

Road Improvements – A Holistic Session on Funding & Repayment Options

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It's all about experience

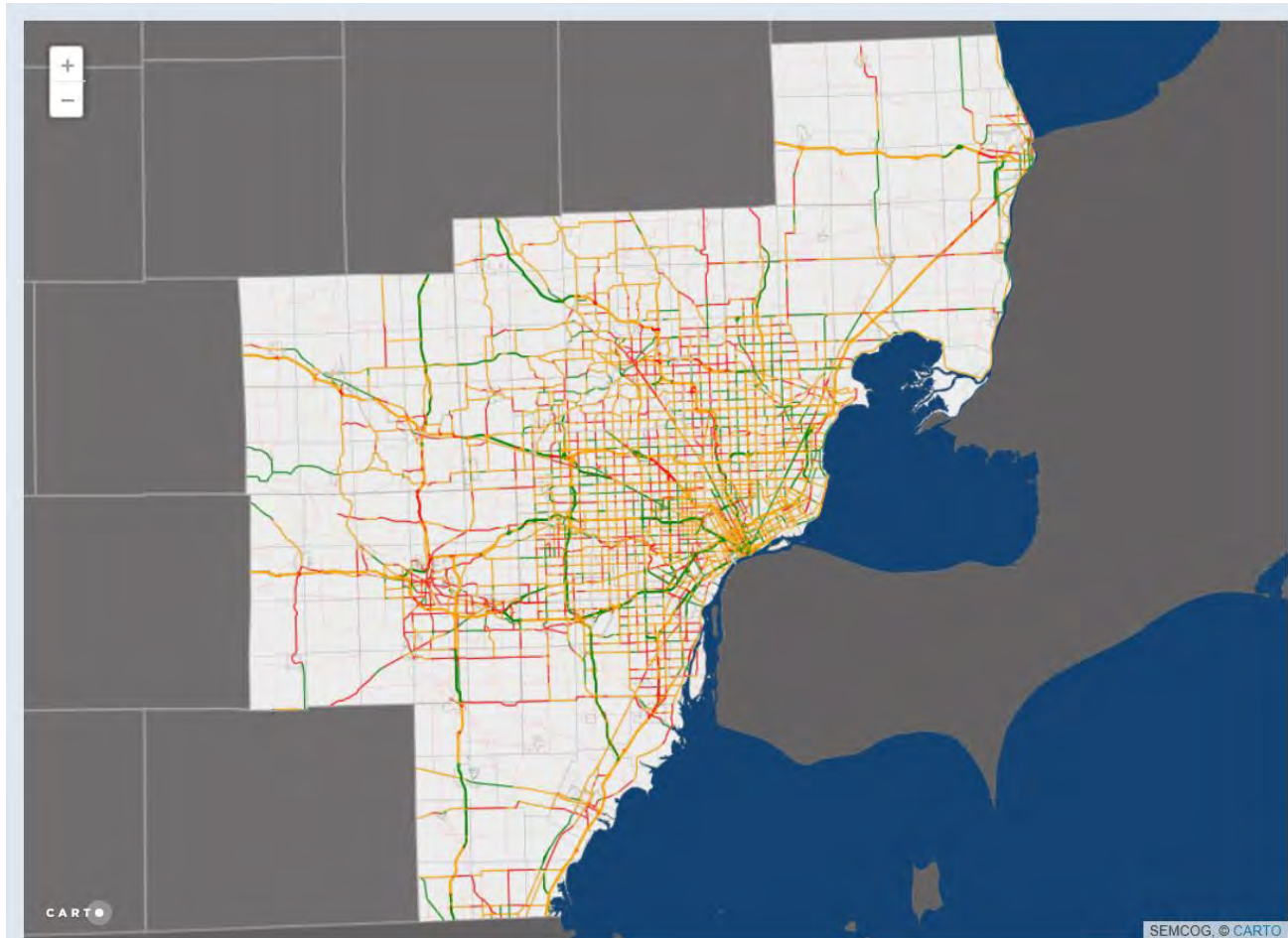
Overview

- Current Funding Options
- Recent Studies and Legislation
- Possible Funding Options
- Debt Issuance
- Community Examples
- Important Takeaways

