



> NORWALK COMMUNITY INFRASTRUCTURE STUDY

FINAL PRESENTATION  
FOCUS GROUP



# FOCUS GROUP MEMBERS

	Darwin Larson	Citizen
	Judy McConnell	Citizen
	Kyle Jackson	Citizen
	Stephanie Riva	Citizen
	Ed Kuhl	Citizen
	Mike Leto	Council Member
	Jamie Sylvester	Council Member
	Doug Pierce	Mayor
	Kate Baldwin	School

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	Jeff Schug	McClure Engineering
	Casey Schafbuch	McClure Engineering
	Tim Hoskins	Public Works Director
	Mike Johnson	City Planner
	Marketa Oliver	City Manager

# SCHEDULE OF MEETINGS

**Meeting #1** City Finance 101 - Complete

June 12<sup>th</sup>, 2012 6:00PM

**Meeting #2** Project Finance – Cost Sharing Policy Creation – Impact

August 7<sup>th</sup>, 2012 6:00PM - Complete

**Meeting #3** Project Finance – Cost Sharing Policy Creation – Impact

September 11<sup>th</sup>, 2012 6:00PM - Complete

**Meeting #4** Final Presentation – Cost Sharing Policy

October 9<sup>th</sup>, 2012 6:00PM - Complete

**City Council** Meeting Final Presentation

November 15, 2012 6:00PM

# WHAT'S THE PROBLEM

- Infrastructure wears out just like everything else
  - Water System
  - Sanitary Sewer System
  - Storm Sewer System
  - Roads
- As Infrastructure Ages It Requires
  - Maintenance
  - Repairs
  - Replacement
  - Upgrades



# WHAT'S THE SOLUTION?

- Identify the Problems / Needs Within the System
- Quantify The Cost of Repairs / Replacement / Upgrades
- Develop a Capital Improvement Plan (CIP)
- Develop a Funding / Cost Sharing Program

**Focus Group**

I PAY PROPERTY TAXES, WHY CAN'T THE CITY JUST PAY FOR ALL OF THIS?



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THE MONEY HAS TO COME FROM SOMEWHERE, WHAT ARE THE OPTIONS?

# > FOCUS GROUP MEETING #1

CITY FINANCE 101



# CITY FUND BREAKDOWN

General Fund			Enterprise Funds			
General Fund	Debt Service Fund	TIF Fund	Road Use Tax Fund	Water Utility	Sewer Utility	Storm Water Utility
<b>Where the Money Goes</b>						
Administration Police Fire Rescue Library Animal Control Building Insp. Garbage Parks & Rec. Sports Complex Swimming Pool	Fire Equipment Police Station Fire Station Rescue Equipment Library Bldg. * Sports Complex * City Hall Other Misc.	Various Infrastructure Improvements	Employees Equipment Street Repairs Street Lights Traffic Lights Snow Removal Street Cleaning	Employees Equipment Operation Maintenance Maffit Reserve Water Bonds Water Tower	Employees Equipment Operation Maintenance WRA Payment Sewer Bonds	Employees Equipment Operation Maintenance
<b>Where the Money Comes From</b>						
Property Taxes Fees For Service Licenses Permits	Property Taxes	Incremental Property Taxes	Fuel Taxes	Utility Bills	Utility Bills	Utility Bills

# Essential Corporate Purpose



Streets



Storm Sewer



Sanitary Sewer



Water System

# INFRASTRUCTURE CATEGORIES

The **Norwalk Community Infrastructure Study (NCIS)** is primarily focusing on the four major infrastructure categories which service properties located within the community.

Electric, Gas, Telephone, and Cable TV are privately owned and operated utilities within the City of Norwalk



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# OPTIONS FOR FINANCING STREET IMPROVEMENTS

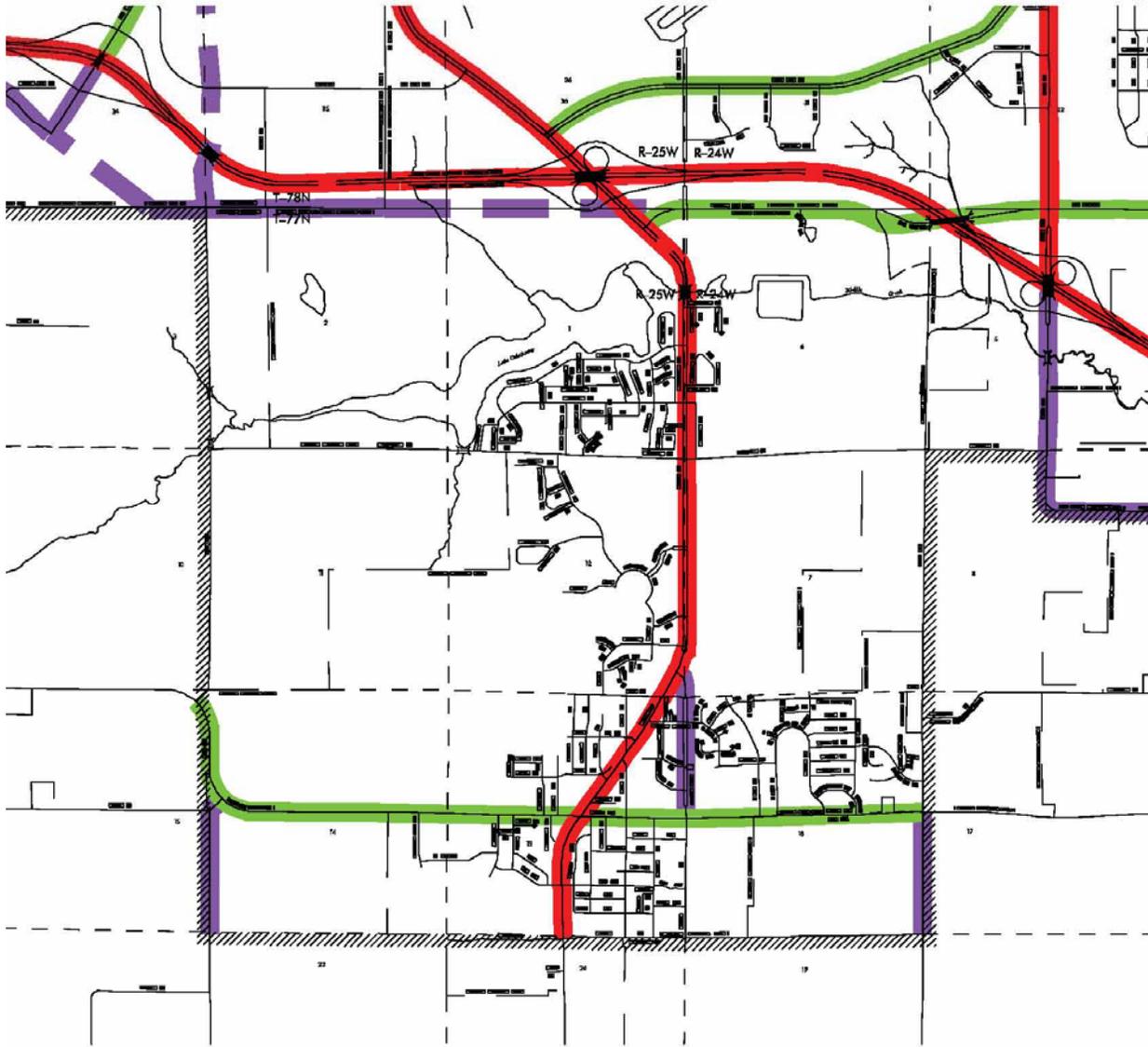
- |                                    |           |
|------------------------------------|-----------|
| 1. General Obligation Bonds (G.O.) | Available |
| 2. Special Assessments             | Available |
| <hr/>                              |           |
| 3. Road Use Tax                    | Limited   |
| 4. Tax Increment Financing (TIF)   | Limited   |
| <hr/>                              |           |
| 5. Local Option Sales Tax          | Difficult |
| 6. Street Utility                  | Difficult |

# OUTSIDE FUNDING SOURCES AVAILABLE FOR STREETS

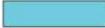
Streets Listed Within the Federal Functional Classification	Local Streets
STP Funding – Federal  Traffic Safety Funds – State  ICAAP – State	Minimal Options Available

# NORWALK

## FEDERAL FUNCTIONAL CLASSIFICATION MAP



### URBAN FEDERAL FUNCTIONAL CLASSIFICATIONS

-  Interstate
-  Other Principal Arterial
-  Minor Arterial
-  Collector
-  Local
-  Urban Area Boundary

Future classified routes shown as dashed lines.

# OPTIONS FOR FINANCING WATER SYSTEM IMPROVEMENTS

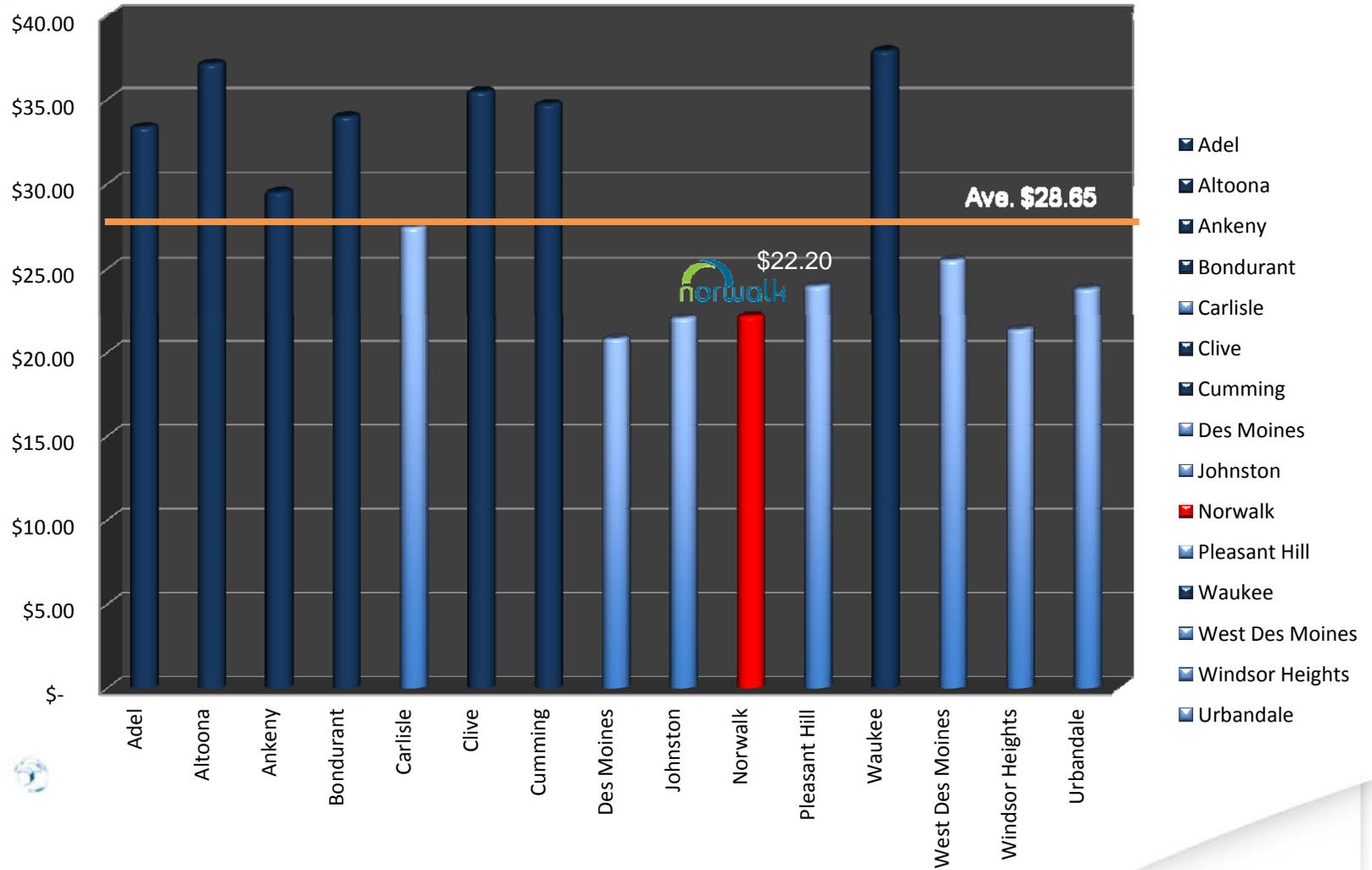
1. General Obligation Bonds (G.O.) Available
  2. Utility Revenue Bonds Available
  3. Special Assessments Available
- 
4. Tax Increment Financing (TIF) Difficult
  5. Local Option Sales Tax Difficult

# OUTSIDE FUNDING SOURCES AVAILABLE FOR WATER SYSTEMS

Grant Programs	Low Interest Loan Programs
CDBG – Income Limited	State Revolving Fund (SRF)



# Monthly Water Fees for 5000 gal.



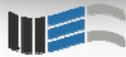
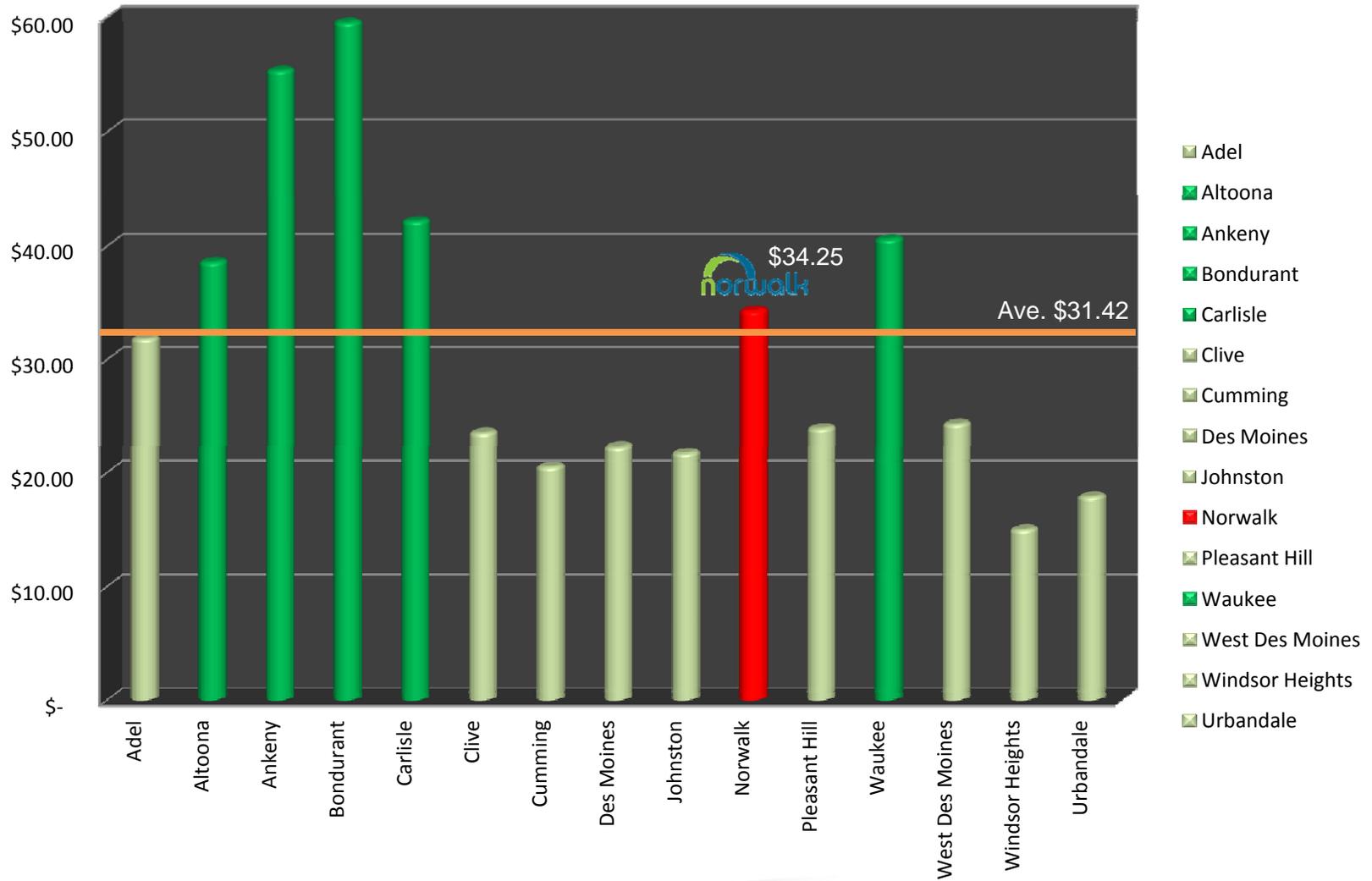
# OPTIONS FOR FINANCING SANITARY SEWER IMPROVEMENTS

1. General Obligation Bonds (G.O.) Available
  2. Utility Revenue Bonds Available
  3. Special Assessments Available
- 
4. Tax Increment Financing (TIF) Difficult
  5. Local Option Sales Tax Difficult

# OUTSIDE FUNDING SOURCES AVAILABLE FOR SANITARY SEWERS

Grant Programs	Low Interest Loan Programs
CDBG – Income Limited	State Revolving Fund (SRF)

## Monthly Sewer Fees for 5000 gal.



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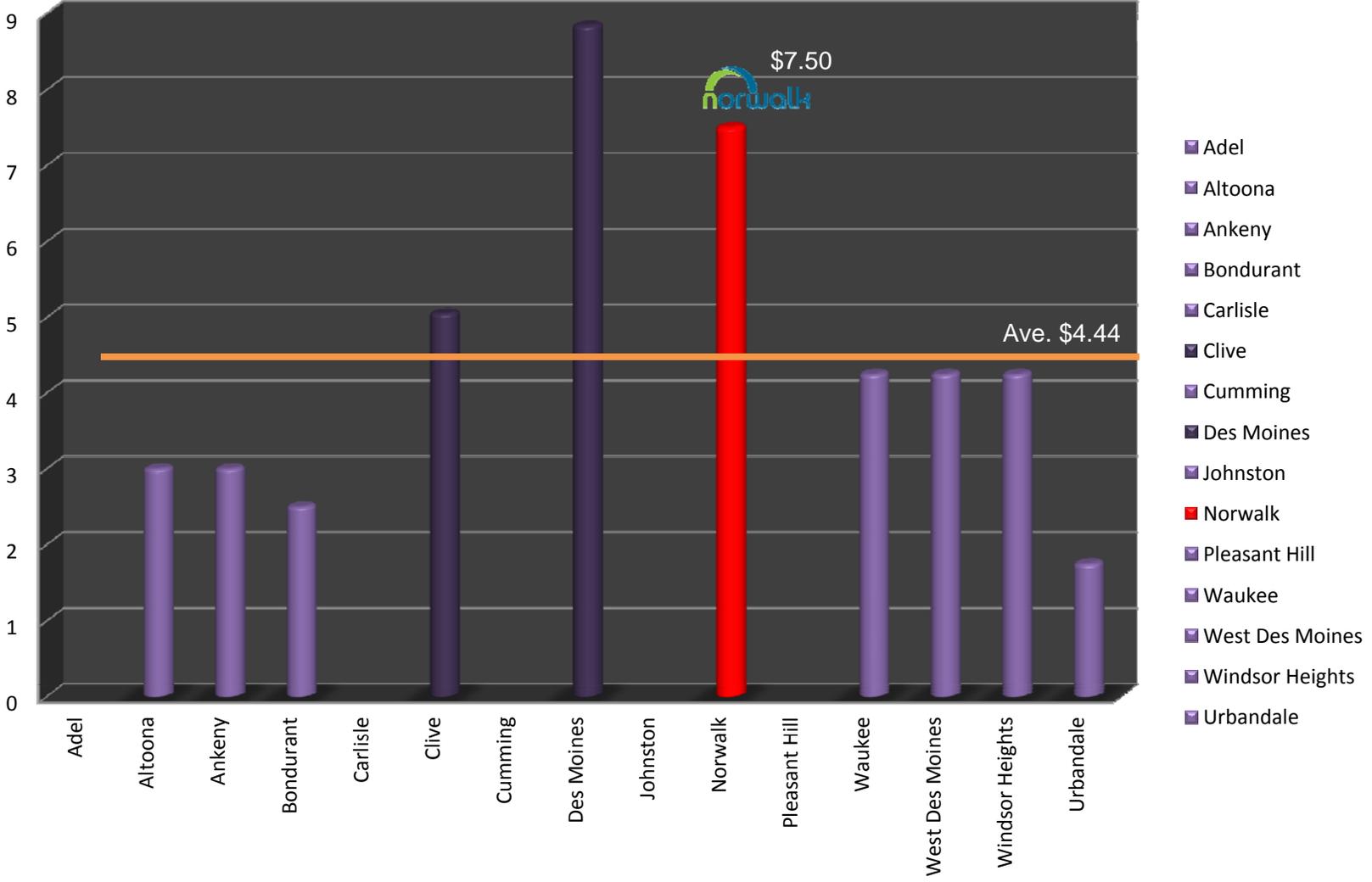
# OPTIONS FOR FINANCING STORM WATER IMPROVEMENTS

- |                                    |           |
|------------------------------------|-----------|
| 1. General Obligation Bonds (G.O.) | Available |
| 2. Special Assessments             | Available |
| <hr/>                              |           |
| 3. Utility Revenue Bonds           | Limited   |
| 4. Road Use Tax                    | Limited   |
| <hr/>                              |           |
| 5. Tax Increment Financing (TIF)   | Difficult |
| 6. Local Option Sales Tax          | Difficult |

# OUTSIDE FUNDING SOURCES AVAILABLE FOR STORM SEWERS

Grant Programs	Low Interest Loan Programs
CDBG – Income Limited  FEMA – Flood Specific	None

# Monthly Storm Sewer Fees - Residential



## > GOALS FOR FINANCING – COST SHARING PROGRAM

WHAT SHOULD BE THE OUTCOME OF THE FOCUS GROUP



# THE FINANCING / COST SHARING PROGRAM SHALL

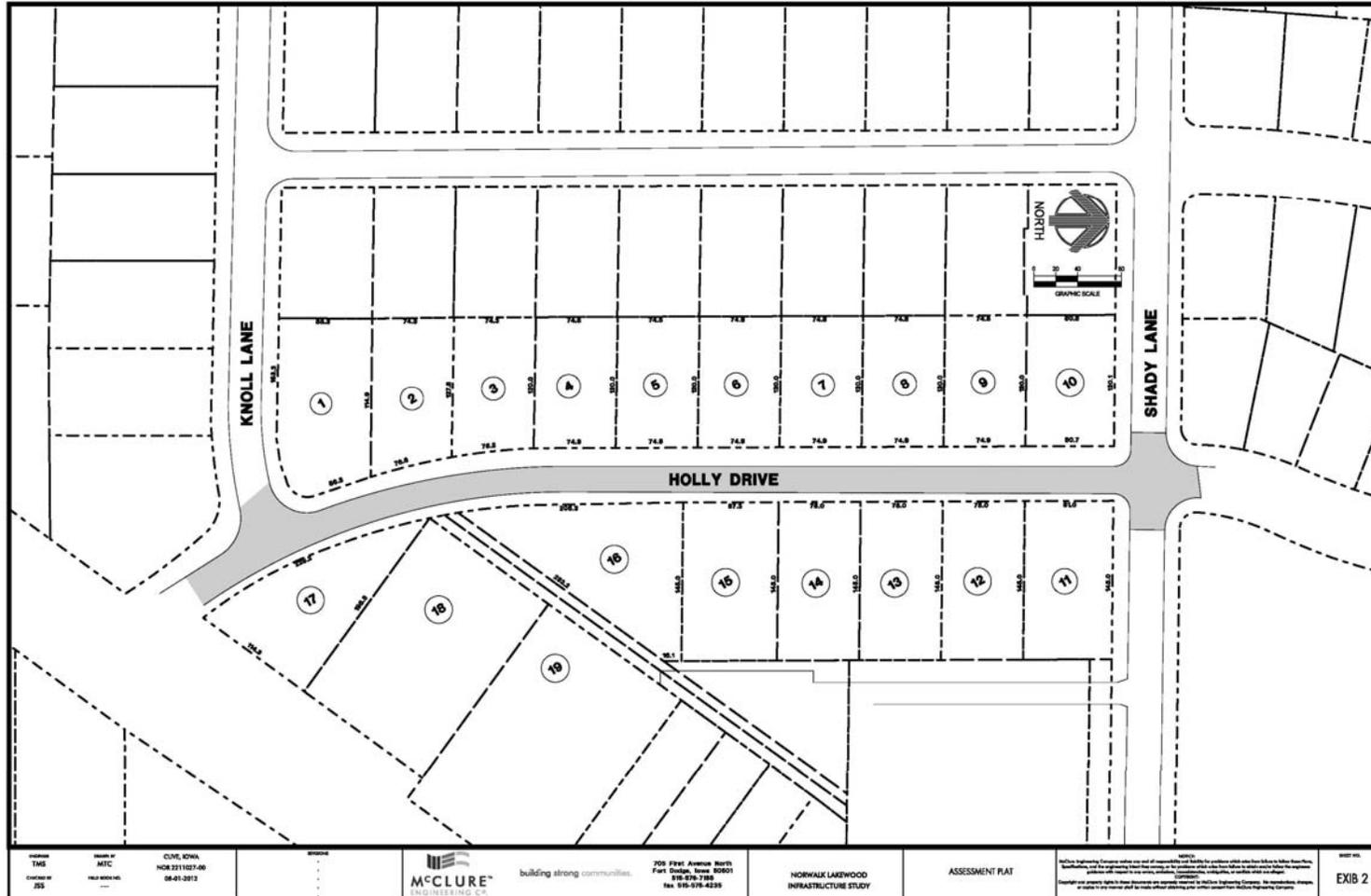
- Provide a program which will meet the demands for infrastructure improvement over a very long period of time.
- Be consistent in application across the community, to insure all property owners are treated equally.
- Be consistent in application through the years, to insure equal participation by all properties and tax payers.

## > FOCUS GROUP MEETING #2

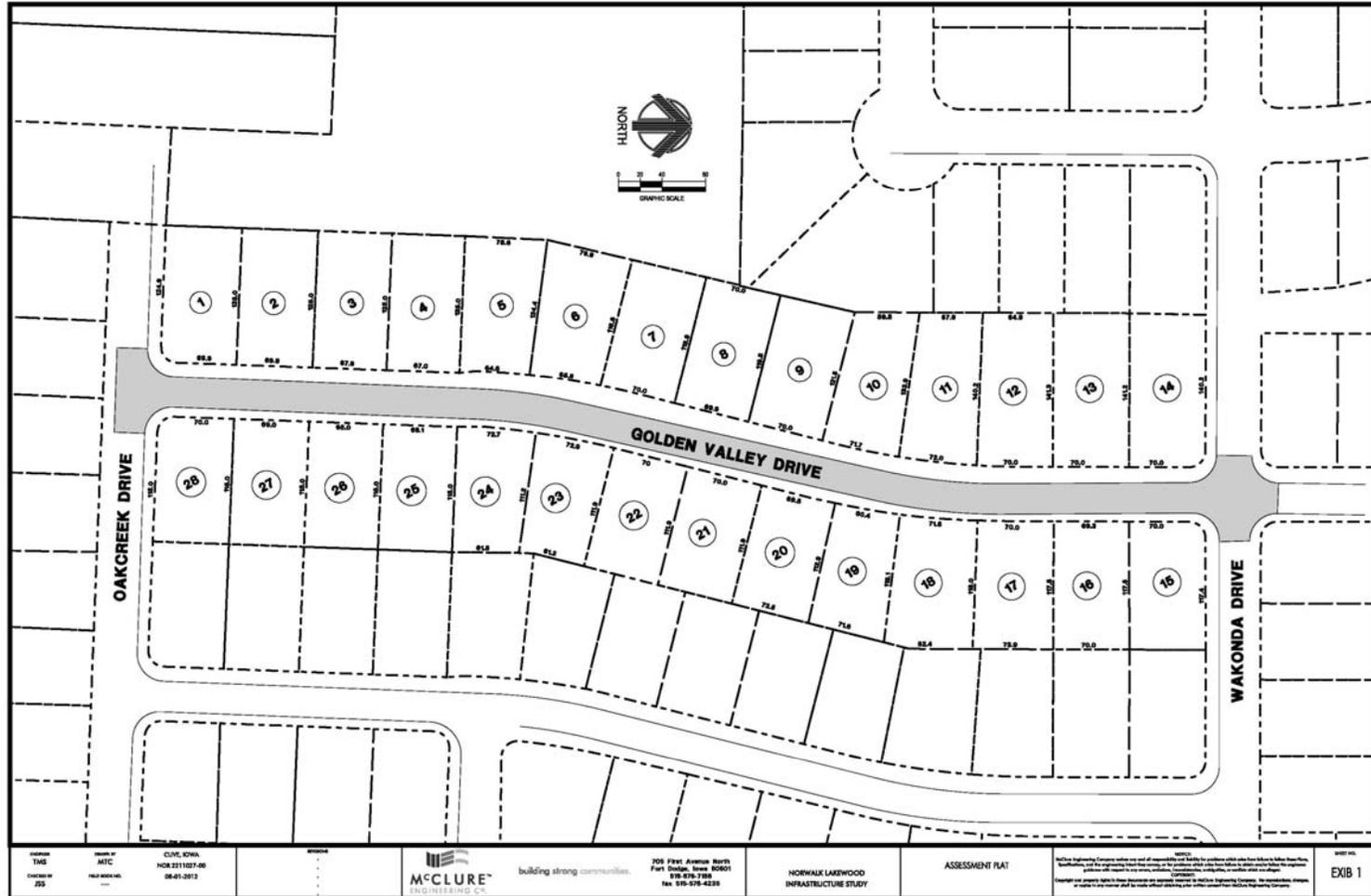
PROJECT COST



# IMPROVEMENT PROJECT #1 - HOLLY DRIVE



# IMPROVEMENT PROJECT #2 – GOLDEN VALLEY DRIVE



## PROJECT TYPES

Street Options	Water Options	Sewer Options
Full Reconstruction	Full Water Replacement	Full Sewer Replacement
Crack and Seat*	Replace Hydrant/Valves	Sewer Lining
2" Mill & Overlay*	Water Service Replacement	Sewer Service Lining

\* Crack and Seat selected as minimum street project based on small incremental cost increase and additional lifespan of improvement.



# FOCUS GROUP MEETING #3

COST SHARING SCENARIOS

G.O. BONDING



# **COST SHARE SCENARIO #1**

## **Roadway**

City Pays 100% of Roadway Improvements

Property Owners Assessed for Private Driveways and Sidewalks

## **Sanitary Sewer**

City Pays 100% of Public Sanitary Sewer Main

Property Owners Assessed for Private Services

## **Water Main**

City Pays 100% of Public Water Mains

Property Owners Assessed for Private Services

## **COST SHARE SCENARIO #2**

### **Roadway**

Property Owners Assessed for 100% Cost of Crack and Seat

City Pays Roadway Cost in Excess of Crack and Seat

Property Owners Assessed for Private Driveways and Sidewalks

### **Sanitary Sewer**

City Pays 100% of Public Sanitary Sewer Main

Property Owners Assessed for Private Services

### **Water Main**

City Pays 100% of Public Water Mains

Property Owners Assessed Private for Services



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## **GENERAL OBLIGATION BONDS**

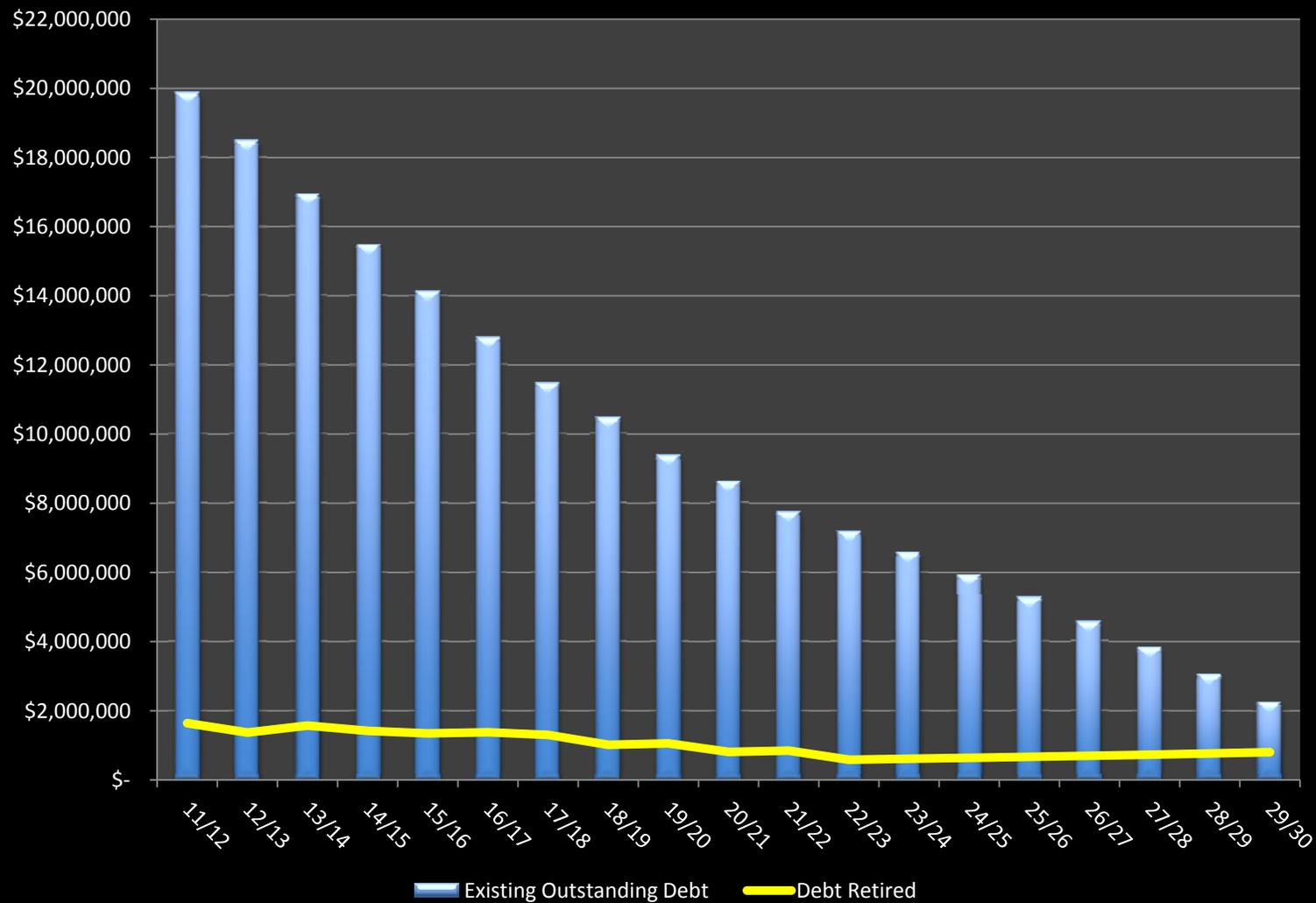
**WHAT CAN BE ACCOMPLISHED WITHIN EXISTING DEBT SERVICE LEVY**

# GENERAL OBLIGATION BONDS (G.O.)

This is a bond the City may sell for “essential corporate purposes”, which is backed up by the Taxing Authority for repayment. Typically when a bond is sold, property taxes are raised to generate enough revenue to pay the debt service (principal and interest) to retire the debt.

Legal Bonding Limit:	5% of Gross Assessed Value
Norwalk Gross Assessed Valuation:	\$ 566,252,136
Legal Bonding Limit (5%):	\$ 28,312,607
Self Imposed Bonding Limit (none): Rule of Thumb is 75%	\$ 21,234,455
Current Outstanding G.O. Debt F.Y. 12/13:	\$ 18,485,382
Remaining G.O. Capacity:	\$ 2,749,073

