



Road Improvement Bond Proposal

August 8th

What would the millage accomplish and why is it needed?

It's no secret that local roads in the Township of Summit 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. Prior to January 2017, gas taxes were last raised in 1997, with MTF revenues stagnating and/or declining since 2003. Jackson County 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 of county roads: *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 relatively generous 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.

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

This pamphlet was created by the Jackson County Department of Transportation as a service to the residents of the Township of Summit. 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 the Township of Summit is estimated to be approximately \$31,037,222 (see Exhibit B for details). If approved, the Road Improvement Bond Proposal on the August 8th ballot would authorize the township to issue bonds for \$22,540,000, which includes bonding costs. This is the 70% match required to make the project a reality.

The proposed millage (a tax based on the value of property) is 2.83 mills for a period of 16 years, which equates to \$2.83 per \$1,000 of *taxable value* (not cash or *market value*). A typical home with a \$50,000 *taxable* value would pay \$141.50 per year, or \$11.79 per month. The formula shown below shows what homeowners would pay, based on the taxable value of their home:

$$(\text{your home's taxable value}) \times 0.00283 = \text{how much you would pay each year}$$

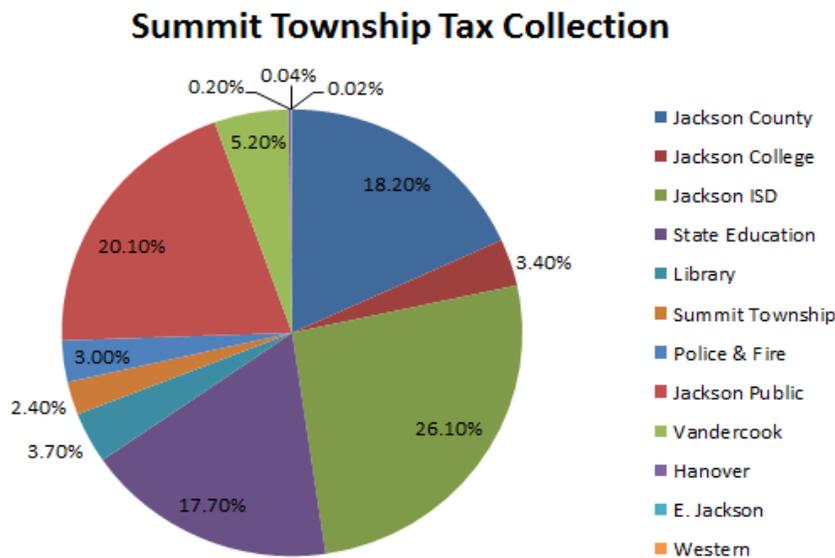
Note that taxable value can never be more than one half of your estimated property value.

When will the roads be fixed?

If voters approve this initiative, work on the Township of Summit's local roads would begin as soon as possible, with all projects completed during the 2017, 2018, 2019 and 2020 construction seasons.

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

The Township of Summit 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 funding for local road improvements (and matching dollars are required). 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 chart below shows approximately how the Township of Summit'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 Simonson, 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 (CPI), is expected to grow two to three percent annually.

How can I learn more?

You can learn more by attending one of four informational meetings. There are pros and cons to this bond proposal and it is important for you to consider all available information.

Please join us for one of the following informational meetings, hosted jointly by the Township and the Jackson County Department of Transportation:

Monday, June 26th, 10:00 a.m.
Summit Township Hall
2121 Ferguson Road

Monday, July 17th, 6:30 p.m.
Jackson College, Walker Hall
2111 Emmons Road

Wednesday, July 19th, 6:30 p.m.
Lumen Christi
High School Cafeteria
3483 Spring Arbor Road

Tuesday, August 1st, 6:30 p.m.
Vandercook Lake
High School Cafeteria
1000 E. Golf Avenue



The formal language which will appear on the Township of Summit's August 8th ballot is listed here:

"Shall the Township of Summit, County of Jackson, Michigan, borrow the principal sum of not to exceed Twenty-Two Million Five Hundred and Forty Thousand dollars (\$22,540,000) and issue its general obligation unlimited tax bonds, in one or more series, payable in not to exceed sixteen (16) years from the date of issue of each series, for the purpose of paying the cost of acquiring, constructing, furnishing and equipping road improvements throughout the township, including necessary rights-of-way, and appurtenances and attachments thereto?"

Yes

No

If approved, the estimated millage to be levied in 2018 is 2.83 mills (\$2.83 per \$1,000 of taxable value) and the estimated simple average annual millage rate required to retire the bonds is 2.80 mills (\$2.80 per \$1,000 of taxable value.)

NOTES: