.22	\$20,905.68	\$28,948.14

MCMILLAN AVE FROM SOUTH END TO INDUSTRIAL

SPECIAL ASSESSMENT ROLL

RESO 2

ENGINEER'S ESTIMATE ASSESSABLE AMOUNT \$75,415.36
TOTAL ASSESSABLE FRONT FEET 673.75

CALCULATING ASSESSABLE FRONT FOOT RATE AND AMOUNTS:

PROPERTY TYPE	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	TOTAL
TOTAL ASSEMENT PER TYPE	\$75,415.36	\$75,415.36	
CITY SHARE $\geq 60\%$	\$54,509.68	\$46,466.22	
PROPERTY SHARE @ $\leq 40\%$	\$20,905.68	\$28,949.14	
ASSESSABLE FRONT FOOT RATE: PROP SHARE/673.75	\$31.03	\$42.97	
TOTAL FRONT FEET PER TYPE	0.00	673.75	
TOTAL AMOUNT OF ASSESSMENT PER TYPE:	\$0.00	\$28,949.14	\$28,949.14

SUMMARY: SPECIAL ASSESSMENT AMOUNTS PER SIDE OF STREET:

WEST SIDE	\$16,543.45
EAST SIDE	\$12,407.59
TOTAL SPECIAL ASSESSMENT	<u>\$28,951.04</u>

WEST SIDE

ADDRESS NO.	STREET	PROPERTY OWNER NAME	ROLL NUMBER	FRONT FOOTAGE	CORNER LOT DISCOUNT	ASSESSABLE FRONT FEET	FRONT FOOT RATE	AMOUNT OF ASSESSMENT	PROPERTY TYPE
		CITY OF OWOSSO	050-553-000-009-00	160	1	160.00	\$42.97	\$6,875.20	I1
1500	MCMILLAN AVE	GLENN BARNES	050-553-000-008-00	225	1	225.00	\$42.97	\$9,668.25	I1
				385		385.00		\$16,543.45	

EAST SIDE

ADDRESS NO.	STREET	PROPERTY OWNER NAME	ROLL NUMBER	FRONT FOOTAGE	CORNER LOT DISCOUNT	ASSESSABLE FRONT FEET	FRONT FOOT RATE	AMOUNT OF ASSESSMENT	PROPERTY TYPE
		CITY OF OWOSSO	050-553-000-009-00	0	1	0.00	\$42.97	\$0.00	I1
1550	INDUSTRIAL DR	GLEN T. MERKEL, LLC	050-553-000-005-00	385	0.75	288.75	\$42.97	\$12,407.59	I1
				385		288.75		\$12,407.59	

SOUTH SIDE

ADDRESS NO.	STREET	PROPERTY OWNER NAME	ROLL NUMBER	FRONT FOOTAGE	CORNER LOT DISCOUNT	ASSESSABLE FRONT FEET	FRONT FOOT RATE	AMOUNT OF ASSESSMENT	PROPERTY TYPE
		CITY OF OWOSSO	050-553-000-009-00	0	1	0.00	42.97	\$0.00	I1
				0		0.00			

TOTALS: 770 673.75 \$ 28,951.04