## Outstanding G.O. Debt within Debt Service Levy



# GENERAL OBLIGATION BONDS (G.O.)

Project Cost Financed with G.O.: \$1,500,000

G.O. Bond Financing at 3% for 10 Years

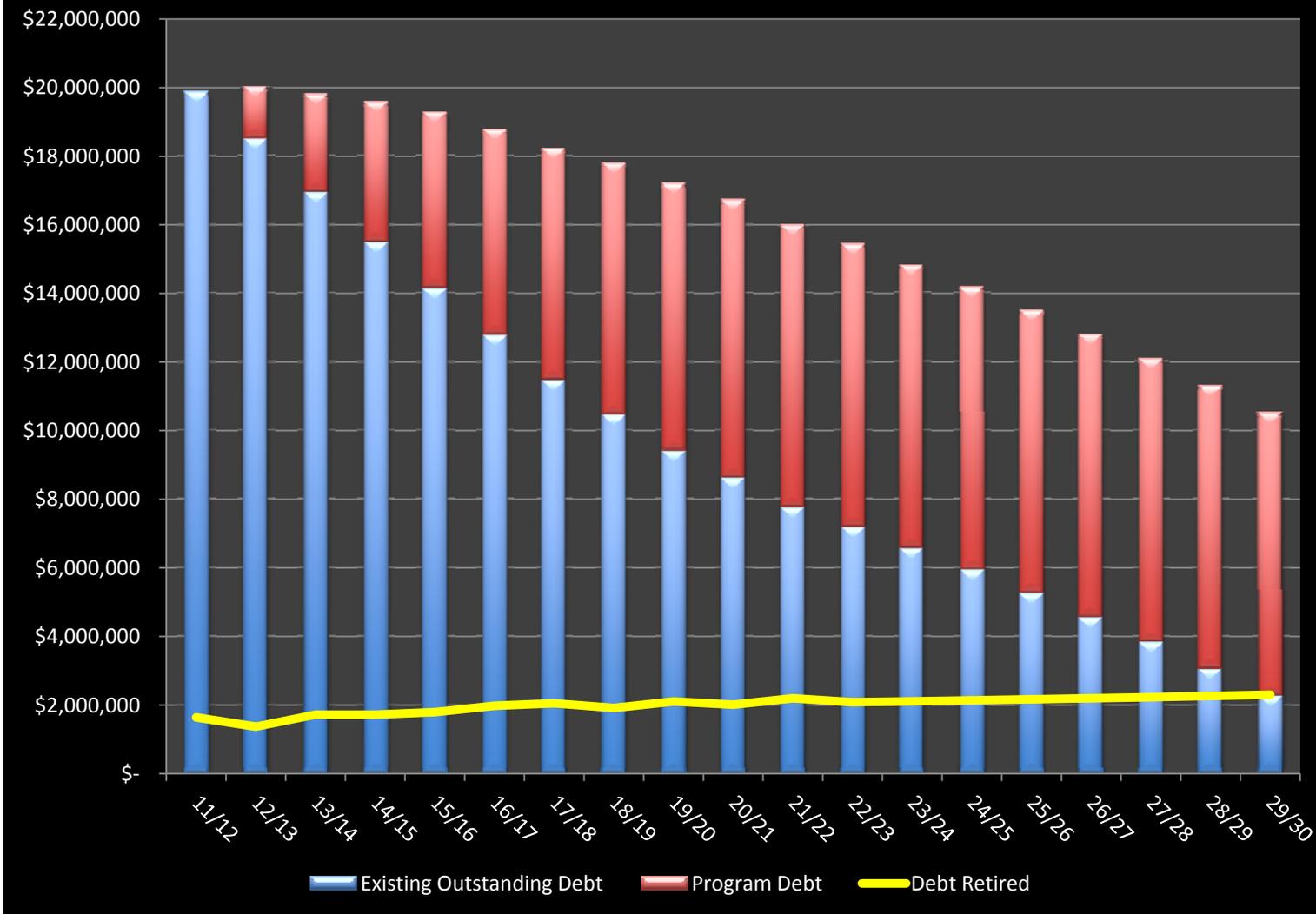
Annual Principal and Interest Payment: \$ 175,846

Current Debt Service Levy Rate \$4.00854 / \$1,000

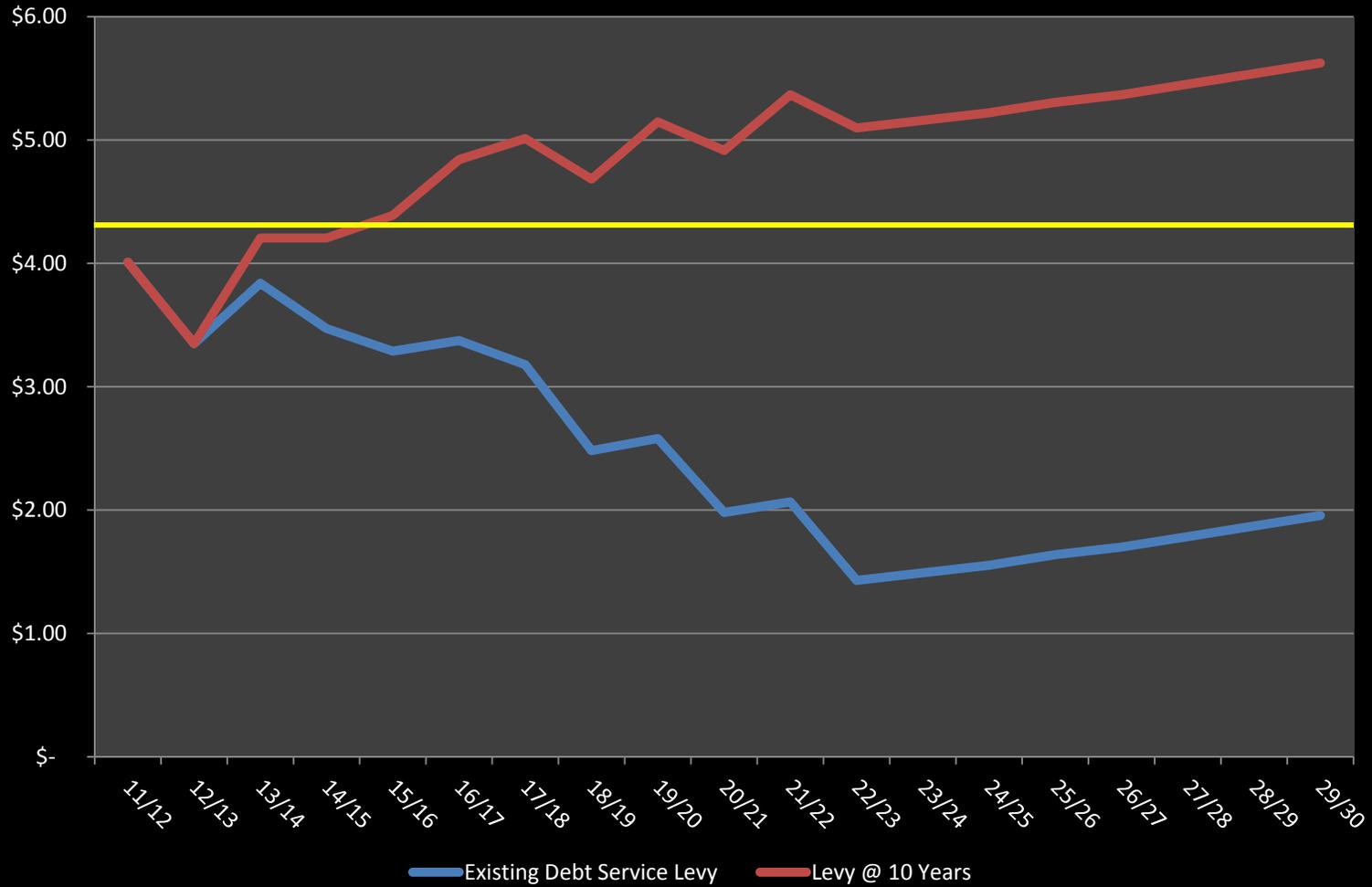
**Levy Increase Required \$ 0.61 / \$ 1,000**

Home Value	Rollback Value	Annual Tax Increase
\$ 150,000	\$ 72,795	\$ 44.59
\$ 250,000	\$ 121,325	\$ 74.32
\$500,000	\$ 242,650	\$ 148.65
\$750,000	\$ 363,974	\$ 222.97

