

# Four Lakes Task Force

Gladwin and Midland Counties' Delegated Authority  
of the Four Lakes Special Assessment District

## Community Information Session

The Purpose and Process for the January 15<sup>th</sup> Public Hearing  
On the  
FLTF Operations and Maintenance Special Assessment Roll  
&  
FLTF Capital Special Assessment Roll

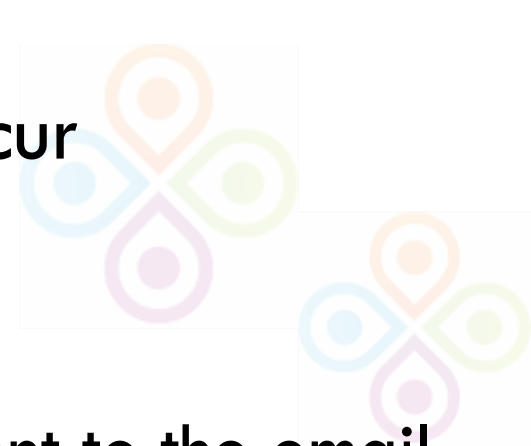


Four Lakes Task Force

# Informational Communications Meeting

2

- This is an information session
  - ▣ This meeting is being held virtually to accommodate as many people as possible
- This is not a board meeting; no formal action will occur
- If you have questions, please send them to [info@fourlakestaskforce.org](mailto:info@fourlakestaskforce.org)
  - ▣ At the end of the meeting, we will respond to questions sent to the email address related to the communications session
  - ▣ If they are specific questions on your property, we will reply to the email, but it may not be during the session



# Agenda

3

1. Overview of County and Four Lake Structure
  - Roles, Responsibilities, Authorities
  - Purpose of the Public Hearing
2. Assessment Methodology and Estimates
  - Assessment Methodology and Benefit Factors
  - Operations and Maintenance Assessment Estimates
  - Capital Assessment Current Estimates
3. Day of Hearing Details
4. Resources:
  - Next Steps
  - Preliminary Property Reviews
  - Online Resources
5. Questions and Answers



# County and Four Lakes Structure

Under Part 307, inland lakes, of the Natural Resources and Environmental Protection Act

## Counties

- Gladwin and Midland counties are owner of the dams and bottomlands
- They have a joint county agreement with Four Lakes Task Force

*The dams and lakes are regulated by Part 307, Inland Lakes, of the Natural Resources and Environmental Protection Act (Part 307)*

## Four Lakes Task Force

- A 501(c)(3) non-profit with a charitable purpose that includes lessening the burden of government by serving as the Part 307 Delegated Authority
- May accept donations and grants

*Part 307 Delegated Authority for restoring and maintaining the lake levels, dams and bottomlands*

*Authority over the Four Lakes Special Assessment District (SAD)*

## Four Lakes SAD

- An established geographic boundary of waterfront properties along or near the four lakes and “backlot” properties with dedicated (private easement) access

*Under Part 307, a county board may determine by resolution that the whole or a part of the cost of a project to establish and maintain a normal level for an inland lake shall be defrayed by special assessments*

## Community Responsibilities

- FLTF can support via its status as a non-profit
- Many of these activities cannot be funded by Four Lakes SAD:
  - Vegetation/Weed Control
  - Dredging
  - Parks and Recreation
  - Shoreline Protection

*Funding responsibilities fall to other authorities such as lake improvement boards or township-led special assessments*

*Lake associations and FLTF as non profits can help*

# Part 307, Section 11 of the Natural Resources & Environmental Protection Act for Special Assessment

5

- The county board may determine by resolution that the whole or a part of the cost of a project to establish and maintain a normal level for an inland lake shall be defrayed by special assessments against the following that are benefited by the project:
  - ▣ privately owned parcels of land
  - ▣ political subdivisions of the state
  - ▣ state owned lands under the jurisdiction and control of the department

Gladwin and Midland counties made this determination and petitioned the Gladwin and Midland district courts for the legal lake levels for the Four Lakes and the Four Lakes Special Assessment District were established.



# Special Assessments

6

- Operations assessments and capital assessments are separate assessments
  - ▣ Will be listed separately on your tax bill and do not include other assessments related to the lake such as weed assessments
- Operations (and Maintenance) Assessment
  - ▣ Covers annual expenses to maintain the lake levels such as administration, operations and dam maintenance
- Lake Level Capital Assessment costs to restore normal lake levels
  - ▣ Includes engineering, construction, legal, surveys and studies, cost to form the SAD, financing costs
  - ▣ The apportionment of the principal financed is a lien placed on the property that can be paid off at any time once established, but defaults to be paid off annually with payments over the length of the loan



