

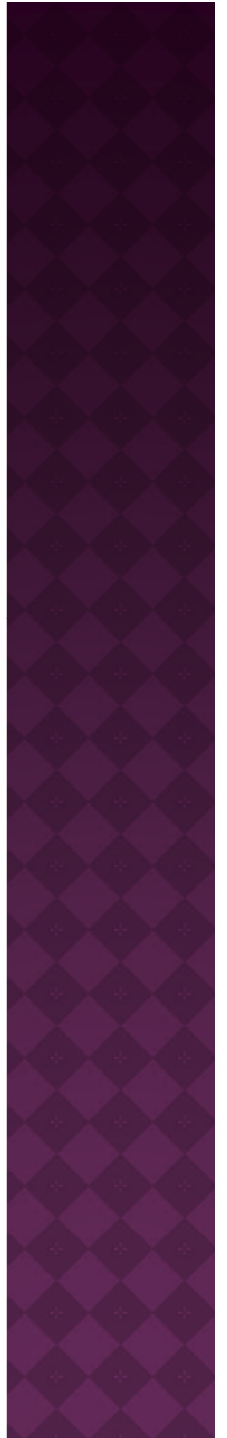
# TOWNSHIP ISLANDS

City Council Work Session

June 13, 2011

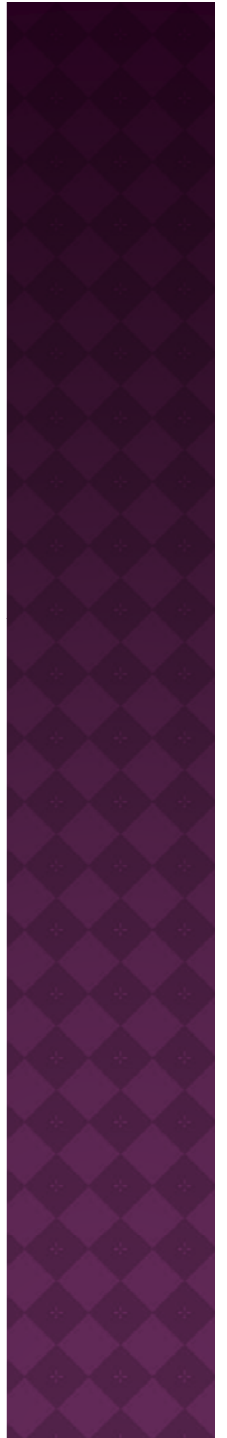
# PURPOSE OF PRESENTATION

- Provide updated information on staff analysis of annexation of township “island” parcels, including a staff recommendation on how to proceed
- The goal of this effort is to find ways for the City to provide services more efficiently and equitably



