



**DANIELS DRAIN PUBLIC DRAIN
IMPROVEMENT SAD #21 RESOLUTION #5
May 3, 2022 Township Board Meeting**



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The Daniels Drain is a Chapter 20 Drain under the Michigan Drain Code of 1956, which means the County Drain Commissioner is responsible for the drain with the lone exception of establishing the special assessment roll. This responsibility falls on Townships under state law. That is why the notices property owners have been receiving since 2015 regarding the establishment of the assessment roll are from the Township. However, the Township has no legal authority to change the drainage district boundaries, work on the drain, or maintain the drain.



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Should property owners have questions regarding the Daniels Drain outside of the special assessment roll, such as the drainage district boundaries, scope of the project, cost of the project, etc., they should contact the Ingham County Drain Commissioner's Office and/or their engineering firm for this project:

Paul Pratt, Deputy Drain Commissioner
517-676-8395
ppratt@ingham.org

Kyle Smith, Project Engineer, GEI Consultants
734-904-9356
ksmith@geiconsultants.com

Brian Cenci, PE, Project Manager, GEI Consultants
517-449-3478
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Now I would like to take the Board for a trip down memory lane to 2015 when Discussion of the Daniels Drain first began when the Ponds Cooperative approached the Township and asked the Township Board to petition the Ingham County Drain Commissioner for these improvements to the Daniels Drain



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The Township has been working diligently to help educate property owners about the Daniels Drain project since July of 2015 when the Ponds Cooperative began approaching the Township Board and asking it to petition the improvements to the Daniels Drain under Chapter 20 of the Michigan Drain Code of 1956.



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After many meetings where the Daniels Drain was discussed, the Township Board and staff decided to voluntarily hold a special Township Board meeting on September 26, 2015 for the sole purpose of educating all property owners about the potential drain project.

No other matters were discussed by the Board at this meeting. The sole focus was the Daniels Drain.



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Township staff mailed notices to all property owners in the drain district to invite them to this special Township Board meeting and had the Ingham County Drain Commissioner's Office come to provide information on how the project, if petitioned, would work under the Michigan Drain Code of 1956.



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This meeting was not required by state law. The meeting was held because the Township wanted to be fully transparent with all property owners from the very beginning of these discussions.

I also want to note that I state “potential project” because the drain improvements being requested by the Ponds Cooperative beginning in July of 2015 had not been petitioned by the Board. The petition was adopted on Feb. 2, 2016 after many meetings were held to discuss the project all owners were given notice and information regarding the project.



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During that special Township Board Meeting on Sept. 26, 2015, the Township Board asked staff to prepare some sample assessment rolls to get an idea of how property owners in the drain district would share in the cost of the project based on benefit derived.



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Based on conversations that Township staff had with the Ingham County Drain Commissioner's Office at that time, it was assumed that the Township's share, which was estimated to be just under 83%, would be \$1 to \$2 million. There was even a roll prepared for just \$100,000 in cost.

Draft assessment rolls were prepared by Township staff that showed the cost breakdown of \$100,000, \$1 million and \$2 million.



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For the \$1 million draft assessment roll, the Ponds cooperative were assessed approximately \$130,000 for their two parcels, or 13% of the total cost of the assessment roll.

The resolution #5 assessment roll before you tonight is very close to that percentage share.



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Ponds Cooperative Parcels' share of the total assessment roll from 2015 to present:

13.0% - Oct. 5 2015 Draft Assessment Roll

7.78% - Nov. 14, 2021 Resolution #2

8.19% - March 15, 2022 Resolution #3

17.8% - May 3, 2022 Resolution #5



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13.0% - Oct. 5 2015 Draft Assessment Roll

7.78% - Nov. 14, 2021 Resolution #2

8.19% - March 15, 2022 Resolution #3

17.8% - May 3, 2022 Resolution #5

The assessment roll before you tonight is closer to the original expectation the Ponds were given by the Township and ICDC back in October of 2015 when they asked for the Daniels Drain improvements to be petitioned. A representative of the Ponds Cooperative was in attendance and spoke at this Oct. 6 2022 Board meeting, so they were aware of the 13% estimated cost share under the first draft of an assessment roll.



