

To: Mayor Brian Barnett,  
Council VP, Steph Morita  
From: Walter Johnson  
Re: Proposed revision to SAD policy for Gravel Roads  
Date: October 12, 2016

I have just reviewed the proposed changes to the Rochester Hills SAD policy for paving gravel roads. I have concerns about these proposed changes on several levels. I offer the following comments in the hope that a more thorough review can be commenced by the city with the assistance of the Public Safety and Infrastructure Technical Review Committee.

1. When the re-purposed millage renewals were passed by residents for local roads they were promised that those funds would go to (a) improved maintenance of all local roads and (b) a portion to the City contribution to SAD's for paving gravel roads.
  - a. Maintenance has not improved. Conditions of our gravel roads this year have been as bad as ever. I have asked both DPS & engineering to consider ways (including limestone) to at least improve the intersections that get torn up first. Nothing has happened.
  - b. The SAD policy prior to the millage votes prescribed a maximum cost to residents of \$5,000 per buildable lot with the city paying the first 60% of the total cost. The proposal doubles the cap to \$10,000/buildable lot, with the residents responsible for the first \$10,000. It also caps the city share at \$10,000. Based on previous estimates the typical cost would not exceed \$10,000/lot and therefore under the new proposal residents would pay the entire cost.
  - c. Estimates given to the Committee prior to the last millage renewal was that the cost to pave a typical gravel road was \$159.38 per foot. With an average buildable lot size of 90 foot, that equates to \$14,344. Divided by 2, the cost for each 90 foot lot would be \$7,172. If the city paid the first 60% = \$4,303; the resident cost would be \$2,869. The proposed formula egregiously increases the burden on residents by 150% or more.
  - d. Under what set of metrics have residents on gravel roads received the promised benefits of the road millage increases?
2. The SAD review committee developed a formula that tied the resident cost to average median value within the SAD. It gave no consideration to individual residents within the SAD with homes valued at more or less than the median. It appears to be nothing less than an attempt to push the entire cost on to residents. Raising the cost to reduce demand is no solution!
  - a. If assessing cost based on taxable value is a legitimate approach, then the city should assess cost per resident based upon (a) dividing total (residents share) of cost by total taxable value of the SAD and then assess that cost per thousand against the TV of each parcel; or (b) determine the annual debt service cost for a 15-year SAD bond issue and divide that by the total taxable value of the SAD to determine the cost per thousand of TV, and then assess a SAD tax on each resident within the SAD based on their taxable value.
3. In my view, and I believe it can be supported with data, paving gravel roads leads to increased property values. Vacant lots are built on, homes sell faster at higher prices, and existing residents are willing to make improvements with the belief that they may recover the cost of

those improvements in a future higher sale price. The city benefits in the long haul from an increased tax base, and from lower maintenance costs due to improving gravel roads.

