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Improvement Charges

In July 2006 staff began a process to identify properties that have not paid their fair portion of public improvements constructed for their benefit. Where improvements such as streets, utilities, etc. have been constructed for the benefit of properties which may have been outside of the City jurisdiction at the time of construction, those properties were given notice of the improvements, with the resulting improvement charges held in abeyance until annexation occurred. Following annexation of each parcel a resolution is then placed before Council for approval to levy improvement charges against the property. The approved resolution is recorded with the Washtenaw County Register of Deeds, and the Treasurer's Office begins billing the improvement charges.

Staff has identified numerous properties that were outside the City at the time an improvement district was constructed, that have subsequently annexed and may also be active for utility service, but for which these improvement charges were not levied nor paid. In some cases the property owner remains the same, but for others there has been a change in ownership. Some current property owners may be several times removed from the property owner to whom notice of these improvement charges was served and these charges may be a significant, unbudgeted surprise.

The benefit of the improvements and therefore the obligation to pay the improvement charges runs with the land. The City may not waive the obligation to recover from the benefiting properties. Improvement charges in these circumstances are levied at the historical rate without cost forwarding or interest accrual. Property owners are afforded payment terms in keeping with standard practices. Additionally, when the property has changed ownership multiple times since notice was provided, staff is recommending additional consideration by extension of a 15 year payment schedule and zero percent interest terms.

For the November 5, 2007, staff is proposing six action items that extend this additional consideration. The total improvement charges for these six items is \$31,170.86

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