

FUNDING ALTERNATIVES IDENTIFICATION & RECOMMENDATION

City Council Chambers, City Hall

November 14, 2016

6:00 pm

AGENDA

1. Committee Minutes – October 10, 2016
2. DPS Priority List - Discussion
3. Special Millage - Discussion
4. Income Tax – Discussion
5. Garden, Vine & Mead Special Assessments – Discussion & Recommendation
6. Public Comments
7. Adjournment

FAIR Committee Agenda Item Summary

Meeting Date: November 14, 2016

Agenda Item 1: Committee Minutes October 10, 2016

SUBJECT: Approval

BACKGROUND PROVIDED BY STAFF: City Clerk

October 10, 2016 minutes (attached).

**FUNDING ALTERNATIVES IDENTIFICATION & RECOMMENDATION (F.A.I.R.)
MINUTES**

City of Hillsdale
Council Chambers
October 10, 2016
6:00 P.M.

Regular Meeting

Members Present: Barry Hill, EDC & BPU
JJ Hodshire, Hillsdale Hospital
Tim Dixon, City Council Member
Eric Moore, Moore Insurance Services/Planning Commission
Dennis Wainscott, Hillsdale Justice Project
Matt Bell, City Council Member
Adam Stockford, City Council Member
Laura Smith, City Planning Commission
Jason Kyser, Kyser Construction
Scott M. Sessions, Mayor

Members Absent: Kitty Aemisegger, President of Committee, Hillsdale Hospice
Julie Boyce, Key Opportunities
John Lewis, Hillsdale College

City staff members present were City Manager David Mackie, City Clerk Stephen M. French, Assessor Kim Thomas, DPS Director Jake Hammel, and Finance Director Bonnie Tew.

Call to Order

City Manager Mackie called the meeting to order and reviewed the meeting agenda.

Approval of Minutes

The August 23, 2016 and the September 8, 2016 minutes of the F.A.I.R. Committee meetings were approved by voice votes.

Special Assessment Procedure

City Assessor Kim Thomas reviewed the city's special assessment procedures for capital improvement projects that were outlined in the City Charter and the Code of Ordinances. Ms. Thomas stated most special assessment districts had been established for sidewalk replacement or improvement projections in areas throughout the city. Ms. Thomas stated Council would determine the percentage of the total project cost that would be assessed to the property owners and what percentage would be paid by the city. Ms. Thomas also indicated the special assessment could not exceed 25% of the State Equalized Value (SEV) of the property being assessed. A copy of Ms. Thomas' report was filed with the papers for the meeting.

Responding to a question from Mr. Wainscott, Assessor Thomas noted there was a state program to defer special assessment costs to a home owner until the future sale of the property. Ms. Thomas

stated the deferment would become a lien against the property and the assessment would be paid from the sale proceeds.

Assessor Thomas stated the owners of a \$100,000 could be assessed a maximum of \$25,000 for a special assessment. Ms. Thomas stated that assessment could be paid over a period of a maximum of fifteen (15) years at an agreed-upon interest rate.

Council member Stockford questioned the process for amending the rules of procedure for the special assessment process. Assessor Thomas stated the City Council could elect to amend the rules by adopting a change of ordinance.

City Manager Mackie briefly reviewed the 3-mil debt repayment provision in the City Charter that would allow the City Council to borrow funding for capital improvement projects.

Ms. Smith stated the final report from the committee could include a “thought experiment” that would provide specific detail of a capital improvement project using the special assessment funding method.

Presentation by DPS Director Jake Hammel

DPS Director Jake Hammel distributed a spreadsheet that provided inventory data of street segments within the city. Mr. Hammel indicated city staff continued to update this spreadsheet to accurately determine and prioritize the necessary street improvements. Mr. Hammel also presented definitions of various maintenance treatments including crack filling, non-structural HMA overlays, wedge/scratch coats, chip seals, and others. Mr. Hammel noted the cost for the full-reconstruction of a roadway including utilities, curb, sidewalks, and new driving surface averaged \$1.0 million per mile.

Committee Discussions

DPS Director Hammel reported an updated spreadsheet could be provided to the F.A.I.R. committee that detailed every street segment within the city limits and its current surface condition. Mr. Hammel noted that with street repair and improvements, the Americans with Disabilities Act (ADA) required the installation and/or improvement of sidewalks.

Assessor Thomas noted she could provide more detailed financial information for special assessment districts within the city.

Next Meeting

It was the consensus of the committee to schedule the next meeting in approximately 3-4 weeks.

October 10, 2016

DRAFT

F.A.I.R. Committee Meeting

Adjournment

The meeting adjourned at 7:15 p.m.

Stephen M. French, City Clerk

FAIR Committee Agenda Item Summary

Meeting Date: November 14, 2016

Agenda Item 2: DPS Road Repair Estimates

SUBJECT: Discussion

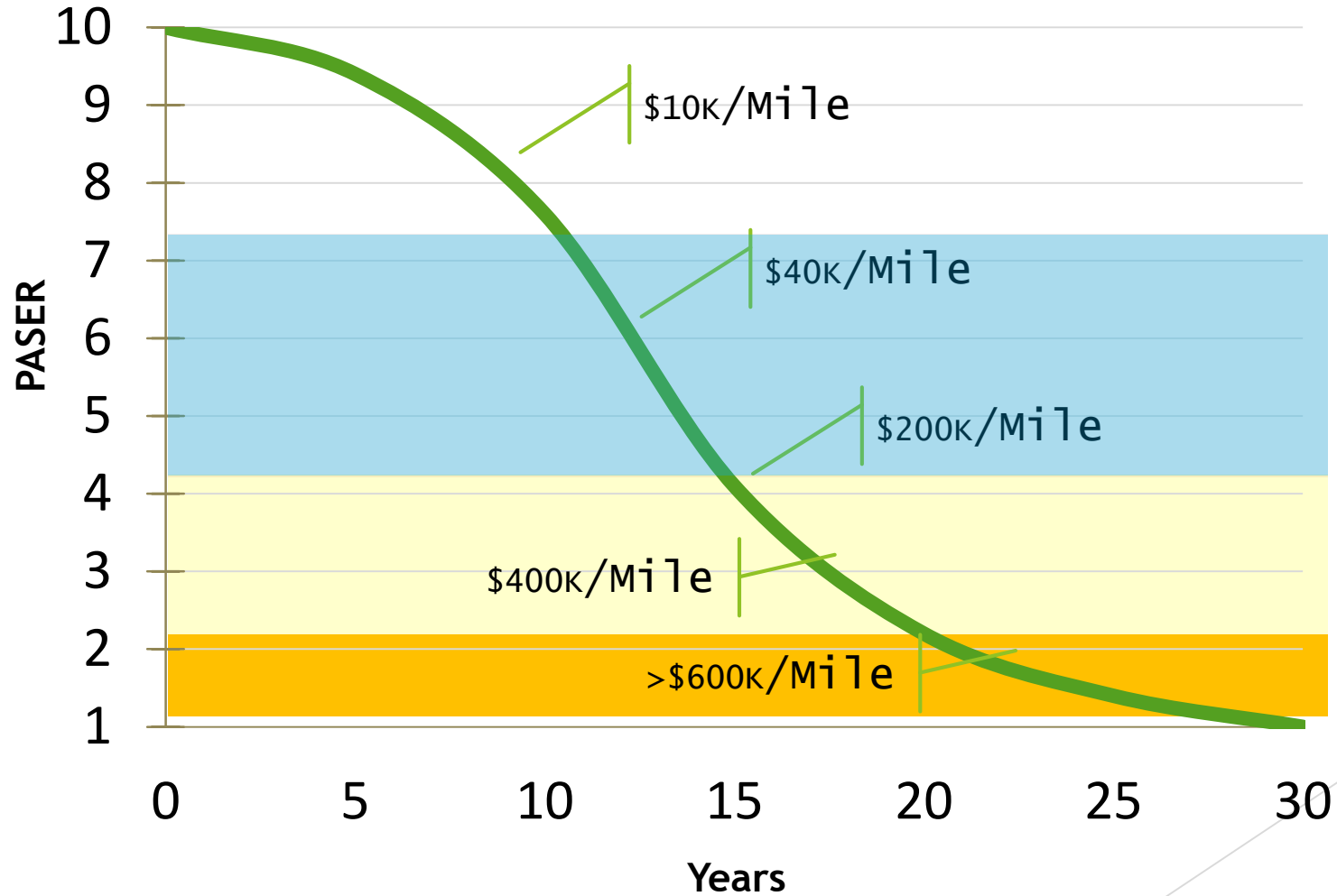
BACKGROUND PROVIDED BY STAFF: DPS Director

Road Repair Estimates presentation and PASER rating spreadsheet (attached).

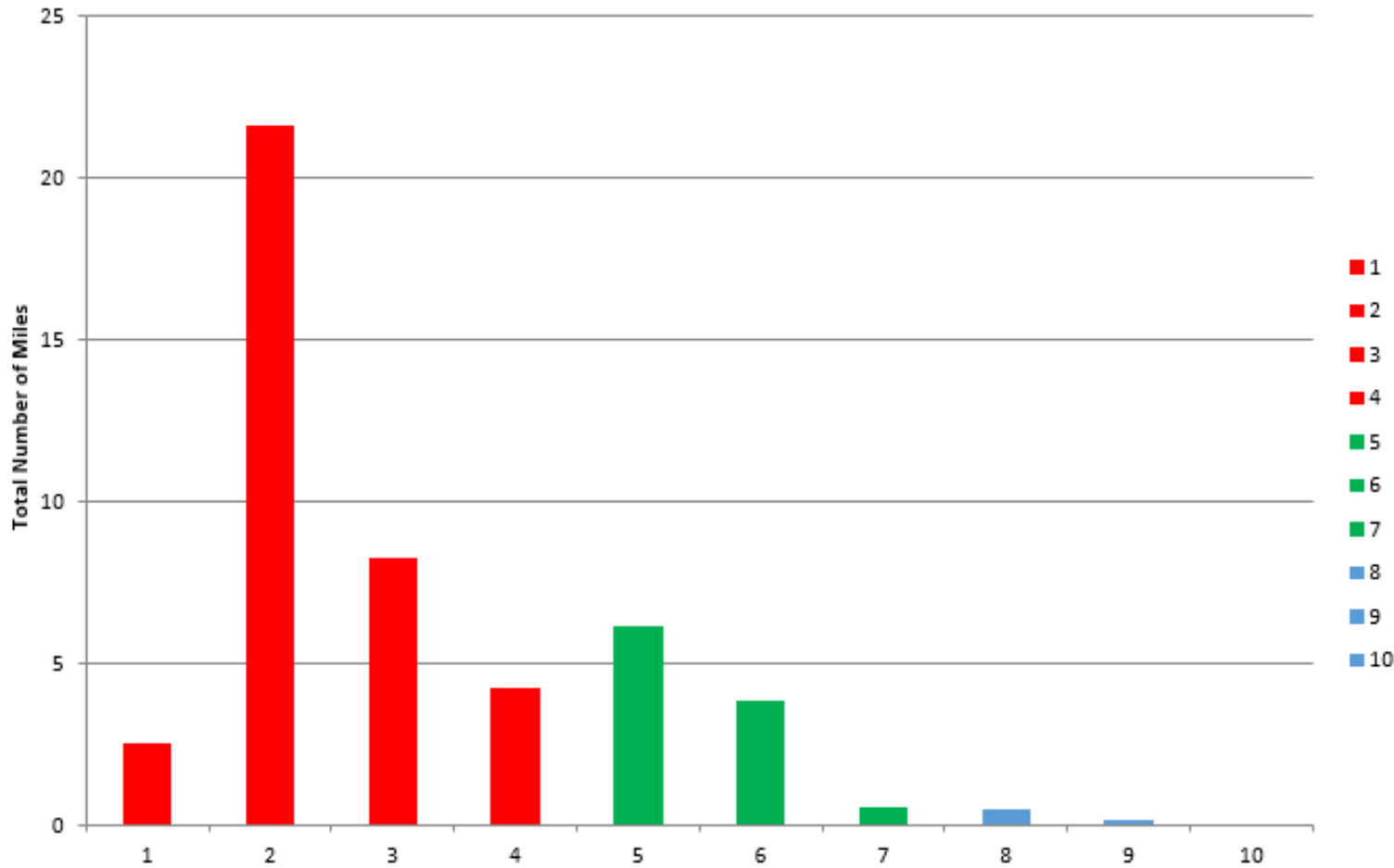
Road Repair Estimates

November 14, 2016

Windows of Opportunity for Surface Treatment



Total Miles by PASER Rating



Row Labels	Sum of Miles
1	2.504
2	21.587
3	8.238
4	4.211
5	6.102
6	3.799
7	0.549
8	0.487
9	0.139
10	0
Grand Total	47.616

Street Surface Estimate

PASER RATING	10	9	8	7	6	5	4	3	2	1	TOTAL COST*
TREATMENT	N/A	N/A	N/A - CRACK SEAL	N/A - CRACK SEAL	SEAL COAT	SEAL COAT / THIN OVERLAY	STRUCTURAL OVERLAY	PATCH, MILL, STRUCTURAL OVERLAY	RECONSTRUCT WITH BASE REPAIR	RECONSTRUCT BASE AND SURFACE	
MILES	0	0.139	0.487	0.549	3.799	6.102	4.211	8.238	21.587	2.504	
*COST PER MILE	\$0	\$0	\$10,000	\$20,000	\$40,000	\$100,000	\$200,000	\$400,000	\$500,000	\$600,000	
*TOTAL COST PER PASER RATING	\$0	\$0	\$4,870	\$10,980	\$151,960	\$610,200	\$842,200	\$3,295,200	\$10,793,500	\$1,502,400	<u>\$17,211,310</u>

*Costs listed above are for estimated planning purposes only. The estimated figures are based on best available information (RCKC). Estimated figures are based on approximate calculations for quantities, treatment costs and miles. The figures do not include infrastructure, culverts, drainage, utilities, continued road deterioration, or cost of living increases.

Sidewalk Estimate

PASER RATING	10	9	8	7	6	5	4	3	2	1	TOTAL COST*
TREATMENT	N/A	N/A	N/A - CRACK SEAL	N/A - CRACK SEAL	SEAL COAT	SEAL COAT / THIN OVERLAY	STRUCTURAL OVERLAY	PATCH, MILL, STRUCTURAL OVERLAY	RECONSTRUCT WITH BASE REPAIR	RECONSTRUCT BASE AND SURFACE	
MILES	0	0.139	0.487	0.549	3.799	6.102	4.211	8.238	21.587	2.504	
ADA STANDARD SIDEWALK REQUIRED	NO	NO	NO	NO	NO	YES	YES	YES	YES	YES	
COST PER MILE (X2) \$4.40 sqft	\$0	\$0	\$0	\$0	\$0	\$232,000	\$232,000	\$232,000	\$232,000	\$232,000	
*TOTAL COST PER PASER RATING	\$0	\$0	\$0	\$0	\$0	\$1,415,664	\$976,952	\$1,911,216	\$5,008,184	\$580,928	<u>\$9,892,944</u>

*Costs listed above are for estimated planning purposes only. The estimated figures are based on best available information (State St Sidewalk). Estimated figures are based on approximate calculations for quantities, treatment costs and miles.

Storm Sewer Estimate

PASER RATING	10	9	8	7	6	5	4	3	2	1	TOTAL COST*
TREATMENT	N/A	N/A	N/A - CRACK SEAL	N/A - CRACK SEAL	SEAL COAT	SEAL COAT / THIN OVERLAY	STRUCTURAL OVERLAY	PATCH, MILL, STRUCTURAL OVERLAY	RECONSTRUCT WITH BASE REPAIR	RECONSTRUCT BASE AND SURFACE	
MILES	0	0.139	0.487	0.549	3.799	6.102	4.211	8.238	21.587	2.504	
COST PER MILE - 35 STRUCTURES 15" PIPE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$315,000	\$315,000	
*TOTAL COST PER PASER RATING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,799,905	\$788,760	<u>\$7,588,665</u>

*Costs listed above are for estimated planning purposes only. The estimated figures are based on best available information (State St Sidewalk). Estimated figures are based on approximate calculations for quantities, treatment costs and miles.

Cost Estimate Summary

PASER RATING	10	9	8	7	6	5	4	3	2	1	TOTAL COST*
TREATMENT	N/A	N/A	N/A - CRACK SEAL	N/A - CRACK SEAL	SEAL COAT	SEAL COAT / THIN OVERLAY	STRUCTURAL OVERLAY	PATCH, MILL, STRUCTURAL OVERLAY	RECONSTRUCT WITH BASE REPAIR	RECONSTRUCT BASE AND SURFACE	
MILES	0	0.139	0.487	0.549	3.799	6.102	4.211	8.238	21.587	2.504	
SURFACE	\$0	\$0	\$4,870	\$10,980	\$151,960	\$610,200	\$842,200	\$3,295,200	\$10,793,500	\$1,502,400	\$17,211,310
SIDEWALK	\$0	\$0	\$0	\$0	\$0	\$1,415,664	\$976,952	\$1,911,216	\$5,008,184	\$580,928	\$9,892,944
STORM SEWER	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,799,905	\$788,760	\$7,588,665
*TOTAL COST PER PASER RATING	\$0	\$0	\$4,870	\$10,980	\$151,960	\$2,025,864	\$1,819,152	\$5,206,416	\$22,601,589	\$2,872,088	<u>\$34,692,919</u>

*Costs listed above are for estimated planning purposes only. The estimated figures are based on best available information (RCKC & State St). Estimated figures are based on approximate calculations for quantities, treatment costs and miles.

<u>Road Name</u>	<u>From</u>	<u>To</u>	<u>BMP</u>	<u>EMP</u>	<u>Miles</u>	<u>Last Rating</u>	<u>Rating Year</u>
W Montgomery St	West	Dead End	0	0.347	0.347	1	2016
W Galloway Dr	Park	West	0.301	0.366	0.065	1	2016
Williams Ct	Hillsdale St	Dead End	0	0.219	0.219	1	2016
Lo Presto Ave	Griswold St	Dead End	0	0.069	0.069	1	2016
Elm Ct	Howell	End	0	0.043	0.043	1	2016
Cook St	Broad	Ferris	0	0.065	0.065	1	2016
Fairfield St	Dickerson	Lumbard St	0	0.062	0.062	1	2016
Vine St	Union	Oak	0	0.113	0.113	1	2016
Marion St	Lumbard St	N Wolcott St	0.479	0.542	0.063	1	2016
Lumbard St	Marion St	State Rd	0.132	0.222	0.09	1	2016
Ellen St	Marion St	State St	0	0.087	0.087	1	2016
Salem St	Marion St	State St	0	0.087	0.087	1	2016
Marion St	Dickerson St	Lumbard St	0.411	0.479	0.068	1	2016
Marion St	Superior St	Dickerson St	0.348	0.411	0.063	1	2016
Highland Ave	Spring	The Woods	0	0.107	0.107	1	2016
Arbor Ct	Hillcrest	Dead End	0	0.032	0.032	1	2016
W College St	Park St	N West St	0.094	0.159	0.065	1	2016
Arbor View Ct	Riverdale St	Dead End	0	0.038	0.038	1	2016
Riverdale St	State	Arbor View	0	0.095	0.095	1	2016
McClellan St	E College St	W Galloway Dr	0.173	0.388	0.215	1	2016
Arbor View Ct	Arbor View	Dead End	0	0.033	0.033	1	2016
N Wolcott St	River St	Dead End	1.012	1.079	0.067	1	2016
Mead St	Union St	Oak St	0.071	0.157	0.086	1	2016
Garden St	Hillsdale St	Mead St	0	0.068	0.068	1	2016
Orchard Ridge St	Curve	River St	0	0.074	0.074	1	2016
Lumbard St	Orchard Ridge Pkwy	River St	0.294	0.371	0.077	1	2016
W Galloway Dr	End of St	McClellan St	0.102	0.208	0.106	1	2016
Mauck Rd	Hillsdale St	end of pavement	0	0.02	0.02	2	2016
Proctor Dr	Industrial	Dead End or Start	0	0.087	0.087	2	2016
Hillsdale St	Mauck Rd	E Montgomery St	1.14	1.269	0.129	2	2015
E Montgomery St	Summitt	Hillsdale St	0.094	0.188	0.094	2	2016
N West St	W Galloway Dr	Division St	1.865	2.051	0.186	2	2016
E Galloway Dr	Summit	Hillsdale	0.46	0.556	0.096	2	2015
Industrial Dr	Uran St	Proctor Dr	0.206	0.357	0.151	2	2015
Summit St	E Galloway Dr	Division St	0	0.185	0.185	2	2016
Summit St	Division St	Division St.	0.185	0.186	0.001	2	2016
E Galloway Dr	N West St	Summit	0.366	0.46	0.094	2	2015
W Galloway Dr	McClellan St	Park St	0.208	0.301	0.093	2	2016
Hillsdale St	Mauck	Division	0.955	1.14	0.185	2	2015
Industrial Dr	Mechanic Rd	Uran St	0	0.194	0.194	2	2015

Division St	Summitt St	Hillsdale St	0.092	0.187	0.095	2	2016
Summit St	Division St.	E Montgomery St	0.186	0.37	0.184	2	2016
Division St	N West St	Summitt St	0	0.092	0.092	2	2016
Industrial Dr	Uran St	Uran St	0.194	0.206	0.012	2	2015
Griswold St	Baw Beese	E South St	0.504	0.716	0.212	2	2016
Greenwood St	Barnard St	E South St	0	0.25	0.25	2	2016
E Lynwood Blvd	S Manning St	Walnut St	0.406	0.447	0.041	2	2016
W Lynwood Blvd	Elm St	S Manning St	0.384	0.406	0.022	2	2016
W Lynwood Blvd	S West St	Elm St	0.322	0.384	0.062	2	2016
S West St	W Lynwood Blvd	Goodrich Ave	0.226	0.294	0.068	2	2016
Griswold St	E South St	Lakeview Ct	0	0.084	0.084	2	2016
E Saint Joe St	E South St	Ludlam St	0	0.132	0.132	2	2015
W Lynwood Blvd	Rea St	S West St	0.192	0.322	0.13	2	2016
Rea St	W Lynwood Blvd	Goodrich Ave	0.146	0.212	0.066	2	2016
Elmhill St	Budlong	Charles	0	0.06	0.06	2	2016
W Saint Joe St	E. Bacon St	BRIDGE ROAD	0	0.213	0.213	2	2015
W Saint Joe St	Bacon	E South ST	0.213	0.276	0.063	2	2015
W Lynwood Blvd	Reading	Grace St	0	0.096	0.096	2	2016
Reading Ave	W Lynwood Blvd	Goodrich Ave	6.582	6.668	0.086	2	2015
E South St	Budlong St	S Broad St	0.534	0.616	0.082	2	2015
E Sharp St	Charles St	S Broad St	0.428	0.472	0.044	2	2016
Frisbie St	Reading	Dead End	0	0.12	0.12	2	2016
E Sharp St	Budlong St	Charles St	0.356	0.428	0.072	2	2016
E Hallett St	Charles	Broad	5.288	5.344	0.056	2	2015
S West St	Goodrich Ave	W Hallett Rd	0.294	0.36	0.066	2	2016
E South St	Howell	Budlong	0.451	0.534	0.083	2	2015
E Sharp St	S Howell St	Budlong St	0.278	0.356	0.078	2	2016
S Howell St	E. Sharp St	E South St	14.755	14.867	0.112	2	2015
E Hallett St	Budlong St	Charles St	5.216	5.288	0.072	2	2015
W South St	Manning	Howell	0.367	0.451	0.084	2	2015
S Manning St	W South St	Barry St	0.386	0.474	0.088	2	2015
W South St	West	Manning	0.281	0.367	0.086	2	2015
W Sharp St	S Manning St	S Howell St	0.185	0.278	0.093	2	2016
S Manning St	W Sharp St	W South St	0.273	0.386	0.113	2	2015
E Hallett St	S Howell St	Budlong St	5.147	5.216	0.069	2	2015
W Hallett St	S Manning St	S Howell St	5.045	5.147	0.102	2	2015
Goodrich Ave	Rea St	S West St	0.138	0.267	0.129	2	2016
Rea St	Goodrich Ave	Hallett	0.212	0.28	0.068	2	2016
Goodrich Ave	Reading	Rea St	0	0.138	0.138	2	2016
Reading Ave	Goodrich Ave	W Hallett St	6.668	6.754	0.086	2	2015
Rea St	Leroy St	W Lynwod Blvd	0.069	0.146	0.077	2	2016

Leroy St	Rea	Dead End	0	0.081	0.081	2	2016
W Sharp St	S West St	S Manning St	0.101	0.185	0.084	2	2016
S West St	Sharp	South	0.499	0.612	0.113	2	2016
W Sharp St	Reading Ave	S West St	0	0.101	0.101	2	2016
S West St	Armstrong St	W Sharp St	0.427	0.499	0.072	2	2016
W Hallett St	S West St	S Manning St	4.959	5.045	0.086	2	2015
Griswold St	Lo Presto Ave	Barnard St	0.34	0.479	0.139	2	2015
Leroy St	Grace	Rea	0	0.094	0.094	2	2016
Grace St	Leroy	Lynwood	0	0.078	0.078	2	2016
Armstrong St	Reading	West	0	0.161	0.161	2	2016
S West St	W Hallett Rd	Armstrong St	0.36	0.427	0.067	2	2016
W Hallett St	Rea St	S West St	4.832	4.959	0.127	2	2015
W Hallett St	Reading Ave	Rea St	4.746	4.832	0.086	2	2015
S Howell St	Morry St	Lynwood Blvd	14.396	14.481	0.085	2	2015
Morry St	Walnut St	S Howell St	0.125	0.186	0.061	2	2016
Walnut St	Morry St	W Lynwood Blvd	0	0.086	0.086	2	2016
Morry St	Elm St	Walnut St	0.061	0.125	0.064	2	2016
Elm St	Morry	Lynwood	0	0.086	0.086	2	2016
Charles St	Elmhill St	W Hallett St	0	0.194	0.194	2	2016
Morry St	S West St	Elm St	0	0.061	0.061	2	2016
S West St	Morry St	W Lynwood Blvd	0.14	0.226	0.086	2	2016
W Saint Joe St	South	Griswold	0.276	0.537	0.261	2	2015
S Wolcott St	Barnard	E. South St.	0	0.247	0.247	2	2016
W Hallett St	Indiana Northeastern Railroad	Reading Ave	4.269	4.746	0.477	2	2016
S Wolcott St	E. South St.	Bacon	0.247	0.505	0.258	2	2016
W Hallett St	Hidden Meadows Dr	Indiana Northeastern Railroad	4.22	4.269	0.049	2	2016
S Howell St	E Lynwood Blvd	E Hallett St	14.481	14.615	0.134	2	2015
E Lynwood Blvd	Walnut St	Howell St	0.447	0.508	0.061	2	2016
Budlong St	Elmhill St	E Hallett St	0	0.202	0.202	2	2016
E South St	Greenwood St	S Wolcott St	0.479	0.59	0.111	2	2016
E South St	Griswold St	Greenwood St	0.336	0.479	0.143	2	2016
E South St	Griswold St	Griswold St	0.279	0.336	0.057	2	2016
Water Works Ave	Griswold St	Lakeview Dr	0	0.3	0.3	2	2016
Griswold St	Water Works Ave	Lo Presto Ave	0.1	0.34	0.24	2	2015
S West St	Warren St	Morry St	0.079	0.14	0.061	2	2016
Warren Ave	Rea	Dead End	0	0.073	0.073	2	2016
Warren Ave	Rea	West	0	0.131	0.131	2	2016
Griswold St	Steamburg Rd	Water Works Ave	0	0.1	0.1	2	2015
Steamburg Rd	Griswold	Broad	0.338	0.689	0.351	2	2015
S Howell St	City Limits	Morry St	14.367	14.396	0.029	2	2015
Oak St	E Carleton Rd	Indiana Northeastern Railroad	0	0.035	0.035	2	2015

Lumbard St	Fairfield St	Marion St	0	0.132	0.132	2	2016
N Wolcott St	Fairfield St	Marion St	0.637	0.775	0.138	2	2015
Superior St	Marion St	E Bacon St	0	0.268	0.268	2	2016
Ferris St	McCullum St	North St	0.094	0.185	0.091	2	2015
Fairfield St	Lumbard St	Wolcott	0.062	0.127	0.065	2	2016
N Manning St	E Bacon St	McCullum St	0.638	0.724	0.086	2	2015
Oak St	Vine St	State Rd	0.189	0.233	0.044	2	2015
Union St	E Carleton Rd	Indiana Northeastern Railroad	0.037	0.075	0.038	2	2016
Oak St	Indiana Northeastern Railroad	Willow St	0.035	0.085	0.05	2	2015
McCullum St	S Howell St	S Broad St	0.169	0.208	0.039	2	2015
W Bacon St	Norwood Ave	West St	3.756	3.864	0.108	2	2015
N Norwood Ave	E Bacon St	Westwood St	0.25	0.394	0.144	2	2016
Union St	Vine St	Garden St	0.164	0.185	0.021	2	2016
McCullum St	S Manning St	S Howell St	0.085	0.169	0.084	2	2015
Rippon Ave	E Bacon Rd	Westwood St	0	0.144	0.144	2	2016
W Bacon St	Lewis St	Rippon Ave	3.576	3.668	0.092	2	2015
Waldron St	Budlong	Broad	0.251	0.267	0.016	2	2015
North St	Ferris	Carleton	0.245	0.271	0.026	2	2016
Ferris St	North St	E Carleston Rd	0.185	0.207	0.022	2	2016
North St	Union	Ferris	0.2	0.245	0.045	2	2016
North St	Broad	Union	0.171	0.2	0.029	2	2016
N Manning St	McCullum St	North St	0.724	0.811	0.087	2	2015
McCullum St	N West St	N Manning St	0	0.085	0.085	2	2015
W Bacon St	Indiana Northeastern Railroad	Lewis St	3.539	3.576	0.037	2	2015
Glendale Ave	E Bacon Rd	Westwood St	0	0.143	0.143	2	2016
Waldron St	S Howell St	Budlong St	0.167	0.251	0.084	2	2015
N Wolcott St	Marion St	State St	0.775	0.861	0.086	2	2015
Westwood St	N Norwood Ave	N West St	0.488	0.596	0.108	2	2016
W Bacon St	Glendale Ave	Indiana Northeastern Railroad	3.468	3.539	0.071	2	2015
W Bacon St	Heathcliff Dr	Highland Ave	3.397	3.435	0.038	2	2015
W Bacon St	Highland Ave	Glendale Ave	3.435	3.468	0.033	2	2015
Highland Ave	E Bacon Rd	Westwood St	0	0.144	0.144	2	2016
Waldron St	S Manning St	S Howell St	0.084	0.167	0.083	2	2015
Picardy Pl	Westwood	Dead End	0	0.043	0.043	2	2016
Westwood Dr	Picardy Pl	Spring St	0.23	0.27	0.04	2	2016
North St	S Manning St	S Howell St	0.084	0.171	0.087	2	2016
N Manning St	North St	Carleton	0.811	0.927	0.116	2	2015
North St	West	Manning	0	0.084	0.084	2	2015
Willow St	Logan St	Lake St	0	0.072	0.072	2	2016
W Bacon St	Heathcliff Dr	Highland	3.364	3.397	0.033	2	2015
W Bacon St	Sumac Dr	Heathcliff Dr	3.277	3.364	0.087	2	2015

Sumac Dr	Bacon	Scenic	0	0.084	0.084	2	2016
Waldron St	N West St	S Manning St	0	0.084	0.084	2	2015
Rippon Ave	Westwood St	Spring St	0.144	0.372	0.228	2	2016
Westwood St	Indiana Northeastern Railroad	Lewis St	0.27	0.28	0.01	2	2016
N Wolcott St	E Bacon St	Fairfield St	0.505	0.637	0.132	2	2015
Monroe St	N Manning St	Hillsdale St	0.098	0.218	0.12	2	2016
Oak St	Willow St	Marion St	0.085	0.145	0.06	2	2015
Marion St	Ellen St	Superior St	0.284	0.348	0.064	2	2016
Westwood St	Glendale Ave	Indiana Northeastern Railroad	0.201	0.27	0.069	2	2016
Willow St	Lake St	Oak St	0.072	0.24	0.168	2	2016
Ludlam St	E Saint Joe St	Griswold St	0	0.088	0.088	2	2016
E Saint Joe St	Ludlam St	E Bacon St	0.132	0.272	0.14	2	2015
Lakeview Ct	Griswold St	Dead End	0	0.101	0.101	2	2016
Griswold St	Lakeview Ct	Ludlam St	0.084	0.156	0.072	2	2016
Westwood St	Highland Ave	Glendale Ave	0.131	0.201	0.07	2	2016
Sumac Dr	Scenic	Westwood	0.084	0.139	0.055	2	2016
Barry St	Budlong St	S Broad St	0.25	0.301	0.051	2	2016
Barry St	S Howell St	Budlong St	0.168	0.25	0.082	2	2016
Marion St	Logan St	Ellen St	0.167	0.284	0.117	2	2016
Marion St	Salem St	Logan St	0.111	0.167	0.056	2	2016
Marion St	Oak St	Salem St	0	0.111	0.111	2	2016
Corona Cir	Westwood Dr	Dead End	0	0.039	0.039	2	2016
Westwood Dr	Corona Cir	Azalea Ct	0.017	0.077	0.06	2	2016
Scenic Dr	Sumac Dr	Dead End	0	0.078	0.078	2	2016
Griswold St	Ludlam St	E Bacon St	0.156	0.253	0.097	2	2016
Barry St	S Manning St	S Howell St	0.084	0.168	0.084	2	2016
S Manning St	Barry St	Waldron St	0.474	0.562	0.088	2	2015
Barry St	N West St	S Manning St	0	0.084	0.084	2	2016
Oak St	Marion St	Vine St	0.145	0.189	0.044	2	2015
Westwood Dr	Sumac Dr	Corona Cir	0	0.017	0.017	2	2016
Westwood Dr	Azalea Ct	Picardy Pl	0.077	0.23	0.153	2	2016
Union St	Indiana Northeastern Railroad	Vine St	0.075	0.164	0.089	2	2016
Oak St	River St	W Fayette St	0.382	0.508	0.126	2	2015
Orchard Ridge Pkwy	Curve	Lumbard St	0	0.051	0.051	2	2016
N West St	Indiana Northeastern Railroad	Monroe St	1.246	1.284	0.038	2	2015
River St	N Hillsdale Rd	Union St	0.186	0.31	0.124	2	2016
Union St	E Fayette St	E College St	0.488	0.646	0.158	2	2016
Crescent Ct	Hillcrest	Hillcrest	0	0.053	0.053	2	2016
Hillcrest Dr	Crescent Ct	Crescent Ct	0.393	0.432	0.039	2	2016
N West St	River St	W Fayette St	1.372	1.496	0.124	2	2015
N West St	Spring St	River St	1.304	1.372	0.068	2	2015

E College St	N Hillsdale Rd	Union St	0.348	0.471	0.123	2	2016
N Wolcott St	State St	River St	0.861	1.012	0.151	2	2016
Lumbard St	State St	Orchard Ridge Pkwy	0.222	0.294	0.072	2	2016
Hillcrest Dr	Crescent Ct	Arbor Ct	0.432	0.546	0.114	2	2016
Oak St	Howder St	River St	0.337	0.382	0.045	2	2015
Spring St	Norwood	Carleton	1.089	1.137	0.048	2	2015
Monroe St	N West St	N Manning St	0	0.098	0.098	2	2016
E Fayette St	N Manning St	Hillsdale St	0.903	1.006	0.103	2	2015
Union St	Howder St	River St	0.319	0.363	0.044	2	2016
N West St	E College St	W Galloway Dr	1.653	1.865	0.212	2	2015
Park St	E College St	W Galloway Dr	0.157	0.368	0.211	2	2016
E Fayette St	N West St	N Manning St	0.818	0.903	0.085	2	2015
N West St	W Fayette St	E College St	1.496	1.653	0.157	2	2015
Howder St	Hillsdale St	Union St	0	0.124	0.124	2	2016
W Fayette St	Park St	N West St	0.752	0.818	0.066	2	2015
Park St	W Fayette St	E College St	0	0.157	0.157	2	2016
Spring St	Rippon Ave	N. Norwood Ave	1	1.089	0.089	2	2015
Spring St	Indiana Northeastern Railroad	Rippon Ave	0.929	1	0.071	2	2015
W College St	McClellan St	Park St	0	0.094	0.094	2	2016
W Fayette St	McClellan St	Park St	0.725	0.752	0.027	2	2015
Hillcrest Dr	Arbor Ct	Dead End	0.546	0.587	0.041	2	2016
Union St	Garden St	Mead St	0.185	0.244	0.059	2	2016
Garden St	Mead St	Union St	0.068	0.145	0.077	2	2016
Oak St	Mead St	Howder St	0.263	0.337	0.074	2	2015
N West St	Carleton Rd	Indiana Northeastern Railroad	1.201	1.246	0.045	2	2015
W Fayette St	Indiana Northeastern Railroad	McClelland St	0.585	0.725	0.14	2	2015
W Fayette St	RR Tracks	Indiana Northeastern Railroad	0.576	0.585	0.009	2	2015
Salem St	State St	Howder St	0.087	0.192	0.105	2	2016
Fairview St	Spring	Dead End	0	0.192	0.192	2	2016
River St	Lumbard St	Wolcott	0.085	0.147	0.062	2	2016
Mead St	Garden St	Union St	0	0.071	0.071	2	2016
Oak St	State Rd	Mead St	0.233	0.263	0.03	2	2015
Hillcrest Dr	River St	Crescent Ct	0.371	0.393	0.022	2	2016
River St	Orchard Ridge St	Lumbard St	0.033	0.085	0.052	2	2016
River St	Dead End	Orchard Ridge St	0	0.033	0.033	2	2016
W Bacon St	City/Twp Line		3.041	3.045	0.004	2	2015
W Bacon St	City Limits	Sumac Dr	3.045	3.277	0.232	2	2015
Lewis St	Westwood	Dead End	0.108	0.144	0.036	2	2016
Reading Ave	City/Twp Line	W Lynwood Blvd	6.409	6.582	0.173	2	2015
W Hallett St	City Limits	Hidden Meadows Dr	4.147	4.22	0.073	2	2016
E Montgomery St	W Montgomery St	Summitt St	0	0.094	0.094	3	2016

Barber Dr	2nd College Dr. end of curb	Half Moon Lake Rd	0.914	1.553	0.639	3	2016
Hillsdale St	Williams Ct	Barber	0.77	0.899	0.129	3	2015
Mechanic Rd	Applerun Ln	W Carleton Rd	3.383	3.483	0.1	3	2015
Mechanic Rd	Whitney Estates Blvd	Arch	3.104	3.231	0.127	3	2015
Arch Ave	Uran St	Carleton	0.195	0.255	0.06	3	2015
Arch Ave		W Carleton Rd	0.255	0.337	0.082	3	2015
Hillsdale St	Divison St	Williams Ct	0.899	0.954	0.055	3	2015
Hillsdale St	Montgomery	Williams	0.954	0.955	0.001	3	2015
Mechanic Rd	Industrial	BARR ROAD	2.939	2.998	0.059	3	2015
Uran St	Industrial	Arch	0	0.353	0.353	3	2011
Wildlife Dr	Moore Rd	Moore Rd	0	0.001	0.001	3	2016
Wildlife Dr	Moore Rd		0.001	0.069	0.068	3	2016
Wildlife Dr			0	0.089	0.089	3	2016
Wildlife Dr		Moore Rd	0.069	0.367	0.298	3	2016
Barnard St	Greenwood	Wolcott	0.687	0.795	0.108	3	2016
S Manning St	Lynwood	Hallett	0	0.134	0.134	3	2016
E South St	E Saint Joe St	Griswold St	0.241	0.279	0.038	3	2011
W Lynwood Blvd	Grace St	Rea St	0.096	0.192	0.096	3	2016
Reading Ave	Frisbrie St	W South St	6.977	7.078	0.101	3	2015
S Howell St	W South St	Barry St	14.867	14.955	0.088	3	2015
W South St	Norwood	Reading Ave	0.174	0.271	0.097	3	2015
S Norwood Ave	W South St	E Bacon St	0	0.25	0.25	3	2015
S West St	W South St	Barry St	0.612	0.7	0.088	3	2015
W South St	Reading Ave	S West St	0.271	0.281	0.01	3	2015
Reading Ave	W Sharp St	Frisbie St	6.935	6.977	0.042	3	2015
S Manning St	Hallett	W Sharp St	0.134	0.273	0.139	3	2015
W South St	Dead End	Norwood	0	0.174	0.174	3	2016
Foxtail Ln	Hidden Meadow Dr	Dead End	0	0.096	0.096	3	2016
Reading Ave	Armstrong St	W Sharp St	6.838	6.935	0.097	3	2015
Reading Ave	W Hallett St	Armstrong St	6.754	6.838	0.084	3	2015
Griswold St	Barnard St	Baw Beese	0.479	0.504	0.025	3	2016
Barnard St	S Wolcott St	Wolcott	0.795	0.796	0.001	3	2016
Barnard St	Wolcott	City Limits	0.796	1.035	0.239	3	2016
Rea St	Warren	Leroy St	0	0.069	0.069	3	2016
E Bacon St	Ferris St	W St Joe St	4.173	4.33	0.157	3	2015
E Bacon St	S Broad St/Cook St	Ferris St	4.103	4.173	0.07	3	2015
E Bacon St	S Howell St	S Broad St/Cook St	4.033	4.103	0.07	3	2015
N Howell St	E Bacon St	McColum St	15.12	15.206	0.086	3	2015
McColum St	S Broad St	Ferris St	0.208	0.277	0.069	3	2015
N Howell St	McColum St	North / Broad St	15.206	15.296	0.09	3	2015
E Bacon St	N West St	S Manning St	3.864	3.948	0.084	3	2015