4. The City of Rochester Hills holds itself out as one of the best places in America to live, work and raise a family. We do not need to emulate other communities in setting SAD policies. We have the resources to improve our community in many ways, and improving gravel roads is one of those long overdue areas of improvement that needs help. **The city should have a proactive SAD policy, not a regressive one that impedes improvement.**
5. An alternative SAD policy could offer residents a tax abatement to offset the up-front cost of paving the road. Municipal bond rates are at historic lows, and the City could raise its share of SAD cost through a bond offering that could fund many individual SAD projects. Future growth in tax base would pay for it. Attack the issue on a large scale and put this problem in our past. There are many options to consider.
6. Maintenance cost for poorly constructed and maintained gravel roads exceeds the maintenance cost for paved roads. The city saves money by paving gravel roads. As an alternative to paving, re-establishing a better base with better material such as limestone and establishing better grading techniques/schedules with trained operators (yes, operators make a difference) and regular dust control would go a long way to improving the quality of life on existing gravel roads.
7. As I have pointed out in the past, gravel roads are also a health problem. Road dust is a well documented cause of respiratory problems. It is also a major maintenance problem for homeowners. Again, the use of crushed limestone could reduce road dust. The city passed a leaf burning ban due to air quality concerns. It's time to address road dust with similar fervor.
8. Alternative paving options: I have discussed the benefit of using improved Limestone paving gravel versus the standard road gravel. Especially on intersections. Oakland twp has been using this material and has increased its use based on experience. (See the attached article) Rochester Hills should at least re-pave various high volume gravel roads to test the benefits of this, both as an alternative to the up-front cost of asphalt, and the ongoing maintenance cost of standard gravel. A well constructed and maintained gravel road can be a desirable option to asphalt.
9. Conclusion: Subject to further review, my recommendation would be to maintain the existing SAD policy. Based on my conversations with residents, that level of cost was within an acceptable level. **Don't cut off demand by raising the price beyond the means of residents.**
  - a. Through polling and public meetings determine the level of interest in paving gravel roads. Establish a budget to fund the city's share, or if the demand is high enough consider a bond issue or use of Fund Balance to attack the issue on a large scale.
  - b. If demand in any given year exceeds city funding capacity, then simply defer projects to following years. Many residents have already waited decades.
  - c. Consider the example of how Oakland Twp. has funded a stockpile of crushed limestone for initial re-paving and ongoing maintenance.

I hope to present these and other thoughts to the Committee and would appreciate your consideration and support.

# Limestone pothole filling planned

BY LINDA SHEPARD  
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**OAKLAND TOWNSHIP** — A new program aims to fill the township's unpaved road potholes with limestone.

Many of the township's gravel roads are treated with limestone for a smoother and stronger surface. In the past, potholes on those roads were filled with gravel.

"Limestone-treated roads provide a very hard surface that is quite durable compared to a gravel road," Oakland Township Trustee Mike Bailey said. "One downfall is that when potholes do occur, they are a more abrupt pothole than you would see in a gravel (road). As a result, that abrupt pothole is more damaging to vehicles — to tires and wheels and suspension components and so forth."

"Repairing the limestone roads with gravel was diluting our investment," Oakland Township Supervisor Terry Gonser said. "We made a large investment in putting limestone on the roads. Where it has washed out, particularly on hills, this will be a method to replenish it with limestone instead of gravel."

Gonser said he had previously approached Road Commission for Oakland County officials about the matter. "The Road Commission did not have space to store (the limestone)," he said.

By a unanimous vote April 26, the Oakland Township Board of Trustees approved the purchase of 500 tons of limestone to be stored at Edw. C. Levy Co. American Aggregates in Oxford for \$12,500 of budgeted funds.

"For patching limestone areas, the Road Commission does not keep limestone on hand," said

Trustee Robin Buxar, who serves on the Township Road Committee. "We were able to acquire this location in Oxford."

"I am happy to see this program — to see some genuine sustainable improvements that will really make a difference," Township Treasurer Jeanne Langlois said.

"I think this is a great idea to have a way of repairing those (roads) properly so that the benefit we have from the limestone is extended," Bailey said.

Call Staff Writer Linda Shepard at (586) 498-1065.

## THE PARADE COMPANY EXCLUSIVE TOURS FOR M

BY JENNIFER SIGOUIN  
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**METRO DETROIT** — Even though it's spring, you can treat your mom to a winter wonderland this Mother's Day.

The Parade Company Studio in Detroit is opening its doors Mother's Day weekend, May 6-7, for private, behind-the-scenes tours of its 200,000-square-foot warehouse, which is home to floats, costumes and props used in the annual America's Thanksgiving Parade presented by Art Van.

The Parade Company has offered private

tours for Vale the first year Mother's Day.

"It's such a thought we'd like to give to all the moms out there," said Jennifer Sigouin.

Most mothers spend Mother's Day with family or while standing in line for a parade float. The Parade Company's Thanksgiving Parade presented by Art Van is a special event for everyone.

"Everyone



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