



Road Improvement Bond Proposal

November 3rd

What would the millage accomplish, and why is it needed?

It's no secret that local roads in Grass Lake Charter Township are in very poor condition. **The proposed millage will revitalize all of the local roads, bringing them back to desirable and maintainable conditions.** This major road work would take approximately three years to complete. The Michigan Transportation Fund (MTF), generated from gas taxes and vehicle registration fees, is the primary revenue source for maintaining and improving the county's road system. Even though MTF funding has increased over the last five years, the 2015 legislation did not provide nearly enough to maintain and improve all of our roads. Over time, construction materials and construction costs continue to increase. A \$100,000 project completed in 2003 now costs more than \$200,000. At the same time, roads continue to deteriorate, and improvement projects are not financially feasible without funding from townships, or other sources.

In Michigan, there are three general classifications for county roads: *state*, *primary*, and *local* roads. As a result of the difference between MTF funding and the funds needed to maintain all roads in Jackson County, county

policy requires matching funds to improve *local* roads. In fact, many counties provide *no* matching funds for *local* road projects.



Jackson County currently provides a relatively generous match of 30% for improving *local* roads. *Primary* roads in the township are improved using the county's MTF revenues, along with grants from federal and state sources. *State* road improvements are the responsibility of the Michigan Department of Transportation.

Jackson County's MTF Funds cannot be used at all for streets within the Village of Grass Lake. Like the county, the village's MTF funding is not sufficient to properly maintain all of the village's streets. This millage proposal forges a unique partnership between the county, township, and village to improve all local roads and village streets in Grass Lake Charter Township for the benefit of the whole community.

Exhibit A, attached, provides maps showing the proposed road improvement projects addressed by this initiative. **Exhibit B** is a table with detailed, supporting information.

How much will it cost?

The total cost of improving all local roads in Grass Lake Charter Township is estimated to be approximately \$26,291,689 (see Exhibit B for details). If approved, the Road Improvement Bond Proposal on the November 3rd ballot would authorize the township to issue bonds for \$19,575,000, which includes bonding costs. These funds represent the 70% match required for local roads and 100% of the funds required for streets within the village. Jackson county will provide the additional 30% for county local roads.

The proposed millage (a tax based on the value of property) is 4.12 mills for a period of 21 years, which equates to \$4.12 per \$1,000 of *taxable value* (not cash or market value). A typical home with a \$50,000 *taxable value* (\$100,000 market value) would pay \$206.00 per year, or \$17.17 per month. The formula below shows what homeowners would pay, based on the taxable value of their home:

$$(\text{your home's taxable value}) \times 0.00412 = \text{how much you would pay each year}$$

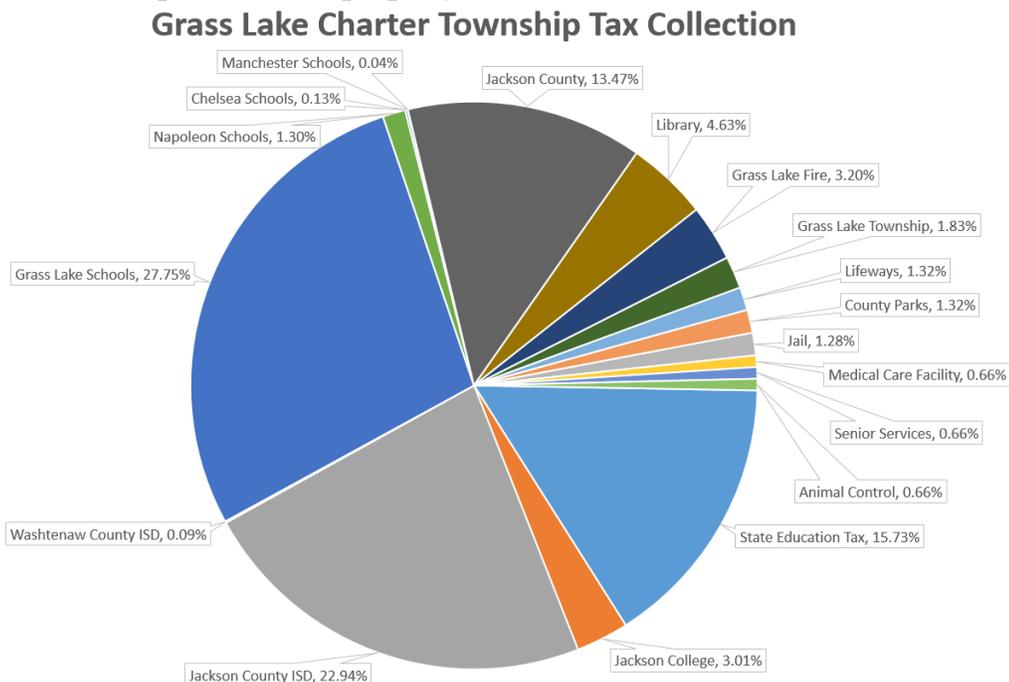
Note that taxable value can never be more than one-half your estimated property value.