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So the cost share hasn't change by a significant percentage from early preliminary numbers. What has change?

The total cost of the project has changed profoundly:

\$1-\$2 million – 2015 Assessment Roll Estimates

\$5,238,614.18 – 2022 Final Assessment Roll based on actual costs of the project



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The cost of the project is up 262%-524% from 2015:

\$1-\$2 million – 2015 Assessment Roll Estimates

\$5,238,614.18 – 2022 Final Assessment Roll

The scope and subsequent cost of the project has to be paid for under state law. If the project did come in at \$1 million, the assessment for the two Ponds Cooperative parcels would only be \$178,000 today.



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There was also speculation in 2015 by a representative of the Ponds Cooperative that MDOT would voluntarily pay a 50% of the total project.

This representative of the Ponds Cooperative stated the following during the July 21, 2015 Township Board meeting:



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“We’ve also had the opportunity to meet with MDOT. They are a key player in this because when this project (the Daniels Drain) began over 40 years ago, Grand River Ave was only two lanes and it is now 5 lanes. And, in the preliminary meeting we had with them, they have indicated an indication of providing 50% for this desirable project.”



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This did not come to fruition as MDOT is only paying the amount they were apportioned by the Daniels Drain Drainage Board: 4.99% of the total project.

The Daniels Drain Drainage Board is formed in accordance with state law by the Ingham County Drain Commissioner's office. The Township has no legal role in this public body.



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There was also speculation in 2015 that the Township may pass on 100% of the assessment roll to the property owners benefiting from the project.

Given the fact that MDOT did not participate anywhere near 50% of the total project, and the fact that the project cost is 262%-524% higher than expected, the Township committed to pay 50% of the assessment roll from our Township's General Fund.



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The Township is paying 50% of the assessment roll, or 40.70% of the total Daniels Drain project.

The largest single contributor to the Daniels Drain project by a very large margin.



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During the Oct. 6, 2015 Township Board meeting, then-Clerk Dreyfus asked former Deputy Manager Derek Perry about special benefits and how they would be assessed. In response, Mr. Perry stated:

“Now, let’s say landscaping or for some reason the pathway wanted to be redone as part of the project, you could say they are receiving 100% of that benefit and that (cost) would not be split amongst the other folks.”



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This is precisely how the Resolution #5 assessment roll before you tonight is structured:

1. We took the bid tab, which breaks down all of the individual costs for the drain project (literally down to each unit and species of tree and plant that is used), and separated the line items between drain benefits and special benefits. Special benefit items include items that are not (or are only partially) related to the drain itself, such as: docks, pathways, trees, cleaning up the pond, etc. The same exact items Mr. Perry cited on Oct. 6, 2015, nearly 7 years go.



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2. We then identified the parcels where these special benefits were invested by thoroughly reviewing the engineering plans for the Daniels Drain to arrive at a Ponds Special Benefit (PSB) factor.

Unlike the P factor, where we chose a factor up front, with the PSB factor, we computed all actual costs of the project down to each tree and plant and used those costs to arrive at a factor. This is a much more deliberate and accurate approach to determining benefit derived. It was also the approach Mr. Perry specifically outlined on Oct. 6, 2015.

The Township commits to paying 50% of this PSB factor, just as it will pay for 50% of the entire assessment roll.



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3. Every parcel will pay a base drain assessment. Base drain assessments are calculated by taking the total amount of the assessment roll, minus the PSB amount, and sharing that cost based on each property's land cover (i.e. C) value and acreage (i.e. A) value.



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So why the difference between the 13% share of the assessment roll for the Ponds Cooperative parcels from 2015 draft assessment roll to the 17.8% share in the resolution #5 assessment roll?

Deputy Manager Perry had no engineering plans or bid tabs in 2015. The Ingham County Drain Commissioner's Office did not complete these documents until 2021, but Mr. Perry's estimates were very close given the wide array of unknowns he was confronted with in 2015.