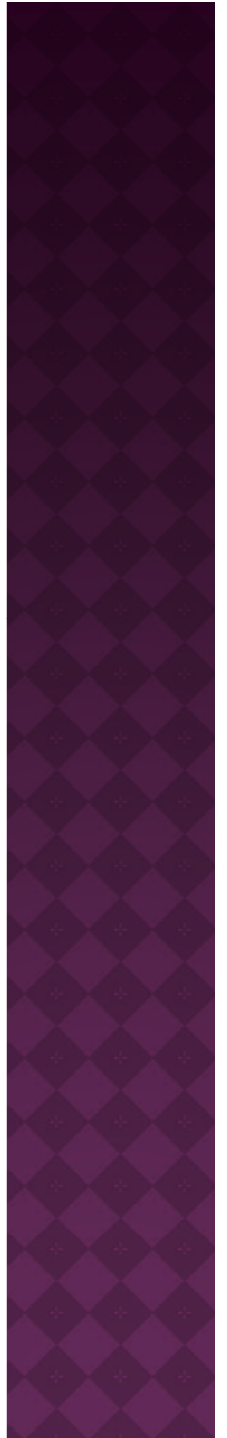
# PRESENTATION OUTLINE

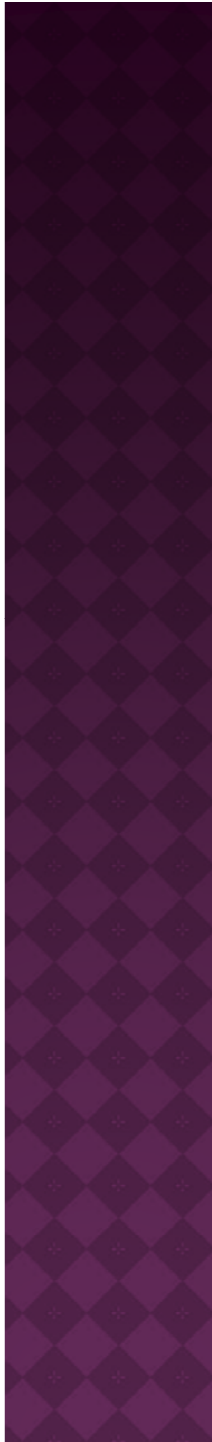
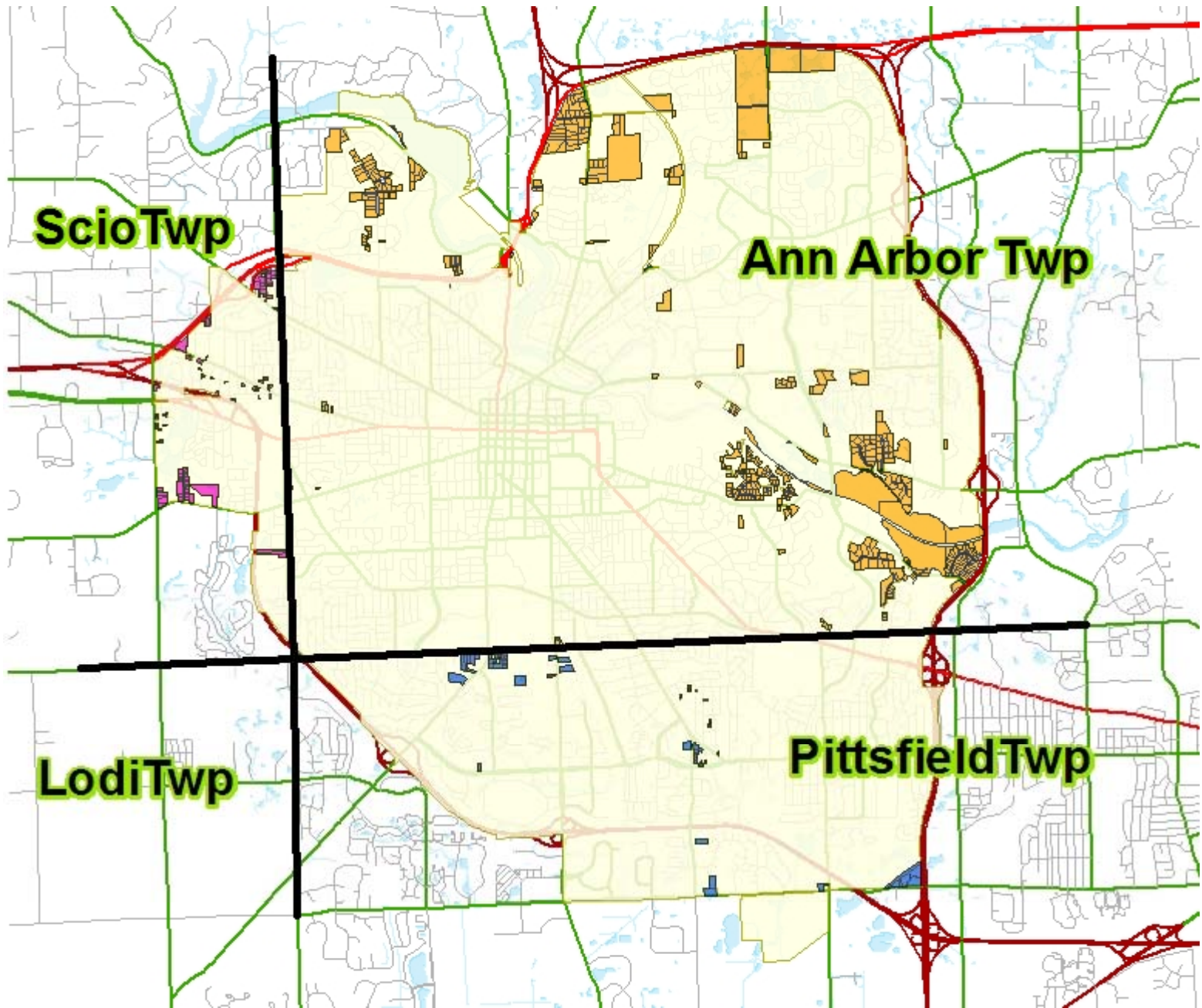
- ◉ Background
- ◉ Updated Analysis
- ◉ Annexation Approach Options
- ◉ Staff Recommendation



# BACKGROUND

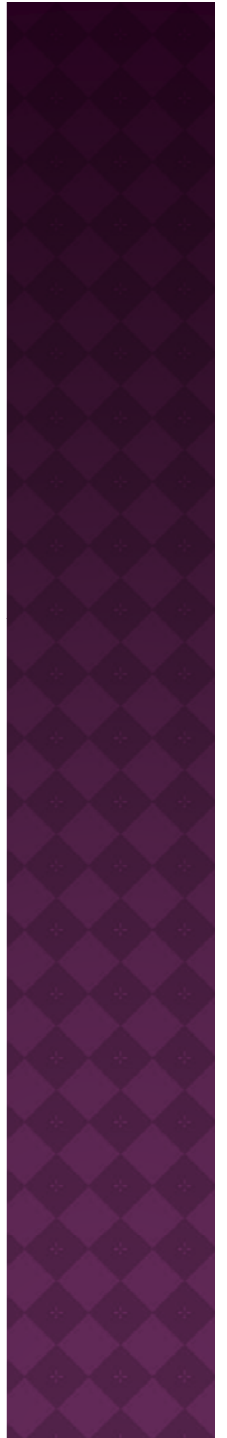
- Three separate city-township agreements outlining common understanding regarding ultimate boundaries (“city service area”)
  - Charter Township of Pittsfield (1979)
  - Scio Township (1979)
  - Charter Township of Ann Arbor (1994)\*
    - \*Agreement includes date reference