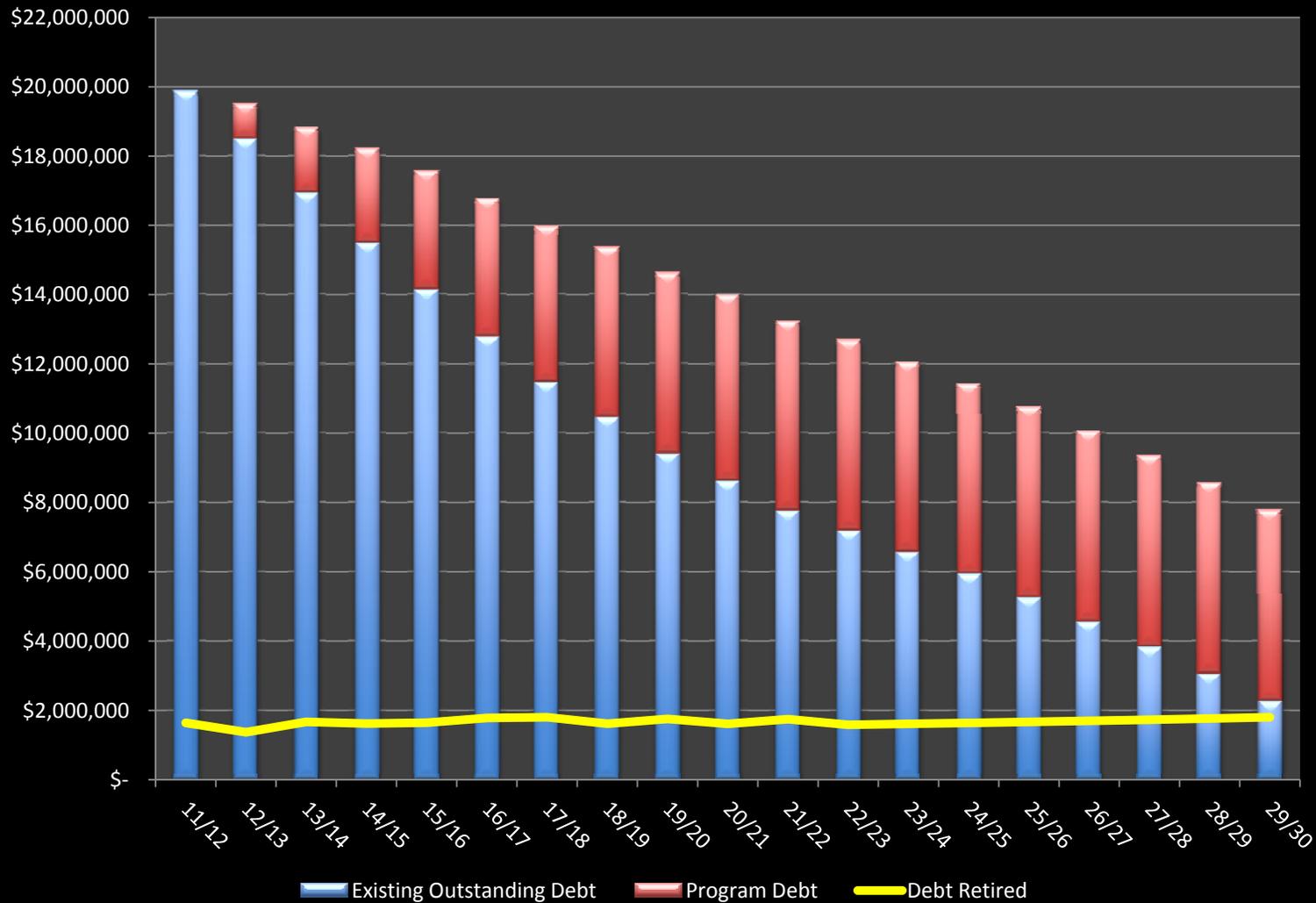
## \$1.5 Million/year Program Financed for 10 years



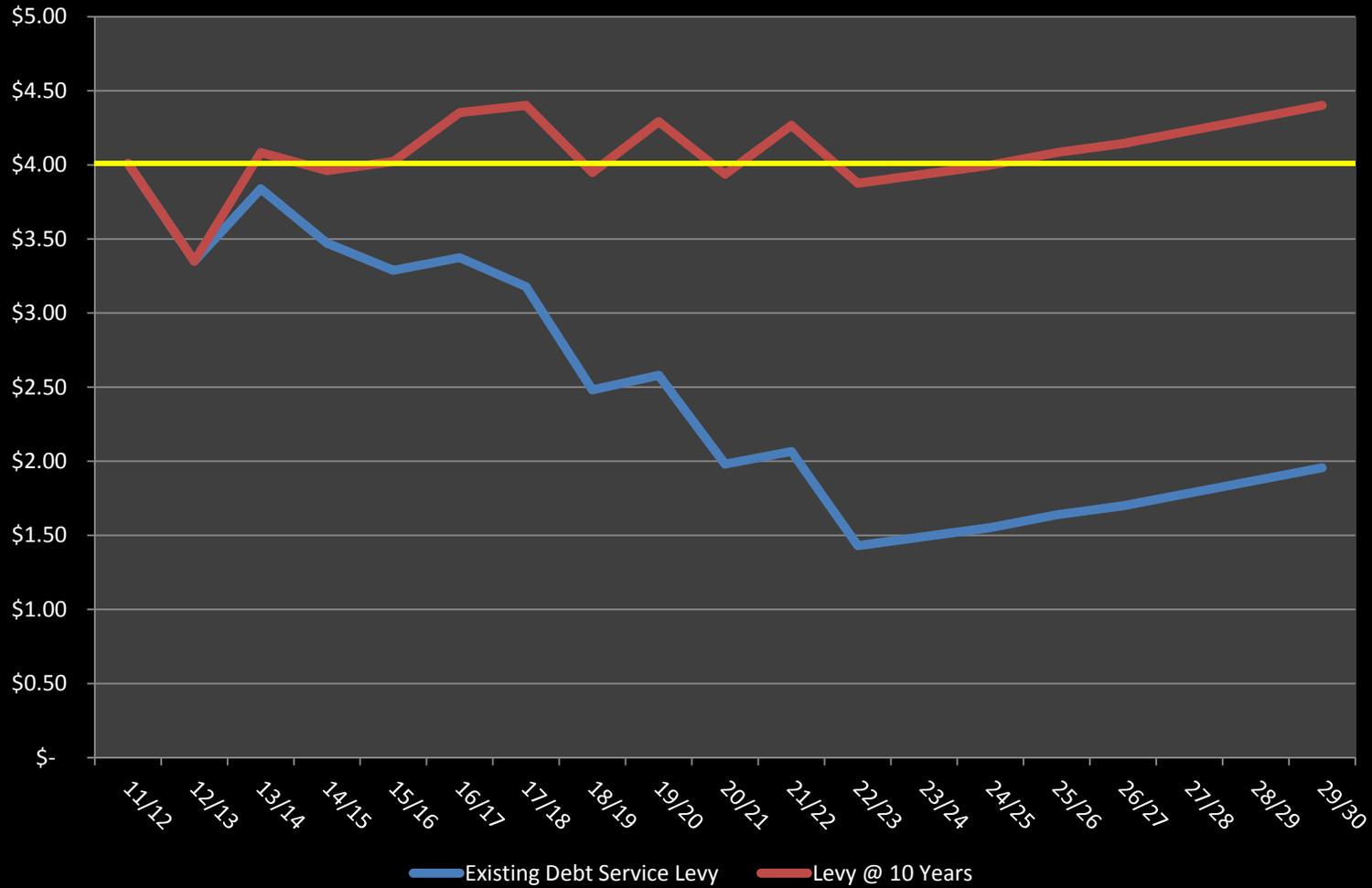
## Debt Service Levy Rates per \$1000 Valuation \$1.5 Million/year



## \$1 Million/year Program Financed for 10 years



## Debt Service Levy Rates per \$1000 Valuation \$ 1 Million/year



## > FOCUS GROUP MEETING #4

COST SHARING PROGRAM



## PURPOSE

This Cost Sharing Policy has been developed to determine how the cost associated with Infrastructure Improvements in residential areas of the city will be shared between the property owners directly impacted by the improvements, and the City of Norwalk as a whole. The Policy outlines which cost have been determined to be a direct benefit to the property owners, and which are deemed to be a general city wide benefit.

# INFRASTRUCTURE

- Streets
- Curb and Gutter
- Storm Sewer
- Water Main
- Sanitary Sewer
- Sidewalks
- Driveways
- Water Service
- Sanitary Sewer Service
- Sump Service



# GENERAL CITY BENEFIT

The portions of the infrastructure within residential areas of the community which have been determined to be of general city wide benefit include the following;

- Streets
- Storm Sewer
- Water Mains
- Sanitary Sewer

When improvements are made to infrastructure within residential areas, these items will be paid by the City of Norwalk. They may be financed by general obligation bonds, revenue bonds, storm water utility fees, water utility fees, sanitary sewer utility fees, or other sources of money as may be available to the city at the time the project is constructed.

