Village of Little Chute

October 29th, 2014

PRESENTATION OF ALTERNATIVES FOR SPECIAL ASSESSMENTS (STREETS)

PRESENTATION OUTLINE

- Overview of the process to date
- Creating a baseline for the average street
  - Historical ratios of construction cost
- Public comment overview
- Policy alternatives
- Key factors/considerations for alternatives
- Conclusion, Questions, & Comments

PROCESS OVERVIEW

- September 24th, Village staff presented overview of the street assessment policy
- Presentation, policy and FAQs posted to Website
- Communication through website, social media and Times-Villager
- Since that time, the Village Clerk collected public comment
- Tonight's presentation serves as a primer for potential alternatives.

AVERAGE RESIDENTIAL STREET IN LITTLE CHUTE

- To provide a comparison of asphalt to concrete reconstruction, the following is an example of an average residential street of 2,000 lineal feet at 38’ FF with driving lanes and two parking lanes:
  - Total Asphalt Reconstruction - $534,490
  - Total Concrete Reconstruction - $642,840
  - As a comparison to total cost, asphalt is 17% less.

- Based upon an asphalt street, the following are the rates assessed to the resident:
  - Assessed Rate: $104.59
  - Cost share ratio: 70/30

- Based upon a concrete street, the following are the rates assessed to the resident.
  - Assessed Rate: $110.68
  - Cost share ratio:62/38

NOTE: Material costs can vary year-to-year.

HISTORICAL RECONSTRUCTION RATIOS

Year	Material Type	Streets	Assess Ratio	Village Ratio
2014	Concrete	Jay, Kelly, Violet, and Riverside	57%	43%
2013	Asphalt	Elm, Harding, Sheridan, Wisconsin, and Woodland	70%	30%
2013	Concrete	Main Street **	100% ($78.15)	0
2012	Concrete	Buchanan, Sanitorium, Polk, and Grant **	82%	18%
2011	Concrete	Rosehill, Holland/Elm	49%	51%
2010	Concrete	Kelbe/Moasis ##	100%	0%
2010	Asphalt	Washington Street ** ~~	70%	30%
2009	Concrete	Wildenberg	70%	30%
2008	Concrete	Depot, Jackson, Canal, Johnson and Wilson	67%	33%
2007	Asphalt	Jackson, Van Buren, Harrison, Taylor, Franklin and Bluff	70%	30%
2006	Concrete	Wisconsin, Florida, Vandenbroek, Ravine and Streamview	40%	60%
2005	Asphalt	Lori, taft, Hietpas, Kennedy, Roosevelt, Beechwood, Garfield, Joan, LaFollette, Joyce, Coolidge, Bluff, St. Charles, Franklin and Grant	70%	30%

*** Denotes State Funding Applied to Project*

Denotes all Commercial

~~ Denotes Donation

NOTE: 2014 Projects: Average street assessment is $9,900/Median is $8600 (positive skew)

PUBLIC COMMENT

- The Village Clerk received a modest number of citizen letters
- Overwhelming majority of those comments were made by residents who have already been assessed
- Generally looking to be exempt from any additional funding/fees/taxes that the Village would levy
- Additionally, many who have been assessed see the current policy as equitable moving forward, to change now would not be equitable
- Those in favor of changing the current policy are in favor of spreading reconstruction costs to the whole Village and exempting or reimbursing those that have recently been assessed.

PUBLIC COMMENT, CONTINUED

- A sampling of public input suggestions:
  - Extend assessment repayment to 20 years
  - Incentivize narrower roads
  - Amend corner lot credit to be more liberal (25')
  - Create a road infrastructure committee
  - Extend rebates to residents who have been assessed in past 10 years
  - Look more closely at asphalt vs. concrete comparison
  - Cap the amount an assessment can be

POLICY ALTERNATIVES

1. Stop assessing and move construction cost completely onto tax roll (binding referendum)
2. Slow or adjust reconstruction process (asphalt)
3. Transportation Utility
4. Wheel Tax
5. Incremental changes to current policy

NOTE: Not an alternative, but a policy option is to keep the current policy in place with no changes moving forward.

ALTERNATIVE CONSIDERATIONS

- **Feasibility and Administration** – How is the alternative implemented and ran?
- **Tax Levy and Mill Rate Impacts** – Does the alternative impact tax levy?
- **Legality** – Does alternative comply with legal/state statutes?
- **Longevity** – Will the alternative be long-term?
- **Public Favorability** – Is alternative supported? (Not studied in this anlaysis)
- **Equitability** – Is the alternative fair?
- **Financial/Long-term Impact** – Does the alternative negatively impact the Village financially or in the long-term?

NOTE: To Create a consistent measure for consideration, alternative consideration will be measured by the following factors: Positive, Moderate, and Negative.

1. STOP ASSESSING (BINDING REFERENDUM)

- Stopping assessments and pay for reconstruction costs through tax levy.
- Current policy allocates 30% of costs to be paid for through the borrowing/tax levy.
- Due to Act 10 and levy limits, shifting the other 70% to the levy would require a referendum to increase the levy.
- Rough estimates figure an average of $2.25 mill rate increase (current mill rate is $6.95)
- Levy stability would be an issue.
- VOLC tax rate competiveness/comparisons would be impacted.