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While Mr. Perry's October 2015 draft of the assessment roll was very close, what wasn't close were the cost estimates the Ingham County Drain Commissioner's Office provided of \$1-\$2 million.

The cost of the project is up 262%-524% from 2015. If the project did come in at \$1 million, the assessment for the two Ponds Cooperative parcels would only be \$178,000 today.

This is the problem, but there is nothing the Township can do legally about the scope and subsequent cost.



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Now, returning to 2021-2022, here is an overview of the process for establishing the assessment roll under Public Act 188:

Resolutions #1 was approved by the Township Board on September 21, 2021 to fund 50% of the Township's share of the Daniels Drain improvement cost from the Meridian Township general fund and ordered the Department of Public Works to use the plans developed by the Ingham County Drain Commission and prepare a special assessment district for the remaining cost.



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Resolution #2 was approved by the Township Board on October 19, 2021, tentatively approving the establishment of a special assessment district for the purposes of paying the cost thereof, and to set the first public hearing for November 16, 2021 to hear any objections to the special assessment district or roll. After said public hearing, Township staff met with owners in regards to objections of the special assessment district.



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Resolutions #3 and #4 were approved by the Township Board on March 15, 2022, which proposed an updated special assessment roll based on input from property owners in the Daniels Drain Public Improvement Special Assessment District No. 21 and set the second public hearing for the Township Board meeting on April 12, 2022. Notices were mailed to all property owners in the Daniels Drain Public Improvement Special Assessment District No. 21 on March 25, ahead of the 10-day statutory requirement.



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Resolutions #5 is before you tonight to establish the final assessment roll. It is very similar to where we began on Oct. 6, 2015. The fundamental difference is cost of the project.



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Resolutions #5 is before you tonight to establish the final assessment roll.

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Here is a summary of the changes made to the assessment roll based on public input before, during and after the second public hearing held on April 12, 2022:

1. Reduced the total assessment roll from \$2,768,322 to \$2,619,307.09, a 5.38% reduction, based on the total reduction of the final cost of the project. The total scope and cost of the project is determined by the Ingham County Drain Commissioner's Office. The Township has no legal authority over the drainage district boundaries, scope, or cost of the project.



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2. Eliminated the “P” or “Proximity” values (i.e. P1, P2 and P3) entirely.



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3. We have undertaken a thorough review of all of the line item costs for the Daniels Drain project provided by the Ingham County Drain Commissioner's Office. We have cross-referenced these line item costs against the construction plans. In doing so, we identified the costs that were invested in special benefits to certain properties that include such items as docks/observation decks, removing old pathways/trails, constructing new pathways/trails, etc.

We then took an appropriate portion of the cost of these special benefit items respective to the parcels where these investments were made and established a Pond Special Benefit factor.



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4. By eliminating the “Proximity” values and including the Pond Special Benefit factor, we have assessed each parcel based on all benefits derived.

The appropriate share of the Pond Special Benefit totaled \$1,358,263.24. The Township is paying 50% of these costs, just as it is paying 50% of the total cost, with the remaining costs assessed to those benefiting parcels.

The Township is also paying 50% of the remaining \$3,880,350.94, which leaves \$1,940,175.47. The remaining costs are being assessed based on factors including acreage of each parcel within the drainage district and the land cover of each parcel.



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5. We also made modifications to the land cover factor data set to eliminate discrepancies between medium- and low-density where there was no change in density. These changes addressed the discrepancies between the land cover factor, or C value, that neighbors with the same density level were expressing. We also factored in wetland and pasture areas within the drainage district, which many residents had raised.



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6. The assessments on the commons/HOA areas for Whispering Oaks, Treetops and Silverstone Estates are still evenly distributed across the parcels that are located in these respective HOAs/neighborhoods and also located within the drainage district.