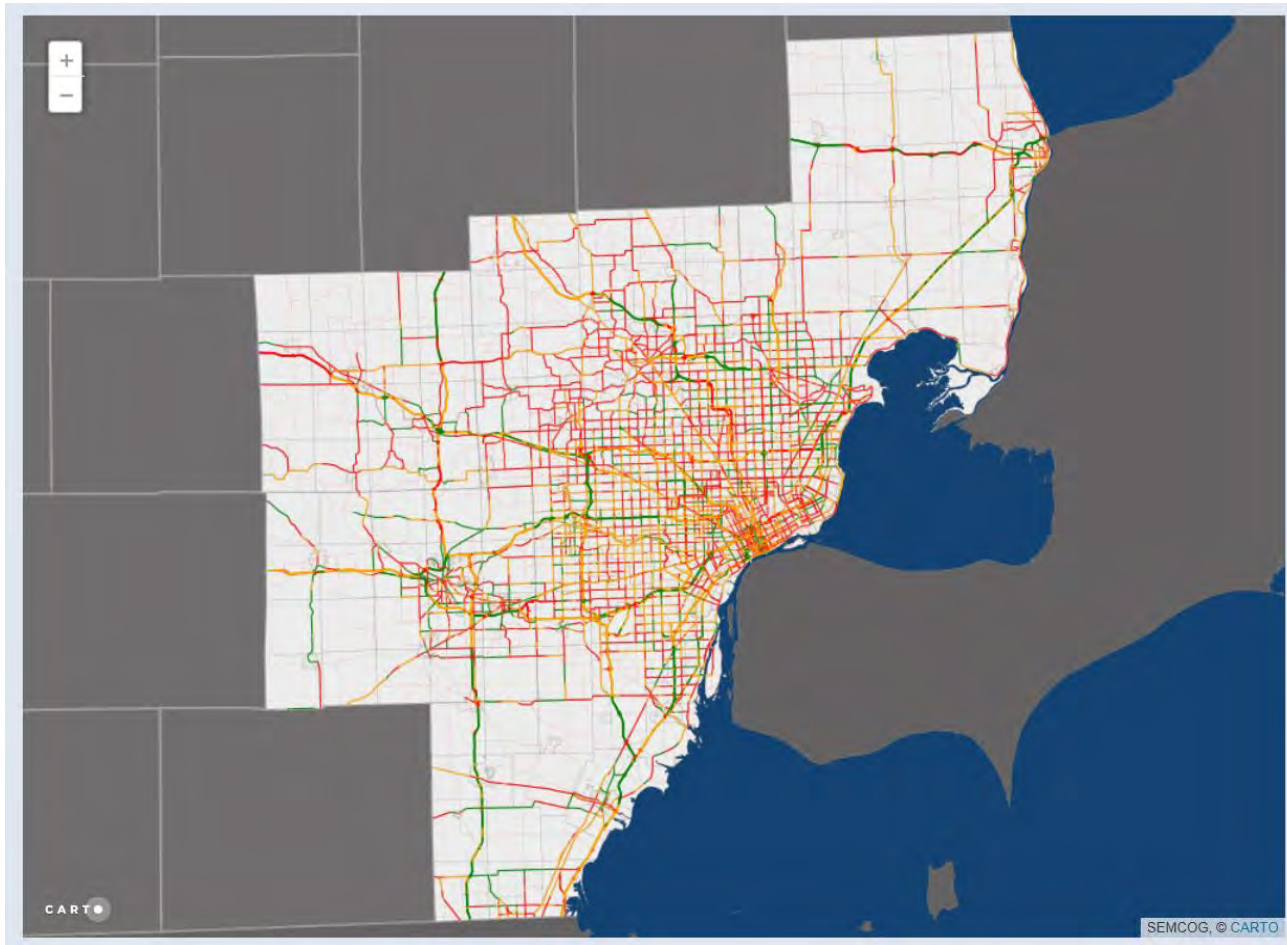
Current Funding Options

- Cash
- Grants
- Act 51 Monies
- Current Millages

2006 SEMCOG Road Map



2016-17 SEMCOG Road Map



Recent Studies and Legislation

- 2015 Road Funding Package
 - \$1.2 billion by 2021
- 2017 TRIP Report
 - \$3.3 billion worth of transportation projects that lack funding
- 2017 American Society of Civil Engineers Report Card
 - 122,286 miles of public roads, 21% in poor condition
- March 2018 Supplemental Appropriation
- June 2018 Budget Appropriation

Possible Funding Options

- Special Assessments
- Increasing Millage inside Headlee limit
- Voted Millages
 - Voted charter amendment
 - Voted Headlee override
 - Voted bond issue

Special Assessments

- What is the Process?
 - Council/Board initiated
 - Property owner initiated
- Issuing Bonds Backed by the Special Assessments
 - Special Assessment District (SAD) Bonds
 - City/Village Share Bonds

Voted Millages

- Voted Charter Amendments
 - Duration up to 20 years
 - Cities must include this in their 20 mill cap
- Voted Headlee Override
- Voted Bond Issue
 - Unlimited Tax General Obligation (UTGO) Bonds
 - Millage levied outside of caps
 - 10% of SEV debt limit

Debt Issuance

- Voted UTGO Bond Issues
 - 10% of SEV debt limit
- LTGO Bond Issues
 - Capital Improvement Bonds
 - 10% and 5% of SEV debt limits
 - Michigan Transportation Fund (MTF) Bonds
 - 50% of Act 51 revenues test
 - Special Assessment
 - 12% overall and 3% yearly SEV debt limits
 - Tax Increment Financing
 - 10% of SEV debt limit

Community Examples

- City A – Council-Approved Millage Increase
- City B – Voted Charter Amendment
- City C – Voted Headlee Override
- City D – Voted Bond Issue

Important Takeaways

- There are Options to Fund Roads Out There
- No “One Size Fits All” Solution
- Holistic Capital Improvement Planning
 - Debt limits affecting bond issuance
- Every Issue is Unique
 - Method of sale may change
 - Type of bonds may change
- Professional Involvement Early

Questions?

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