



SUMMARY

Public Hearing of Four Lakes Task Force on the Operations and Maintenance Special Assessment Roll

In 2021, Four Lakes Task Force (FLTF) initiated communications and public dialogue related to the Special Assessment for Operations and Maintenance. This included webinars, emails, news flashes, online maps and two first-class mailings. Throughout this process, public input, comments and concerns were accepted. In addition, four public information meetings, called Preliminary Days of Review, were conducted in February 2022 and April 2022. Property owners were provided an opportunity to meet and discuss their property on a one-on-one basis with members of the Four Lakes Task Force and its engineering consultant team. The overall timetable showing the opportunity for public comments is provided in **Appendix A**.

On June 29, 2022, FLTF conducted a Special Assessment Hearing on the Operations and Maintenance Special Assessment Roll, the Computation of Cost and the overall Project Cost. At this hearing, property owners had an opportunity, through most of the day, to review their properties on a one-on-one basis and had an opportunity to formally object to the special assessment of their property.

During the Days of Review, through letters and emails, and at the June 29th hearing, property owners were given many opportunities to provide comments. Based on the comments that were supported by facts or evidence, FLTF refined the special assessment methodology benefit factors and adjusted individual assessments based on factors. Below is a summary of adjustments:

Before June 29th Hearing – Number of Properties Reviewed

Meeting at the Preliminary Days of Review:	351
Comments submitted via email, written or verbal:	312
Formal objections/protests submitted via written or email:	14
Number of parcel combination submittals:	273 combined to 127
Number of parcel factors adjusted based on comments:	495

June 29th Hearing and After – Number of Properties Reviewed

Attended the Special Assessment Hearing:	194
Provided verbal comments at the Hearing:	55
Submitted written comments at the Hearing:	181
Number of parcel combination submittals:	6 combined to 3
Number of parcel factors updated based on comments provided:	772 ¹

Summary

Adjusted number of parcels in district:	8345 combined to 8196
Percent adjusted since December 2021:	+/- 15%

A total of 1,267 parcel factors were adjusted based on public comments. This adjustment caused minor changes in the apportionment for all property owners, as all parcels are interdependent, and the sum of the apportionments must equal 100%. An adjustment to one parcel modestly affects all.

See **Appendix B** for a list of adjustments to specific properties resulting from the June 29 hearing. Adjustments prior to June 29 were included on the roll that was published in advance of the hearing.

¹ A parcel change by reviewing one parcel could then trigger the change in other parcels, so parcel updated was greater than the total number of written or verbal comments



See **Appendix C** for a summary of the assessment methodology. View the Operations and Maintenance Special Assessment roll on the FLTF website [here](https://bit.ly/FLTF-OM-roll) (<https://bit.ly/FLTF-OM-roll>).

Below is a summary of the key issues brought forward by property owners during the Preliminary Days of Review via mail and email, and provided during the formal public hearing to review the Operations and Maintenance Special Assessment roll. Also included below is the FLTF response to the changes made to the methodology or specific types of parcels.

Base Benefit

- Each property was assigned a base benefit factor. Lakefront properties were assigned a factor of 1, backlots were assigned a factor of 0.5 (or 50% of the base benefit of a lakefront), and a factor of zero (0) for an exempt or non-benefit parcel. This is the starting point on which all other factors are multiplied.
- A few property owners argued that the sum of the benefits for all backlots should be no greater than the benefits of the common private easement access point(s) on the properties they collectively share. The methodology looked at all the assigned property benefit factors and assigned the benefits to the backlots, not the access point as a standalone piece of property.
- There are 688 parcels with a base benefit factor of zero. Per the statute, some parcels are exempt from a special assessment under Part 307, such as schools and cemeteries. Apart from this, some properties were given a zero-base benefit factor based on evidence provided. Examples of parcels that fall into this category are backlot parcels that were determined not to have private access or parcels that are assessed with another parcel per the county tax data.
- Also, parcels where local assessors verified that combinations would be implemented in 2023 were given a zero. For example, if two parcels are to be combined into one in 2023, one parcel is given a zero factor and for the other the frontage factor is increased, so the overall benefit the non-zero parcel increased. Once a new parcel ID is created and the county GIS data is updated, the retired parcels will be removed, and a new parcel ID will be used and assigned the assessment.

Derived Benefits

- Some property uses, for example, a marina or a trailer park, have more benefits than a residential property. The methodology reflects that these parcels derived more benefit in comparison to a typical residential parcel, which has a derived benefit of 1. Properties with derived benefits greater than 1 represent 1.15% of the parcels in the district. In general, there was a discussion with many of these “higher assessment” property owners before the hearing, but very few protests during the hearing.

Water Depth, Water View and Impact on Properties in Canals and Headwaters

- There was concern going into the February and April Preliminary Days of Review from property owners on canals, tributaries and headwaters who felt their benefits were not differentiated from those located along wider and deeper parts of the lake. This was reviewed before the June 29, 2022, hearing. It was determined that the water depth and water view factors resulted in parcels with shallower water depth and/or narrower lake views having lower benefit factors in comparison to similar parcels with deeper water and wider lake views.



