



Township of
Spring Arbor Michigan

Township Road Improvements

What would the millage accomplish and why is it needed?

It's no secret that local roads in Spring Arbor Township are in very poor condition. **The proposed millage would bring back all of the local roads to a desirable and maintainable condition.** This major road work would take approximately three years to complete. The Michigan Transportation Fund (MTF), generated from gas taxes and registration fees, is a revenue source for maintaining and improving the county's road system. Prior to January 2017, gas taxes were last raised in 1997, with MTF revenues stagnating and/or declining since 2003. The Jackson County Department of Transportation (JCDOT) essentially receives the same amount of money that it did over a decade ago. Over time, construction materials and construction costs have significantly increased. Roads have continued to deteriorate and improvement projects are not financially feasible without funding from townships or other sources.

In Michigan, there are three general road classifications: *state*, *primary*



and *local* roads. Michigan law does not allow county road agencies to use MTF revenues to pay more than 50% of the costs for improving *local* roads — in fact, many counties provide no matching funds for *local* road projects. Jackson County currently provides a match of 30% for improving *local* roads. *Primary* roads in the township will be 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.

This pamphlet was created by the Jackson County Department of Transportation as a service to the residents of Spring Arbor Township. It is meant to be an informational guide and is not intended to support, or oppose the millage.

How much will it cost me?

The total cost of improving all local roads in Spring Arbor Township is estimated to be approximately \$11,760,000. If approved, the Township Road Improvements Contract and Bond Proposition on the May 2 ballot would authorize the township to issue bonds for \$8,615,000. This is to pay for the 70% that cannot be funded by the Jackson County Department of Transportation.

The proposed millage (a tax based on the value of property) is 3.99 mills for a period of 15 years, which equates to \$3.99 per \$1,000 of *taxable value* (not cash or market value). A typical home with a \$50,000 *taxable value* would pay \$199.50 per year, or \$16.37 per month. The formula below shows what homeowners would pay, based on the taxable value of their home. The formula used is: **your home's taxable value x .00399 = how much you would pay each year**. Taxable value can never be more than one half of your property value.

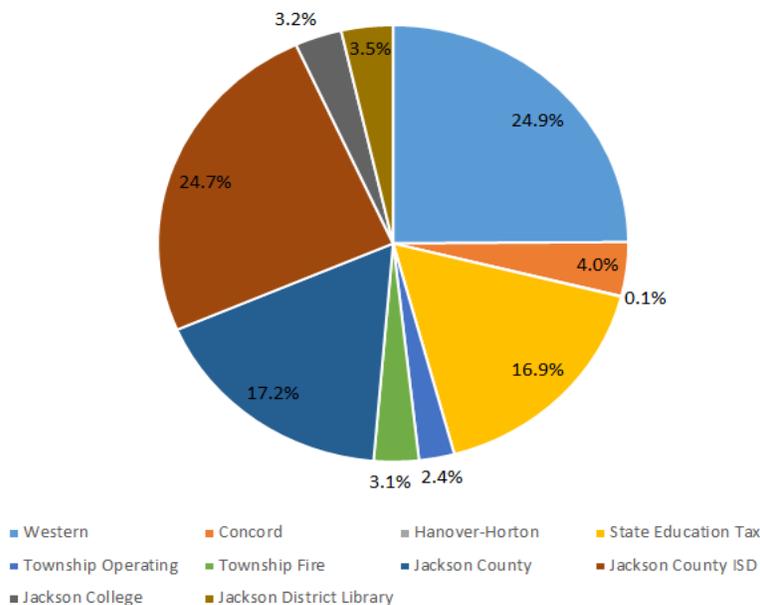
When will the roads be fixed?

If voters approve this initiative, work on Spring Arbor Township's local roads would begin as soon as possible, with all projects completed during the 2018, 2019, and 2020 construction seasons.

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

Spring Arbor Township currently has no road millage or other revenue source for roads. The vast majority of property taxes collected goes to fund our local schools. The remainder covers police and fire protection, the local library system, township operating costs, and other services provided by the county. The pie chart below shows how Spring Arbor Township's collected property taxes are distributed.

Spring Arbor Township Tax Collection



Will the new money received from the Michigan Transportation Fund be enough to fix Spring Arbor Township's roads?

Over the past decade, the cost to maintain and repair roads has steadily risen, but the Jackson County Department of Transportation's budget has not kept pace with the rate of inflation. Even if JCDOT receives the estimated full amount of funding in 2021, there will be years of catch-up work to be done to fix the county's "poor" and "failing" roads. JCDOT estimates that to get all of the county's local roads into "good" condition would require \$300 - \$400 million, and MTF contributions could still only be used for up to 50% of total costs. While the new state funding increase will help, it will take five years to phase-in, and roads will continue to deteriorate as we wait for the new funding.



In addition to fixing the county's worst roads, JCDOT must also balance the need to preserve the investments that have already been made in the county's "good" roads to increase their life spans and avoid costly reconstruction projects. JCDOT must also factor in the annual cost of winter maintenance, the need for new equipment, and other agency operation costs when determining how to allocate the new road funding from the state.

What if the millage does not pass and we wait another year?

If voters wait another year, the roads will only deteriorate further, and the cost of repairing the roads will increase. Interest rates are likely to rise for the bonds.

According to the Associated General Contractors, for most of the past decade highway and bridge costs have significantly outpaced general inflation. Ken Simonson, chief economist at the Associated General Contractors, states the cost of construction materials will continue to grow, between three to eight percent each year. General inflation, or the Consumer Price Index, is expected to grow two to three percent annually. Simonson expects employment costs to rise 1.5 to 2.5 percent and bid prices for jobs will grow three to five percent each year, through 2017. Other experts agree.

How can I learn more?

Please join us for an informational town hall meeting:

Western High School Fine Arts Center . 1400 S. Dearing Road . Parma, MI 49269
Monday, April 17, at 7:00 pm or Wednesday, April 19, at 7:00 pm

The formal language which will appear on Spring Arbor Township's May 2 ballot is listed here:

TOWNSHIP ROAD IMPROVEMENTS CONTRACT
AND BOND PROPOSITION

A proposed contract between the Township of Spring Arbor (the "Township") and the County of Jackson will provide for the acquisition, construction and improving of local public roads within the Township at an estimated cost to the Township of up to \$8,615,000, for the issuance of general obligation bonds in one or more series by the Township in an amount not to exceed \$8,615,000 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 15 years; the estimated millage that will be levied to pay the proposed bonds in the first year that the levy is authorized is 3.99 mills (which is equal to \$3.99 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 3.90 mills. Shall the contract and bonds be approved? (Yes or No)

NOTES: