

CITY OF ALPENA

COUNCIL POLICY STATEMENT

SUBJECT: Utility Extensions – Special
Assessment Procedure

CPS No.: 20

Date Issued: 5-6-96

Effective Date: 5-7-96

Copies to: All Department Heads

STATEMENT OF POLICY:

- I. Purpose The purpose of this policy is to establish procedures to use for requests of water, sanitary sewer, and storm sewer extensions, street paving, and utility street openings.
 - A. Requests for special assessment (S.A.) projects should be made on the S.A. forms obtained in the City Manager's office. Currently, the manager's office provides S.A. forms to residents wanting street (curb and gutter) extensions. To qualify as a legal request, the S.A. petition must be signed by at least 60% of the frontage to be assessed. The City Assessor determines if that requirement is met.
 - B. For utility extensions and street paving, the City Engineer shall prepare a council report which shall include the following.
 1. Requesting party's name and address.
 - a. Certification from City Assessor that petition request meets the 60% Charter requirement.
 2. Type of request.
 3. Copy of original written special assessment petition.
 4. Availability of utilities to serve the request.
 5. Impact on existing utility infrastructure.
 6. Anticipated cost of requested improvements.

- C. Council shall refer all utility extension and street paving S.A. requests to staff for budget study purposes.
- D. Budget study of referred utility extension S.A. requests shall entail reviewing the utility fund's ability to fund the requested extension and providing a report to council on the results of the budget study.
- E. Basis for the budget study shall be as follows.
 - 1. Utility extensions and street paving shall be completed as funding becomes available within the particular fund which would finance the improvement. The property owner shall be responsible for 60% of the utility extension cost and the City shall be responsible for 40% of the utility extension cost. The property owner shall be responsible for 25% of the street paving cost and the City shall be responsible for 75% of the street paving cost.
 - 2. Utility street openings shall be done as requested by the property owner. The property owner shall be responsible for 100% of the project cost. An estimated cost of the work to be performed shall be due upon issuance of the R.O.W. permit or request of the property owner, with any balance due or refund issued upon completion of the work and determination of a final billing. Any overhead as established by the city shall be included in the billing. In no case shall costs associated with a utility street opening be less than the annual tap-in fee established by the City of Alpena.
- F. The City shall establish a flat cost per front foot which shall be based on the cost as referenced in E above by using an average similar project cost for the proceeding three years. For projects in which no previous construction data is available, the flat fee rates for front foot shall be based on 60% of the construction estimate as prepared by the City Engineer. This rate shall be established by council at the Hearing of Necessity.
- G. In all cases, the utility being extended shall be brought to the extreme far property line from the direction from which service is being provided. This shall be waived only, if at the discretion of the City Engineer, service beyond that property line is impractical or unnecessary. In any case, the full frontage of the lot being served shall be utilized for the property owner's cost estimate.
- H. Corner lots shall only be assessed for the longest lot line abutting a street on which service will be provided.
- I. The cost of the special assessment for street paving, sewer, water, or storm utilities shall be spread over a 5-year period with interest for any unpaid balance as established by the City Charter.
- J. Utilities extended under the special assessment procedure shall not waive the requirement for the property owner to pay any and all utility connection fees as established by City

Council.

- K. The above policy should be implemented in accordance with City Charter Chapter 13, "Special Assessments," and applicable State Law on special assessments.

Peter Parker
City Manager