N West St	W Bacon St	McCullum St	0.864	0.951	0.087	3	2015
N West St	McCullum St	Westwood St	0.951	1.007	0.056	3	2015
S Howell St	Waldron St	E Bacon St	15.045	15.12	0.075	3	2015
N West St	Westwood St	North St	1.007	1.039	0.032	3	2015
N Norwood Ave	Westwood St	Spring St	0.394	0.624	0.23	3	2016
S Manning St	Waldron St	E Bacon St	0.562	0.638	0.076	3	2015
N West St	North St	Carleton Rd	1.039	1.201	0.162	3	2015
Logan St	Willow St	Marion St	0.046	0.278	0.232	3	2016
S West St	Waldron St	E Bacon St	0.788	0.864	0.076	3	2015
Glendale Ave	Spring	Dead End	0	0.109	0.109	3	2016
S Howell St	Barry St	Waldron St	14.955	15.045	0.09	3	2015
Azalea Ct	Westwood	Dead End	0	0.041	0.041	3	2016
S West St	Barry	Waldron	0.7	0.788	0.088	3	2015
Lake St	E Carleton Rd	Willow St	0	0.044	0.044	3	2016
Ferris St	Cook St	McCullum St	0.032	0.094	0.062	3	2011
E Bacon St	E Carleton	Logan St	4.354	4.37	0.016	3	2015
E Bacon St	W St Joe	E Carleton/E St Joe	4.33	4.354	0.024	3	2015
Dickerson St	Fairfield St	Marion St	0	0.124	0.124	3	2016
Union St	River St	E Fayette St	0.363	0.488	0.125	3	2016
Oak St	Academy Ln	College	0.579	0.654	0.075	3	2016
Oak St	W Fayette St	Academy Ln	0.508	0.579	0.071	3	2016
Union St	E College St	Barber Dr	0.646	0.855	0.209	3	2016
River St	N Manning St	N Hillsdale St	0.084	0.186	0.102	3	2016
State St	Wolcott	City Limits	0.537	0.785	0.248	3	2015
Salem St	Howder St	River St	0.192	0.236	0.044	3	2016
E College St	N Manning St	N Hillsdale St	0.244	0.348	0.104	3	2016
Howder St	Oak St	Salem St	0.211	0.316	0.105	3	2016
Howder St	Union St	Oak St	0.124	0.211	0.087	3	2016
E College St	N West St	N Manning St	0.159	0.244	0.085	3	2016
Union St	Mead St	Howder St	0.244	0.319	0.075	3	2016
N West St	Monroe St	Spring St	1.284	1.304	0.02	3	2015
Lakeview Dr	HCRC sign	Water Works	0.121	0.267	0.146	3	2016
S Broad St	E Hallett	City/Twp Line	0.798	1.005	0.207	3	2015
S Broad St	E South St	E Sharp St	0.606	0.659	0.053	3	2015
S Broad St	E Sharp St	E Hallett St	0.659	0.798	0.139	3	2015
Barber Dr	Union St	2nd College Dr.	0.68	0.914	0.234	4	2016
Development Dr		N Lake Wilson Rd	0.324	0.902	0.578	4	2016
Mechanic Rd	Arch Ave	Applerun Ln	3.231	3.383	0.152	4	2015
Arch Ave	Mechanic	Uran	0	0.195	0.195	4	2015
Mechanic Rd	Barr	Whitney Estates Blvd	2.998	3.104	0.106	4	2015
Mechanic Rd	INDUSTRIAL DR & MECHANIC ROAD	BARR ROAD	2.878	2.939	0.061	4	2015

S Howell St	E Hallett St	Elm Ct	14.615	14.676	0.061	4	2015
S Howell St	Elm Ct	E Sharp St	14.676	14.755	0.079	4	2015
Water Works Ave			0.512	0.617	0.105	4	2016
Spring St	Westwood Dr	Stony Ridge Ct	0.455	0.534	0.079	4	2015
Spring St	Stony Ridge Ct	Fairview St	0.534	0.656	0.122	4	2015
E Bacon St	S Manning St	S Howell St	3.948	4.033	0.085	4	2015
W Bacon St	Rippon Ave	S Norwood Ave	3.668	3.756	0.088	4	2015
Union St	North St	E Carleton Rd	0	0.037	0.037	4	2011
Spring St	Barr	Westwood Dr	0.343	0.455	0.112	4	2015
Barr St	Spring St	Cherry Tree Ln	0	0.381	0.381	4	2015
Lewis St	Westwood	Indiana Northeastern Railroad	0	0.15	0.15	4	2016
Westwood St	Lewis St	Rippon Ave	0.307	0.4	0.093	4	2016
Westwood St	Lewis St	Lewis St	0.28	0.307	0.027	4	2016
Barr St	Cherry Tree Ln	Fayette	0.381	0.418	0.037	4	2015
Buena Vista Dr	State St	Dead End	0	0.069	0.069	4	2016
Buena Vista Dr	Attribute Change	Dead End or Start	0.069	0.09	0.021	4	2016
Buena Vista Dr		0 Arbor View Ct	0.09	0.101	0.011	4	2016
Spring St	Highland Ave	Glendale Ave	0.73	0.8	0.07	4	2015
N Manning St	River St	W Fayette St	0.137	0.262	0.125	4	2016
River St	N West St	N Manning St	0	0.084	0.084	4	2016
N Manning St	W Fayette St	E College St	0.262	0.42	0.158	4	2016
E College St	Union St	Oak St	0.471	0.565	0.094	4	2016
McClellan St	W Fayette ST	E College St	0	0.173	0.173	4	2016
Spring St	Lewis St	Indiana Northeastern Railroad	0.882	0.929	0.047	4	2015
Lewis St	Spring St	W Carleton Rd	0.228	0.403	0.175	4	2016
W Fayette St	W Carleton Rd	RR Tracks	0.504	0.576	0.072	4	2015
Spring St	W Carleton Rd	Indiana Northeastern Railroad	0	0.037	0.037	4	2016
Spring St	Fairview St	Highland Ave	0.656	0.73	0.074	4	2015
Spring St	Glendale Ave	Lewis St	0.8	0.882	0.082	4	2015
Mechanic Rd	City/Twp Line	Industrial Dr	2.741	2.878	0.137	4	2015
Industrial Dr	Proctor Dr	Carleton	0.357	0.7	0.343	5	2015
N West St	Division St	Montgomery St	2.051	2.236	0.185	5	2016
W Hallett Rd	City Limits	Hidden Meadows Dr	4.142	4.147	0.005	5	2011
Hidden Meadows Dr	Foxtail Ln	Dead End	0.211	0.282	0.071	5	2016
Barnard St	Baw Beese		0.572	0.58	0.008	5	2016
Barnard St	PETERSON ROAD	Adams Twp	0.58	0.644	0.064	5	2016
Barnard St	Griswold	Greenwood St	0.644	0.687	0.043	5	2016
Barnard St	Griswold St	Baw Beese	0.537	0.572	0.035	5	2016
Hidden Meadows Dr	Windswept Ln	Foxtail Ln	0.158	0.211	0.053	5	2016
Windswept Ln	Hidden Meadows Dr	Dead End	0	0.047	0.047	5	2016
Budlong St	E Hallett St	E Sharp St	0.202	0.341	0.139	5	2016

Indiana Ct	Broad St	Dead End	0	0.066	0.066	5	2016
Hidden Meadows Dr	W Hallett St	Windswept Ln	0	0.158	0.158	5	2016
Water Works Ave	Lakeview Dr	City/Twp Line	0.3	0.512	0.212	5	2016
Water Works Ave		Beach	0.617	1.309	0.692	5	2016
Ferris St	E Bacon Road	Cook St	0	0.032	0.032	5	2011
Hillsdale St	Monroe	Indiana Northeastern Railroad	0	0.042	0.042	5	2015
Lewis St	Indiana Northeastern Railroad	Spring St	0.15	0.228	0.078	5	2016
Westwood St	Rippon Ave	N Norwood Ave	0.4	0.488	0.088	5	2016
Hillsdale St	Garden St	Monroe St	0.079	0.195	0.116	5	2015
Logan St	E Bacon Rd	Willow St	0	0.046	0.046	5	2016
Hillsdale St	Indiana Northeastern Railroad	Carleton	0.042	0.079	0.037	5	2015
River St	Oak St	Salem St	0.399	0.503	0.104	5	2016
River St	Union St	Oak St	0.31	0.399	0.089	5	2016
Hillsdale St	W Fayette St	River St	0.278	0.403	0.125	5	2015
Hillsdale St	River St	Howder St	0.235	0.278	0.043	5	2015
Hillsdale St	Howder	Garden	0.195	0.235	0.04	5	2015
W Fayette St	Care Dr.		0.175	0.391	0.216	5	2015
W Fayette St		W Carleton Rd	0.391	0.504	0.113	5	2015
W Fayette St	Barr St	Care Dr	0	0.175	0.175	5	2015
W Carleton Rd	Arch	Beck	2.606	2.724	0.118	5	2015
W Carleton Rd	Beck	Beck	2.724	3.143	0.419	5	2015
Beck Rd	Carleton	Industrial Dr	0	0.032	0.032	5	2015
W Carleton Rd	Beck	W Moore Rd	3.143	3.287	0.144	5	2015
W Carleton Rd	Moore Rd	City/Twp Line	3.287	3.34	0.053	5	2015
S Broad St	Barry St	E South St	0.446	0.541	0.095	5	2015
S Broad St	W South St	Indiana Ct.	0.541	0.555	0.014	5	2015
S Broad St	Indiana Ct	E South St	0.555	0.606	0.051	5	2015
S Broad St	E Bacon St	Budlong St	0.27	0.311	0.041	5	2015
S Broad St	Budlong St	Waldron St	0.311	0.351	0.04	5	2015
S Broad St	Waldron St	Barry St	0.351	0.446	0.095	5	2015
W Carleton Rd	Indiana Northeastern Railroad	Lewis St	1.143	1.255	0.112	5	2015
W Carleton Rd	Lewis St	W Fayette St	1.255	1.341	0.086	5	2015
W Carleton Rd	Indiana Northeastern Railroad	Indiana Northeastern Railroad	1.049	1.143	0.094	5	2015
W Carleton Rd	W Fayette St	MDOT Sufficiency Split	1.341	1.514	0.173	5	2015
W Carleton Rd	MDOT Sufficiency Split	Mechanic Rd	1.514	1.714	0.2	5	2015
W Carleton Rd	W Moore Rd	City/Twp Line	3.34	3.595	0.255	5	2015
W Carleton Rd	City/Twp Line	City/Twp Line	3.595	3.641	0.046	5	2015
Hine Dr	Mechanic Rd	Uran St	0	0.191	0.191	6	2011
Hine Dr	Uran	Dead End	0.191	0.238	0.047	6	2016
Barber Dr	N Hillsdale	Union St	0.556	0.68	0.124	6	2016
Uran St	Industrial Dr	Development Dr	0	0.249	0.249	6	2011

Development Dr	Uran St		0	0.324	0.324	6	2016
Uran St	Hine Dr	Dead End	0.389	0.582	0.193	6	2011
Uran St	Development Dr	Hine Dr	0.249	0.389	0.14	6	2011
W Moore Rd	MOORE ROAD & WILL CARLETON RD.	RR509886J	0	0.011	0.011	6	2010
W Moore Rd	MOORE ROAD & WILL CARLETON RD.	RR509886J	0.011	0.021	0.01	6	2010
W Moore Rd	PC & MOORE ROAD	HOMER ROAD	0.021	0.049	0.028	6	2010
Budlong St	E Sharp St	E South St	0.341	0.453	0.112	6	2016
E Carleton Rd	Oak St	Short St	0.503	0.538	0.035	6	2015
E Carleton Rd	Union St	Hillsdale	0.617	0.661	0.044	6	2015
E Bacon St	Wolcott	City/Twp Line	4.796	5.073	0.277	6	2015
E Carleton Rd	North St	Ferris St	0.556	0.595	0.039	6	2015
E Carleton Rd	Indiana Northeastern Railroad	Oak St	0.371	0.503	0.132	6	2015
E Carleton Rd	Ferris St	Union St	0.595	0.617	0.022	6	2015
E Carleton Rd	Short St	North St	0.538	0.556	0.018	6	2015
E Bacon St	Superior	Wolcott	4.605	4.796	0.191	6	2015
E Bacon St	Griswold St	Superior St	4.493	4.605	0.112	6	2015
E Bacon St	Logan St	Griswold St	4.37	4.493	0.123	6	2015
E Carleton Rd	E Bacon Rd	Lake St	0.272	0.353	0.081	6	2015
E Carleton Rd	Lake St	Indiana Northeastern Railroad	0.353	0.371	0.018	6	2015
Hillsdale St	E Galloway Dr	E College St	0.56	0.77	0.21	6	2015
Hillsdale St	E College St	W Fayette St	0.403	0.56	0.157	6	2015
N Manning St	Monroe St	River St	0	0.137	0.137	6	2016
Spring St	Indiana Northeastern Railroad	N West St	0.037	0.087	0.05	6	2016
State St	Oak St	Salem St	0	0.106	0.106	6	2015
N Broad St	Mccollum St	E. Bacon	0.178	0.27	0.092	6	2015
N Broad St	North St	McCollum St	0.084	0.178	0.094	6	2015
W Carleton Rd	S Manning St	N West St	0.777	0.873	0.096	6	2015
N Broad St	Carleton	North	0	0.084	0.084	6	2015
W Carleton Rd	N Broad St	N Manning St	0.708	0.777	0.069	6	2015
W Carleton Rd	SPRING ROAD & WILL CARLETON RD	Indiana Northeastern Railroad	0.944	1.049	0.105	6	2015
W Carleton Rd	N West St	Spring	0.873	0.928	0.055	6	2015
W Carleton Rd	Spring St	Spring	0.928	0.944	0.016	6	2015
E South St	Penn Central Railroad	E Saint Joe St	0.229	0.241	0.012	7	2015
E South St	W Saint Joe St	Penn Central Railroad	0.218	0.229	0.011	7	2015
E South St	S Broad St	W St Joe St	0	0.218	0.218	7	2015
W Carleton Rd	Hillsdale	N Broad St	0.661	0.708	0.047	7	2015
E Fayette St	Union St	Oak St	1.13	1.218	0.088	7	2015
E Fayette St	Hillsdale St	Union St	1.006	1.13	0.124	7	2015
Budlong St	E South St	Barry St	0.453	0.54	0.087	8	2011
Budlong St	Waldron St	S Broad St	0.63	0.667	0.037	8	2011
N Howell St	E Carleton Rd	Broad	15.296	15.352	0.056	8	2016

Budlong St	Barry St	Waldron St	0.54	0.63	0.09	8	2011
State St	Lumbard St	Wolcott St	0.473	0.537	0.064	8	2015
State St	Buena Vista Dr	Lumbard St	0.357	0.473	0.116	8	2015
State St	Riverdale St	Buena Vista Dr	0.319	0.357	0.038	8	2015
State St	Ellen St	Riverdale St	0.279	0.319	0.04	8	2015
State St	Salem	Ellen	0.106	0.279	0.173	8	2015
Charles St	W Hallett	Sharp	0.194	0.333	0.139	9	2016

FAIR Committee Agenda Item Summary

Meeting Date: November 14, 2016

Agenda Item 3: Special Millage

SUBJECT: Discussion

BACKGROUND PROVIDED BY STAFF: City Manager

Section 8.4 of the City Charter lays out the process and limits of approving a special millage (attached).

Section 8.4. - Adoption of budget—Tax limit.

Not later than the first Monday in the month of June, the Council shall, by resolution, make an appropriation for the money needed for municipal purposes during the ensuing fiscal year, and provide for a levy of the amount necessary to be raised by taxes upon real and personal property for municipal purposes. The aggregate amount which the Council may raise by general tax upon the taxable real and personal property in the City, for the purpose of defraying the general expenses and liabilities of the corporation, shall not, except as herein otherwise provided, exceed in one year one and one-fourth per cent of the assessed valuation of all real and personal property subject to taxation in the City. The Council may also raise by tax for defraying the expenses of working upon, improving, and repairing and cleaning the streets of the City, a sum not exceeding in any one year one-fourth of one per cent on the assessed value of the taxable real and personal property of the City. The Council may also raise such further sum annually, not exceeding three-tenths of one per cent of the assessed value of the real and personal property of the City as may be necessary to provide for the payment of interest and principal on the funded debt of the City, including payment into a sinking fund established for the purpose of debt service.

Should any greater amount be required in any year for the purpose of erecting public buildings, or for the purchase of ground therefor, or for other public improvements or purposes, to be paid for from current appropriations of the general fund of the City, than can be raised by the Council under the foregoing provision of this section, such amount may be raised by tax if authorized by two-thirds of the electors voting upon the question at an annual City election or special election called for such purpose. In such election only electors owning property assessed for taxation, or their husbands or wives, may vote. ⁽⁵⁾ The proposition to raise such additional amount shall be submitted to a vote of the electors by a resolution of the Council, distinctly stating the purpose of the proposed expenditure and the amount to proposed to be raised therefor. Such resolution shall be passed, and published in one or more of the newspapers of the City at least two weeks before the election at which the vote is to be taken.

The amount that may be voted or raised in any year under the several provisions of this section shall not exceed a total of two per-cent of the assessed valuation of all real and personal property of the City as shown by the last preceding tax roll, except that any levy authorized by the laws of this state to be made outside of charter tax limitations may be so levied.

Editor's note— For statutory provisions concerning limitations on local property taxation and millage levies, including provisions requiring roll-backs, see Mich. Const. 1963, art. IX, § 31, and MCL 211.24e and 211.34.

Footnotes:

--- (5) ---

Editor's note—Such voting requirement is of doubtful constitutionality as a violation of equal protection.

FAIR Committee Agenda Item Summary

Meeting Date: November 14, 2016

Agenda Item 4: Income Tax

SUBJECT: Discussion

BACKGROUND PROVIDED BY STAFF: City Manager

City of Hillsdale 2012 City Income Tax Feasibility Study prepared by Municipal Analytics (attached).

CITY OF HILLSDALE

CITY INCOME TAX FEASIBILITY STUDY



February, 2012



4488 Jackson Road, Ann Arbor, MI 48103
734.623.8033



February 15, 2012

Linda Brown
City Manager
City of Hillsdale
97 North Broad Street
Hillsdale, MI 49242

Dear Ms. Brown,

We have completed our feasibility study of a city income tax for the City of Hillsdale. This final report summarizes the findings of the study, and includes:

- Summary description of the need for additional revenues, related specifically to streets
- Alternative options for funding street improvements
- Economic impacts of poor streets
- History and summary description of cities with a city income tax in Michigan
- Feasibility of an income tax in Hillsdale

EXECUTIVE SUMMARY

Current financial resources available to the City of Hillsdale are not sufficient to fund needed street improvements, particularly on Local Streets.

