



City-initiated Annexation Questions and Responses

In addition to the questions specifically related to utility connection, which are addressed in the 'Utility Connection Requirements related to City-initiated Annexation' Memo, following are responses to miscellaneous other questions that have been received from property owners and Councilmembers. Staff are continuing to provide responses directly to resident questions. The compilation of questions and responses below is an additional resource for Councilmembers.

Q1. When we were considering building on our lot earlier this year, (our building plans changed because of uncertainty of annexation/city sewer and water) the builder said that we would likely be "taxed" for each large tree that would need to come down for the house. Our question, will the City of Ann Arbor be giving people credit for each tree that would need to come down for the water/sewer installations? If not, seems like a double standard. There will be many trees that will need to come down to get city sewer and water to all the homes that are on the list to be annexed. In addition to the trees that will need to come down, many tree root systems will be damaged and this damage may not be apparent for several years. Is the City of Ann Arbor willing to turn a blind eye to this fact and go against its own city codes?

A: Except for City trees in City right-of-way, the City doesn't regulate or prohibit the removal of trees on single-family lots. A response has been provided to this property owner regarding their obligation to connect.

Q2. How much money will the Ann Arbor Township lose? Maybe a more relevant question is how much money is the City of Ann Arbor expected to pull in through this annexation – after all it is about the money!

A: The Assessor's Office does not typically provide tax estimates for future annexations due to the timing process and number of unknown variables. However, the estimated City of Ann Arbor tax revenue for the 88 Pittsfield, Scio, and Ann Arbor Township island parcels in the proposed round 2 annexation list is approximately \$136,000. The estimate is based on the 2018 taxable values established by the townships while applying the City of Ann Arbor's portion of the tentative 2018 millage rate. Annexation is not an uncapping event. So, absent any transfers of ownership, the township taxable value from the year of State approval and the Consumer Price Index (CPI) adjustment provides the basis for the City's taxable value for the following year. The estimated amount does not include taxes for other taxing authorities such as the Ann Arbor Public Schools, Ann Arbor District Library, etc.

Assuming the proposed batch of township parcels would be approved by the State Boundary Commission in 2019, the assessed and taxable values would not be assessed in the City of Ann Arbor until 2020.

Q3. Does the City of Ann Arbor have a public list of other parcels in the city which have received exemptions from hooking up to city water/sewer because of similar issues? Or will we have to file a FOIA request to obtain a copy of the list.

A: The City does not have a list of parcels that have received exemption for utility connection.

Q4. One of the main reasons for annexation, according to the city, is the cost of duplicated services. We would like to see the numbers. To us it seems like they are just trying to re-coup their costs for the sewer/water lines that were laid down along Newport several years back, which we were against.

A: Although the emergency response system is improving with regard to identifying whether a parcel is in the Township or City, the system may not always be accurate. Because it's not always possible to identify whether a property is in the Township or City, police and fire err on the side caution and respond, duplicating responses from Washtenaw County Sheriff or Pittsfield Township police and Township fire services.

Q5. How will this announcement about no work session be shared with the township residents?

A: When the August 20 public meeting summary was distributed to meeting attendees and posted on a2gov.org/annexation the following note was included:

The request for a special-called work session to discuss annexation issues was presented to Council's Administration Committee. The Committee declined to schedule an additional meeting. The petitions for Township Island Annexation will be considered at the October 1 City Council public hearing. Members of the public will be able to speak on October 1; 3min/speaker.

Q6. Annexation has the potential to have an enormous impact on an individual household's personal finances. How can the City demonstrate that it is doing everything within our power to be sure that the process is handled with the upmost transparency and fairness to all parties?

A: In terms of transparency the City provides extensive information on the project website. When the City hosted a public meeting on August 20, to which all property owners in this round of annexation were invited, much of the information from the website was provided in a presentation in addition to staff being available to answer questions. The public meeting presentation and summary are provided on the project website for reference.

Staff have been providing responses to questions and concerns from Councilmembers and members of the public, including answers to questions raised at the August 20 public meeting.

Q7. Mr. Lazarus, what would be our process to be sure we've explored the impact of annexation on these households and any possible updates to the exceptions/amendments that would make it less dramatic of a hardship on them?

A: We believe this is answered in responses to other questions.

Q8. Should we slow down and schedule a working session after all?

A: The request for a special-called work session to discuss annexation issues was presented to Council's Administration Committee. The Committee declined to schedule an additional meeting.

Q9. My question also pertains to the projected tax revenue that the City anticipates receiving. Adding the projected revenue for water, sewer, and stormwater would be useful information, too.

A: Refer to Q2 regarding tax revenue projections. We can't provide revenue projections for individual accounts because it is based on usage; however here is an estimate for the "average residential (single or two-family) user": Based on an average use of 18 units/quarter the Quarterly Utility bill would be \$192.67, which includes stormwater services.

Q10. I'm hoping the City can provide data about the household expenses and the City's revenue sources, plus the impact on AAPD and AAFD services and costs.