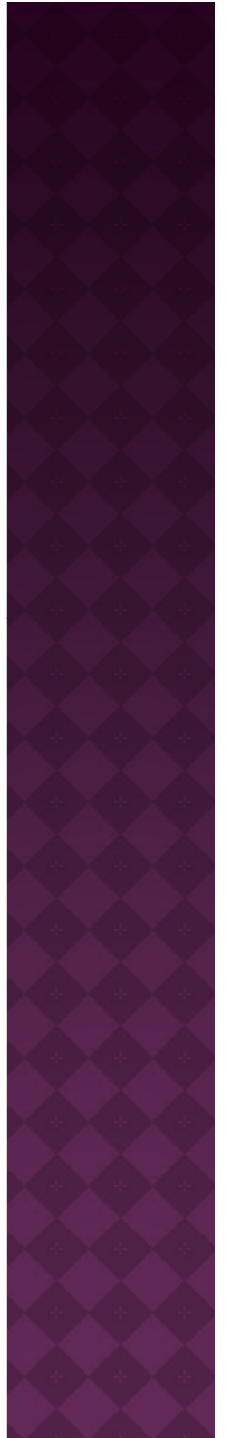
# BACKGROUND

- Approximately 580 “island” parcels
- Approximately 1,000 acres
- Approximately 900 people
- Approximately 2/3 of parcels are developed
- Some parcels over 40 acres



# ANALYSIS

- ◉ Municipal Services
  - Safety Services (Police; Fire)
  - Public Services (Streets; Stormwater; Water; Sanitary Sewer; and Solid Waste)
- ◉ Duplication of Services
- ◉ Equity of Funding Services
- ◉ Extension of Services
- ◉ Fiscal Implications



# ANALYSIS: SAFETY SERVICES

## ○ Police

- Response determined based on jurisdiction
  - Ann Arbor Police Services Unit
  - Pittsfield Township Police Department
  - Washtenaw County Sheriff (Scio/Ann Arbor Twp)



# ANALYSIS: SAFETY SERVICES

## ○ Fire

- City responds to all emergency requests within the City service area
- If from a township “island” parcel, City also contacts appropriate township fire department
- If a situation warrants additional support, responding department requests outside agency assistance through established mutual aid agreement
  - Ann Arbor Fire Safety Unit
  - Pittsfield Township Fire Department
  - Scio Township Fire Department
  - Ann Arbor Township Fire Department

# ANALYSIS: PUBLIC SERVICES

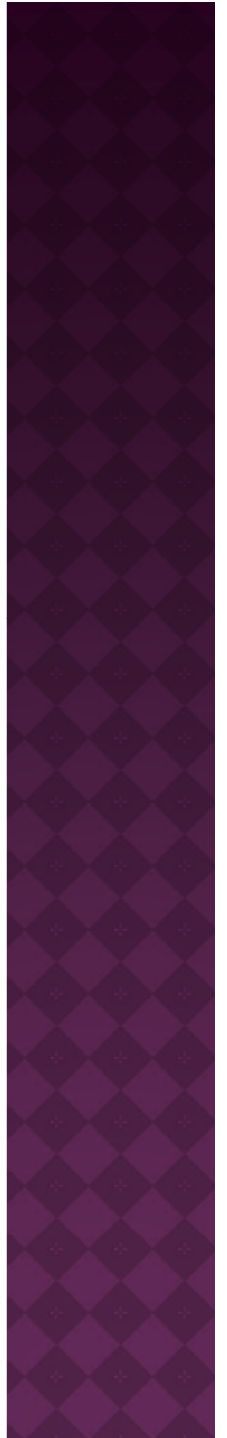
## ○ Streets

- In 2001 and 2002 Washtenaw County Road Commission (WCRC) transferred majority of their R.O.W. within service area to City
  - Most public streets within city service area are now City streets
- There are still several unimproved streets within the city service area
- Some areas of township islands are served by private streets or drives/lanes

# ANALYSIS: PUBLIC SERVICES

## ◉ *Stormwater Service*

- Drainage from most lands within City service area ultimately handled by City storm system
- Several county drains under the jurisdiction of the Washtenaw County Water Resources Commissioner (WCWRC)



# ANALYSIS: PUBLIC SERVICES

## ○ Water Service

- City water distribution system
- Not complete throughout service area
  - Private wells still used where city water distribution system not available, and for township parcels not yet connected

# ANALYSIS: PUBLIC SERVICES

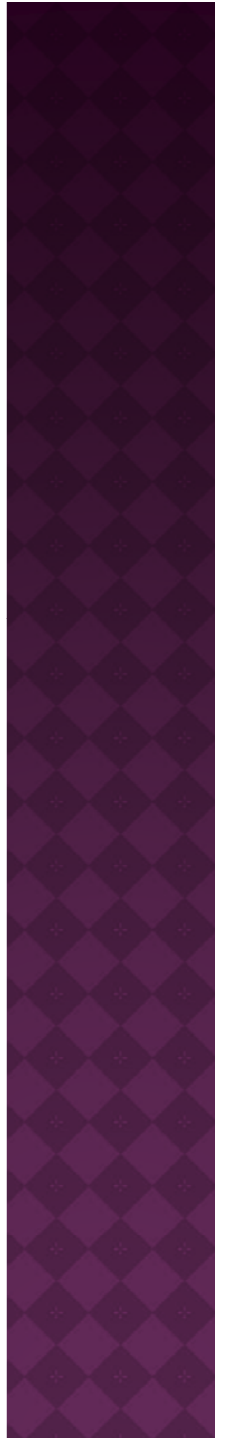
## ◉ Sanitary Sewer Service

- City sanitary sewer system
- Not complete throughout service area
  - Private septic systems still used where city sanitary system not available, and for township parcels not yet connected
- A few Ann Arbor Township sewers exist in service area
  - Joint Use Sewer Agreement between the City and Ann Arbor Township
  - When the last township parcel being served by one of these sewers is annexed, the sewer will become a city sewer

# ANALYSIS: PUBLIC SERVICES

## ○ *Solid Waste Service*

- Upon annexation, the City provides collection of:
  - Refuse
  - Recyclables
  - Yard Waste
- Introduction of cart system has eliminated inadvertent service to township parcels



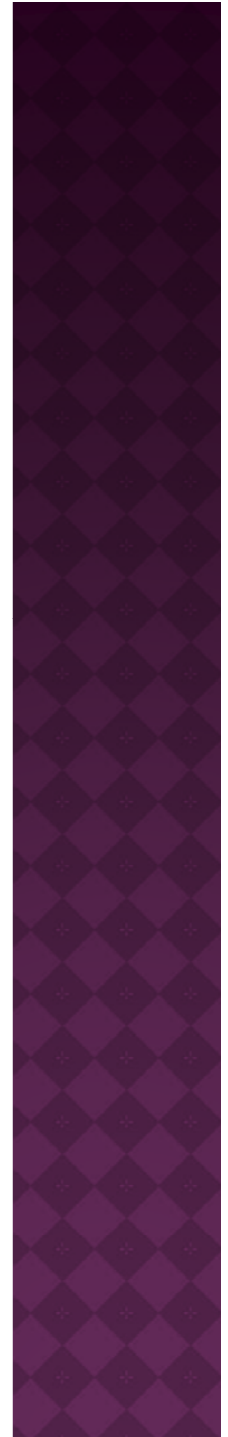
# ANALYSIS: DUPLICATION OF SAFETY SERVICES

## ○ Police protection

- Township police service provided for township “island” properties
  - City police protection elsewhere in the City service area
- After all annexations, Ann Arbor Police Services Unit will respond to all calls within City service area
  - Assistance from other jurisdictions may be requested if needed to increase life safety or property protection

## ○ Fire protection

- Immediate response by City; township jurisdiction notified
- After all annexations, mutual aid will continue
  - Equipment needs, nature of event, etc.



# ANALYSIS: EQUITY OF FUNDING SERVICES

- Township properties receive a number of City services without contributing to their funding
  - ◉ Police and fire protection (general fund)
  - ◉ Street resurfacing and reconstruction (millage)
  - ◉ Streetlighting (general fund)
  - ◉ Stormwater (rates)
  - ◉ City parks (millage)



# ANALYSIS: EXTENSION OF SERVICES

## ○ Initial Capital Costs

- Water, sanitary and storm funded by utility enterprise funds/rates
  - Affects ability to perform other capital projects
  - Priorities need to be established
- Streets, sidewalks, streetlights, etc. historically funded by General Fund

## ○ Cost Recovery

- Water and sanitary - Improvement charges paid by property owner at time of connection
- All other first time improvements - Special assessment to city parcels
  - Township parcels share not collected until annexed, and then cost forwarded to current dollars

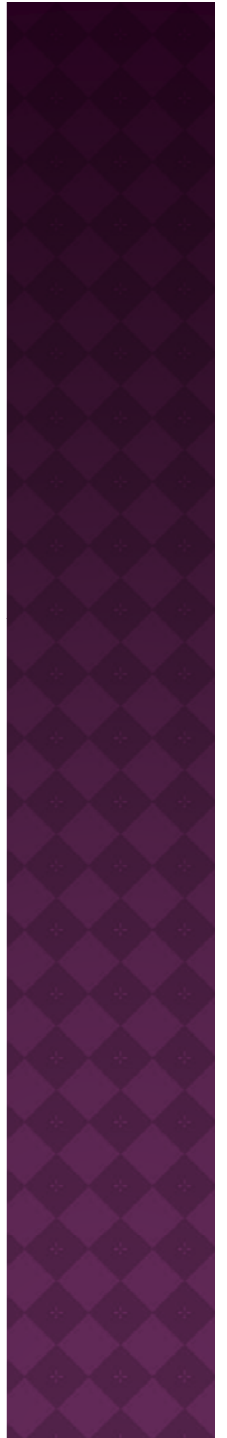
# ANALYSIS: FISCAL IMPLICATIONS FOR PROPERTY OWNERS

## ◉ Financial impacts include:

1. Historic special assessment (“future recoverable”) charges, if applicable
  - Historic amount(s) is cost-forwarded to recover equivalent current costs
  - Due when annexation is completed
  - Amount (if applicable) varies for each parcel
2. Costs associated with connecting to City utilities
  - ◉ Must connect to water and sewer (if available) within 90 days of notice by the City
3. Higher local property millage rate

# ANALYSIS: FISCAL IMPLICATIONS FOR PROPERTY OWNERS

- ◉ Costs associated with connecting to City utilities include:
  - A. Improvement Charges
  - B. Tap/Connection & Meter Charges
  - C. Private Contractor Costs



# ANALYSIS: FISCAL IMPLICATIONS FOR PROPERTY OWNERS

- Different situations due to incomplete utility systems
  - Example #1 - Property does NOT front City water main or sanitary sewer
  - Example #2 - Property fronts City water main, but not sanitary sewer
  - Example #3 - Property fronts City sanitary sewer, but not water main
  - Example #4 - Property fronts both City sanitary sewer and water main

# ANALYSIS: FISCAL IMPLICATIONS FOR PROPERTY OWNERS

- Example #1 - Property does NOT front City water main or sanitary sewer
  - Since there is neither city water or sanitary sewer available for the parcel to connect to, there are no costs associated with connecting to city utilities
  - There may be historic special assessment charges (“future recoverables”) that will be levied at the time of annexation
    - Cost may be \$0 or a site specific amount
    - This is typical for all of the subsequent examples

# ANALYSIS: FISCAL IMPLICATIONS FOR PROPERTY OWNERS

## ○ Example #2 - Property fronts City water main, but not sanitary sewer

### ■ Improvement Charge

- Fixed charge: \$14,539\*  
(can arrange for annual installments)

### ■ Tap/connection/meter charges

- Typical single-family residential: \$3,510\*  
(due at connection)

### ■ Private contractor costs

- Ranges due to many variables: \$2,000 - \$15,000  
(City not involved)

\*Current (2011) charges

TOTAL : \$20,049 - \$33,049

# ANALYSIS: FISCAL IMPLICATIONS FOR PROPERTY OWNERS

## ○ Example #3 - Property fronts City sanitary sewer, but not water main

### ■ Improvement Charge

- Fixed charge: \$22,530\*  
(can arrange for annual installments)

### ■ Tap/connection/meter charges

- Typical single-family residential: \$3,065\*  
(due at connection)

### ■ Private contractor costs

- Ranges due to many variables: \$5,000 - \$25,000  
(City not involved)

\*Current (2011) charges

TOTAL : \$30,595 - \$50,595

# ANALYSIS: FISCAL IMPLICATIONS FOR PROPERTY OWNERS

## ○ Example #4 - Property fronts both City sanitary sewer and water main

### ■ Improvement Charge

- Fixed charge: \$37,069\*  
(can arrange for annual installments)

### ■ Tap/connection/meter charges

- Typical single-family residential: \$6,200\*  
(due at connection)

### ■ Private contractor costs

- Ranges due to many variables: \$7,000 - \$40,000  
(City not involved)

**\*Current (2011) charges**

**TOTAL : \$50,269 - \$83,269**



# ANALYSIS: FISCAL IMPLICATIONS FOR PROPERTY OWNERS

- Annexation is not an uncapping event affecting taxable value

<b>JURISDICTION</b>	<b>LOCAL PROPERTY MILLAGE RATE</b>	<b>TOTAL TAX RATE</b>
City of Ann Arbor	16.8164 mils	45.4283 mils
Ann Arbor Township	5.4181 mils	34.0300 mils
Pittsfield Township	5.3554 mils	33.9673 mils
Scio Township	1.4460 mils	30.0579 mils

# ANNEXATION APPROACH OPTIONS

1. No change in current policy
  - Initiated by individual property owners
2. City initiated annexation of township parcels
  - a) Gradual annexation of clusters of township parcels
  - b) Boundary adjustments
    - Available with Charter Townships of Ann Arbor and Pittsfield
  - c) Phased boundary adjustments
    - Similar to b) above; smaller areas, over time