- Revised water depth and water view factors resulted in a reduced assessment for 5,078 parcels. Of these, 498 parcels received the lowest factor for depth and view. Those with the lowest factors have assessments that are 60% less than similar size parcels with the highest factors for depth and view.
- Water depth and water view factors, in general, impact parcels located on canals, tributaries and upstream reaches of a lake. The methodology provides a lower assessment for these parcels in comparison to those located closer to the dams, where the lake is typically deeper and wider.

Frontage Factors

- The frontage factor is based on the length of water frontage a parcel has, meaning a parcel with greater water frontage will have a higher factor than one with less frontage. For example, a parcel with 100 feet of frontage has a factor of 0.904 compared to a 300-foot parcel which has a factor of 1.28. If the parcels have a similar view and depth, the 300-foot parcel would receive a 41% higher assessment. Since December 2021, 133 property assessments were adjusted for the frontage factor.
- There are unique lots along the lake that are located on points, peninsulas, channels or stream ends, or are irregular in shape, where the water depth and view vary significantly from properties with frontage on the main body of the lake. Because of this, the length of frontage was determined by considering the unique circumstances of each parcel, and in some cases, the frontage itself.
- Frontage was measured with the best available data, primarily relying on plats, deeds and legal descriptions or surveys. And if these were not available it was measured in GIS using current aerial imagery. GIS is the least accurate, but in the future, a property owner could, if they choose, get a survey to acquire more accurate data.

Backlots

- Backlot factors also vary based on frontage of private easement access, as well as the location of the access. In general, backlots with larger private easement access have a higher factor. A backlot with smaller easement access would have, in general, 50% less of an assessment, than backlots with larger easements. All backlot assessments are less than water frontage assessments.
- Some backlots were assessed at zero, as their deeded access points had been removed over time. However, if a property had an access point(s) that had not been developed, or its development had been overgrown, it was still assessed, as the property still has access, and the property owners have the option to develop the property.

Development or Non-Developed, and Property Parcel Combination

- The assessment methodology, according to legal requirements, is based on the benefit on the property, not the owner or how the uses or develops. Some property owners challenged the benefit of an empty lot, however two lots with the same attributes will be assessed the same, regardless of development status.
- The benefit factors do not account for acreage. If an owner has lots that can be legally combined yet there is development on only one lot, those lots may be combined in the future into a configuration that limits the assessment amount. This must occur at the time of any assessment and annual changes will be considered.
- Lots determined by local ordinance to be non-developable received a reduced derived benefit factor.



Combination Lots

- The methodology does not reference combination lots, but since the frontage factor does reduce per-foot as frontage gets smaller, or with backlots, and benefit factors don't change with acreage, a homeowner may reduce the assessment if lots are combined. However, some owners may want to sell some of their lots and choose not to combine. There is a formal process to combine or split lots – it is not within FLTF's responsibility to manage lot combinations or lot splits.
- However, if the owner received a letter from the assessor before June 15, 2022, or provided at the Special Assessment hearing, the FLTF adjusted the property's benefit factor so the combined property is assessed as combined on the winter roll, and the remaining lots are eliminated.
- Prior to June 15, 273 lots were combined to 127 lots.
- Following the hearing on June 29, 2022, four additional combinations were submitted for a total of 279 parcels combined into 130 parcels.
- For lots combined after this final roll is approved, the assessment will be a sum of the parcels combined until another assessment occurs.
- Any parcel combination at the next assessment, likely in 2024 or 2025, will be considered with the benefits on the remaining property.

Ability to Finance

- The assessment cannot factor in the means of property owner payment.
- FTLF recognizes that this will still be a burden to some and will work with homeowners to seek financial resources to help offset the cost.

At-Large Assessments

- Based on feedback and review of other assessment districts, as well as the fact that Part 307 allows for assessments on townships, it was determined that 3% of the cost of an operating assessment will be spread across the townships in the SAD based on the benefits assigned to the properties in each township district. Three (3) percent also was assigned to Midland and Gladwin counties, which will be paid through their general budgets; the counties will not create special assessments.
 - There were a few individuals that protested an assessment to their township, as it was "double taxation." FLTF determined that a township receives a different benefit than the property owner. And, in fact, an assessment to the township reduces the overall cost allocated to the property owner.
 - One township protested against any at-large assessment, and one township was concerned at the hearing about how the benefit was allocated but did not protest.

General Principles

Each parcel in the Special Assessment District is unique, and therefore the methodology is applied uniquely based on the parcel. The FLTF methodology follows these principles:

- Parcels with more frontage receive more benefit than parcels with lower frontage
- Parcels with more water view have more benefit than parcels with less view
- Parcels with more water depth have more benefit than those with less water depth
- Backlot parcels with larger private easement access have more benefit than those with less