# INDIVIDUAL PROPERTY BENEFIT

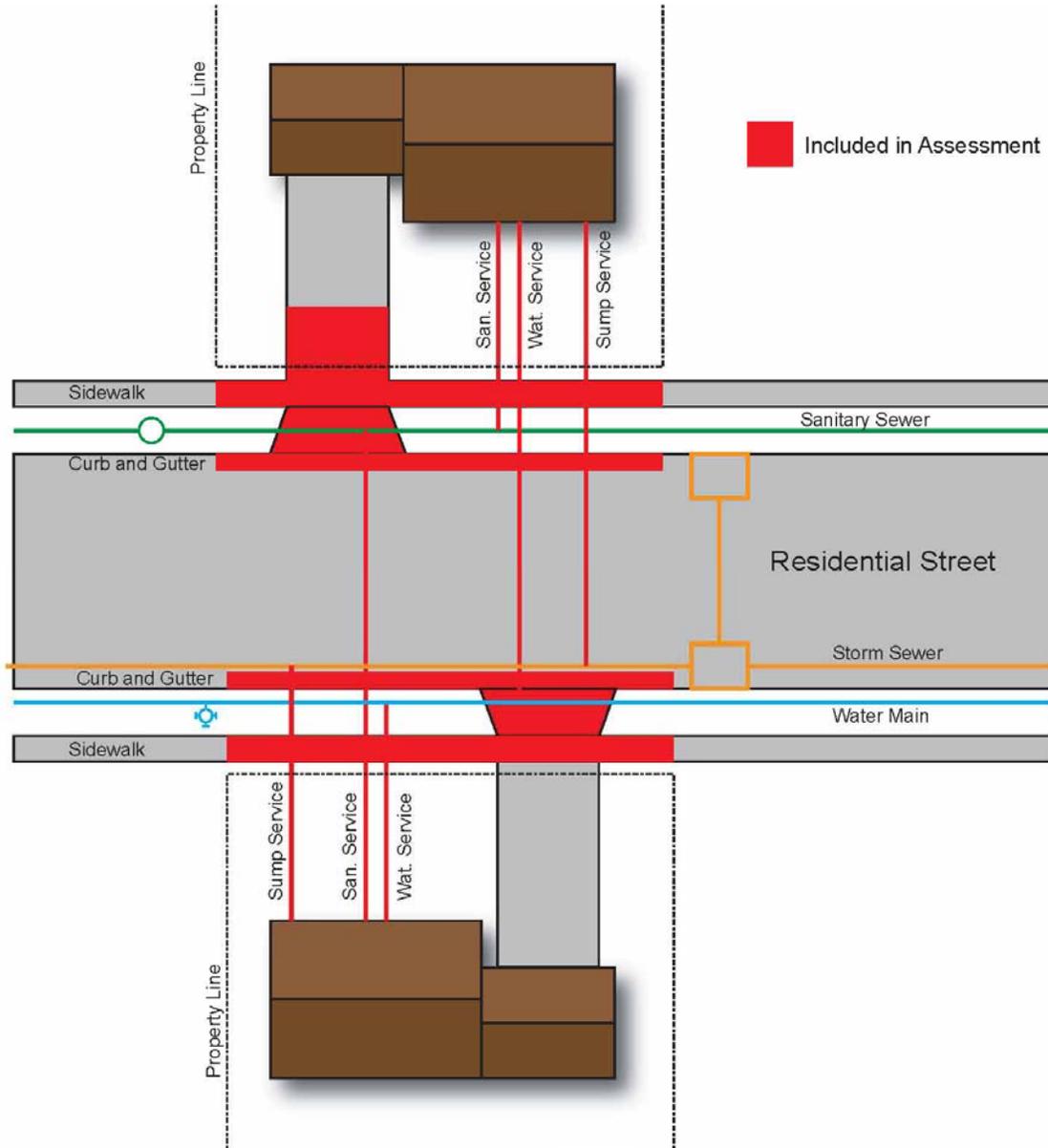
The portions of the infrastructure within residential areas of the community which have been determined to be of benefit to individual properties includes;

- Curb and Gutter
- Sidewalks
- Driveways
- Water Service Lines
- Sanitary Sewer Service Lines
- Sump Service Lines

When improvements are made to infrastructure within residential areas, these items will be paid by the individual properties benefitted by the improvement. The cost associated with these items will be Assessed to the individual properties as part of the project.

## CORNER LOTS

When properties are located on a corner of two streets, and assessments will be levied on the property for improvements along both street frontages, the assessment calculated for each of the frontages for Curb and Gutter, and Sidewalk will be reduced by 30% for each frontage.



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## EXAMPLE – RECONSTRUCTION

Total Project Cost	City Wide Benefit	Property Benefit
\$ 892,709	\$ 507,666	\$ 385,043
100 %	56.87 %	43.13 %
Property Benefit		
Average Assessment		\$ 13,752
Annual Payment over 15 Years		\$ 1,370
City Wide Benefit		
Tax Levy Increase Required		\$ 0.21 / \$1000 valuation
Annual Cost \$150,000 Home		\$ 15.84
Annual Cost \$250,000 Home		\$ 25.80
Annual Cost \$500,000 Home		\$ 51.60
Annual Cost \$750,000 Home		\$ 77.40

## EXAMPLE – RECONSTRUCTION NO SERVICES

Total Project Cost	City Wide Benefit	Property Benefit
\$ 672,982	\$ 507,666	\$ 165,316
100 %	75.44 %	24.56 %
Property Benefit		
Average Assessment		\$ 5,904
Annual Payment over 15 Years		\$ 588
City Wide Benefit		
Tax Levy Increase Required		\$ 0.21 / \$1000 valuation
Annual Cost \$150,000 Home		\$ 15.84
Annual Cost \$250,000 Home		\$ 25.80
Annual Cost \$500,000 Home		\$ 51.60
Annual Cost \$750,000 Home		\$ 77.40

## EXAMPLE – CRACK AND SEAT

Total Project Cost	City Wide Benefit	Property Benefit
\$ 516,339	\$ 334,326	\$ 182,012
100 %	64.75 %	35.25 %
Property Benefit		
Average Assessment		\$ 6,500
Annual Payment over 15 Years		\$ 647.61
City Wide Benefit		
Tax Levy Increase Required		\$ 0.14 / \$1000 valuation
Annual Cost \$150,000 Home		\$ 10.19
Annual Cost \$250,000 Home		\$ 16.99
Annual Cost \$500,000 Home		\$ 33.98
Annual Cost \$750,000 Home		\$ 50.97

## EXAMPLE – CRACK AND SEAT NO SERVICES

Total Project Cost	City Wide Benefit	Property Benefit
\$ 402,687	\$ 334,326	\$ 68,360
100 %	83.02 %	16.98%
Property Benefit		
Average Assessment		\$ 2,441
Annual Payment over 15 Years		\$ 243
City Wide Benefit		
Tax Levy Increase Required		\$ 0.14 / \$1000 valuation
Annual Cost \$150,000 Home		\$ 10.19
Annual Cost \$250,000 Home		\$ 16.99
Annual Cost \$500,000 Home		\$ 33.98
Annual Cost \$750,000 Home		\$ 50.97

## FURTHER DISCUSSION

- Is everyone willing to support the Cost Sharing Plan and *back it* when speaking to other members of the community?
- Answer Was **YES**
- Are there changes which need to be made?



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Thank You