- \$39M - \$55M in needed infrastructure improvements
 - Includes storm water management
- Majority of Act 51 funding for streets is used on annual maintenance; very little left to address major infrastructure needs
- General Fund has increased support of streets funding in recent years; available General Fund resources are diminishing

There are a limited number of options available to the City to meet funding needs of streets:

- Special millage
 - Most common method of funding for local street improvements
 - Burden falls entirely on owners of taxable property in the City
 - Millage rate would exceed 7 mills to match revenue potential of an income tax
- Special assessment
 - Paid by all property owners (including tax exempt property owners)
 - Most common in water and sewer utility installations
 - Would have to be approved by a majority of property owners in the special assessment district

- Improvement being funded must provide a direct benefit to the property owners in the district, which is different than the benefit which accrues to the general public
- Concerns about equity and acceptability by property owners
- Grants
 - Hillsdale has taken advantage of a number of grants over the years, and is committed to continuing to pursue this funding option
 - Very few grants are available for Local Streets
 - Potential for grant revenues pales in comparison to the estimated financial need
- City income tax
 - Tax is levied on all persons residing in, and businesses located in, the City, as well as individuals and businesses earning income in the City
 - Tax burden is shared among a broader base than with a property tax
 - Administrative costs to the City are higher with an income tax than for a property tax
 - Tax can be dedicated to Streets or other special purposes, or can be used for general revenues
 - Income tax receipts tend to be more volatile than property taxes, but are most stable for cities similar to Hillsdale

Poor quality streets have a negative impact on the local economy and on individuals.

- Businesses and homeowners/renters discouraged from locating to a city with deteriorating infrastructure
- Property values decline when streets are in poor condition
- Automobile repair costs increase with poor streets
- Public safety is compromised when streets are crumbling
- Poor storm water management leads to increased flooding and damage to property

The Uniform City Income Act:

- 1964 legislation establishing a uniform ordinance for cities to levy and administer a local income tax
- 1% maximum tax rate on residents and corporations; 0.5% maximum rate on non-residents earning income in the City
- \$600 minimum personal exemption; additional exemptions allowed for senior citizens and disabled
- Must be approved by City Council and by a majority of registered voters in the City
- 22 cities have adopted a city income tax ordinance
- All cities levy the maximum allowable tax rate
- Exemption levels vary from \$600 to \$3,000
- Five cities within 50 miles of Hillsdale have adopted an income tax ordinance
- The cities most similar to Hillsdale (population, size, # jobs, etc.) realize, on average, about \$1.2 million in annual revenues

Feasibility of an income tax in Hillsdale:

- Local income tax revenue potential in Hillsdale is close to \$1.1 million, based on available data (earnings, population, commute patterns, etc.)

- Potential collections vary, based on the exemption level chosen
- 44% of tax burden could be paid by non-residents working in the City
- Tax burden would be relatively small on senior citizens residing in the City, depending on sources of income
- A number of income sources are excluded from taxation
- Implementation would require initial establishment of policies, procedures and guidelines
- Some initial investment required for software, training, paperwork, etc.

TOTAL ESTIMATED INCOME TAX COLLECTION

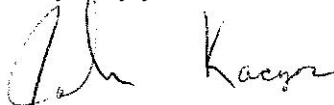
	Exemption Level		
	\$600	\$1,000	\$1,500
Estimated income tax collections			
Resident	\$ 614,000	\$ 592,000	\$ 565,000
Non-resident	\$ 561,000	\$ 542,000	\$ 520,000
Corporate	\$ 91,000	\$ 91,000	\$ 91,000
TOTAL INCOME TAX COLLECTION	\$ 1,266,000	\$ 1,225,000	\$ 1,176,000
Cost of administration	\$ 110,000	\$ 110,000	\$ 110,000
TOTAL COLLECTION MINUS ADMINISTRATION COSTS	\$ 1,156,000	\$ 1,115,000	\$ 1,066,000

The following pages contain more information and detail related to the subjects presented in this executive summary.

We have enjoyed working with the City on this study, and we trust the information presented in this report will provide a basis for discussion and decision-making on this important subject for the City of Hillsdale.

Please do not hesitate to contact us with any questions related to the findings and analysis contained in this report.

Very truly yours,



John Kaczor
Principal

**CITY OF HILLSDALE
CITY INCOME TAX FEASIBILITY STUDY**

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A CLEAR NEED FOR ADDITIONAL REVENUES

The City of Hillsdale is facing a problem that has persisted in the community for decades: streets, particularly in residential neighborhoods, are failing at an increasing rate, and there are very limited resources to make the necessary improvements. The City has undertaken a number of studies related to this problem, and while the challenges are clearly defined, there remains no means to fund the repairs necessary to improve Hillsdale's streets.

As in most cities in Michigan, Hillsdale is responsible for the maintenance and repair of a large portion of infrastructure found along 18.86 miles of major streets and 25.58 miles of local streets with the City boundaries. In addition, Hillsdale maintains 3.03 miles of State trunk line (M-99) under a state contract where, with few exceptions, the City is reimbursed dollar for dollar for any maintenance work done along this portion of highway. Despite some significant improvements on some of the City's major streets and trunkline in recent years, many miles of streets are in desperate need of repair. Estimates of the cost to improve the streets range from \$39 million to \$55 million. The cost increases each year that passes without addressing the problem.

Scope of Street Responsibilities

In the course of normal operations, the City is responsible for a range of streets-related maintenance, safety and improvement tasks. Specific tasks include:

- Street sweeping
- Asphalt patching
- Crack sealing
- Curb & gutter replacement
- Catch basin repairs
- Storm sewer repairs
- Pavement markings
- Tree trimming, removal and replacement
- Brush pickup
- Issuance and inspection of right-of-way permits
- Road condition surveys
- Traffic counts
- Snow removal
- Any other work done within the street right-of-way.

With current resources, the City is able to perform basic maintenance, snow removal, and some minor repairs on its streets. Hillsdale does not have the resources required to undertake major infrastructure improvements on its storm sewers and roadways, which is necessary to provide long-lasting public streets.

Paying for Streets Maintenance

Currently, the primary source of funding for street maintenance within the City is the State of Michigan's gas and weight tax. The State distributes certain taxes and fees through a formula that was first adopted in 1951. The legislation contains formulas, which allocate funds based on the type of local unit, miles of roads, and population. In recent years, as people have reduced

miles driven and moved to more efficient vehicles, the funds available for distribution have stagnated and declined.

Over the past 10 years, the allocation of funds to the City have fallen 15% since their peak in 2003/04. In dollar terms, the City has received \$455,000 less from the State over the past 8 years than it would have if revenues had continued at peak year levels.

To make up some of the decline in State revenues, and to make some necessary improvements to roadways, the City has allocated over \$1 million over the past 10 years to its local streets fund. This allocation accounts for 40% of Local Streets revenue over the past 10 years. An additional 7.5% of funds have been transferred from the Major Streets Fund. Clearly, the level of funding received from the State is insufficient to afford significant improvements to streets.

The current financial position of the Local Streets Fund is stable, with available fund balance at the end of fiscal year 10/11 of \$44,076, which represents about 15% of current year revenues. While the fund may be stable, available resources fall substantially short of the funds required to improve the City's streets.

Table 1: City of Hillsdale 10-Year History of Streets Funds Revenues

	Actual 02/03	Actual 03/04	Actual 04/05	Actual 05/06	Actual 06/07	Actual 07/08	Actual 08/09	Actual 09/10	Current 10/11	Proposed 11/12
Major Street Fund Revenues										
State Grant - Gas & Weight Tax	423,616	455,168	438,893	433,406	428,455	421,566	405,815	398,287	385,000	386,500
State Grant-Metro Row Act	0	12,933	14,251	13,130	13,072	13,247	13,306	13,625	13,000	13,600
State Grant - Trunkline Maint.	50,885	40,360	53,600	36,230	38,863	52,191	31,136	32,147	27,000	30,000
Interest	828	1,529	6,116	7,926	3,247	3,421	466	291	500	300
Other Revenue	0	1,727	48	4,672	1,116	5,114	10,653	126	0	2,500
Other Revenue - Bpu	0	400	0	0	0	466	0	0	0	0
Other Revenue - Trees	0	0	350	0	1,372	4,235	616	0	0	0
Total Major Street Fund Revenues	475,329	512,117	513,258	495,364	486,125	500,240	461,992	444,476	425,500	432,900
Local Street Fund Revenues										
State Grant - Gas & Weight Tax	141,824	149,610	144,455	142,699	140,985	138,734	133,608	131,681	125,000	127,700
State Grant - Metro Row Act	0	12,933	14,251	13,130	13,072	13,247	13,306	13,625	13,000	13,600
Maint. Adjacent Municipal Strs	5,891	3,036	0	0	0	305	0	0	0	0
Other Revenue	400	182	0	156	238	1,000	891	265	0	0
Other Revenue - Bpu	5,812	0	0	0	0	0	0	0	0	0
Other Revenue - Trees		0	0	0	3,502	1,600	2,736	0	0	
Transfers In - General Fund	106,325	107,150	55,615	40,000	151,970	77,550	186,725	109,620	161,405	168,535
Transfers In - Major Streets	0	0	37,500	100,000	25,000	50,000	0	0	0	0
Total Local Street Fund Revenues	260,252	272,911	251,821	295,985	334,767	282,436	337,266	255,191	299,405	309,835

AVAILABLE OPTIONS FOR MEETING STREETS FUNDING NEEDS

Local governments in Michigan are limited in the options available to generate local revenues for providing public services. Primary options available to the City of Hillsdale include:

- Voter-approved special millages
- Special assessments

- Grants
- City income tax

The most common approach to generating local revenues in Michigan cities is the **special property tax millage**. The benefits of this option stem from the long-standing experience and familiarity property owners have with the property tax format. Additionally, there is an administrative structure already in place to prepare and process this type of tax, so the cost of implementation is relatively low.

The drawbacks of this revenue option relate primarily to tax burden. Under a property tax, the burden is borne fully by property owners in the City. Hillsdale has a high percentage of tax exempt property, which means other property owners would have to shoulder the burden of the tax. This places an unfair burden on property owners who are not tax-exempt, and has a poor correlation between the users of the public good (streets) and the individuals and businesses who would pay for the good (taxable property owners). One could easily argue that the use of streets by owners of tax exempt properties is no less impactful than the use by owners of taxable properties. Despite this fact, there are many city street millages that are passed and levied each year across the state.

Special assessments are another type of property-related revenue. Under this revenue system, a special assessment district must be defined, and more than 50% of the property owners (by front footage) must sign a petition approving the special assessment district. The assessment is often levied on the front footage, but can be levied on the taxable value of the property in the district. All property owners in the district (including normally tax-exempt properties) must pay the assessment. The project being funded with special assessment funds must provide a clear benefit to the properties in the district, which is different than a benefit which accrues to the general public. Water and sewer improvements are the most common type of project supported with special assessments. Road improvements are also sometimes funded in this manner.

The challenge with special assessments relates to equity and acceptance. Property owners adjacent to newly constructed or well-maintained streets would be excluded from a district that is formed to replace or improve streets. Property owners in the district would pay a substantial cost for road improvements (\$200/linear foot of street frontage may be a reasonable estimate of the cost), while owners just a block away may have no added burden, because their street had been improved with community-wide funds at some time in the past. Similarly, one property may have a short front footage, while another have more footage (or be a corner lot), which allows for inequitable allocation of costs. Additionally, when one considers the cost of major street improvements, it may be difficult to get property owners to commit to spending the money. Once approved, the burden of the assessment is attached to the property, which could make future sales of the property more difficult. Under the special assessment option, parts of the city could vote to assess themselves for improvements, while other parts of the city may refuse. This could lead to a wide disparity in the quality of roads throughout the community.

Grants provide the greatest value to the community, with the lowest cost to taxpayers. Hillsdale has taken advantage of a number of grants in recent years to improve some of the major streets and trunkline in the city. The cost to the City has been only a fraction of the cost of the work. The City is committed to pursuing any grants available for public infrastructure improvements. However, there is virtually no grant funding available for local roads, and the funds available for

major streets are very limited. Relying on grants to improve the streets will result in very little improvement in the coming decades.

The final local option available to Hillsdale is the **city income tax**, which is explained in more detail in the following section. Summarily, the tax provides the broadest base of any local option, and is levied on residents and non-residents of the city. Corporations located or doing business in the City are also taxed on their taxable earnings. The tax is not related to property values or front footage, but is tied to one's taxable income.

One of the significant drawbacks to the tax is the increased cost of administration. The City would have to put in place policies, procedures and practices to ensure employers and the public are aware of the tax. Paperwork, computer software, training, and staffing costs would increase. However, the costs are relatively low, compared to the benefits of the tax as a whole. A number of income tax communities are currently exploring options for reducing costs, by centralizing tax filing, payments, records imaging and other administrative functions. Some income tax administrators in other communities have also stated they would be available to assist with establishing the necessary policies and procedures, conduct training, and even serve as part-time administrator for Hillsdale, should the City move forward with the income tax.

ECONOMIC AND FINANCIAL IMPACT OF POOR STREETS

The condition of streets are a reflection on the community, and anyone considering Hillsdale as a place to live or establish a business will be discouraged if the streets are in poor condition. The economic consequences of failing streets are easily compounded into other areas: fewer employers are attracted to the City, which means there are fewer jobs. Devaluation of real estate means the overall tax base for funding other public services, such as police and fire, declines as well. Homeowners frustrated with excessive runoff on their properties put less effort into maintaining the property, which makes the City look even less appealing, and reduces property values.

On a more personal level, poor roadways impact the pocketbook of anyone traveling on or living near them. Crumbling streets result in higher costs to everyone in the form of car repairs, longer commute times, increased dust and mud, as well as increased risk of accidents when swerving to avoid potholes. The cost of replacing a tire, rim, shocks or exhaust system can be substantial. Another cost of deteriorating streets is the loss in value of properties in the City. Potential buyers will pay less for a house on a poorly maintained street, than they would on a street that is well maintained and offers adequate storm water controls. One must consider these costs when evaluating whether to allow streets to continue to crumble or to make the investment in improving this significant public asset.

CITY INCOME TAXES IN MICHIGAN

Enabling Legislation

Michigan cities are authorized to establish a local income tax under the provisions of the Uniform City Income Tax Act (UCITA; PA 284 of 1964, as amended). Appendix A contains a link to the full text of the legislation. The Act permits a direct tax on resident income and non-resident earnings within the jurisdiction. Specific provisions of the Act include:

- A maximum tax rate of 1% on residents and corporations/partnerships; non-residents are taxed at 50% of the resident tax rate
- Cities must establish a personal exemption of not less than \$600 for taxpayers and their dependents
- Additional exemptions are permitted for people who are elderly, disabled, blind or deaf
- City income taxes must be approved by voters of the city
- Employers in the City are required to withhold city income tax from employees and submit withholdings to the city on a regular basis.

Figure 1: Michigan Cities with Local Income Tax



The Act clearly defines the types of income that may be taxed on residents, non-residents and corporations and partnerships. (Appendix B includes a somewhat dated, but very well-written and informative article, summarizing the city income tax in Michigan.) Additionally, the Act prescribes a number of administrative requirements that the City would have to follow, should it adopt an income tax ordinance.

Before implementation of a city income tax, 2 legal actions must take place:

1. The elected body of the city must vote to approve a city income tax ordinance. The entirety of UCITA is adopted by reference in the ordinance. The local ordinance also stipulates the tax rates and the type and level of exemptions allowed.
2. Voters of the city must approve a ballot measure authorizing adoption of the city income tax ordinance.

Participating Cities

Currently, 22 Michigan cities have an income tax (see Figure 1). These cities vary considerably in size, composition, location and wealth. Cities utilize income tax revenue for different purposes, but most consider income taxes to be part of the General Fund revenue pool. The

City of Hillsdale is considering dedicating income tax revenues to maintaining and improving city streets.

There are currently five Michigan cities within 50 miles of Hillsdale with an income tax:

- Hudson
- Albion
- Jackson
- Battle Creek
- Springfield

The characteristics of “income tax cities” are summarized in Table 2. Highlighted values represented the closest 2 values to Hillsdale on the various measurements. A primary characteristic of most cities with an income tax is their role as county or regional centers of commerce. Similar to Hillsdale, 12 of the 22 cities are county seats, and 5 are host to a residential college or university campus.

Table 2: Demographic Comparison of Current Income Tax Cities

City	2010 Population	County Seat?	College Town?	Estimated Jobs in City*	2009 Median HH Income	Percent of Population in Labor Force	Land Area
Albion	8,616	No	Yes	1,934	\$ 30,245	64.50	4.2
Battle Creek	52,347	No	No	25,368	\$ 39,052	60.60	42.8
Big Rapids	10,601	Yes	Yes	6,439	\$ 20,192	64.70	5.9
Detroit	713,777	Yes	Yes	234,561	\$ 29,423	54.70	138.7
Flint	102,434	Yes	Yes	40,442	\$ 28,584	52.00	33.8
Grand Rapids	188,040	Yes	Yes	114,841	\$ 39,269	68.00	44.3
Grayling	1,884	Yes	No	1,588	\$ 24,250	57.00	2.0
Hamtramck	22,423	No	No	3,329	\$ 25,035	50.90	2.1
Highland Park	11,776	No	No	2,870	\$ 17,737	46.20	3.0
Hudson	2,307	No	No	424	\$ 41,122	64.00	2.1
Ionia	11,394	Yes	No	3,927	\$ 38,289	35.70	2.8
Jackson	33,534	Yes	No	26,575	\$ 34,271	61.10	11.0
Lansing	114,297	No	No	95,652	\$ 37,894	66.00	33.9
Lapeer	8,841	Yes	No	8,293	\$ 35,526	54.90	5.5
Muskegon	38,401	Yes	No	18,323	\$ 27,241	51.10	14.4
Muskegon Hts.	10,856	No	No	2,227	\$ 21,778	55.50	3.2
Pontiac	59,515	Yes	No	28,917	\$ 32,370	62.00	20.0
Port Huron	30,184	Yes	No	15,980	\$ 32,929	64.30	8.0
Portland	3,883	No	No	5,621	\$ 45,456	70.80	2.4
Saginaw	51,508	Yes	No	23,272	\$ 27,066	50.50	17.4
Springfield	5,260	No	No	962	\$ 29,790	61.00	3.8
Walker	23,537	No	No	16,865	\$ 50,780	72.90	25.2
Hillsdale	8,305	Yes	Yes	4,546	\$ 28,551	64.70	5.3

*Estimated number of jobs provided by US Census Bureau, for 2009.

History and Performance of City Income Taxes

Detroit and Hamtramck, in 1962, were the first Michigan cities to adopt an income tax. Two years later, UCITA was enacted by the State. The new law replaced the existing ordinances and established a uniform basis for the tax across all cities that choose to adopt this revenue option. In its early years, there were a number of cities that adopted the city income tax. As indicated in Table 3, 17 of the current 22 cities with an income tax adopted the tax between 1964 and 1972. The remaining five cities adopted the tax between 1988 and 1994.

Over the years, a number of other cities have explored the income tax option (e.g., Ann Arbor, Alma, Adrian, Mt. Pleasant, Sault Ste. Marie, Ypsilanti, Wyoming, Greenville); however, no city has adopted a local income tax since 1994. The current economic challenges faced by municipalities in Michigan have resulted in a swelling of interest in the city income tax. (The author's firm has been approached by at least 6 cities in the past 3 years, to inquire about the income tax option.)

Table 3: City Income Tax Cities: Adoption, Rates, Exemptions and Collections

City	Year of Adoption	Resident Tax Rate	Non-Resident Tax Rate	Corporate Tax Rate	Exemption	2009 Net Income Tax Collections*
Albion	1972	1.00	0.50	1.00	\$ 600	\$ 973,740
Battle Creek	1967	1.00	0.50	1.00	\$ 750	\$ 11,605,677
Big Rapids	1970	1.00	0.50	1.00	\$ 600	\$ 1,717,415
Detroit	1962	2.50	1.25	1.00	\$ 600	\$ 227,769,918
Flint	1965	1.00	0.50	1.00	\$ 600	\$ 14,512,261
Grand Rapids	1967	1.50	0.75	1.50	\$ 600	\$ 51,279,277
Grayling	1972	1.00	0.50	1.00	\$ 3,000	\$ 331,443
Hamtramck	1962	1.00	0.50	1.00	\$ 600	\$ 2,189,141
Highland Park	1966	2.00	1.00	2.00	\$ 600	\$ 2,019,423
Hudson	1971	1.00	0.50	1.00	\$ 1,000	\$ 128,492
Ionia	1994	1.00	0.50	1.00	\$ 700	\$ 1,325,260
Jackson	1970	1.00	0.50	1.00	\$ 600	\$ 6,942,669
Lansing	1968	1.00	0.50	1.00	\$ 600	\$ 28,743,034
Lapeer	1967	1.00	0.50	1.00	\$ 600	\$ 2,267,701
Muskegon	1993	1.00	0.50	1.00	\$ 600	\$ 6,654,659
Muskegon Hts.	1990	1.00	0.50	1.00	\$ 600	\$ 720,000
Pontiac	1968	1.00	0.50	1.00	\$ 600	\$ 9,624,237
Port Huron	1969	1.00	0.50	1.00	\$ 600	\$ 5,508,396
Portland	1969	1.00	0.50	1.00	\$ 1,000	\$ 739,449
Saginaw	1965	1.50	0.75	1.50	\$ 750	\$ 12,174,977
Springfield	1989	1.00	0.50	1.00	\$ 1,500	\$ 673,814
Walker	1988	1.00	0.50	1.00	\$ 600	\$ 7,551,285

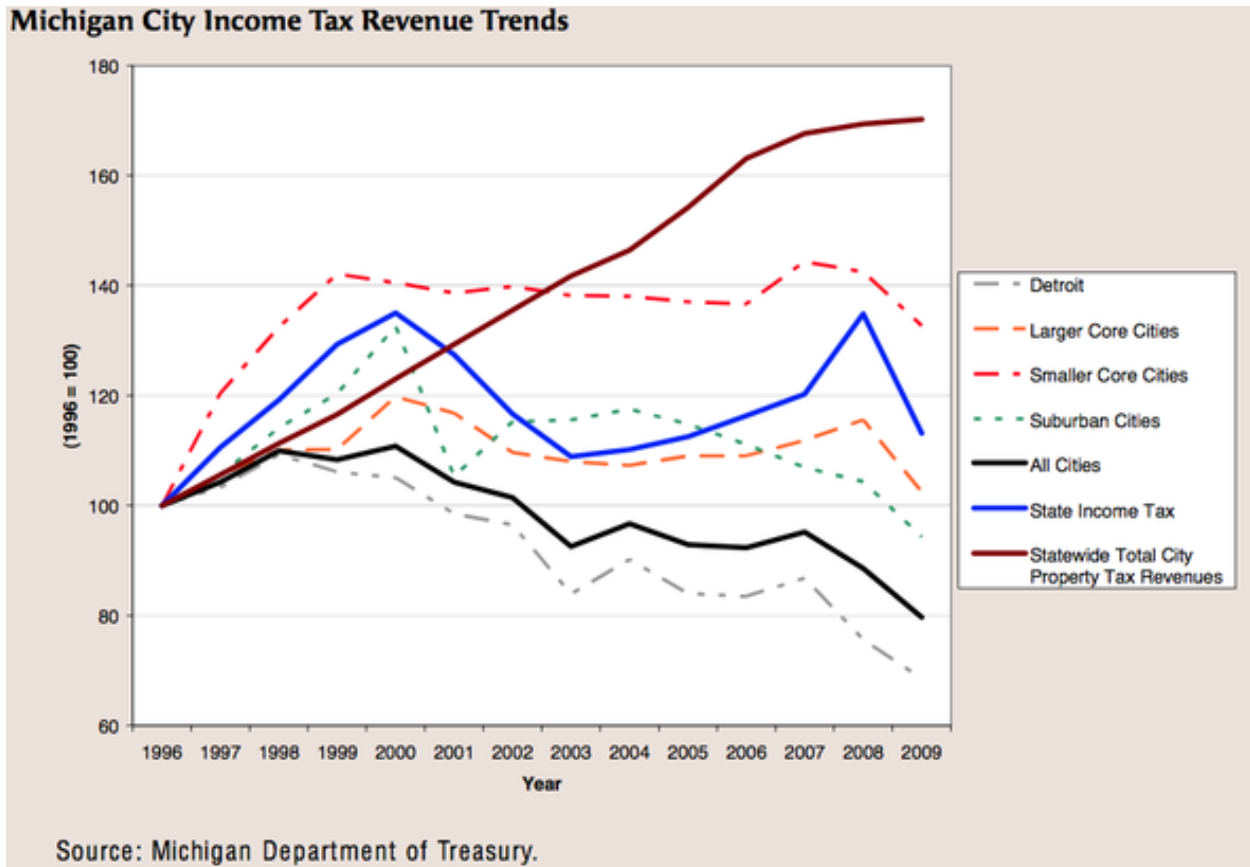
*Most recent, comprehensive compilation of city income tax collections (Source: Citizen's Research Council).

As seen in Table 3, all cities have chosen to apply the highest tax rate allowable, and most have adopted the lowest exemption level permitted under the provisions of UCITA.

With respect to revenues generated by the income tax, there is considerable variability in receipts amongst the 22 cities with an income tax. This is to be expected, given the diverse ranges of populations, jobs and income in the communities. A more important consideration might be the stability of income tax revenues for communities. Figure 2 illustrates the experience of different classes of cities over a 14-year period. Of all of the groups shown, smaller core cities have clearly had the most stable experience over this time period. Hillsdale is considered a smaller core city, as defined by the Citizen’s Research Council (2,000-11,000 people).

In general, the performance of the local income tax has been slower growth, compared to property taxes. However, the burden of the property tax is much greater on city residents than an income tax.

Figure 2: Performance of City Income Taxes as a Revenue Stream
Michigan City Income Tax Revenue Trends



Source: Michigan Department of Treasury.

As illustrated by this graphic prepared by the Citizen’s Research Council, smaller core cities, such as Hillsdale, have the best experience with a local income tax. (When comparing income taxes to property taxes on this chart, one must recognize that property tax rates in some communities have increased as valuations have decreased, resulting in the appearance of more stable funding.)

Comparability to Hillsdale

Of the 22 current cities with an income tax, the 6 that are most similar to Hillsdale appear to be Albion, Big Rapids, Ionia, Lapeer, Portland and Springfield. These cities have an average population of 8,102 and had average net income tax collections in 2009 of \$1,282,897. Since that time, many income tax cities have experienced small declines in income tax collections.

ESTIMATED INCOME TAX COLLECTIONS IN HILLSDALE

The primary purpose of this study has been to determine the revenue potential of a city income tax in Hillsdale. The potential for generating revenue from an income tax has been calculated using a number of data sources and assumptions. The analysis undertaken to determine possible revenues has been in-depth, thorough and carefully reviewed to ensure the most accurate estimate possible, given the data available. Every effort has been made to identify meaningful and accurate data. When information has been limited, or two separate data sources pointed to different possible data points, the consultants intentionally chose the more conservative information or used more conservative assumptions. This strategy is intended to provide the City with an uninflated estimate of tax revenues. To the extent circumstances may change from the time the data was collected to the eventual imposition of an income tax (if approved by City officials and voters), the estimates provided below may be different from what is actually realized.

The calculations supporting the following estimates are included in Appendix C of this report. In summary, depending on the exemption level used, **Hillsdale could realize net income tax revenues in the range of \$1,066,000 - \$1,156,000**. These estimates assume a 1% resident and corporate tax rate, 0.5% non-resident tax rate, and approximately \$110,000 cost for administration of the tax. The range is similar to what comparable cities currently realize from the income tax.

Appendix C contains the estimations of tax revenues and administrative costs using three different levels of exemptions. Resident, non-resident and corporate tax revenues are presented separately. Because corporate taxes are such a small portion of the estimated revenues, and the legal guidelines for this group of taxpayers is very complex, we will focus the discussion of potential revenues and impacts on resident and non-resident taxpayer groups.

Tax Burden

An important consideration when contemplating a new tax is the increased burden taxpayers will incur as a result of the tax. It is impossible for us to know the exact impact on an individual, but we are able to estimate impacts based on general categories and ranges of income and exemptions.

The following tables summarize the burden of an income tax based on the following conditions:

- 1% resident tax rate
- Exemption levels of \$600, \$1000 and \$1500
- Approximate taxable income, in increments of \$5,000

Non-resident tax obligations would be 50% of the amounts in the following tables

Table 4: Estimated City Income Tax: Resident, \$600 Exemption Level

Exemption		Number of Personal Exemptions									
\$600		1	2	3	4	5	6	7	8	9	10
Taxable Income	\$ 5,000	\$ 44	\$ 38	\$ 32	\$ 26	\$ 20	\$ 14	\$ 8	\$ 2	\$ -	\$ -
	\$ 10,000	\$ 94	\$ 88	\$ 82	\$ 76	\$ 70	\$ 64	\$ 58	\$ 52	\$ 46	\$ 40
	\$ 15,000	\$ 144	\$ 138	\$ 132	\$ 126	\$ 120	\$ 114	\$ 108	\$ 102	\$ 96	\$ 90
	\$ 20,000	\$ 194	\$ 188	\$ 182	\$ 176	\$ 170	\$ 164	\$ 158	\$ 152	\$ 146	\$ 140
	\$ 25,000	\$ 244	\$ 238	\$ 232	\$ 226	\$ 220	\$ 214	\$ 208	\$ 202	\$ 196	\$ 190
	\$ 30,000	\$ 294	\$ 288	\$ 282	\$ 276	\$ 270	\$ 264	\$ 258	\$ 252	\$ 246	\$ 240
	\$ 35,000	\$ 344	\$ 338	\$ 332	\$ 326	\$ 320	\$ 314	\$ 308	\$ 302	\$ 296	\$ 290
	\$ 40,000	\$ 394	\$ 388	\$ 382	\$ 376	\$ 370	\$ 364	\$ 358	\$ 352	\$ 346	\$ 340
	\$ 45,000	\$ 444	\$ 438	\$ 432	\$ 426	\$ 420	\$ 414	\$ 408	\$ 402	\$ 396	\$ 390
	\$ 50,000	\$ 494	\$ 488	\$ 482	\$ 476	\$ 470	\$ 464	\$ 458	\$ 452	\$ 446	\$ 440
	\$ 55,000	\$ 544	\$ 538	\$ 532	\$ 526	\$ 520	\$ 514	\$ 508	\$ 502	\$ 496	\$ 490
	\$ 60,000	\$ 594	\$ 588	\$ 582	\$ 576	\$ 570	\$ 564	\$ 558	\$ 552	\$ 546	\$ 540
	\$ 65,000	\$ 644	\$ 638	\$ 632	\$ 626	\$ 620	\$ 614	\$ 608	\$ 602	\$ 596	\$ 590
	\$ 70,000	\$ 694	\$ 688	\$ 682	\$ 676	\$ 670	\$ 664	\$ 658	\$ 652	\$ 646	\$ 640
	\$ 75,000	\$ 744	\$ 738	\$ 732	\$ 726	\$ 720	\$ 714	\$ 708	\$ 702	\$ 696	\$ 690
	\$ 80,000	\$ 794	\$ 788	\$ 782	\$ 776	\$ 770	\$ 764	\$ 758	\$ 752	\$ 746	\$ 740
	\$ 85,000	\$ 844	\$ 838	\$ 832	\$ 826	\$ 820	\$ 814	\$ 808	\$ 802	\$ 796	\$ 790
	\$ 90,000	\$ 894	\$ 888	\$ 882	\$ 876	\$ 870	\$ 864	\$ 858	\$ 852	\$ 846	\$ 840
	\$ 95,000	\$ 944	\$ 938	\$ 932	\$ 926	\$ 920	\$ 914	\$ 908	\$ 902	\$ 896	\$ 890
	\$ 100,000	\$ 994	\$ 988	\$ 982	\$ 976	\$ 970	\$ 964	\$ 958	\$ 952	\$ 946	\$ 940

Table 6: Estimated City Income Tax: Resident, \$1,000 Exemption Level

Exemption		Number of Personal Exemptions									
\$1,000		1	2	3	4	5	6	7	8	9	10
Taxable Income	\$ 5,000	\$ 40	\$ 30	\$ 20	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 10,000	\$ 90	\$ 80	\$ 70	\$ 60	\$ 50	\$ 40	\$ 30	\$ 20	\$ 10	\$ -
	\$ 15,000	\$ 140	\$ 130	\$ 120	\$ 110	\$ 100	\$ 90	\$ 80	\$ 70	\$ 60	\$ 50
	\$ 20,000	\$ 190	\$ 180	\$ 170	\$ 160	\$ 150	\$ 140	\$ 130	\$ 120	\$ 110	\$ 100
	\$ 25,000	\$ 240	\$ 230	\$ 220	\$ 210	\$ 200	\$ 190	\$ 180	\$ 170	\$ 160	\$ 150
	\$ 30,000	\$ 290	\$ 280	\$ 270	\$ 260	\$ 250	\$ 240	\$ 230	\$ 220	\$ 210	\$ 200
	\$ 35,000	\$ 340	\$ 330	\$ 320	\$ 310	\$ 300	\$ 290	\$ 280	\$ 270	\$ 260	\$ 250
	\$ 40,000	\$ 390	\$ 380	\$ 370	\$ 360	\$ 350	\$ 340	\$ 330	\$ 320	\$ 310	\$ 300
	\$ 45,000	\$ 440	\$ 430	\$ 420	\$ 410	\$ 400	\$ 390	\$ 380	\$ 370	\$ 360	\$ 350
	\$ 50,000	\$ 490	\$ 480	\$ 470	\$ 460	\$ 450	\$ 440	\$ 430	\$ 420	\$ 410	\$ 400
	\$ 55,000	\$ 540	\$ 530	\$ 520	\$ 510	\$ 500	\$ 490	\$ 480	\$ 470	\$ 460	\$ 450
	\$ 60,000	\$ 590	\$ 580	\$ 570	\$ 560	\$ 550	\$ 540	\$ 530	\$ 520	\$ 510	\$ 500
	\$ 65,000	\$ 640	\$ 630	\$ 620	\$ 610	\$ 600	\$ 590	\$ 580	\$ 570	\$ 560	\$ 550
	\$ 70,000	\$ 690	\$ 680	\$ 670	\$ 660	\$ 650	\$ 640	\$ 630	\$ 620	\$ 610	\$ 600
	\$ 75,000	\$ 740	\$ 730	\$ 720	\$ 710	\$ 700	\$ 690	\$ 680	\$ 670	\$ 660	\$ 650
	\$ 80,000	\$ 790	\$ 780	\$ 770	\$ 760	\$ 750	\$ 740	\$ 730	\$ 720	\$ 710	\$ 700
	\$ 85,000	\$ 840	\$ 830	\$ 820	\$ 810	\$ 800	\$ 790	\$ 780	\$ 770	\$ 760	\$ 750
	\$ 90,000	\$ 890	\$ 880	\$ 870	\$ 860	\$ 850	\$ 840	\$ 830	\$ 820	\$ 810	\$ 800
	\$ 95,000	\$ 940	\$ 930	\$ 920	\$ 910	\$ 900	\$ 890	\$ 880	\$ 870	\$ 860	\$ 850
	\$ 100,000	\$ 990	\$ 980	\$ 970	\$ 960	\$ 950	\$ 940	\$ 930	\$ 920	\$ 910	\$ 900

Table 7: Estimated City Income Tax: Resident, \$1,500 Exemption Level

Exemption		Number of Personal Exemptions									
\$1,500		1	2	3	4	5	6	7	8	9	10
Taxable Income	\$ 5,000	\$ 35	\$ 20	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 10,000	\$ 85	\$ 70	\$ 55	\$ 40	\$ 25	\$ 10	\$ -	\$ -	\$ -	\$ -
	\$ 15,000	\$ 135	\$ 120	\$ 105	\$ 90	\$ 75	\$ 60	\$ 45	\$ 30	\$ 15	\$ -
	\$ 20,000	\$ 185	\$ 170	\$ 155	\$ 140	\$ 125	\$ 110	\$ 95	\$ 80	\$ 65	\$ 50
	\$ 25,000	\$ 235	\$ 220	\$ 205	\$ 190	\$ 175	\$ 160	\$ 145	\$ 130	\$ 115	\$ 100
	\$ 30,000	\$ 285	\$ 270	\$ 255	\$ 240	\$ 225	\$ 210	\$ 195	\$ 180	\$ 165	\$ 150
	\$ 35,000	\$ 335	\$ 320	\$ 305	\$ 290	\$ 275	\$ 260	\$ 245	\$ 230	\$ 215	\$ 200
	\$ 40,000	\$ 385	\$ 370	\$ 355	\$ 340	\$ 325	\$ 310	\$ 295	\$ 280	\$ 265	\$ 250
	\$ 45,000	\$ 435	\$ 420	\$ 405	\$ 390	\$ 375	\$ 360	\$ 345	\$ 330	\$ 315	\$ 300
	\$ 50,000	\$ 485	\$ 470	\$ 455	\$ 440	\$ 425	\$ 410	\$ 395	\$ 380	\$ 365	\$ 350
	\$ 55,000	\$ 535	\$ 520	\$ 505	\$ 490	\$ 475	\$ 460	\$ 445	\$ 430	\$ 415	\$ 400
	\$ 60,000	\$ 585	\$ 570	\$ 555	\$ 540	\$ 525	\$ 510	\$ 495	\$ 480	\$ 465	\$ 450
	\$ 65,000	\$ 635	\$ 620	\$ 605	\$ 590	\$ 575	\$ 560	\$ 545	\$ 530	\$ 515	\$ 500
	\$ 70,000	\$ 685	\$ 670	\$ 655	\$ 640	\$ 625	\$ 610	\$ 595	\$ 580	\$ 565	\$ 550
	\$ 75,000	\$ 735	\$ 720	\$ 705	\$ 690	\$ 675	\$ 660	\$ 645	\$ 630	\$ 615	\$ 600
	\$ 80,000	\$ 785	\$ 770	\$ 755	\$ 740	\$ 725	\$ 710	\$ 695	\$ 680	\$ 665	\$ 650
\$ 85,000	\$ 835	\$ 820	\$ 805	\$ 790	\$ 775	\$ 760	\$ 745	\$ 730	\$ 715	\$ 700	
\$ 90,000	\$ 885	\$ 870	\$ 855	\$ 840	\$ 825	\$ 810	\$ 795	\$ 780	\$ 765	\$ 750	
\$ 95,000	\$ 935	\$ 920	\$ 905	\$ 890	\$ 875	\$ 860	\$ 845	\$ 830	\$ 815	\$ 800	
\$ 100,000	\$ 985	\$ 970	\$ 955	\$ 940	\$ 925	\$ 910	\$ 895	\$ 880	\$ 865	\$ 850	

A significant question for some individuals relates to the types of income subject to the tax. Appendix A contains information related to the specific types of income subject to and excluded from city income tax. In general terms, residents pay the tax on income from most sources, similar to their taxable income on their federal tax return. Excluded from this (depending on the federal form used) are:

- Taxable refunds
- IRA distributions (if older than 59.5 years of age)
- Pension distributions (unless the distribution is premature)
- Unemployment compensation
- Social Security benefits
- Self-employed SEP, SIMPLE, and qualified plans
- IRA deductions

Non-residents earning income in the city would be subject to the tax on their income earned in the city.

The impact of the income tax on senior citizens with ordinary retirement income would be negligible. As noted above, most retirement income is excluded from taxation.

Residents who earn income as a member of the US armed forces would not pay tax on those earnings, but would be subject to taxation of other incomes to the same degree as other taxpayers.

College students would pay a tax on their income while living in the City. The tax would not apply to income earned outside of the City while students are not living in the City for the summer months. Partial year residents are taxed on the income earned while living in the City.

To assist individuals with evaluating the potential impact of the proposed city income tax on their tax liability, we prepared a simple calculation tool, which the City will make available to the public on its website at <http://www.cityofhillsdale.org/>. Anyone interested in understanding the approximate tax they would pay is encouraged to utilize the tool. The information required can be found on taxpayers' most recent Federal Form 1040, 1040A or 1040EZ.

Data Sources

In undertaking this analysis, a number of data sources were utilized. The variety of sources permitted different analytic approaches to estimated potential tax collections. Wherever possible, efforts were made to narrow data to the City of Hillsdale level. Some sources, however, could only be obtained at county, zip code, regional or other levels. Primary data sources included:

- US Census Bureau
 - 2000 Census
 - 2010 Census
 - American Community Survey (2009)
 - OnTheMap Application and LEHD Origin-Destination Employment Statistics
 - County Business Patterns
 - Zip Code Business Patterns
- US Bureau of Labor Statistics, Quarterly Census 2010
- State of Michigan Treasury (2009 & 2010 income tax return data)
- State of Michigan Department of Technology, Management and Budget
- Municipal Analytics surveys
- Internal Revenue Service: Form 990
- South Central Michigan Works
- City of Hillsdale
- Hillsdale County
- Citizen's Research Council

IMPLEMENTATION AND ADMINISTRATION

Should the City choose to move forward with the income tax option, the City Council will need to decide the effective date of the tax, the tax rate and the level and type of exemptions allowed. An ordinance would have to be drafted and adopted, referencing the UCITA and the chosen rates/exemptions. Voters would then be asked to approve the tax. If voters reject the tax, then the City will need to explore other options for generating needed funds. The income tax question could be put before voters at a later time as well.

If adopted, the income tax would be implemented effective on the date specified in the ordinance. Before and concurrent with implementation, the City would need to establish the necessary policies, procedures and public education materials to effectively manage and enforce the income tax ordinance. Additionally, Hillsdale would need to acquire software,

prepare forms, hire and/or train staff, and begin working with local employers. The Act requires employers in the City to withhold city income taxes from payroll and submit quarterly or monthly payments of withholdings to the City.

The first year of the tax is likely to generate less than the full amount estimated, due to issues related to education, timely implementation of payroll withholdings, etc. The City may be best served to plan on receiving 50% of the initial expected level of revenues in the first year. As the City, employers and taxpayers become familiar with the tax, actual collections will increase.

FEASIBILITY OF AN INCOME TAX IN HILLSDALE

In conclusion, the City of Hillsdale could benefit from a local income tax to help fund needed street improvements. The estimated potential revenues from the tax would not be sufficient to fix all streets at once, but the funds collected would be a significant improvement over current funding models.

As noted previously, the estimates contained in this report are intentionally conservative. We believe the estimates provided are a reasonable minimum amount that would be realized after the tax is fully implemented.

Should the City or its voters decide the income tax is not the desired approach to funding street improvements, alternative revenues will need to be identified and implemented. As a matter of comparison, if the City were to decide to use a special millage to fund streets, the millage rate required to generate \$1.1 million in property tax revenues would be approximately 7.3 mills. This represents almost 50% of the general operating millage of the City, and would put a much heavier burden on taxable property owners.

APPENDIX A
UNIFORM CITY INCOME TAX ACT

APPENDIX A

UNIFORM CITY INCOME TAX ACT

The full text of the Uniform City Income Tax Act can be found at:

[http://www.legislature.mi.gov/\(S\(twm04o45xg3gumqvbt0obs45\)\)/mileg.aspx?page=getObject&objectName=mcl-Act-284-of-1964](http://www.legislature.mi.gov/(S(twm04o45xg3gumqvbt0obs45))/mileg.aspx?page=getObject&objectName=mcl-Act-284-of-1964)

The Act specifies the types of taxable income for residents and non-residents of a taxing city. Select excerpts of the Act are presented below, to help readers understand the types of income subject to and excluded from taxation:

Taxable Income

141.612 Excise tax on incomes; application to resident individuals

The tax shall apply on the following types of income of a resident individual to the same extent and on the same basis that the income is subject to taxation under the federal internal revenue code:

- (a) On a salary, bonus, wage, commission and other compensation.
- (b) On a distributive share of the net profits of a resident owner of an unincorporated business, profession, enterprise, undertaking or other activity, as a result of work done, services rendered and other business activities wherever conducted.
- (c) On dividends, interest, capital gains less capital losses, income from estates and trusts and net profits from rentals of real and tangible personal property.
- (d) On other income of a resident individual.

141.613 Types of nonresident income to which tax applicable; extent and basis of tax

The tax shall apply on the following types of income of a nonresident individual to the same extent and on the same basis that the income is subject to taxation under the federal internal revenue code:

- (a) On a salary, bonus, wage, commission, and other compensation for services rendered as an employee for work done or services performed in the city. Income that the nonresident taxpayer receives as the result of disability and after exhausting all vacation pay, holiday pay, and sick pay is not compensation for services rendered as an employee for work done or services performed in the city. Vacation pay, holiday pay, sick pay and a bonus paid by the employer are considered to have the same tax situs as the work assignment or work location and are taxable on the same ratio as the normal earnings of the employee for work actually done or services actually performed.
- (b) On a distributive share of the net profits of a nonresident owner of an unincorporated business, profession, enterprise, undertaking, or other activity, as a result of work done, services rendered, and other business activities conducted in the city.

(c) On capital gains less capital losses from sales of, and on the net profits from rentals of, real and tangible personal property, if the capital gains arise from property located in the city.

141.614 Excise tax on incomes; taxable net profits of a corporation, definition

The tax shall apply on the taxable net profits of a corporation doing business in the city, being levied on such part of the taxable net profits as is earned by the corporation as a result of work done, services rendered and other business activities conducted in the city, as determined in accordance with this ordinance. "Taxable net profits of a corporation" means federal taxable income as defined in section 63 of the federal internal revenue code but taking into consideration all exclusions and adjustments provided in this ordinance.

141.615 Excise tax on incomes; unincorporated business, profession; sole proprietorship, partnership

An unincorporated business, profession or other activity conducted by 1 or more persons subject to the tax as either a sole proprietorship or partnership shall not be taxable as such. The persons carrying on the unincorporated business, profession or other activity are liable for income tax only in their separate and individual capacities and on the following bases:

- (a) A resident proprietor or partner is taxable upon his entire distributive share of the net profits of the activity regardless of where the activity is conducted.
- (b) A nonresident proprietor or partner is taxable only upon his distributive share of the portion of the net profits of the activity which is attributable to the city under the allocation methods provided in this ordinance.
- (c) In the hands of a proprietor or partner of an unincorporated activity, the character of any item of income taxable under this ordinance is determined as if such item were realized by the individual proprietor or partner directly from the source from which it is realized by the unincorporated activity. In computing his taxable income for a taxable year, a person who is required to file a return shall include therein his taxable distributive share of the net profits for any partnership year ending within or with his taxable year.

Excluded Income

The enabling legislation excludes certain income from taxation by cities. The Act provides:

141.632 Payments and benefits not subject to tax

The following payments and benefits received by any person are not subject to the tax:

- (a) Gifts and bequests.
- (b) Proceeds of insurance, annuities, pensions and retirement benefits. Amounts received for personal injuries, sickness or disability are excluded from taxable income only to the extent provided by the federal internal revenue code.
- (c) Welfare relief, unemployment benefits including supplemental unemployment benefits, and workmen's compensation or similar payments from whatever source derived.

- (d) Amounts received by charitable, religious, educational and other similar nonprofit organizations which are exempt from taxation under the federal internal revenue code.
- (e) Amounts received by supplemental unemployment benefit trusts or pension, profit sharing and stock bonus trusts qualified and exempt under the federal internal revenue code.
- (f) Interest from obligations of the United States, the states or subordinate units of government of the states and gains or losses on the sales of obligations of the United States.
- (g) Net profits of financial institutions and insurance companies.
- (h) Amounts paid to an employee as reimbursement for expenses necessarily and actually incurred by him in the actual performance of his services and deductible as such by the employer.
- (i) Compensation received for service in the armed forces of the United States.

Exemptions

UCITA provides for certain exemptions to taxpayers, the minimum exemption level being \$600.

141.631 Exemptions.

(1) An individual taxpayer in computing his or her taxable income is allowed deductions for the full personal and dependency exemptions authorized by the federal internal revenue code or, on the passage of a further ordinance, a deduction of a minimum of \$600.00 for each personal and dependency exemption under the rules for determining exemptions and dependents as provided in the federal internal revenue code. The taxpayer may claim his or her spouse and dependents as exemptions, but if the taxpayer and the spouse are both subject to the tax imposed by this ordinance, the number of exemptions claimed by each of them when added together shall not exceed the total number of exemptions allowed under this ordinance.

(2) For tax years beginning after 1986, an additional exemption is allowed under subsection (1), upon passage of a further ordinance, for a taxpayer who is 65 years of age or older, or who is blind as defined in section 504 of the income tax act of 1967, Act No. 281 of the Public Acts of 1967, being section 206.504 of the Michigan Compiled Laws, or if the taxpayer is both 65 years of age or older and blind, 2 additional exemptions are allowed under subsection (1). For tax years beginning after 1987, upon passage of a further ordinance, an additional exemption is allowed under subsection (1) for a taxpayer who is a paraplegic, quadriplegic, hemiplegic, or totally and permanently disabled person as defined in section 216 of title II of the social security act, 42 U.S.C. 416, or a taxpayer who is a deaf person as defined in section 2 of the deaf persons' interpreters act, Act No. 204 of the Public Acts of 1982, being section 393.502 of the Michigan Compiled Laws. If the taxpayer qualifies for an additional exemption under more than 1 of the following, an additional exemption is allowed for each of the following for which the taxpayer qualifies:

- (a) A taxpayer who is a paraplegic, quadriplegic, or hemiplegic, or who is a totally or permanently disabled person as defined in section 216 of title II of the social security act, 42 U.S.C. 416.

(b) A taxpayer who is blind as defined in section 504 of the income tax act of 1967, Act No. 281 of the Public Acts of 1967, being section 206.504 of the Michigan Compiled Laws.

(c) A taxpayer who is a deaf person as defined in section 2 of the deaf persons' interpreters act, Act No. 204 of the Public Acts of 1982, being section 393.502 of the Michigan Compiled Laws.

(d) A taxpayer who is 65 years of age or older.

(3) For tax years beginning after 1986 and upon passage of a further ordinance, a city, as determined by its governing body, may provide for either an exemption from the tax levied under this act if that person's adjusted gross income for that tax year is less than a certain amount to be as specified by the ordinance, or an exemption in an amount to be specified by the ordinance, for a person with respect to whom a deduction under section 151 of the internal revenue code is allowable to another federal taxpayer during the tax year and is therefore not considered to have a federal personal exemption under subsection (1).

APPENDIX B

SUMMARY OF THE UNIFORM CITY INCOME TAX ACT

**PREPARED BY ALBERT WARREN,
FORMER INCOME TAX ADMINISTRATOR FOR THE CITY OF DETROIT**

THE MICHIGAN UNIFORM CITY INCOME TAX ORDINANCE

By Albert L. Warren

(Presented at the Ninth Annual State Tax Forum of the Michigan Association of Certified Public Accountants, November 6, 1964)

[updated 2012, by Don Vanderwest, former Income Tax Administrator in Muskegon & Grand Rapids]

Detroit's income tax ordinance will expire December 31, 1964. Let me hasten to add, however, a new one has already been adopted, effective January 1st, 1965, the new one being Michigan's Uniform City Income Tax Ordinance.

Our present ordinance was, in effect, terminated as of the end of 1964 when the Michigan Legislature adopted Act No. 284 of the Public Acts of 1964. This act provides that on and after January 1, 1965 no city may have an income tax except by lawfully adopting the Uniform City Income Tax Ordinance, which may be done by reference. Chapter Two of the Act sets forth in its entirety the uniform ordinance, and this was adopted by the Detroit Common Council on September 15th. We added two short sections; one that the administrator referred to in the ordinance shall be the city controller, and the other that the effective date of the tax shall be January 1, 1965.

Detroit opposed the uniform ordinance, but only because in reducing the tax on nonresidents from 1% to ½ of 1% it is going to cost us \$6 million per year in lost revenue. We felt that with residents bearing the brunt of the property tax, a 1% income tax applied equally to residents and to nonresidents, was an equitable sharing of the costs of the core city by suburbanites who earn their living there. However, as you are probably aware, our opposition was of no avail and the act became law then it was signed by the governor on June 11th.

We have never opposed, and it would be short-sighted of us to oppose, the principal of uniformity. When we think of the confusion that could result in the next few years if two or three dozen Michigan cities were to adopt a local income tax, and the experience of Ohio indicates that this is a real possibility; when we think of differing rates, contradictory definitions of "doing business," difference provision for exemptions and exclusions, and various and sundry filing requirements and dates; when we think of the employer facing different withholding requirements in different cities, the large business firm wrestling with several different allocations formulas and possibly being taxed on more than 100% of its income, and the CPA trying to advise and prepare returns for his many clients, operating under numerous ordinances, we fear that without a uniform ordinance, in a few short years confusion could reign supreme. We are glad to see a uniform

ordinance, and give our full support to the principle of uniformity.

Those of you who practice in the Detroit area are already familiar with our present ordinance. Our discussion today is aimed at highlighting the provisions and requirements of the uniform ordinance, and therefore we will make only slight reference to those aspects where it differs from our present one, the most important difference being of course the reduction in rate from 1% to ½ to 1% on nonresident individuals.

Imposition of Tax – Types of Taxpayers

The Michigan Uniform City Income Tax Ordinance imposes the tax on three categories of taxpayers. Those in the first category, resident individuals, are taxed at 1% on their income after exemptions, which income includes wages and salaries and other compensation, interest and dividends, rental income, capital gains, income from an estate or trust, and net profits from a business or profession, all of these regardless of where earned. Those in the second category, nonresident individuals, are taxed at ½ of 1% for economic activity in the taxing city. This activity may be one of four kinds: earning from employment in the taxing city, net profit from a business or profession carried on in the taxing city, net rental from property located in the taxing city, and capital gains from the sale of real or tangible personal property. Nonresidents are not taxed on dividends or interest, nor on capital gains from the sale or exchange of intangible property. The third category of taxpayers is the corporation, which is taxed at 1% on its net profits derived from activity in the taxing city. Partnerships and other unincorporated businesses owned by two or more persons are required to file annual returns, and **may** pay the tax on behalf of the owners, but legal liability for the tax is on the owners rather than the entity and thus partnerships and other unincorporated businesses are not a separate category of taxpayers. The owners are liable at either the resident or non-resident rate, according to their status as either residents or nonresidents. Estates and trusts are required to file returns **and** pay the tax only if they have the types of income taxable to nonresidents and some or all of such income is not includible in the return of a resident individual. Therefore, they are considered in the same group as nonresident

individuals, which brings us back to three basic types of taxpayers named by the ordinance; resident individuals, nonresident individuals and corporations.

Apportionment of Net Profits

Corporations, and unincorporated businesses owned by nonresident individuals, may apportion their net profits subject to tax by either the separate accounting method or the three part business allocation formula. This is the formula which gives equal weight to the ratio or percentage of payrolls in the taxing city to all payrolls everywhere, tangible property in the taxing city to tangible property everywhere, and sales in the taxing city to all sales everywhere. It appears in many state income tax statutes and is undoubtedly familiar to most of you. The separate accounting method may be used at the option of the taxpayer, without prior permission, but of course subject to allowance by the administrator based on its accuracy in properly reflecting the net profits from business activity in the taxing city. Detroit is presently drawing up rules and regulations and our proposed regulation is that in determining whether a particular taxpayer's use of separate accounting is acceptable the controller shall consider whether the unit or units in Detroit would be capable of operating as independent profit making businesses which neither benefit nor are benefited by other activities of the taxpayer outside of Detroit. In an event, we believe the administrator has three possible courses of action for a return filed on the basis of separate accounting. First, if separate accounting is applicable and properly used he must allow it. Second, if the business is unitary in nature it would be dis-allowed on that basis. Thirdly, if the method used is not truly separate accounting it would be disallowed on that basis. An example of this would be applying a firm's average percentage of net profit on all sales to those sales made in the taxing city to determine the profit subject to tax. This would be in reality unauthorized use of a one part formula. In other words, separate accounting could be disallowed either because the business, being unitary in nature, does not lend itself to separate accounting, or because the methods of accounting employed are not acceptable as separate accounting.

Now let's return briefly to the three part formula, the so-called Massachusetts formula. This is the method used by the vast majority of taxpayers with business activity both in and out of the taxing city, and rightly so. In numerous court cases, mostly involving state income tax laws, the prevalent attitude of the courts has been that while certain crudities are inherent in it, it is in most cases as good or better than any alternatives that have been devised. The formula does not try to relate profits to particular operations or particular locations. It does not try to determine the

amount of profit directly attributable to operations in the taxing jurisdiction, be it city or state. Rather, it is based on the theory that the amount of profits subject to tax would be the same percent of total profits as the business activity in the taxing jurisdiction is of total business activity everywhere. If 40% of a firm's activity is in a taxing jurisdiction then 40% of its entire net profit is subject to tax in that jurisdiction. And further, it says that this thing called business activity shall be measured by giving equal weight to the ratios of payroll, tangible property and sales in the taxing jurisdiction to payroll, tangible property and sales everywhere.

As used in the Michigan Uniform City Income Tax Ordinance the property factor employs net book value, and includes tangible personal property owned, and real property owned or used. Real property rented or leased by the taxpayer is included at eight times gross annual rental.

The payroll factor is based on the physical location where employees work. The point where payrolls and pay checks are prepared is immaterial. The point of supervision and the location from, or out of which, the employee works is immaterial. The only controlling condition is: "where does he do his work or perform his services?"

The third factor, the sales factor, is based on point of delivery. Point of delivery is the ultimate destination after all transportation has been completed. It is not the point at which title changes, nor the point at which a sale was made. In the case of a service rendered, rather than goods sold, it is the place at which such services are rendered and the sales factor becomes the ratio of gross revenue from services rendered in the taxing city to gross revenue from services rendered everywhere.

Having computed these three ratios or percentages they are then added together, the total divided by three, and the resulting percentage applied to the entire net profits to determine the amount of profit subject to tax. A factor shall be excluded from the computation only when that factor exists nowhere for that taxpayer; and then the total of the percentages shall be divided by the number of factors actually used.

In addition to separate accounting and the three part formula, there is a third possible alternative. On application of the taxpayer, or on the initiative of the administrator, a special formula may be approved or specified. This may involve a substitution of factors, or may be a unique formula. This third alternative would be available only on a showing that the other two methods either produce inequitable and unjust results, or cause undue hardships on the taxpayer because of the effort and expense involved in complying.

“Doing Business”

In preparing this discussion it has been difficult to decide on the most logical sequence to follow. At the risk of not being in proper order, therefore, let us here examine briefly the concept of “doing business” The requirement to withhold, which we will discuss later, is imposed on every employer in or doing business in the taxing city. The tax on corporations is on every corporation doing business in the city. The tax on nonresident owners of unincorporated businesses, however, is on the distributive share of net profits as a result of work done, services rendered, and other business activities conducted in the city, and the qualifying phrase “doing business” is not here used.

The ordinance defines “doing business” as “the conduct of any activity with the object of gain or benefit” However, it further says a firm is not doing business in the taxing city if its only activity consists of soliciting orders, either by employee-salesmen or independent contractors, with such orders being approved or rejected at a point outside the city, and filled by shipment from a point outside the city; or, if it solicits orders for the benefit of a customer or prospective customer of itself and resulting orders from that customer to itself are approved or rejected at and shipment made from, a point outside the city; or, if it merely stores goods in the city in a warehouse which it neither owns nor leases. The ordinance gives no definition of “business activity” or “engaging in business activity” [defined in Section 35 to be same as “doing business”] but it is obvious that “doing business” is a narrower, or more restrictive, concept than “engaging in business activity.” Thus it is impossible for a corporation to be engaged in the activity of making sales and deliveries into the taxing city and yet not be “doing business” in the city, as these terms are used in the ordinance. Such a corporation would not be subject to the tax. It would have a sales factor in the city, and, if orders were solicited by employee – salesmen rather than independent contractors, a payroll factor in the city, but the presence of these two factors would not of themselves render it subject to the tax when it does not meet the test for “doing business.”

There is a reverse corollary to this. A business with its only location in the taxing city, which makes shipments for delivery outside the city, on orders secured for it by a manufacturer’s representative or other independent contractor, or on orders received as a result of catalog solicitation, telephone solicitation or other advertising would be in the reverse situation of having a sales factor outside the city but not able to make use of it. The ordinance provides that where the entire net profit “is not derived from business activities exclusively within” the taxing city the

taxpayer shall determine the amount subject to tax by one of the three methods previously mentioned. Thus the taxpayer must be engaging in business activity outside the taxing city in order to apportion his net profits. Note that he is not required to establish that he is “doing business” out of the city, only that he is engaging in business activity. So we see that it is possible for a business to be soliciting orders and making shipments into a taxing city and not be subject to the tax, and it is also possible for a business located entirely within a taxing city to be shipping orders out of the city and yet be taxed on 100% of its entire net profit.

Ordinarily, a regularly established business location outside the taxing city is, prima facie, engaging in business activity out of the city. And likewise, existence of a regular sales staff working away from their employer’s place of business soliciting sales out of the city will be accepted prima facie as evidence of business activity out of the city.

The limitations on “doing business” have been taken directly from Public Law 86-272, but where the law is concerned with state lines the uniform ordinance applies the limits to city boundaries. Under Detroit’s previous ordinance we were able to give that law a strict interpretation and tax those firms with business activity in Detroit, whose activity in Michigan exceeded the minimums spelled out in that law. Under the uniform ordinance, however, some out-of-state firms which would be subject to a state income tax, if there were one in Michigan, can be exempt from every city income tax in the state. And, some out-of-state firms now being taxed by Detroit will be exempt on and after January 1st of 1965.

Let’s stop here and briefly summarize the material we have covered so far by a few very simple examples.

Mr. Jones is a Detroit resident. He owns two (2) shoe stores, one in Detroit and one in a suburb. He pays the 1% tax on his profits from both stores, because he is a resident.

Mr. Smith is a nonresident. He owns two (2) shoe stores, one in Detroit and one in a suburb. He pays ½% tax on his profit from the Detroit store only.

Mr. Jones, the resident, is taxed on his interest, dividends and gains from intangibles. Mr. Smith is not.

If Mr. Jones and Mr. Smith now meet and form a partnership with their four (4) stores, the partnership would be required to file an annual return and may, if it wishes, pay the tax on behalf of the partners. Mr. Jones, the Detroit resident, would be taxed at 1% on his entire distributive share of the partnership’s profits. Mr. Smith would be taxed at ½% on his distributive share of profits from business activity in Detroit. If the partnership, through investment of surplus funds, earned some interest or dividends Mr.

Jones would be taxed on his share but Mr. Smith would not. This follows the conduit theory when the income is not directly related to the business of the partnership.

Let us now assume that for some reason or reasons, they decide to incorporate the business as the J & S Shoe Company, Inc. The corporation will be subject to the 1% tax on that portion of its entire net profits from business activity in the city. Mr. Jones and Mr. Smith would also pay tax on their salaries, one as a resident and the other one as a nonresident. In addition, Mr. Jones would pay tax on dividends he receives from the corporation, but Mr. Smith would not. The corporation, in determining its entire net profits would include any dividends or interest from investment of its funds. In the foregoing examples, we have assumed that the suburbs where Mr. Smith lives and the two (2) out of city stores are located do not have a local income tax. If any of these suburbs do have an income tax, this complicates the picture and we will come to that shortly.

Payment of Tax

The Uniform City Income Tax Ordinance provides three (3) methods for payment of the tax. The first is on a Declaration of Estimated Tax, very similar to that under the Internal Revenue Code. Such declarations are required to be filed April 30th for calendar year taxpayers and installments are due June 30, September 30, and January 31st. Fiscal year taxpayers file by the last day of the fourth month and pay the remaining installments the 6th, 9th and 13th months. Individuals anticipating a tax of \$40 [Currently \$100, recommended to go to \$250 in proposed Legislation] or less after credit for withholding are not required to file a Declaration of Estimated Tax. For corporations the minimum is \$250 [currently \$500] tax. The original estimate may be amended at the time of making any quarterly payment.

The second method for payment of the tax is filing of annual returns. The ordinance excludes from this requirement, individuals whose liability after credit for withholding is \$2 or less. Here the ordinance differs from Detroit's present ordinance, under which a return can be required of any taxpayer, whether or not additional tax is due. This means many individuals will not be required to file the annual return. The exemption from filing a return, however, does not extend to those who have met their final liability, within \$2 [currently \$1 with costs rounded to nearest dollar .01-.49/.50-.99 next dollar], by payments on a Declaration of Estimated Tax or by a combination of withholding and payments on a Declaration. Such persons **are** required to file an annual return. The exemption applies only when the tax liability as finally determined does not exceed the amount

withheld by more than \$2. Those required to file must file by April 30, if on a calendar year, or by the end of the fourth month if on a fiscal year. The ordinance further provides that extensions may be granted on request of the taxpayer but not to exceed six (6) months and that interest and penalties shall not be imposed on tax paid within the time as extended. We might add that the ordinance makes no provisions for granting extension on either withholding returns and payments, or Declarations of Estimated tax. Extensions may be granted only for annual returns. The third device or method of payment, and the one that will account for the largest amount of revenue, is withholding by employers. This requirement applies to all employers in or doing business in the taxing city. The phrase, "in or doing business in" was included in order to impose the requirement on nonprofit employers, who are not considered doing business in the usual sense but who **are** in the taxing city. An employer who fails to withhold would be not only in violation of the ordinance, but, also, under Section 51, liable for payment of the amount that should have been withheld. This liability is discharged upon payment of the tax by the employee, and we interpret this to mean we should make one good attempt to get the employee to file and pay, but if he has removed himself from our jurisdiction or we are otherwise unable to collect, our recourse is then against the employer. This feature might be termed "an added inducement" to withhold when required by the ordinance to do so.

Reciprocity – Avoiding Double Taxation

Now let's examine the credit or so-called reciprocity provisions. There are three common methods of avoiding double taxation of individuals. The first gives priority to the community of residence. It is used throughout Pennsylvania except by the City of Philadelphia. This is the plan whereby the individual living in a community with a local income tax and working in a different community also with a local income tax, is taxed by the community of **residence** only. The second method, used throughout Ohio, gives the tax to the community of **employment**. The employee is subject to withholding for that community, and the community of residence allows him a credit. He might pay additional tax, to the community of residence, if he had other income than from his employment, or if the community of residence had a higher rate than the other. This is the method embodied in Detroit's present ordinance.

The third method, used by Toledo and its suburbs, and the one appearing in Michigan's Uniform Ordinance, provides for payment of half the tax to the city of employment and half to the city of residence, when both levy a city income tax. You will notice that we

have shifted from the word “community” to word “city.” That is because the uniform ordinance permits only cities to have a local income tax. When we refer to local income taxes in Michigan, we must of necessity mean **city** income taxes.

Under the uniform ordinance a resident is taxed at 1% but is allowed a credit for income tax paid to another city. The credit cannot exceed the amount a nonresident would be taxed on the same income if earned in the taxing city. And the individual’s total combined tax cannot exceed 1% to Michigan Cities. [except in Detroit, Grand Rapids, Highland Park & Saginaw]

If Mr. A. lives in Detroit and works in Livonia, which does not have an income tax, he would be taxed the full 1% by Detroit and works in Livonia, which does not have an income tax, he would be taxed the full 1% by Detroit. Now let’s assume he gets transferred to Hamtramck, which does have an income tax. He will pay ½ of 1% of his earnings, after exemptions, to Hamtramck and ½ of 1% to Detroit. If he also has \$500.00 in dividends or interest income, he would pay Detroit, his city of residence, the full 1% of his additional income.

If Mr. B. works, but does not live in Detroit, Detroit would tax him ½ of 1% of his compensation after exemptions, regardless of whether his city of residence has, or does not have, a city income tax.

Now let’s go back to Mr. Jones and Mr. Smith and their partnership, before they incorporated, with their four shoe stores. Let’s say two are in Detroit, the third in Hamtramck, and the fourth in Highland Park, and that Mr. Smith, the nonresident of Detroit, lives in Oak Park. Detroit and Hamtramck both have the city income tax. Mr. Jones, the Detroit resident, computes his tax at 1% on his entire income, subtracts a credit for the ½% he pays Hamtramck on the one store there, and pays the difference to Detroit. Mr. Smith, the nonresident, pays Detroit ½% on his income from the two stores in Detroit, and also pays Hamtramck ½% on his income from the Hamtramck store.

The credit to residents for income tax paid in another city is allowed whether the tax in the other city be on wages or salary from employment, net profits from a business or profession, net profit from rental property, or gains from the disposition of tangible property.

Withholding

The obvious question now is does the employer have to withhold ½% for two different cities from the same employee? The answer is yes if the employer is in, or doing business in, both cities, that is if he is subject to the jurisdiction of both cities. An employer doing business or maintaining an establishment in a taxing city is required to withhold for it as follows: 1% on residents working in the city; 1% on residents working

outside the city who are not subject to withholding in the city where they work; 1% on nonresidents working in the city, with an additional ½% for their city of residence, if it imposes the tax and the employer is subject to its ordinance; and ½% on residents working in another taxing city, with an additional ½% for the other taxing city if the employer is subject to its ordinance (and he probably would be if he had employees working there). So an employer who is subject to both Detroit’s and Hamtramck’s withholding requirement would withhold ½% for each from the Detroit resident working in Hamtramck, and ½% for each from the Hamtramck resident working in Detroit.

In withholding for a city of which the employee is not a resident, however, the employer withholds only on that part of the compensation earned in the taxing city, if less than 100%, and is not required to withhold at all from an employee if less than 25% of his compensation is for work or services in the taxing city. If an employee renders service or performs work for his employer in two or more taxing cities, the employer is required to withhold for the city of residency and for the predominant place of employment. The predominant place of employment is that Michigan taxing city, other than the employee’s city of residence, where he performs the greatest percentage of his work or services. In no case is the employer required to withhold for more than two cities from one employee’s pay. We believe you will find all aspects of withholding adequately explained in the Withholding Tax Guide which we have brought along for distribution today. This is a complete re-writing of our previous instruction book, based specifically on the uniform ordinance. You are receiving advance copies today, because it will not be distributed to Detroit employers until early in December. These instructions would apply equally for any city in Michigan which adopts the uniform ordinance simply by substituting the name of that city every time the word “Detroit” appears in the book.

Withholding is required to be paid to the taxing city quarterly, by the last day of the month following the end of the quarter. An annual W-2 or similar information return is required to be furnished the employee and the city by February 28th of each year, along with a W-3 or similar reconciliation form to the city.

We have now covered the more complex parts of the ordinance, the tax as it applies to residents, nonresidents, corporations, partnerships, and estates and trusts, the apportionment and net profit by the three methods provided, the credit or so-called reciprocity provisions for avoiding double taxation, and the withholding requirements, along with the requirements for annual returns and declarations of

estimated tax. A few remaining highlights should be mentioned briefly before we end this discussion.

Exemptions and Deductions

The ordinance provides exemptions of \$600 each for the taxpayer, his spouse, and each dependent, the same as authorized by the federal internal revenue code. A nonresident employee who performs part, but not all, of his services in a taxing city is allowed full exemptions. He is not required to pro-rate them. A nonresident may take an employed spouse as a dependent, even though the spouse be employed, proving she or he is not employed in the taxing city and does not otherwise have income subject to the tax. The ordinance does **not** allow the so-called page two deductions, such as the deductions for church and charitable contributions, medical expenses, casualty losses, and taxes paid. Nor does it allow a deduction for federal income taxes paid. It does, however, allow the page one deductions such as travel, meals and lodging while away from home overnight, and expenses of an outside salesman away from his employer's place of business.

Not allowing page two deductions sometimes gives rise to situations like the divorced couple, both still living in Detroit, who are both taxed on the same income. The husband is paying alimony to his ex-wife, but inasmuch as this is a page two deduction it is not allowable under either our present ordinance or the uniform ordinance. It is, however, taxable income to the wife. While he would be unlikely to appeal an administrative ruling allowing him the deduction, or she a ruling declaring the income exempt, such a ruling would be unsupported by the ordinance and in violation of it.

Exempt Income

The ordinance provides that certain payments and benefits are not subject to the tax. Among these are pensions, annuities, unemployment compensation and supplemental unemployment benefits, interest on obligations of the United States, the states, and subordinate units of the states, dividends on national and state bank stocks, net profits of financial institutions and insurance companies, and pay of active members of the armed forces. Also exempt is income of charitable, religious, educational and other non-profit organizations which are exempt from federal income taxes. Sick pay is excludable to the same extent as under the internal revenue code, although no such exclusion was provided in Detroit's 1964 ordinance. The employer may withhold or not withhold on excludable sick pay, depending on whether he withholds federal income tax from such pay.

Net profits and capital gains and losses are defined as being the same as under the internal revenue code, with corporation taxable net profits being federal taxable income as defined in section 63 of the code, but subject to adjustment for those exclusions provided in the ordinance. The most common adjustments are those for interest from government obligations, dividends on state and national bank stock, and the adding back of the city income tax itself.

Capital Gains and Losses

Capital gains and losses are taken into consideration only to the extent of the gain or loss occurring after the effective date of the ordinance, although in the case of Detroit and Hamtramck this goes back to the date of their original ordinances, July 1st and October 1st of 1962 respectively. On property acquired before the effective date of the ordinance the taxpayer has the option of reporting the difference between net proceeds from disposition and fair market value on the effective date of the ordinance, if he can establish such fair market value, or of taking the total gain or loss and pro-rating it on the ratio of the time held after the effective date of the ordinance to total time held. This latter method assumes a straight line appreciation or depreciation.

Administration and Procedure

The ordinance provides that the administrator shall promulgate rules and regulations, subject to approval of the governing body, and publication one time in the official newspaper of the city. In Detroit the governing body is the Common Council. The administrator is further empowered to examine books, records and papers of taxpayers and employers, and may examine any person under oath concerning income which was or should have been reported for taxation. The examination of books, records, and papers may be by a duly authorized employee or agent.

All information gained from returns or examination of taxpayers is confidential and any employee divulging such information, except on proper court order, is subject to dismissal as well as prosecution. It is our practice in Detroit to have each new employee sign a statement that he has been informed of this. We believe that disclosure of information in an action between private parties should not be made, and will resist the first court order served on us for this purpose to test its legality.

A taxpayer, employer, or other aggrieved person may make written request of the administrator for a special ruling. Any person receiving a proposed assessment or the denial in whole or in part of a claim for refund

may request and obtain a hearing before the administrator.

The ordinance provides for the appointment of a three-man Board of Review, to be composed of residents who are neither city officials nor employees. This Board hears appeals on special rulings of the administrator and appeals from determinations of the administrator on assessments and denials of refunds.

The taxpayer, employer or aggrieved person may appeal directly to the State Commissioner of Revenue on rules or regulations which have been adopted by the administrator, and may appeal from the determinations of the Board of Review on final assessments, denials of refunds and special rulings. Whether from oversight or not, the ordinance does not provide that the taxing city may appeal to the State Commissioner of Revenue. It does state, however, that the taxpayer, employer or the city may appeal to the circuit court in the county in which the taxing city is located, within 90 days of a determination by the State Commissioner of Revenue.

The city has recourse either to civil action to recover unpaid taxes, or to criminal action for violation of the ordinance, or both. Willful failure to withhold, to pay over withholding, to file a return, or to pay the tax, penalty or interest are all violations of the ordinance and the violator may be so charged in a complaint filed in the proper court. Our experience in Detroit is that the taxpayer receiving a summons to appear in the Traffic and Ordinance Division of Recorder's Court almost invariably pays the tax, penalty and interest before the court date. We have not yet used civil action but will obviously do so when the circumstances require it. Unpaid taxes do not become a lien against property of the taxpayer, as property taxes and water bills do and as federal income taxes do. Therefore this avenue of recovery is not open to the city income tax administrator.

Each city is free under the ordinance to adopt its own rules and regulations, design its own forms and instructions, and issue its own special rulings, provided they are not in conflict with the ordinance. Rules and regulations and special rulings are subject to overruling by the State Commissioner of Revenue if they are the subject of or related to, an appeal brought by a taxpayer. While it is possible that such freedom to act independently could in time tend to work against the goal of uniformity we do not believe this is too apt to happen. Experience to date indicates at least some of the other taxing cities in Michigan are likely to adopt our rules and regulations and our forms almost word for word. Several have indicated they are waiting for us to issue our new instructions, rules, and regulations, and return forms, which we have to draw up under the uniform ordinance, before they prepare theirs. Not only does Detroit have 2 ½ years'

experience in the city income tax, it also has a considerable larger staff, with more professional level accountants available to it, than smaller cities will have. We hope we have benefited enough from our experience, and from our very competent staff, to have produced something worth copying by others. If imitation is the sincerest form of flattery, then we like to feel flattered. Aside from the flattery, however, we **do** like to see this imitation because it works toward, not against uniformity.

Forms

All of which leads into a few words about our return forms, with the possibility, but of course not the certainty that other cities may come out with forms very similar to ours. We have six annual return forms; a resident short and resident long return, a nonresident short and a nonresident long return, a partnership return, and a corporation return. We have included samples of the 1963 resident long and short forms and the corporation form in the Withholding Tax Guide booklets which we have brought along today. Please remember, though, that these conform to our present ordinance and not necessarily to the uniform ordinance. We have also included a 1965 Declaration of Estimated Tax, which **is** based on the uniform ordinance. We have employed the federal form numbers, with the addition of the prefix "D", so that our corporation return is a D-1120, our partnership a D-1065, and so forth. We deviate from the federal government's use of the short form in one respect, in that we allow use of the short form for any amount of income so long as it is all from wages, salaries or other compensation, and interest and dividends. We do not restrict it to \$10,000 in total compensation, nor to \$200 in interest, dividends, and wages not subject to withholding.

Taxpayers are permitted, and in fact encouraged, to submit photocopies of their federal returns in lieu of filling out some of our schedules, particularly our Schedule C, Income (or Loss) from Business. Corporations may submit a copy of pages 1 and 2 of their federal return, and enter their federal taxable income, from line 28 on line 1a of our return. The balance of our page 1 then resolves itself into a matter of reconciling this figure to our tax. The taxpayer would complete our Schedule D to determine his allocation percentage, and Schedule E to enter income or expenses exempt or not allowable by one but not the other. A corporation using the separate accounting method, however, would have to complete our Schedule C. We do not go along with the federal treatment of Sub-chapter S corporations because both our present ordinance and the new uniform ordinance clearly require corporations to file returns **and** pay the tax.

We permit the use of reproduced returns if they are legible, approximately the same size as our return, heavy enough stock to withstand normal handling, and contain **original** signatures. It would be nice to have them the same color as our forms but this is not an absolute requirement.

In preparing our instructions, our annual returns, and our rules and regulations we worked closely with the Citizens Research Council of Michigan and with the local tax subcommittee of your association. Employers, tax executives, trust officers and public accountants served on committees and devoted time to helping us that we couldn't begin to repay. Even now members of your local tax subcommittee annually review our new return forms and give us their suggestions and comments.

Mr. Ray Nixon, the district director of the Internal Revenue Service in Detroit, once remarked to us that any tax which is poorly enforced has an eroding effect on other taxes. Detroit would not like to see an income tax adopted by any city which does not intend to give it efficient administration and thorough enforcement. The English author, Lord Chesterfield, once wrote, "Whatever is worth doing at all, is worth doing well." Other cities that adopt a city income tax would do well, especially in the initial stages, to ask certified public accountants and other competent citizens to serve on advisory committees, and any member of the Michigan Association of Certified Public Accountants could perform an invaluable service to his city, by helping it get started on the right foot. I would hope that those of you who may be asked will accept the challenge.

