Michigan Municipal League
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"How are we paying for it? Creative Financing for Public Projects."

Concurrent Session presented by:

David Nadolsky, Mayor
City of Rogers City

George Korthauer, City Manager
City of Petoskey

Dale J. Majerczyk, City Manager
City of Essexville

Outline for Presentation on Essexville's Experiences by Dale J. Majerczyk

COMMUNITY BACKGROUND

- The City of Essexville is small (population 4,088) community located on the Saginaw River adjacent to Bay City. Most of the modern infrastructure and housing development occurred in Essexville during the early 1950's.

- The City of Essexville has the highest median household income in Bay County and one the higher median housing values in the County. These and other factors substantially limit grant availability to the City for water and sewer infrastructure improvements.

- Most residents of Essexville work outside of the community in the surrounding tri-city metropolitan area.

- Eighty-eight percent of the City's taxable value and 83% of its water and sewer utility rate base is derived from residential properties within the City.

- The City Charter limits the City to 10 mills for general operating purposes.

- The City's water and sewer rates rank in the high end of the median range for all jurisdictions in the County.

- The City's annual general fund operating expenditures are $1.2 million.
In late 1995 the City Council and staff prepared an action plan to rebuild the community’s aging infrastructure and change the mix of residential and non-residential properties that make up the City’s tax and utility rate bases.

In August 1999 City voters approved $5 million general obligation bonds for water, sewer and drainage improvements.

Using a combination of grants, low interest loans, economic development initiatives available under state law and locally raised dollars over $7 million in infrastructure improvements have been completed or are presently under construction. The City has commitments to another $3 million in such improvements over the next three years.

WATER, SEWER, DRAINAGE AND STREET IMPROVEMENTS

- Wastewater Treatment Plant Upgrade - $1.9 million project financed with low interest loan (State Revolving Fund, Michigan Department of Environmental Quality ["MDEQ"])  

- Upgrade of traffic signals - $95,000 project financed with 80% grant (Safety Project, Michigan Department of Transportation ["MDOT"])  

- Various sewer, water, drainage and street improvements - $4.8 million financed with (Category F MDOT funds [$375,000], Federal Surface Transportation Program "STP" [$1.25 million], Downtown Development Authority “DDA” tax capture [$150,000], MDOT Transportation Enhancement Grant [$150,000] and local funds [$2.8 million])  

- Additional sewer, water, drainage and street improvements - $3 million to be financed with $900,000 in STP funds and the remainder in local funds.

PARKS AND RECREATION PROJECTS

- Waterfront Park improvements - $110,000 project financed with 75% grant (Michigan Recreation Trust Fund ["MRTF"])  

- Design Engineering for future Waterfront Park improvements - $35,000 project financed with 50% grant (Coastal Zone Management Grant, MDEQ)  

- Community Park development (Pending grant application) - $175,000 project to be financed with $135,000 in grant and local school funds ($125,000 CMI Recreation Bond, Michigan Department of Natural Resources ["MDNR"] and $10,000 cash contribution and 4.5 acres of land from Essexville Hampton Public Schools)  

- Street Tree Inventory - $4,500 Community Forestry grant from MDNR.
ECONOMIC DEVELOPMENT PROJECTS

- Purchase, demolition and cleanup of blighted properties in downtown - $425,000 project financed by DDA ($135,000), MDEQ Clean Michigan Initiative funds ($250,000) and Arts, Cultural and Quality of Life grant ($40,000) from State Budget Office.

- Market Survey and Waterfront Redevelopment Plan - $25,000 project financed with a 50% Coastal Zone Management grant

- Demolition and Cleanup of tax reverted property - $40,000 project financed by MDEQ, CMI Program.

- Environmental investigation for closure of former landfill site - $100,000 project financed with low interest “Revitalization Loan” from MDEQ

- Development of Business Commerce Park (In progress) - $2.5 million project to be financed with combination of Michigan Economic Development Corporation grants and loans, private land grant, DDA and Brownfield Redevelopment Authority tax capture, local bond funds and sale of development lots.