



# CIP Financing Approach – Transportation Utility Fee

**Town Board Meeting**

January 22, 2019

# Existing Town Roads

## Town of Buchanan Roads



The Town's PASER ratings system shows that 49% of the 46.10 miles of Town roads are in "good" condition or better, while 51% are rated "fair to poor."

# Existing Annual Town Funds Available

Funding Source	Amount
Buchanan Stormwater Utility	\$ 200,000.00
General Fund Revenue	\$ 325,000.00
Road Maintenance Levy	\$ 350,000.00
Debt	\$ 375,000.00
<b>TOTAL</b>	<b>\$1,250,000.00</b>

# Road Network Cost

Infrastructure	Estimated Quantity	Units	Unit Cost	Item Cost	Reconstruction (Years)	Annual Reconstruction Cost (ARC)
Urban Road	30.5	Miles	\$ 1,001,458	\$ 30,544,457	35	\$ 872,699
Rural Road	15.5	Miles	\$ 893,350	\$ 13,846,919	35	\$ 395,626
Urban Storm Sewer	30.5	Miles	\$ 713,856	\$ 21,772,608	35	\$ 622,075
Rural Storm Sewer	15.5	Miles	\$ 679,536	\$ 10,532,808	35	\$ 300,937
Curb and Gutter	30.5	Miles	\$ 337,709	\$ 10,300,118	35	\$ 294,289
Rural Ditch Landscaping	15.5	Miles	\$ 144,144	\$ 2,234,232	35	\$ 63,835
<b>TOTAL</b>	<b>1</b>	<b>Mile</b>	<b>\$ 3,770,052</b>	<b>\$ 89,231,142</b>		<b>\$ 2,549,461</b>
				<b>ANNUAL TOWN FUNDS AVAILABLE</b>	<b>\$</b>	<b>1,250,000</b>
				<b>ANNUAL TOWN FUNDING SHORTFALL</b>	<b>\$</b>	<b>1,299,461</b>

# Options for the Town to Fund GAP?

- Three (3) Alternative Funding Options
  1. Property Tax Levy Increase
  2. Special Assessments
  3. Transportation Utility Fee (TUF)

# Alternative Funding – Property Tax Increase

- Increase property tax levy
- Binding Referendum
- Property owner of single-family home assessed at average home value of \$227,700 impact?
  - \$426 increase in property taxes/ year

# Alternative Funding – Special Assessments

- Modified Special Assessment Policy Adopted in September 2018
  - Town Pays
    - Road base and surface
    - Sidewalks
    - Stormwater management facilities (ponds)
  - Property Owner Pays
    - Driveway aprons
    - Stormwater conveyance facilities (storm sewers and/or ditches)

# Alternative Funding – Special Assessments

- Special Assessments of up to \$20,000
  - Example: Kebe Court
    - Estimated assessment - \$18,007

Town of Buchanan  
 Roadway Reconstruction  
 October 30, 2016  
**Estimated Opinion of Probable Cost**  
 Kebe Court Full Urbanization  
 PASER Rating = +  
 28" BB CURB & GUTTER W/STORM SEWER  
 600' CL Length, 12" BASE AND 3.5" ASPHALT - RESIDENTIAL ROAD

ITEM	QUANTITY	UNIT COST	TOTAL COST
<b>TOWN COST</b>			
<b>MOBILIZATION</b>			
PULVERIZE EXISTING PAVEMENT	1 LS	\$5,000	\$5,000
EXCAVATE ROADWAY, AVG 15" BASE COURSE, 12" ASPHALT, 3.5" EROSION CONTROL	2000 SY	\$1	\$2,000
TRAFFIC CONTROL	1100 CY	\$20	\$32,000
	470 TONS	\$23	\$25,300
	1 LS	\$72	\$33,840
	1 LS	\$2,000	\$2,000
	1 LS	\$1,000	\$1,000
<b>SUBTOTAL CONSTRUCTION</b>			<b>\$101,140</b>
CONTINGENCY 10%			\$10,114
ENGINEERING AND ADMINISTRATION			\$20,228
<b>TOWN COST SUBTOTAL</b>			<b>\$131,482</b>
<b>PROPERTY OWNER COST</b>			
LANDSCAPE RESTORATION, SEED, E-MAT			\$10,114
CONCRETE DRIVEWAY APRONS			\$30,228
24" BARRIER CURB AND GUTTER	3300 SY	\$6	\$19,800
STORM SEWER, 12" LEAD	650 SF	\$50	\$32,500
STORM SEWER, 18"	1350 LF	\$15	\$20,250
18" APRON ENDWALL WITH RIPRAP	75 LF	\$35	\$2,625
STORM MANHOLES	300 LF	\$40	\$12,000
CATCH BASINS	300 LF	\$45	\$17,100
MINI STORM SEWER	1 EA	\$1,000	\$1,000
SUMP PUMP CONNECTIONS TO PIPE AT R.O.W.	3 EA	\$3,500	\$10,500
	4 EA	\$3,000	\$12,000
	700 LF	\$30	\$21,000
	12 EA	\$300	\$3,600
<b>SUBTOTAL CONSTRUCTION</b>			<b>\$152,375</b>
CONTINGENCY 10%			\$15,238
ENGINEERING AND ADMINISTRATION			\$30,475
<b>PROPERTY OWNER COST SUBTOTAL</b>			<b>\$198,088</b>
<b>ESTIMATED PROPERTY OWNER COST PER LOT</b>			<b>\$18,007.96</b>
19 LOTS PLUS 2 CORNER LOTS = 11 LOTS TOTAL			\$200,000
<b>TOTAL PROJECT COST (TOWN COST + PROPERTY OWNER COST)</b>			<b>\$329,570</b>

NOTE: STORMWATER FROM THE KEBE COURT PROJECT AREA IS TREATED BY THE ADJACENT MAIN STREET WET POND FACILITY.  
 ESTIMATES REFLECT CHANGE IN UNIT PRICES VS THE 2016 ESTIMATE.





# Alternative Funding – Transportation Utility Fee (TUF)

- Transportation Utility Fee
  - A mechanism, allowed by state statute for the funding of a specific municipal service, in this case the transportation infrastructure and operating network within the Town of Buchanan
  - A special charge on improved property owners tax bill

# Alternative Funding – TUF, continued

- Pros
  - Cost equity
  - Reliable and dedicated funding source
  - Accountability
  - Reduce borrowing
  - Simple administration
- Cons
  - Change
  - Initial effort
  - Higher cost for some
  - New charges for tax-exempt properties
  - Cannot be used as a tax deduction

# Alternative Funding – TUF, continued

- How is a TUF fee determined?
  - Number of approaches. Staff recommends a trip-generation based approach. Trips identified by property type use.

## Calculation

**Trip generation rate**

**X Transportation Utility Fee Unit**

**Annual Transportation Utility Fee for Property**

# Alternative Funding – TUF, continued

- Example: 20 unit apartment building

## Calculation

Apartment Trip Generation Rate x Dwelling Units)  
X Transportation Utility Fee Unit  
Annual Transportation Utility Fee for Property

$$(0.62 \times 20) \times \$100 = \$1,240$$

**20 unit apartment building would pay a TUF of \$1,240 a year**

# Alternative Funding – TUF, continued

- 2,430 Improved Properties in the Town of Buchanan

General Breakdown of Improved Properties	
Zoning Designation	Amount
Multi-Family	26
Duplex	131
Commercial	224
Single-Family	2,049
Total Properties	2,430

- TUF at \$210, \$1,235,000 of TUF revenue generated

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Alternative Option(s)	\$1,250,000.00
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# QUESTIONS?