# Purpose of the January 15<sup>th</sup> Public Hearing

7

1. **Review Operations and Maintenance Computation of Cost**
  - 5-year expenses for administration, operations and maintenance of the four lake levels for the years 2025, 2026, 2027, 2028 and 2029
2. **Review a 5-year Operations and Maintenance Special Assessment Roll for the years 2025-2029 starting in the winter of 2025**
  - NOTE: The last 2022-2024 Operations and Maintenance Assessment payment will be in the winter of 2024
3. **Review the dam/lake restoration costs**
  - Also approve a total project computation of cost for the restoration of the Four Lakes
4. **Review a Capital Assessment Roll**
  - Financed at and currently planned at 35 years in length

# This Public Hearing is NOT

8

- For legal challenges to the lake levels or the special assessment district
- For arguments on property boundaries, subdivisions or titles





# 2022 vs. 2024 SAD Hearing – What's New?

9

## Purpose of 2022 Hearing

- ❑ Approved computation of cost for 3-year Operations and Maintenance Assessment (for 2022, 2023 and 2024)
- ❑ Established Operations and Maintenance Assessment roll for 2022-2024
- ❑ Approved a project cost

## Purpose of 2024 Hearing

- ❑ Approve computation of cost for 5-year Operations and Maintenance Assessment (for '25, '26, '27, '28 and '29)
- ❑ Establish Operations and Maintenance Assessment Roll for 2025-2029
- ❑ Approve computation of cost for total Capital Assessment and revised project costs
- ❑ Approve Capital Assessment Roll



10

## Assessment Methodology and Estimates

Pictured above: Smallwood Dam setting of stub flanges for siphon system on Dec. 4, which will be used to divert flow during the primary spillway construction

# Benefit Factors Establish Assessment Apportionments

10

**IF A PROPERTY ON ONE LAKE HAS THE SAME BENEFIT FACTOR (for allocation) AS A PROPERTY ON ANOTHER LAKE → BOTH PROPERTIES HAVE THE SAME ASSESSMENT**



There was no feasible alternative for a township(s) or lake associations to acquire or provide the legal, financial or regulatory oversight to repair, restore or maintain these dams. The dams are hydraulically linked in their design and management. The counties took ownership of the dams to protect the lakes and the benefit and there are significant funds being applied that lower the financial burden to property owners in the SAD. The assessment methodology is applied so that when comparing two houses with the same benefit, either in the same lake community or two different, they will have the same payment, which includes the distribution of costs offset by grants.

# Special Assessment Benefit Factors (BF)

12

- Benefit factors are multiplied to get final benefit
  - Base
  - Derived
  - Frontage
  - Water View
  - Water Depth
  - Public Access
- Base Benefit Factor
  - Base BF = 0 for:
    - Exempt parcels per Part 307 statute – schools, cemeteries
    - Municipal owned property not used for access
    - Parcels without private access
    - Road right of way with PIDs
    - Receiving no benefit
  - Base BF = 1 for:
    - All other waterfront parcels
  - Base BF = 0.5 for:
    - All other private easement access parcels (backlots)

# Operations Assessment – Computation of Costs

13

|   |  | Total 5 Year       | 2025               | 2026               | 2027               | 2028               | 2029               |
|---|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 1 | Expense of Maintenance of the Lake Level Structure     |                    |                    |                    |                    |                    |                    |
|   | Program Office (Finance, Admin, Communications, Legal) | \$1,210,000        | \$370,000          | \$390,000          | \$145,000          | \$150,000          | \$155,000          |
|   | Dam and Lake Operations                                | \$6,685,000        | \$1,220,000        | \$1,280,000        | \$1,325,000        | \$1,395,000        | \$1,465,000        |
| 2 | Establishment of Special Assessment District           | \$150,000          | \$50,000           | \$25,000           | \$25,000           | \$25,000           | \$25,000           |
|   | Preparation of Assessment Roll and Levying Assessments |                    |                    |                    |                    |                    |                    |
|   | Estimated Cost of Mailing, Publishing, Notices         |                    |                    |                    |                    |                    |                    |
|   | Estimated Legal Fees                                   |                    |                    |                    |                    |                    |                    |
| 3 | Estimated Cost of Appeal                               | \$25,000           | \$25,000           |                    |                    |                    |                    |
|   | Gross Sum of Expenses                                  | \$8,070,000        | \$1,665,000        | \$1,695,000        | \$1,495,000        | \$1,570,000        | \$1,645,000        |
|   | Contingency 10%  | \$806,000          | \$165,000          | \$170,000          | \$150,000          | \$157,000          | \$164,000          |
|   | Assessment Total Sum                                   | \$8,876,000        | \$1,830,000        | \$1,865,000        | \$1,645,000        | \$1,727,000        | \$1,809,000        |
|   |  |                    |                    |                    |                    |                    |                    |
|   | <b>Annual Assessment Amount</b>                        | <b>\$8,876,000</b> | <b>\$1,775,200</b> | <b>\$1,775,200</b> | <b>\$1,775,200</b> | <b>\$1,775,200</b> | <b>\$1,775,200</b> |

\*2022-2024 O&M normalized annual assessment amount was \$1,564,000

# Operations Assessment Examples

14

## EXAMPLE 1 – Front Lot

- Residential lakefront property
- 100 ft. of frontage
- Water view less than 230 ft.
- Water depth greater than 4 ft.