# ANNEXATION APPROACH OPTIONS

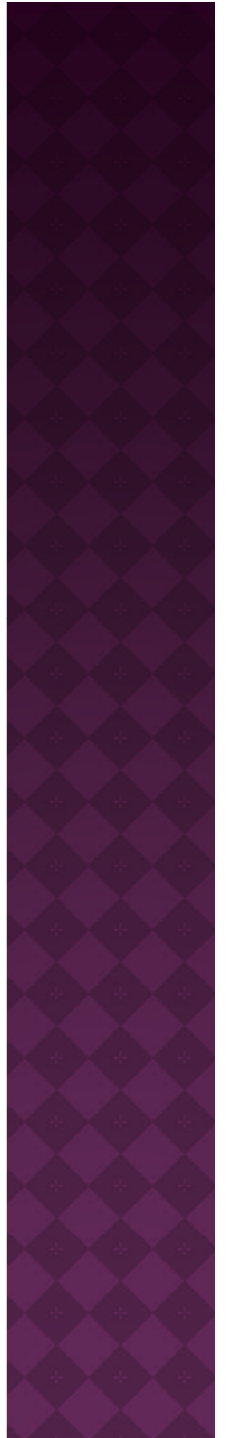
OPTION	CONSIDERATIONS	
1. No Change	<ul style="list-style-type: none"> <li>•No policy action necessary</li> <li>•Reactive, non-strategic approach to service extensions, advancement of capital costs without recovery</li> </ul>	<ul style="list-style-type: none"> <li>•Unknown timing</li> <li>•No advance planning</li> <li>•Duplication of services &amp; inequity of costs continue</li> </ul>
2a. City Initiated Annexation of Clusters of Parcels	<ul style="list-style-type: none"> <li>•Staff time involved</li> <li>•Timing can be coordinated with water and sanitary extensions</li> </ul>	<ul style="list-style-type: none"> <li>•Includes strategic element</li> <li>•Gradual process of eliminating duplication of services &amp; inequity of costs</li> </ul>
2b. Boundary Adjustment	<ul style="list-style-type: none"> <li>•Can only occur with Ann Arbor and Pittsfield Townships</li> <li>•Requires mutual action by both legislative bodies</li> </ul>	<ul style="list-style-type: none"> <li>•Reduced staff time</li> <li>•Elimination of duplication of services &amp; inequity of costs</li> </ul>
2c. Phased Boundary Adjustment	<ul style="list-style-type: none"> <li>•Can only occur with Ann Arbor and Pittsfield Townships</li> <li>•Requires mutual action by both legislative bodies</li> </ul>	<ul style="list-style-type: none"> <li>•Timing can be coordinated with water and sanitary extensions</li> <li>•Gradual process of eliminating duplication of services &amp; inequity of costs</li> </ul>

# STAFF RECOMMENDATION

- The City initiate annexation of township parcels
  - Initiate annexation of parcels owned by utility companies and public agencies
  - Evaluate feasibility of boundary adjustments, including communicating with Pittsfield and Ann Arbor Townships
  - If feasible, present resolution to Council to approve a boundary (or phased boundary) adjustment, and initiate this process