1. STOP ASSESSING (BINDING REFERENDUM) – POLICY CONSIDERATIONS

- Feasibility & Administration – Increasing the tax levy would require a referendum.
- Tax Levy & Mill Rate Impacts – This would raise the mill rate approximately $2.25, however it would not be static.
- Legality –Referendum required.
- Longevity –No Issues.
- Equitability –Those who have been assessed in the past would not be able to made exempt.
- Financial/Long-term Impact – Increasing tax levy/mill rate would impact competitive tax rate for development and the tax rate could become volatile depending on reconstruction cycle.

2. ADJUST RECONSTRUCTION PROCESS

- The Village of Little Chute contains 55 miles, or 290,400 feet of streets
- The Village's goal is to reconstruct 8,560 lineal feet of street annually
- Adjusting the process would mean slowing down the reconstruction goal
- Adjusting the process could also mean looking at more asphalt streets
- This would certainly add long-term costs for Village of Little Chute infrastructure

2. ADJUST RECONSTRUCTION PROCESS – POLICY CONSIDERATIONS

- Feasibility & Administration – Short term impacts would not be present, long term issues would arise.
- Tax Levy & Mill Rate Impacts – Under the current policy, reducing reconstruction would have a positive impact in the short run, the opposite in the long run. Also impact to State Transportation Aids.
- Legality –No issues.
- Longevity –Long-term issues in increased maintenance, higher future reconstruction, and poor transportation infrastructure.
- Equitability –Would seemingly be equitable.
- Financial/Long-term Impact – Delaying the needed maintenance now would certainly have long-term financial impacts in the future.

3. TRANSPORTATION UTILITY FEE

- A rare occurrence in the state of Wisconsin, only one other community has a transportation utility fee (Village of Weston – Public Transport)
  - Weston collects less than $60k annually
- One option, similar in structure to a storm-water fee, is to charge each parcel a fee for transportation
- New revenue collected would have to be offset

3. TRANSPORTATION UTILITY FEE – ALTERNATIVE CONSIDERATIONS

- Feasibility & Administration – Due to potential legal challenges to this type of fee, feasibility is minimal.
- Tax Levy & Mill Rate Impacts – Since this is not a new service related fee, offsets in spending would have to be made (this impacts the general government's share of reconstruction costs).
- Legality –With only one other transportation utility in the state, the legality could be an issue.
- Longevity –Long-term feasibility is unknown due to state or legal issues.
- Equitability –All residents would be treated equitably.
- Financial/Long-term Impact – Due to the unknowns, impact is an unknown.

4. ENACT A WHEEL TAX

- Similar to the city of Appleton, the Village of Little Chute could enact a wheel tax.
- The Village of Little Chute has 7,465 registered vehicles (number is likely light).
- With a wheel tax of $20 per vehicle, that would raise ~$150k annually
- State DOT would collect and charge a nominal fee (10 cents per registration)

4. ENACT A WHEEL TAX – ALTERNATIVE CONSIDERATIONS

- Feasibility & Administration – While feasible and administratively easy, the $150k would cover roughly 10% of our estimated average paving cost.
- Tax Levy & Mill Rate Impacts – No impact.
- Legality –Currently no challenges.
- Longevity –Due to state economic climate, the more municipalities that institute a wheel tax or begin raising the wheel tax higher than the current taxes, this could create a target for future administrations.
- Equitability –Only residential users would be charged. Commercial and industrial entities would not be impacted.
- Financial/Long-term Impact – N/A.

5. INCREMENTAL POLICY CHANGES

- Over the past thirty years, the Village Board has considered changes to this policy on multiple occasions.
- Based upon resident comments, there are no shortage of potential ideas
- A few that should be given consideration:
  - Potentially incentivize narrower roadways
  - Potentially incentivize bicycle lanes
  - Potentially look at amending corner lot credits
  - Other changes?

5. INCREMENTAL POLICY CHANGES – ALTERNATIVE CONSIDERATIONS

- Feasibility & Administration – Each incremental changes would require more thorough analysis.
- Tax Levy & Mill Rate Impacts – Depending on the change, impacts could amend current 70/30 policy.
- Legality –N/A dependent upon the change.
- Longevity –N/A dependent upon the change.
- Equitability –Dependent on the alternative, equitability would remain unchanged.
- Financial/Long-term Impact – Dependent upon the changes, maintaining current reconstruction goals would be a positive.

GRAPHIC PRESENTATION OF ALTERNATIVES

	1. Stop Assessing	2. Adjust Reconstruction	3. Transportation Utility	4. Wheel Tax	5. Incremental Changes
Feasibility	*Negative*	*Moderate*	*Negative*	*Positive*	*Moderate*
Administration	*Moderate*	*Moderate*	*Moderate*	*Positive*	*Moderate*
Tax Levy Impacts	*Negative*	*Negative*	*Negative*	*Positive*	*Moderate*
Legality	*Positive*	*Positive*	*Negative*	*Positive*	*Positive*
Longevity	*Positive*	*Negative*	*Positive*	*Negative*	*Positive*
Equitability	*Moderate*	*Moderate*	*Moderate*	*Moderate*	*Moderate*
Financial/Long-term	*Negative*	*Negative*	*Moderate*	*Positive*	*Positive*
Alternative Assessment Key	*Positive*	*Moderate*	*Negative*		

- Conclusion
- Questions?