Here is an overview of how these changes have impacted the average assessment for different land-use types within the Daniels Drain District from resolution #2 to resolution #5:

Resolution #2 Assessment Roll – Adopted 11/14/2021						
Gen. Zoning	Parcels	Units	Assessments by Zoning Category	% of Total Roll	Avg Per Parcel	Avg Per Unit/Home/Parcel
Commercial	11	11	\$442,745.04	15.99%	\$40,249.55	\$40,249.55
Multi-Family	14	563	\$959,734.75	34.67%	\$68,552.48	\$1,704.68
Residential	302	302	\$1,193,598.87	43.12%	\$4,303.98	\$4,303.98
HOA Commons	5	5	\$106,202.81	3.84%	\$21,240.56	N/A
Public	3	3	\$66,040.52	2.39%	\$22,013.51	\$22,013.51
Totals:	335	884	\$2,768,322.00	100.00%	\$8,263.65	\$3,131.59

Resolution #5 Assessment Roll – Presented to the Board on 5/3/2022								
Gen. Zoning	Parcels	Units	Assessments by Zoning Category	% of Total Roll	Avg Per Parcel	Avg. Per Parcel Diff from Nov.	% Change in Avg. Per Parcel from Nov.	Avg Per Unit/Home/Parcel
Commercial	11	11	\$356,350.38	13.60%	\$32,395.49	-\$7,854.06	-19.51%	\$32,395.49
Multi-Family	14	563	\$1,356,132.17	51.77%	\$96,866.58	\$28,314.10	41.30%	\$2,408.76
Residential	302	302	\$906,824.54	34.62%	\$3,002.73	-\$1,301.25	-30.23%	\$3,002.73
HOA Commons	5	5	\$0.00	0.00%	\$0.00	-\$21,240.56	-100.00%	\$0.00
Public	3	3	\$0.00	0.00%	\$0.00	-\$22,013.51	-100.00%	\$0.00
Totals:	335	884	\$2,619,307.09	100.00%	\$7,818.83	-\$444.82	-5.38%	\$2,963.02



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Each unit in the Ponds will pay \$27.02 per month on average, which is only 50% of the true cost. For that 50% investment, they receive 100% of the special benefits outlined in the Pond Special Benefit calculations:

- \$103,260 for two new docks
- \$104,007 for a new pathway
- \$906,288 for cleaning out the pond
- A proportionate share of the engineering and soft costs for the project, etc.



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One single-family parcel will pay more than the average unit at the Ponds and many other single-family property owners are paying just slightly less than the ponds, and receive no special benefit from the project.

They will not pay any portion of the Pond Special Benefits as they do not receive any special benefit from these portions of the project.



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The average single-family home will pay \$12.51 per month based on their land cover and acreage for the benefit derived from the drain improvements.

They will not pay any portion of the Pond Special Benefits as they do not receive any special benefit from these portions of the project.



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The average commercial property is paying \$123.63 per month and did not receive any special benefit from the project.

They will not pay any portion of the Pond Special Benefits as they do not receive any special benefit from these portions of the project.



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The assessment roll before you tonight is based solely on benefit derived from the project, as engineered by the Ingham County Drain Commissioner's Office.

The Pond Special Benefit calculations are published publicly on the Township's website, and all of the assessment roll calculations are published as well.

These calculations in both documents methodically calculate the benefit derived based on land cover, acreage, and the actual project engineering and the associated costs for the special benefits.



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I'm asking the Board to approve resolution #5 tonight, which adopts the special assessment district, defraying the cost thereof by special assessment against the properties specifically benefited thereby, adopts the special assessment district final cost in the amount of \$2,619,307.09, adopts the township's 50 percent contribution in the amount of \$2,619,307.09, and adopts the final assessment roll for the Daniels Drain public drain improvement special assessment district no. 21."



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Should property owners have questions regarding the Daniels Drain outside of the special assessment roll, such as the drainage district boundaries, scope of the project, cost of the project, etc., they should contact the Ingham County Drain Commissioner's Office and/or their engineering firm for this project:

Paul Pratt, Deputy Drain Commissioner
517-676-8395
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Kyle Smith, Project Engineer, GEI Consultants
734-904-9356
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