When will the roads be fixed?

If voters approve this initiative, work on Grass lake Charter Township's local roads would begin as soon as possible, with all projects completed during the 2021, 2022, 2023, and 2024 construction seasons.

I already pay high property taxes. Why can't the roads be fixed with that money?

Grass Lake Charter Township currently has no road millage or other revenue source specifically for roads. The property taxes residents currently pay are not applied to roads. Funding for roads comes exclusively from the Michigan Transportation Fund, which does not provide adequate finding for local road improvements (and matching funds are required). The vast majority of property taxes collected go to fund local schools. The remainder covers police and fire protection, the local library system, township operating costs, and other services provided by the county. The chart below shows approximately how Grass Lake Charter Township's collected property taxes are distributed.



What if the millage does not pass?

To do nothing means that our local/neighborhood streets and roads will continue to deteriorate and become even more costly to refurbish in the future.

According to the Associated General Contractors, for most of the past decade, highway and bridge costs have significantly outpaced general inflation. Ken Simonsen, their chief economist, states the cost of construction has grown – and will grow – between three to eight percent each year. Meanwhile, general inflation, as measured by the Consumer Price Index, is expected to grow two to three percent annually.

How can I learn more?

You can learn more by attending one of two informational meetings hosted jointly by Grass Lake Charter Township, the Village of Grass Lake, and the Jackson County Department of Transportation:

Monday, August 24th, 6:30 p.m.

Village Events Park Pavilion

110 Brown St., Grass Lake, MI

Monday, September 14th, 6:30 p.m.

Village Events Park Pavilion

110 Brown St., Grass Lake, MI



The formal language which will appear on Grass Lake Charter Township's November 3rd ballot is as follows:

TOWNSHIP ROAD IMPROVEMENTS CONTRACT AND BOND PROPOSITION

A proposed contract between the Charter Township of Grass Lake (the "Township") and the County of Jackson would provide for the acquisition, construction and improvement of local public roads within the Township, which include local public roads within the village limits of the Village of Grass Lake, and such other related improvements, appurtenances, and attachments as may be necessary to provide complete local public roads at an estimated cost to the Township of up to \$19,575,000, for the issuance of general obligation bonds in one or more series by the Township in an amount not to exceed \$19,575,000 to defray its allocable share of the cost of such road improvements, and for the levying of taxes by the Township for the payment of the principal and interest requirements on the bonds when due, which taxing power shall be without limitation as to rate or amount in accordance with Section 6 of Article IX of the Constitution of Michigan of 1963. The maximum number of years the bonds may be outstanding, exclusive of refunding, is 21 years; the estimated millage that will be levied to pay the proposed bonds in the first year that the levy is authorized is 4.12 mills (which is equal to \$4.12 per \$1,000 of taxable value of real and tangible personal property in the Township); and the estimated simple average annual millage that will be required to retire the bonds is 4.09 mills. Shall the contract and bonds be approved? (Yes or No)

Notes: