

BINGHAM FARMS POST

Autumn 2023 Special Edition: Roads Issue

A BRIEF INTRODUCTION

Most of the village's 5.5 miles of roads are asphalt, which according to industry standards has a lifespan of 15 to 20 years in Midwest climates. And most of the roads are nearing the end of their serviceability.

Village council, staff and its engineering consultants are exploring the implementation

and funding of a road improvement project, which also includes improving the stormwater infrastructure – the ditch and culvert system that carries water from the roads to the Franklin River. This special edition newsletter is dedicated to sharing information with taxpayers, which is why this has been mailed to every residential address in the village.

As you read through these pages, be aware that no decisions have been made. The village is still in the information gathering stage.

ROADS IN THE VILLAGE: WHO OWNS WHAT

Discussion of road reconstruction and/or rehabilitation is only relevant to roads that the village actually owns. There are a number of roads coursing through the village that are either privately-owned or that fall under the jurisdiction of other public entities.

Village-owned roads: There are approximately 5.5 miles of roads for which the village is responsible for upkeep and maintenance. These are Bingham Road and Bingham Lane, Bristol Lane and Bristol Court, Britner Court, Brooks Lane, Coach Light Lane, Fromm Lane, Hickory Hollow Drive, Old Orchard Trail, Old Stage Road, Sager Court, Shagwood Drive and Timber Trail. Village-financed road reconstruction and/or rehabilitation would include only these roads.

Note: There are no homes on Deauville Court, the cul de sac off of Telegraph, and it is not included in the current road resurfacing study.

Private roads: The following roads are privately owned, and their maintenance (as well as the financing of any maintenance) is not the responsibility of the village.

The upkeep is the responsibility of the accompanying homeowners or condo associations: Bingham Court, Bingham Pointe Drive, Cardinal Lane, Outlands Trail, Woodlynne Drive, and all of the roads within the Bingham Woods condo complex. Pioneer Avenue, the short street being constructed off of Thirteen Mile to service two new homes, also falls under this category.

County Roads: Thirteen Mile and Fourteen Mile are within the jurisdiction of the Road Commission for Oakland County (RCOC). Their maintenance, from snow plowing to pothole filling to reconstruction, is the responsibility of RCOC.

Telegraph Road: Also known as U.S. 24, Telegraph's maintenance is the responsibility of the Michigan Department of Transportation, which does contract with RCOC for some services.

Office building access roads: These are all privately owned. Commercial property owners are responsible for maintaining their own access roads and parking lots.

| Road | First surfacing | Last resurfacing | Years since last resurfacing |
|-------------------|-----------------|------------------|------------------------------|
| Bingham Road | 1984 | 2003 | 20 |
| Bingham Lane | 1984 | 2008 | 15 |
| Brittner Court | 1984 | 2005 | 18 |
| Bristol Lane | 1984 | 2005 | 18 |
| Bristol Court | 1984 | 2005 | 18 |
| Brooks Lane | 1984 | 2013 | 9 |
| Coachlight Lane | 1984 | 2005 | 18 |
| Fromm Lane | 1984 | 2010 | 13 |
| Hickory Hollow | 1984 | 2005 | 18 |
| Old Orchard Trail | 1984 | 2009 | 14 |
| Old Stage Road | 1984 | 2005 | 18 |
| Sager Court | 1984 | 2005 | 18 |
| Shagwood | 1984 | 2009 | 14 |
| Timber Trail | 1984 | | 39 |

All roads are asphalt except **Coachlight** and **Old Stage**, which are **concrete**. According to industry standards, the lifespan of an asphalt road is 15 to 20 years. The lifespan of a concrete road is approximately 30 years.

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## HRC – BINGHAM’S ENGINEERING CONSULTING FIRM

Hubbell, Roth & Clark, Inc. (HRC) has been the village’s engineering consultant firm since 2015. Its team is compiling information about the condition of village roads and their stormwater systems (the network of ditches, culverts and beehive drains), as well as reconstruction cost estimates.

HRC provides municipal consulting services to governments throughout Michigan including cities, villages, counties, county drain commissions, and townships. Professional engineering services are provided for the planning and development, design, and construction phases of a project. HRC has strong communication and project management policies in place to ensure project cost control and adherence to project schedules.

HRC’s specialty areas include road and bridge design, site/civil engineering, wetland and watershed management, hydrological modeling, surveying, construction administration and management, and landscape architecture. Besides Bingham Farms, some of HRC’s clients include the villages of Beverly

Hills and Franklin; the cities of Berkley, Birmingham, Bloomfield Hills, Southfield and Troy; Bloomfield Township; the Southeast Oakland County Water Authority (Bingham is a member community); the Road Commission for Oakland County.

In February 2023, HRC engineers presented to council its findings to that date. Estimates at that time ranged from \$12.2 million for major rehabilitation of all village-owned roads to \$17 million for complete reconstruction of all village-owned roads. However, the engineers noted that testing results were still being evaluated but the preliminary analysis indicated that the roads appeared to be in better shape than originally assumed, and more surface type preventative maintenance treatments may be able to be utilized which would reduce total costs. HRC will present final estimates to the village this November.

Depending on council’s decisions regarding project funding, HRC will likely assist village staff with assembling a capital improvement plan for roads and stormwater, as well as overseeing any bidding processes. HRC doesn’t perform actual road construction; that would be the responsibility of the paving company that wins the bid. Any major road project will be subject to the competitive bidding process.

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FINANCING OPTIONS

Like all infrastructure, roads need maintenance as they age. Options for financing road reconstruction or rehabilitation projects can be described as limited. Approaches to financing are typically labeled as “pay-as-you-go” or “pay-as-you-use.”

Pay-as-you-go financing: Current taxpayers bear the full cost of the project. This option only uses current fund reserves available at the time. Because road projects are generally expensive, this option generally constrains improvements to small sections of road year by year.

To date, the village has \$3 million available for roads. Realizing that preliminary estimates are greater than \$3 million (and acknowledging that the final estimate likely will be lower – see article above), the pay-as-you-go approach would more than likely limit projects to small sections of roads, year by year. Once those dollars are spent, several years will pass before future savings would support additional road projects. Moreover, it’s important to realize that like everything else, road reconstruction costs will increase, and that increase will likely occur at a rate that is faster than the village’s ability to save.

Pay-as-you-use financing: This involves borrowing funds to finance projects. Current as well as future taxpayers bear the cost of the project over many years, and the approach achieves what economists call “intergenerational equity.” With payment/repayment spread over the life of the road, the cost is borne by those who currently use it as well as those who will use it in the future.

Pay-as-you-use financing can be achieved through creating special assessments or increasing the village’s millage rate, which has held at 9.0 for the past four fiscal years.

Grants: Village staff and consultants have applied for grants and have had some success. The PASER Rating study (see Page 6) was funded by a small grant from the Southeast Michigan Council of Governments (SEMCOG). The village was also awarded a “Local Government Critical Infrastructure Planning Grant” from Oakland County, which covers half the cost of stormwater system planning.

Grants are great, but they often have requirements, namely what is termed “local match.” Many state and federal grants have a “50-50 local match” as a condition of acceptance, which means that whatever the grant amount is, the municipality must also commit an equal amount to the cost of the project. For example, a “50-50 local match” grant of \$25,000 would carry the requirement that the awardee commit \$25,000 to the project in question.

Another factor to consider is that many grants are geared toward “assisting economically disadvantaged or underserved communities” (language taken directly from the U.S. Dept. of Transportation “Notice of Funding Opportunity for the Reconnecting Communities and Neighborhoods Program”). That description doesn’t apply to Bingham Farms.

The Michigan Department of Transportation offers a grant known as TEDF Category B, which provides “road funding to the smallest communities in Michigan, particularly those with limited ability to fund road projects.” The maximum grant is a 50-50 local match up to \$250,000. Applications are scored and prioritized as follows (paraphrased from www.michigan.gov/mdot):

- The extent to which a municipality has the ability to fund road projects based on real/personal property value proportional to population
- Projects on local roads
- Projects paired with other infrastructure projects, to encourage efficiencies and coordination
- Projects done together with another municipality’s project, to encourage lower prices and other efficiencies
- Preventive maintenance projects, to encourage better asset management practices

The odds might be slim, but the village will pursue all grant opportunities.

Village funds: Again, to date, the village has \$3 million available for roads. Of that amount, \$765,000 is in the major road fund, which is a “restricted fund” under regulations set forth in the state’s Act 51. Those dollars may only be spent on village-owned “major roads.” Bingham Road is classified as the village’s sole major road.

To date, the village has \$620,000 in the local road fund, also a “restricted fund” under Act 51. Those dollars may only be spent on village-owned “local roads.” This classification includes Bingham Lane, Bristol Lane and Court, Brittner, Brooks, Coach Light, Fromm, Hickory Hollow, Old Orchard, Old Stage, Sager, Shagwood, Timber Trail. Act 51 prohibits the transfer of dollars from one fund to the other.

The remaining dollars – approximately \$1.6 million – are in a separate fund that is not restricted to major or local. These dollars could be applied to a road reconstruction project in either category.

CONTACT THE VILLAGE OFFICE

Have questions or concerns about the content within this newsletter? Please feel free to contact the Village Office for answers or discussion.

The Village Office is in Jamestowne South, 24255 W. Thirteen Mile Road, Suite 190. Contact 248-644-0044, admin@binghamfarms.org.

Office hours are 9 a.m. to 4:30 p.m. Monday through Friday. If those hours aren’t convenient, staff members are willing to arrange an evening meeting time.

MILLAGE RATES IN THE VILLAGE

There has been discussion among village residents about a potential millage increase. Financing for largescale municipal projects such as road reconstruction is often hinged to a voter-approved millage proposal.

It's important to note that the seven-member Village Council hasn't made any decisions yet about road reconstruction or financing. Village engineering consultants are still researching and gathering information, which will be presented to Village Council later this fall. If Village Council decides to seek voter approval for a millage increase, the earliest that a proposal could be included on a regular election ballot is November 2024.

The average taxable value of residential property in Bingham Farms is \$261,215 for the current tax year 2023.

At the village's current tax rate of 9.0 mils, the owner of a residential property with the average taxable value of \$261,215 would pay \$2,351 in taxes to the village in the current tax year 2023.

Using tax year 2023 values, an increase of 1 mil would add \$261.22 (equal to \$21.77 per month) to the annual tax bill of a home with the average taxable value of \$261,215. Village-wide (taxable value including commercial properties), an increase of 1 mil would generate \$195,371.

An increase of 2 mils would add \$522.43 (equal to \$43.54 per month) to the annual tax bill of a home with the average taxable value of \$261,215. Village-wide (taxable value including commercial properties), an increase of 2 mils would generate \$390,743.






An increase of 3 mils would add \$783.64 (equal to \$65.30 per month) to the annual tax bill of a home with the average taxable value of \$261,215. Village-wide (taxable value including commercial properties), an increase of 3 mils would generate \$586,114.

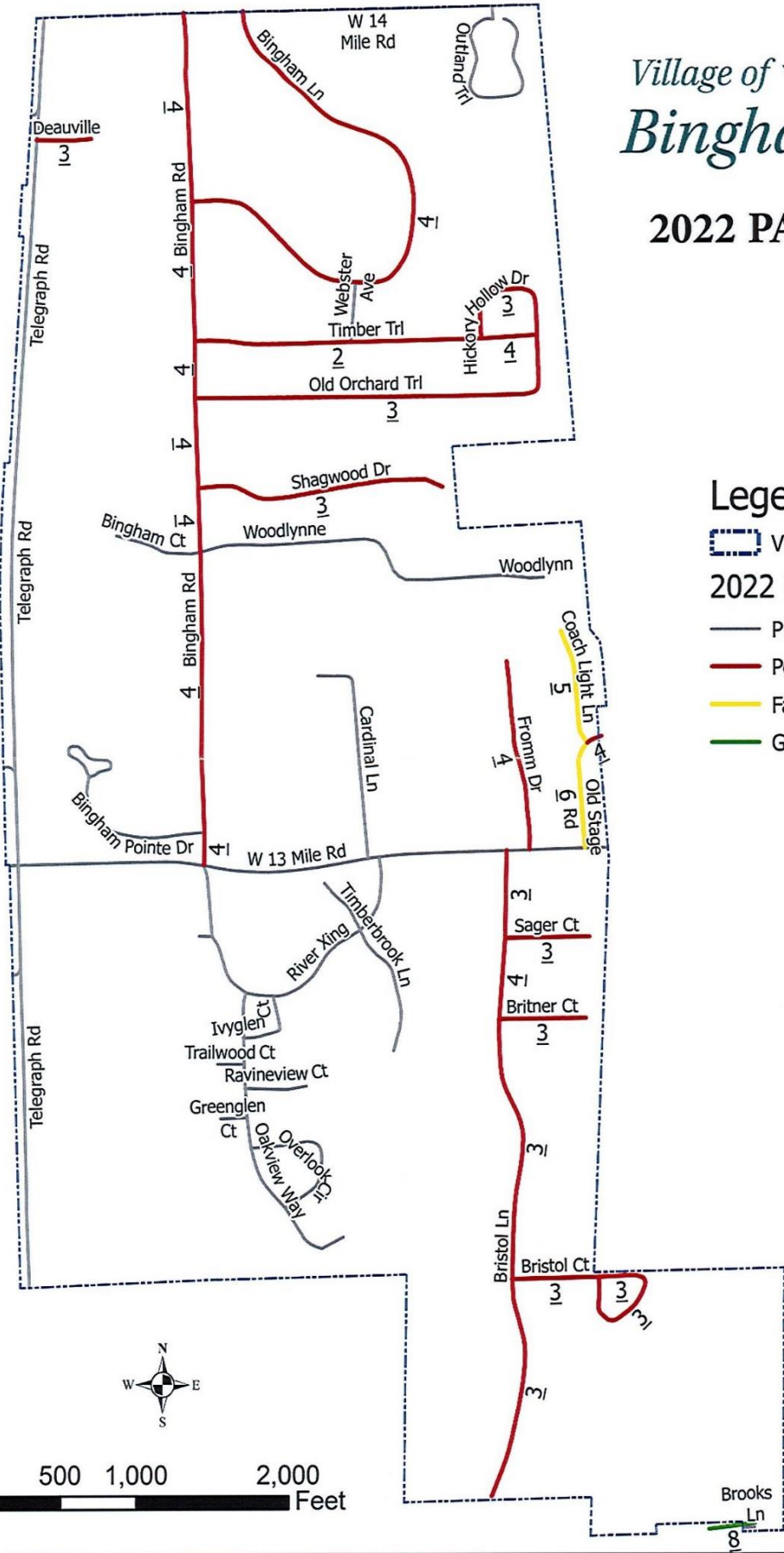
| Taxable home value in Tax Year 2023 | 1 mil increase | 2 mil increase | 3 mil increase |
|---|----------------|----------------|----------------|
| \$130,607.50 (half the village avg) | \$130.61 | \$261.22 | \$391.82 |
| \$261,215.00 (village avg) | \$261.21 | \$522.43 | \$783.64 |
| \$522,430.00 (twice the village avg) | \$522.43 | \$1,044.86 | \$1,567.29 |



2022 PASER Ratings

Legend

-  Village Boundary
- 2022 PASER Rating**
-  Private or Federal-Aid Roads
-  Poor: 1 - 4
-  Fair: 5 - 7
-  Good: 8 - 10



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