

## S.A.D. COSTS

- Construction: Not to exceed 10% contingency. Contingency is for unforeseen items that may be encountered during construction (i.e. buried utility, relocation of an existing utility, design modifications due to field conditions).
- Design
- 1% Administration Cost

## S.A.D. PROJECT COSTS

- 3% Bond Cost (approximate)
- Interest Cost (TBD)
- Inspection Cost

**S**PECIAL

**A**SSESSMENT

**D**ISTRICTS



For more information on Special Assessment Districts please call Canton's Public Works Division at 734/394-5150.

Revised: April 30, 2008

**Canton's guide to  
the S.A.D. process.**



## What is a S.A.D.?

Special assessment is the term used to designate a unique charge government units can assess against real estate parcels for certain public projects. This charge is levied in a specific geographic area known as a Special Assessment District (S.A.D.). A special assessment may only be levied against parcels of real estate which have been identified as having received a direct and unique "benefit" from the public project.

The most universally known special

assessments are charges levied against lands when drinking water lines are installed; when sewer lines are installed; or when streets are paved with concrete or some other impervious surface. However, special assessment tax levies can be made

for other purposes including police or fire protection, parking structures, street lighting and many of the other purposes permitted by state and local government statutes.

### What is the process to obtaining a S.A.D.?

The following is a list of steps you must take before you will be granted a S.A.D.:

**STEP 1:** Property owner(s) must submit a letter requesting a S.A.D. to the Municipal Services Department (MSD).

**STEP 2:** Canton's Engineering Services prepares an informal petition. The petition requires 30% approval from all property owners in the area wishing to be designated a S.A.D.

**STEP 3:** Engineering Services schedules an informal meeting to explain the S.A.D. process after verification of 30% signatures. If not, the petition is returned until signatures can be obtained.

**STEP 4:** A formal petition is circulated for signatures. The formal petition requires



more than 60% approval to go forward. Engineering services will review the petition signatures, please note if married both the husband and wife must sign the petition.

**STEP 5:** The Township Board reviews the formal petition and either approves or denies the S.A.D.

**STEP 6:** Prepare cost estimate and file preliminary design plans with the Clerk's office. A Public Hearing of Necessity is also scheduled.

**STEP 7:** Township Board holds a Public Hearing of Necessity. At this meeting the S.A.D. is approved or denied.

**STEP 8:** Finalize bids and specifications, then bid project. Cost to residents and assessments rolls are provided. Canton's Finance and Budget Department prepares an assessment roll based on construction costs. Based on the term life (5yr, 10yr, etc.) of the assessed amount and estimated interest rate for bonds to be sold to fund the project.

**STEP 9:** Township Board passes a resolution to establish a Public Hearing on the Roll and directs that the assessment Rolls be filed with the Clerk's office.

**STEP 10:** Board holds a Public Hearing on the assessment Roll. Roll is approved or denied based on public comments. If approved, the contract is awarded and construction on the S.A.D project begins. The typical construction season is April 15 - November 15.

**STEP 11:** S.A.D. assessment is placed on December Tax rolls.