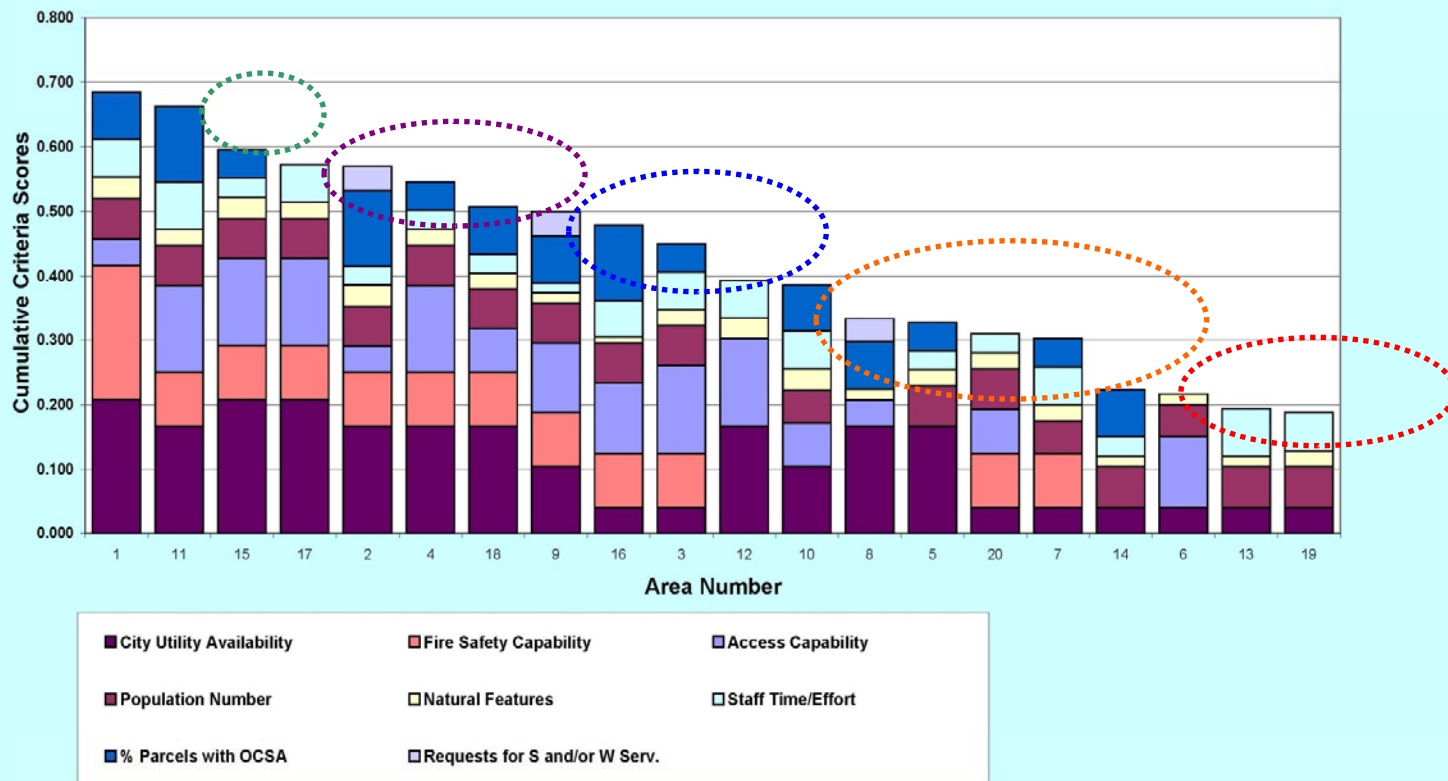
# STAFF RECOMMENDATION

- If boundary adjustment is not feasible:
  - City Council direct staff by resolution to initiate annexation of one cluster of township “island” parcels as a pilot
  - Selection of cluster area would be based on a prioritization tool that includes several factors, such as:
    - Utility availability; Emergency access; Requests for service; Presence of natural features; Staff time involved; Parcels already receiving services;
  - Staff would report back to City Council on lessons learned