**Est. annual assessment: \$200**

**Depending on the factors outlined above, front lots will range from \$180-300**



## EXAMPLE 2 – Backlot

- Residential backlot property
- Deeded lakefront access location (i.e., lot with access)

**Est. annual assessment: \$70**

**Depending on the factors outlined above, backlots will range from \$65-165**

# Planning Level Operations Assessments

15

- **Estimated Operations Assessment each year for five years**
  - 2025-2029 Operations and Maintenance Assessment estimates

| Assessment               | Yearly Assessment |
|--------------------------|-------------------|
| High End of Range (1)    | \$300             |
| Average Assessment (.75) | \$225             |
| Low End of Range (.25)   | \$70              |

| Yearly Assessment Range | Percent of Properties |
|-------------------------|-----------------------|
| \$300 or Greater        | 9%                    |
| \$225 to \$300          | 52%                   |
| \$70 to \$225           | 39%                   |

For specifics on your property visit <https://bit.ly/FLTFSAD>



16

## Lake Level Capital Assessment

Pictured above: Stone backfill and pipe installation at the right embankment of the Edenville Dam



# Updated Project Estimates - \$350 Million

(\$335-\$380M range)

**Secord** ↑

**\$66 million**

+5/-5%

- Secord is under contract with Fisher. Construction began in February 2023

Additional all lakes costs ~\$5M includes site safety, booms, Consumers EFA and electrical services, and tree removal

**Smallwood** ↑

**\$50 million**

+5/-5%

- Smallwood is under contract with Fisher. Construction began in February 2023

**Edenville** ↑

**\$143 million**

+10/-10%

- Edenville Phase III and Phase IV are under contract
- Phase V costs are an estimate until bids are received in December

**Sanford** ↑

**\$90 million**

+10/- 5%

- Sanford under contract with Spence Brothers and bids have been awarded
- Estimate dependent on starting this month and 2024 momentum

# Capital Assessment Estimate

18

- **The computation of cost for the actual assessment will likely fall within the range of \$150M-\$202M**
  - ▣ We have submitted a \$202 million loan request to USACE
  - ▣ The project costs submitted in January will have a “not to exceed” number for county approval
- **Remaining uncertainties to get to a final computation of costs:**
  1. Edenville bids need to be received before the January 15 hearing
  2. Edenville has not received an EGLE permit or a USFWS Mussel take permit
  3. US Army Corps loan preapplication decision is expected in December
  4. Determination on environmental mitigation costs for Sanford and Wixom lakes
  5. Future grants or donations that may occur are not included

# Planning Level Capital Assessment Example

- For illustration purposes, the below shows a **\$170M assessment** using an **Army Corps 35-year financing 5% interest loan, assuming median annual assessment with principal and interest**

| Assessment                           | Principal Payment | Median Annual Assessment |
|--------------------------------------|-------------------|--------------------------|
| High End of Residential Range<br>(1) | \$32,000          | \$1,800                  |
| Average Assessment<br>(.75)          | \$24,000          | \$1,400                  |
| Low End of Range<br>(.25)            | \$8,000           | \$450                    |

| Median Annual Assessment | Percent of Properties |
|--------------------------|-----------------------|
| \$1,800 or Greater       | 7%                    |
| \$1,500 to \$1,800       | 21%                   |
| \$1,000 to \$1,500       | 52%                   |
| \$500 to \$1,000         | 8%                    |
| Under \$500              | 12%                   |



20

## Public Hearing Details

Pictured above: Secord Dam auxiliary spillway on Dec. 4

# Public Hearing Date and Time

21

## **Beaverton Activity Center**

106 Tonkin St., Beaverton, MI

**Monday, January 15, 2024**

9:00 a.m. - 12:00 p.m. and 1:00 p.m. - 3p.m.

# Hearing Agenda

Open to  
the Public

## Session 1 (9am-12pm)

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Introduction
  - a. Scope of Hearing
  - b. Summary of Methodology Development
  - c. Review of Data for Approval
    - i. Capital Computation of Cost
    - ii. Operations Computation of Cost
    - iii. Assessment Roll
- V. Opening of Session for Public  
Comments/Objections on the Assessment Roll and Project Cost
- VI. Call to Recess

## Recess (12pm-1pm)

## Session 2 (1pm-3pm)

- I. Call to Order
- II. Roll Call
- III. Opening of Session for Public  
Comments/Objections on the Assessment Roll and Project Cost
- IV. Adjourn

A FLTF Board meeting will follow the hearing.