A: Staff have provided each property owner, and City Council, with customized information about Capital Recovery Charges and payment plan options. Refer to the 'Capital Recovery Charges' and 'Private Contractor Costs' section of the 'Utility Connection Requirements related to City-initiated Annexation' Memo. Regarding City tax revenue projections, refer to the response from the City Assessor's Office in Q2. Regarding AAPD and AAFD services and costs, refer to Q4.

Q11. Kindly share with me the tax revenue projections for the proposed annexed properties. The website discusses the 15.8885 millage rate on the Discussion Summary from 8/20/18, but how does that translate into projected revenue for the City?

A: Regarding City tax revenue projections, refer to the response from the City Assessor's Office in Q2.

Q12. Also, kindly share any data or information about the duplication of police and emergency services and related costs.

A: Regarding AAPD and AAFD services and costs, refer to Q4.

Q13. A recurring theme has been that they feel the City is being disingenuous to say it's about "efficient delivery of city services." They feel it's mostly about tax revenue and would appreciate it being labeled and referred to as such. Would it be possible for the City to update our communications to be more forthright and acknowledge our revenue motivations?

A: The statutory provisions governing annexations are intended to eliminate islands parcels of one jurisdiction located within the outer boundaries of another jurisdiction. Some of the benefits to the City of proceeding with annexation were summarized in the 2011 report to Council and the August 20 public meeting presentation.

Eliminating duplication of service is one consideration in the rationale for Township Island Annexation. Other rationale include:

- Improving efficiency and clarity of municipal services (solid waste collection; polling locations; building permits; capital improvements planning (e.g., extension of water and sanitary sewer services if, and where, needed))
- Promoting equity of funding municipal services (street resurfacing and reconstruction; streetlighting; stormwater; parks; police and fire services)
- County-wide, per Washtenaw County Water Resources Commission, approximately 18% of septic systems are failing; 15% of wells do not have adequate protection against contaminants; 14% of wells showed chemical or bacterial contamination.
- State Boundary Commission staff has recommended that the City complete annexation of township islands in a timely manner.

Q14. Tax revenue projections have also been requested. Would staff please apply the city millage rate to the taxable value of the properties as established in the townships, and let me know? This could also be included in future information packets to the public and as we prepare for the October 1 Council meeting on this issue.

A: Refer to Q2 regarding tax revenue projections.

Q15. There are no services presently available to the 7 homes on Hampstead Lane proposed for annexation nor are they planned for the future. There are no any other parcels proposed for annexation in this situation.

Whereas Washtenaw County may have historically provided permits to residents with failing wells in order to construct new wells (or septic fields), that precedent is not necessarily relevant after annexation when we will be resident of the City of Ann Arbor City, not Ann Arbor Township. The City does not have a clear resolution for this at present.

Furthermore, even if we were permitted to install new wells or septic fields, this creates a unique burden unlike any other parcels proposed for annexation in that we would be forced to invest a significant amount of money to install a new well or septic at that will become irrelevant should the city decide to add services to us. There are no other parcels that would be forced to make new investments after annexation that would likely be wasted in this manner. Again, the city does not have any type of resolution or accommodation for this unique burden being placed on the residents of Hampstead Lane only. For context, my well is over 225 feet deep and would easily cost over \$10,000 to replace.

Adding water and sewer services in the future to the Hampstead Lane parcel would be far more expensive to the city than the average extension upon which the connection charges are based. This is because the unique demographics, public parks on the street for which the city would not collect connection charges, the large lot sizes, and small number of houses for the length that would need to be added. As such, the annexation our specific parcel would be unusually costly to the City of Ann Arbor taxpayers.

A: Regardless of whether a parcel is in the City or a Township, well and septic permits are County Health jurisdiction. The City only determines if sewer and water are available to city parcels based upon the requirements in City Code.

The majority of utility extensions that are currently planned are to serve either failing wells or septic systems. Because of costs to the property owners and to the utility, expansions are made mostly based on the need to serve sites with failing systems.

The statement about extending water and sewer will be more expensive than the amount recovered, is not unique to the Hampstead area. Frequently the immediate cost of extension is higher than the Capital Recovery Charges.

Q16. Would it be possible to send a list of any exceptions or amendments being considered for the annexations?

A: Regarding utility connection exceptions, two exceptions have been granted, refer to 'Utility Connection Requirements related to City-initiated Annexation' memo. We have received no other requests for exception.

Q17. Also, I was curious about retiree's, disabled, etc exemptions. So I looked up the link given. https://www.michigan.gov/documents/2748f_2630_7.pdf

One has to earn less than \$22,588.00 in order to qualify. Indeed! If that were the case, none of us would probably even be living in Ann Arbor Township, let alone being annexed by the city. Who in this group could actually afford to live on \$22,588.00/year? I wonder if any city council member, or anyone on the annexation committee could afford to at that income level?

A: This is a benefit provided by the State of Michigan; the dollar amount is calculated per the statute.