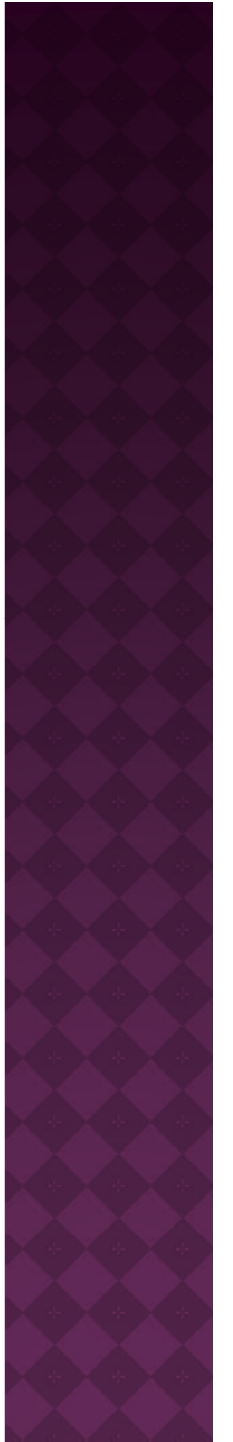
# PRIORITIZATION MODEL TOOL

Prioritization Ranking of Alternatives  
by Total Benefit Value



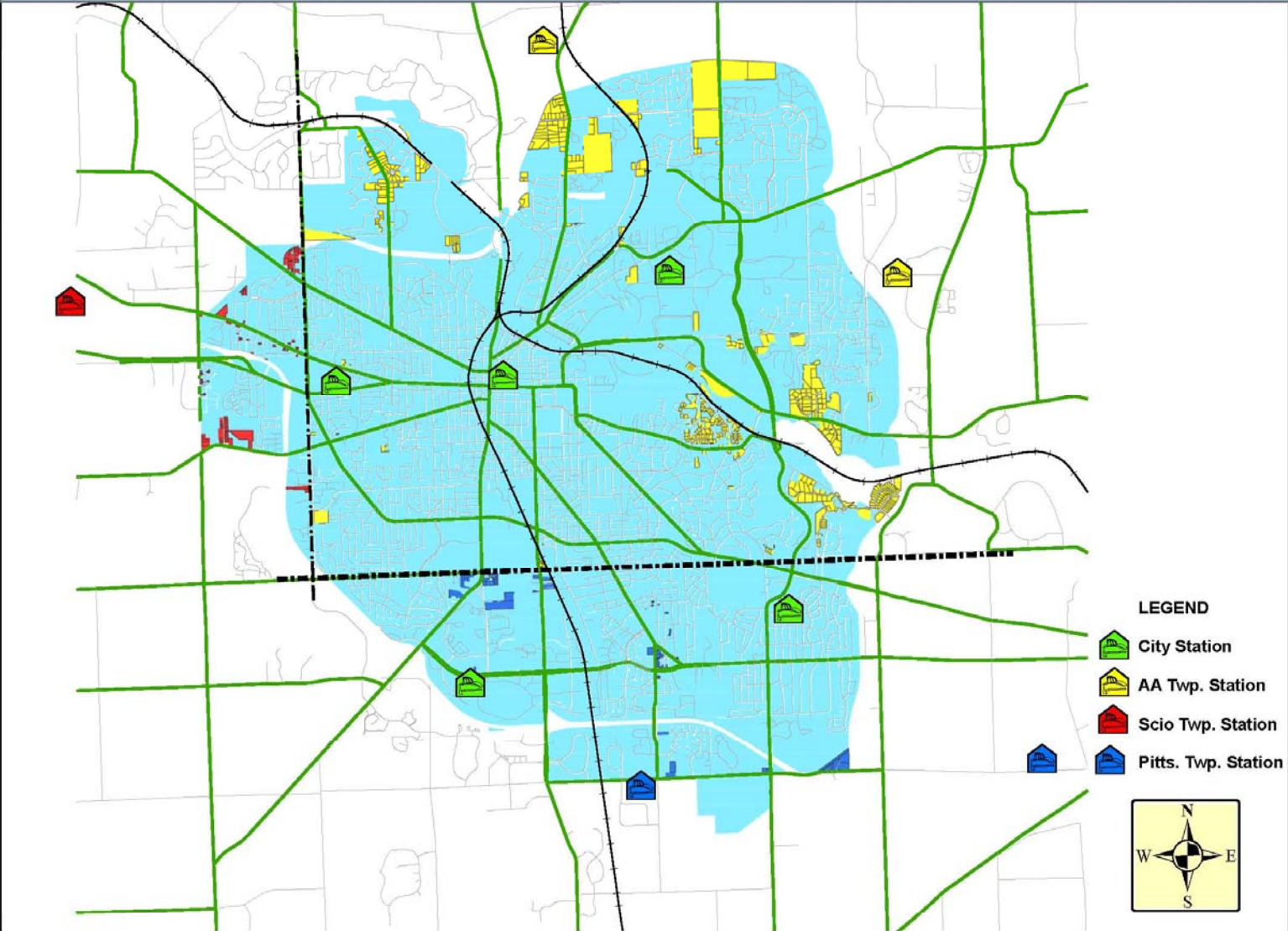
# QUESTIONS & DISCUSSION







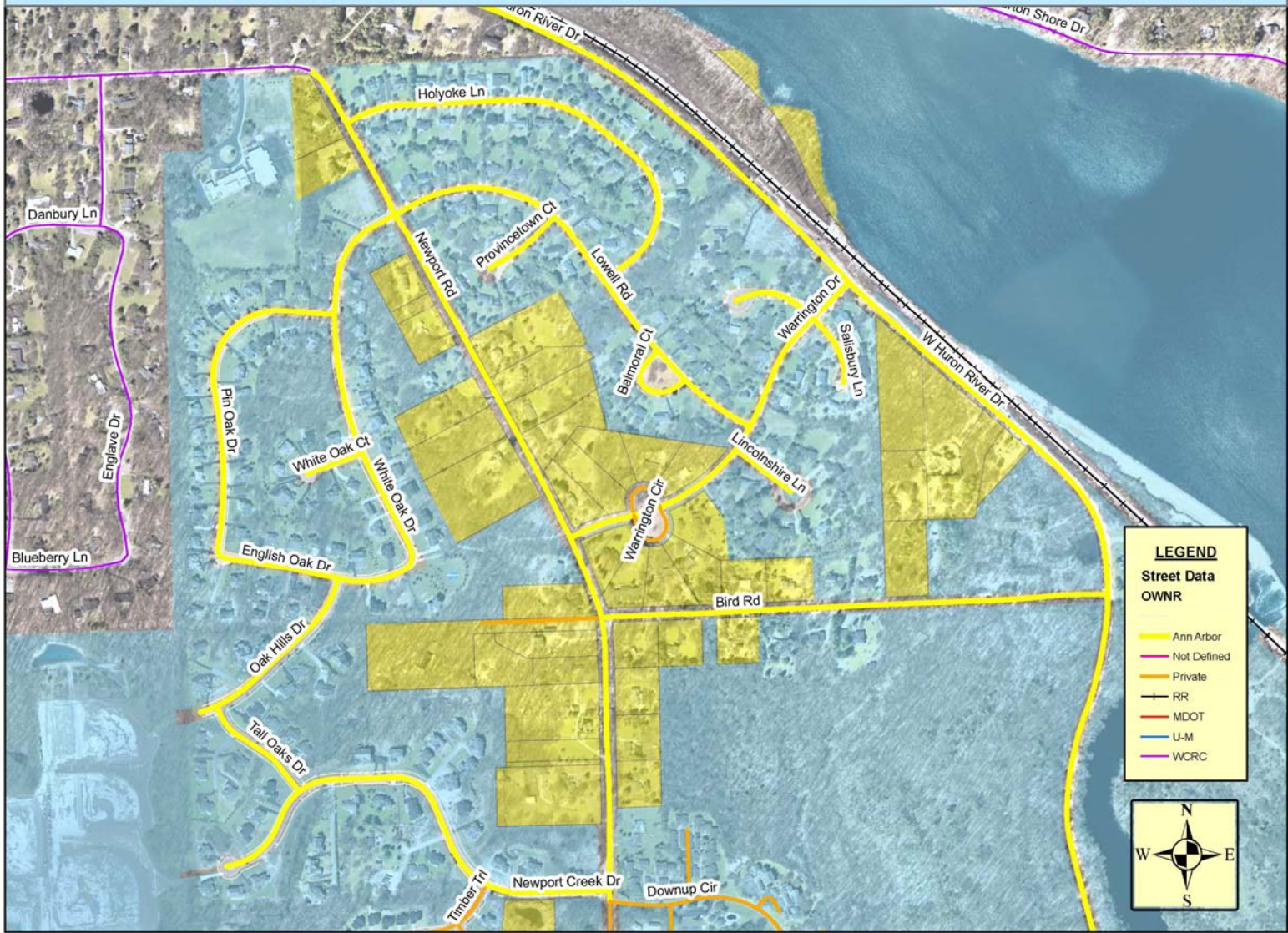
# Fire Station Locations



## Water and Access Challenges



# Street Jurisdiction



**LEGEND**  
Street Data  
OWNER

- Ann Arbor
- Not Defined
- Private
- RR
- MDOT
- U-M
- WCRC



# Utilization of City Storm System



## Water Distribution System Status



# Sanitary Sewer System Status