## Recess (3pm-4pm)

## FLTF Board Meeting (4pm-5pm)

- I. Call to Order
- II. Roll Call
- III. Public Comment for Matters Not Related to the Hearing
- IV. Review of Hearing
  - a. Minutes
  - b. Engineers' Report
  - c. Legal Update
- V. Board Decision Regarding Approval of:
  - a. O&M 5-year Costs
  - b. O&M 5-year Assessment Roll
  - c. Capital Improvement Project Costs
  - d. Capital Improvement Assessment Roll
- VI. Next Steps
- VII. Next Meeting
- VIII. Adjourn

# How to Submit Objections

23

You may simply “object to the special assessment” or you may provide an argument regarding why you object:

1. Email your objection to [info@fourlakestaskforce.org](mailto:info@fourlakestaskforce.org) with **“Objection”** in the subject line
2. Send snail mail to Four Lakes Special Assessment District, 233 E. Larkin Street, Midland, Michigan 48640
3. Attend the public hearing in-person and object verbally or submit a letter.
  - You will be assigned a number to be called up
  - Property owners must provide a hard copy of any information or evidence they want the FLTF board to consider

- A team of FLTF consultants, engineers, surveyors and lawyers will review objections during the meeting. Analysis will be created for the board to review the objections.
- These consultants will also be available to answer questions before you decide to object.

# Next Steps

Preliminary property review meetings with Spicer engineers to discuss specific property issues are available Wednesdays and Fridays December 6 – January 15

| Event   | Date              |
|---|-------------------|
| Estimated Assessment Amount and Apportionment Mailed to Property Owners   | December 21, 2023 |
| Public Hearing for Operations and Maintenance and Capital Assessment Roll | January 15, 2024  |
| Joint County Board of Commissioners' Meeting                              | February 6, 2024  |
| Appeal Period Ends  | February 21, 2024 |
| Final Assessment Roll Given to Midland and Gladwin Counties               | September 2024    |
| Assessments Appears on Tax Bill   | Winter 2025*      |

\*Note: O&M assessment from 2022 hearing will be on Winter 24 tax bill. New assessments begin Winter 2025



# Preliminary Property Reviews

25

- ❑ Virtual preliminary property reviews for the Capital Assessment
- ❑ 15-minute meetings with Spicer engineers regarding ONLY the Capital Assessment on homeowner properties
- ❑ Sign up by scanning the QR code or going to <https://bit.ly/FLTFSAD>
  - ❑ You will need to enter your property ID to allow the engineers to look at your property prior to the meeting
- ❑ Once your appointment is booked, you will receive a meeting invite from [fltfsad@fourlakestaskforce.org](mailto:fltfsad@fourlakestaskforce.org) (add to your approved list as it may go to spam) with Zoom details for your meeting
- ❑ You will receive a reminder email with your meeting details three days prior to the appointment
- ❑ Meetings are available during the below dates and times:

- |  |   |
|--|---|
| ▪ Fri., Dec. 8 <sup>th</sup> – 8am-12pm  | ▪ Wed., Dec. 20 <sup>th</sup> – 1pm-5pm   |
| ▪ Tues., Dec. 12 <sup>th</sup> – 5pm-8pm | ▪ Thurs., Dec. 21 <sup>st</sup> – 5pm-8pm |
| ▪ Wed., Dec. 13 <sup>th</sup> – 1pm-5pm  | ▪ Fri., Dec. 22 <sup>nd</sup> – 8am-12pm  |
| ▪ Fri., Dec. 15 <sup>th</sup> – 8am-12pm | ▪ Wed., Jan. 3 <sup>rd</sup> – 1pm-5pm    |
|  | ▪ Fri., Jan. 5 <sup>th</sup> – 8am-12pm   |

**Scan the QR code to book!**



# Resources on Communications

26

- Report: “Construction Cost Increase Summary” | <https://bit.ly/inc-sum>
- Webinar regarding construction cost increases | <https://register.gotowebinar.com/recording/1428525523692323417>
- Aug. 10, 2023 Webinar: Project Costs and Financing | <https://bit.ly/Aug10-webinar>
- Special Assessment Page <https://www.four-lakes-taskforce-mi.com/special-assessment-district.html>
  - Assessment map with estimates
  - Benefit explanation
  - FAQs



## Questions and Answers

Please use the Q&A feature in GoToWebinar or email questions to [info@fourlakestaskforce.org](mailto:info@fourlakestaskforce.org) and we will address as many questions as we can



28

Thank you for joining us!

Pictured above: Secord Dam on Dec. 1