APPENDIX C
INCOME TAX ESTIMATION CALCULATIONS

City of Hillsdale
INCOME TAX STUDY

TOTAL ESTIMATED INCOME TAX COLLECTION

	Exemption Level		
	\$600	\$1,000	\$1,500
Estimated income tax collections			
Resident	\$ 614,000	\$ 592,000	\$ 565,000
Non-resident	\$ 561,000	\$ 542,000	\$ 520,000
Corporate	\$ 91,000	\$ 91,000	\$ 91,000
TOTAL INCOME TAX COLLECTION	\$ 1,266,000	\$ 1,225,000	\$ 1,176,000
Cost of administration	\$ 110,000	\$ 110,000	\$ 110,000
TOTAL COLLECTION MINUS ADMINISTRATION COSTS	\$ 1,156,000	\$ 1,115,000	\$ 1,066,000

City of Hillsdale
INCOME TAX STUDY

ESTIMATED TAX COLLECTION - RESIDENT

	Exemption Level			DATA SOURCE
	\$600	\$1,000	\$1,500	
METHOD A				
A1 Total Hillsdale resident income subject to tax	\$ 80,870,000	\$ 80,870,000	\$ 80,870,000	MI Treasury, 2010
A2 Number of Hillsdale residents in labor force	3,856	3,856	3,856	ACS, 2009
A3 Unemployment rate in Hillsdale County	14.2%	14.2%	14.2%	MI DTMB, 2010
A4 Number of Hillsdale residents who work (A2*A3)	3,308	3,308	3,308	
A5 Number of Hillsdale residents who work	3,308	3,308	3,308	ACS, 2009; DTMB, 2010
A6 Average household size in Hillsdale	2.32	2.32	2.32	ACS, 2009
A7 Exemption amount	\$ (600)	\$ (1,000)	\$ (1,500)	user controlled
A8 Personal exemptions (A5*A6*A7)	\$ (4,605,360)	\$ (7,675,599)	\$ (11,513,399)	
A9 Number of senior citizens in Hillsdale	1,128	1,128	1,128	Census, 2010
A10 Additional exemption for senior citizens	\$ (600)	\$ (1,000)	\$ (1,500)	
A11 Total additional exemptions for senior citizens	\$ (676,800)	\$ (1,128,000)	\$ (1,692,000)	
A12 Estimated taxable income (A1+A8+A11)	\$ 75,587,840	\$ 72,066,401	\$ 67,664,601	
Minus discount factor (5%)	\$ 71,808,448	\$ 68,463,081	\$ 64,281,371	user controlled
Estimated tax collection (1.0%)	\$ 718,084	\$ 684,631	\$ 642,814	
Best case: 5% non-compliance	682,180	650,399	610,673	
Worst case: 25% non-compliance	538,563	513,473	482,110	

City of Hillsdale
INCOME TAX STUDY

ESTIMATED TAX COLLECTION - RESIDENT

		Exemption Level			
		\$600	\$1,000	\$1,500	
METHOD B					<i>DATA SOURCE</i>
B1	Number of households in Hillsdale	2,970	2,970	2,970	<i>Census, 2010</i>
B2	Median household income in Hillsdale	\$ 30,724	\$ 30,724	\$ 30,724	<i>ACS, 2009</i>
B3	Total Hillsdale resident income subject to tax (B1*B2)	\$ 91,250,280	\$ 91,250,280	\$ 91,250,280	
B4	Number of Hillsdale residents who work	2,774	2,774	2,774	<i>Census LEHD, 2009</i>
B5	Average household size in Hillsdale	2.32	2.32	2.32	<i>ACS, 2009</i>
B6	Exemption amount	\$ (600)	\$ (1,000)	\$ (1,500)	<i>user controlled</i>
B7	Personal exemptions (B4*B5*B6)	\$ (3,861,408)	\$ (6,435,680)	\$ (9,653,520)	
B8	Number of senior citizens in Hillsdale	1,128	1,128	1,128	<i>Census, 2010</i>
B9	Additional exemption for senior citizens	\$ (600)	\$ (1,000)	\$ (1,500)	<i>user controlled</i>
B10	Total additional exemptions for senior citizens	\$ (676,800)	\$ (1,128,000)	\$ (1,692,000)	
B11	Estimated taxable income (B3+B7+B10)	\$ 86,712,072	\$ 83,686,600	\$ 79,904,760	
	Minus discount factor (5%)	\$ 82,376,468	\$ 79,502,270	\$ 75,909,522	<i>user controlled</i>
	Estimated tax collection (1.0%)	\$ 823,765	\$ 795,023	\$ 759,095	
	Best case: 5% non-compliance	782,576	755,272	721,140	
	Worst case: 25% non-compliance	617,824	596,267	569,321	
METHOD C					<i>DATA SOURCE</i>
C1	Total Hillsdale resident income subject to tax	\$ 80,870,000	\$ 80,870,000	\$ 80,870,000	<i>MI Treasury, 2010</i>
C2	Number of Hillsdale residential returns	2,560	2,560	2,560	<i>MI Treasury, 2010</i>
C3	Number of exemptions on Hillsdale residential returns	5,110	5,110	5,110	<i>MI Treasury, 2010</i>
C4	Exemption amount	\$ (600)	\$ (1,000)	\$ (1,500)	<i>user controlled</i>
C5	Personal exemptions (C3*C4)	\$ (3,066,000)	\$ (5,110,000)	\$ (7,665,000)	
C6	Estimated taxable income (C1+C5)	\$ 77,804,000	\$ 75,760,000	\$ 73,205,000	
	Minus discount factor (5%)	\$ 73,913,800	\$ 71,972,000	\$ 69,544,750	<i>user controlled</i>
	Estimated tax collection (1.0%)	\$ 739,138	\$ 719,720	\$ 695,448	
	Best case: 5% non-compliance	702,181	683,734	660,675	
	Worst case: 25% non-compliance	554,354	539,790	521,586	

City of Hillsdale
INCOME TAX STUDY

ESTIMATED TAX COLLECTION - RESIDENT

	Exemption Level		
	\$600	\$1,000	\$1,500
AVERAGE OF ALL METHODS			
Method A: Estimated tax collection	\$ 718,084	\$ 684,631	\$ 642,814
Method B: Estimated tax collection	\$ 823,765	\$ 795,023	\$ 759,095
Method C: Estimated tax collection	\$ 739,138	\$ 719,720	\$ 695,448
Average estimated resident tax collection (1.0% Resident Tax Rate. \$600 Exemption Level.)	\$ 760,329	\$ 733,125	\$ 699,119
Best case: 5% non-compliance	722,313	696,468	664,163
15% non-compliance	613,966	591,998	564,538
Worst case: 25% non-compliance	570,247	549,843	524,339

City of Hillsdale
INCOME TAX STUDY

ESTIMATED TAX COLLECTION - NON-RESIDENT - WORKS IN HILLSDALE CITY

	Exemption Level			DATA SOURCE	
	\$600	\$1,000	\$1,500		
METHOD A					
A1	Number of commuters into Hillsdale	3,879	3,879	3,879	Census, 2000; ACS 2009
A2	Average annual pay in Hillsdale County	\$ 36,079	\$ 36,079	\$ 36,079	BLS, Quarterly Census, 2010
A3	Income subject to tax for non-resident workers in Hillsdale (A1*A2)	\$ 139,950,441	\$ 139,950,441	\$ 139,950,441	
<hr/>					
A4	Number of commuters into Hillsdale	3,879	3,879	3,879	Census, 2000; ACS 2009
A5	Average family size	2.99	2.99	2.99	ACS, 2009
A6	Exemption amount	\$ (600)	\$ (1,000)	\$ (1,500)	user controlled
A7	Personal exemptions (A4*A5*A6)	\$ (6,958,926)	\$ (11,598,210)	\$ (17,397,315)	
<hr/>					
A8	Estimated taxable income (A3+A7)	\$ 132,991,515	\$ 128,352,231	\$ 122,553,126	
<hr/>					
	Minus discount factor (5%)	\$ 126,341,939	\$ 121,934,619	\$ 116,425,470	user controlled
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	Estimated tax collection (0.5%)	\$ 631,710	\$ 609,673	\$ 582,127	
	Best case: 5% non-compliance	600,124	579,189	553,021	
	Worst case: 25% non-compliance	473,782	457,255	436,596	
<hr/>					
METHOD B					
B1	Total annual payroll for Hillsdale employers	\$ 177,318,799	\$ 177,318,799	\$ 177,318,799	CBP, 2009
B2	Total Hillsdale resident income subject to tax	\$ 80,870,000	\$ 80,870,000	\$ 80,870,000	MI Treasury, 2010
B3	Percent of Hillsdale residents who work in Hillsdale city	31%	31%	31%	Census LEHD, 2009
B4	Annual payroll for Hillsdale residents who work in Hillsdale (-B2*B3)	\$ (24,721,615)	\$ (24,721,615)	\$ (24,721,615)	
<hr/>					
B5	Number of commuters into Hillsdale	3,698	3,698	3,698	Census LEHD, 2009
B6	Average family size	2.99	2.99	2.99	ACS, 2009
B7	Exemption amount	\$ (600)	\$ (1,000)	\$ (1,500)	user controlled
B8	Personal exemptions (B5*B6*B7)	\$ (6,634,212)	\$ (11,057,020)	\$ (16,585,530)	
<hr/>					
B9	Estimated taxable income (B1+B4+B8)	\$ 145,962,972	\$ 141,540,164	\$ 136,011,654	
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	Minus discount factor (5%)	\$ 138,664,823	\$ 134,463,156	\$ 129,211,071	user controlled
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	Estimated tax collection (0.5%)	\$ 693,324	\$ 672,316	\$ 646,055	
	Best case: 5% non-compliance	658,658	638,700	613,753	
	Worst case: 25% non-compliance	519,993	504,237	484,542	

City of Hillsdale
INCOME TAX STUDY

ESTIMATED TAX COLLECTION - NON-RESIDENT - WORKS IN HILLSDALE CITY

METHOD C	Exemption Level			DATA SOURCE
	\$600	\$1,000	\$1,500	
C1 Number of workers working in Hillsdale	4,546	4,546	4,546	Census LEHD, 2009
C2 Total annual payroll in Hillsdale	\$ 177,318,799	\$ 177,318,799	\$ 177,318,799	Census CBP, ZIP49242, 2009
C3 Average annual pay in Hillsdale (C2/C1)	\$ 39,005	\$ 39,005	\$ 39,005	
C4 Number of commuters into Hillsdale	3,698	3,698	3,698	Census LEHD, 2009
C5 Average annual pay in Hillsdale (C3)	\$ 39,005	\$ 39,005	\$ 39,005	
C6 Income subject to tax for non-resident workers in Hillsdale (C4*C5)	\$ 144,242,173	\$ 144,242,173	\$ 144,242,173	
C7 Number of commuters into Hillsdale	3,698	3,698	3,698	Census LEHD, 2009
C8 Average family size	2.99	2.99	2.99	ACS, 2009
C9 Exemption amount	\$ (600)	\$ (1,000)	\$ (1,500)	user controlled
C10 Personal exemptions (C7*C8*C9)	\$ (6,634,212)	\$ (11,057,020)	\$ (16,585,530)	
C11 Estimated taxable income (C6+C10)	\$ 137,607,961	\$ 133,185,153	\$ 127,656,643	
Minus discount factor (5%)	\$ 130,727,563	\$ 126,525,895	\$ 121,273,811	user controlled
Estimated tax collection (0.5%)	\$ 653,638	\$ 632,629	\$ 606,369	
Best case: 5% non-compliance	620,956	600,998	576,051	
Worst case: 25% non-compliance	490,228	474,472	454,777	
AVERAGE OF ALL METHODS				
Method A: Estimated tax collection	\$ 631,710	\$ 609,673	\$ 582,127	
Method B: Estimated tax collection	\$ 693,324	\$ 672,316	\$ 646,055	
Method C: Estimated tax collection	\$ 653,638	\$ 632,629	\$ 606,369	
Average estimated resident tax collection (0.5% Non-Resident Tax Rate. \$600 Exemption Level.)	\$ 659,557	\$ 638,206	\$ 611,517	
Best case: 5% non-compliance	626,579	606,296	580,941	
15% non-compliance	560,624	542,475	519,790	
Worst case: 25% non-compliance	494,668	478,655	458,638	

City of Hillsdale
INCOME TAX STUDY

ESTIMATED TAX COLLECTION - CORPORATE

METHOD A	<i>DATA SOURCE</i>
Average corporate collections as percent of resident and non-resident collections in other income tax cities	7.22% <i>MA survey</i>
Estimated income tax collections	
Resident	613,966 <i>MA estimate</i>
Non-resident	560,624 <i>MA estimate</i>
Total estimated resident and non-resident income tax collections	1,174,589
Estimated corporate income tax collection (1%)	\$ 84,780

METHOD B	<i>DATA SOURCE</i>
Average corporate collections of cities similar in population to Hillsdale (Springfield, Albion, Lapeer, Big Rapids)	\$ 97,469 <i>MA survey</i>
Estimated corporate income tax collection (1%)	\$ 97,469

AVERAGE OF ALL METHODS	
Method A: Estimated tax collection	\$ 84,780
Method B: Estimated tax collection	\$ 97,469
Average estimated corporate tax collection (1.0%)	\$ 91,124

City of Hillsdale
INCOME TAX STUDY

ESTIMATED ADMINISTRATION COSTS

METHOD A		<i>DATA SOURCE</i>
Average administration cost per return in other income tax cities	\$ 18.86	<i>MA Survey</i>
Approximate number of returns filed in Hillsdale:		
Resident	2,560	<i>MI Treasury, 2010</i>
Non-resident	3,698	<i>Census LEHD, 2009</i>
Corporate	369	<i>Census CBP, 2009</i>
Total number of filed returns	6,627	
Estimated administration cost (cost per return*number of filed returns)	\$ 124,985	

METHOD B		<i>DATA SOURCE</i>
Cost of administration as percentage of total collections in other income tax cities	7.45%	<i>MA Survey</i>
Estimated total income tax collections	\$ 1,266,000	
Estimated administration cost (cost as percentage*total collections)	\$ 94,273	

OTHER OPTIONS...
 Share income tax collection services with other city

AVERAGE OF ALL METHODS		
Method A: Estimated administration cost	\$ 124,985	
Method B: Estimated administration cost	\$ 94,273	
Average estimated administration cost	\$ 109,629	

FAIR Committee Agenda Item Summary

Meeting Date: November 14, 2016

Agenda Item 5: Garden, Vine & Mead Special Assessments

SUBJECT: Discussion & Recommendation

BACKGROUND PROVIDED BY STAFF: City Manager

Hypothetical special assessment spreadsheet (attached) prepared by Hillsdale's City Assessor for Garden, Vine & Mead. I would like the Committee to discuss and recommend to the City Council how we apply special assessments uniformly across the City.

Estimated Cost: \$ 1,134,770.50		Portion to be specially assessed: 25% \$ 283,692.63		Proposed City Portion: \$851,078								
Garden Street - Hillsdale Street to Union Street; Mead Street - Garden Street to Oak Street; Vine Street - Union St to Oak St												
Parcel Number	Property Address	2016 SEV	Front Feet	on (street)	% total FF	Allocated total cost	allocated property owner share	Maximum total special assessment allowed (25% of value)	Special Assessment	Actual City share	Actual City % paid	
006-126-107-18	31 VINE ST	-	66.00	Vine	2%	\$ 19,969.83	\$ 4,992.46	n/a	\$ 4,992.46	\$ 14,977.37	75%	
006-126-107-19	65 UNION ST PARK	-	120.00	Vine	3%	\$ 36,308.78	\$ 9,077.20	n/a	\$ 9,077.20	\$ 27,231.59	75%	
006-126-107-02	85 UNION ST	9,600	132.00	Mead	4%	\$ 39,939.66	\$ 9,984.92	\$ 4,800.00	\$ 4,800.00	\$ 35,139.66	88%	
006-126-105-08	18 GARDEN ST	17,700	30.00	Garden	1%	\$ 9,077.20	\$ 2,269.30	\$ 8,850.00	\$ 2,269.30	\$ 6,807.90	75%	
006-126-105-15	38 GARDEN ST	19,600	44.00	Garden	1%	\$ 13,313.22	\$ 3,328.31	\$ 9,800.00	\$ 3,328.31	\$ 9,984.92	75%	
006-126-105-11	26 GARDEN ST	19,700	49.50	Garden	1%	\$ 14,977.37	\$ 3,744.34	\$ 9,850.00	\$ 3,744.34	\$ 11,233.03	75%	
006-126-109-01	55 UNION ST	20,700	50.00	Vine	1%	\$ 15,128.66	\$ 3,782.16	\$ 10,350.00	\$ 3,782.16	\$ 11,346.49	75%	
006-126-103-11	15 GARDEN ST	21,700	82.00	Garden	2%	\$ 24,811.00	\$ 6,202.75	\$ 10,850.00	\$ 6,202.75	\$ 18,608.25	75%	
006-126-105-07	16 GARDEN ST	21,900	37.00	Garden	1%	\$ 11,195.21	\$ 2,798.80	\$ 10,950.00	\$ 2,798.80	\$ 8,396.41	75%	
006-126-109-10	30 VINE ST	21,900	44.75	Vine	1%	\$ 13,540.15	\$ 3,385.04	\$ 10,950.00	\$ 3,385.04	\$ 10,155.11	75%	
006-126-103-13	7 MEAD ST	22,400	66.00	Mead	2%	\$ 19,969.83	\$ 4,992.46	\$ 11,200.00	\$ 4,992.46	\$ 14,977.37	75%	
006-126-104-13	43 MEAD ST	22,600	66.00	Mead	2%	\$ 19,969.83	\$ 4,992.46	\$ 11,300.00	\$ 4,992.46	\$ 14,977.37	75%	
006-126-104-10	31 MEAD ST	22,700	57.75	Mead	2%	\$ 17,473.60	\$ 4,368.40	\$ 11,350.00	\$ 4,368.40	\$ 13,105.20	75%	
006-126-103-10	11 GARDEN ST	23,200	49.80	Garden	1%	\$ 15,068.14	\$ 3,767.04	\$ 11,600.00	\$ 3,767.04	\$ 11,301.11	75%	
006-126-107-10	42 MEAD ST	23,400	66.00	Mead	2%	\$ 19,969.83	\$ 4,992.46	\$ 11,700.00	\$ 4,992.46	\$ 14,977.37	75%	
006-126-105-09	20 GARDEN ST	24,000	49.50	Garden	1%	\$ 14,977.37	\$ 3,744.34	\$ 12,000.00	\$ 3,744.34	\$ 11,233.03	75%	
006-126-109-03	6 VINE ST	24,000	33.00	Vine	1%	\$ 9,984.92	\$ 2,496.23	\$ 12,000.00	\$ 2,496.23	\$ 7,488.69	75%	
006-126-106-01	25 GARDEN ST	24,500	220.10	Garden & Mead	6%	\$ 66,596.36	\$ 16,649.09	\$ 12,250.00	\$ 12,250.00	\$ 54,346.36	82%	
006-126-109-04	8 VINE ST	25,100	60.50	Vine	2%	\$ 18,305.68	\$ 4,576.42	\$ 12,550.00	\$ 4,576.42	\$ 13,729.26	75%	
006-126-107-09	38 MEAD ST	25,700	66.00	Mead	2%	\$ 19,969.83	\$ 4,992.46	\$ 12,850.00	\$ 4,992.46	\$ 14,977.37	75%	
006-126-103-14	9 MEAD ST	26,000	48.00	Mead	1%	\$ 14,523.51	\$ 3,630.88	\$ 13,000.00	\$ 3,630.88	\$ 10,892.63	75%	
006-126-109-09	28 VINE ST	26,100	50.00	Vine	1%	\$ 15,128.66	\$ 3,782.16	\$ 13,050.00	\$ 3,782.16	\$ 11,346.49	75%	
006-126-105-06	14 GARDEN ST	26,200	49.50	Garden	1%	\$ 14,977.37	\$ 3,744.34	\$ 13,100.00	\$ 3,744.34	\$ 11,233.03	75%	

Estimated Cost: \$ 1,134,770.50		Portion to be specially assessed: 25% \$ 283,692.63		Proposed City Portion: \$851,078							
Garden Street - Hillsdale Street to Union Street; Mead Street - Garden Street to Oak Street; Vine Street - Union St to Oak St											
Parcel Number	Property Address	2016 SEV	Front Feet	on (street)	% total FF	Allocated total cost	allocated property owner share	Maximum total special assessment allowed (25% of value)	Special Assessment	Actual City share	Actual City % paid
006-126-104-12	37 MEAD ST	26,300	66.00	Mead	2%	\$ 19,969.83	\$ 4,992.46	\$ 13,150.00	\$ 4,992.46	\$ 14,977.37	75%
006-126-105-12	32 GARDEN ST	26,300	49.50	Garden	1%	\$ 14,977.37	\$ 3,744.34	\$ 13,150.00	\$ 3,744.34	\$ 11,233.03	75%
006-126-105-13	34 GARDEN ST	26,300	49.50	Garden	1%	\$ 14,977.37	\$ 3,744.34	\$ 13,150.00	\$ 3,744.34	\$ 11,233.03	75%
006-126-107-07	13 VINE ST	26,500	74.00	Vine	2%	\$ 22,390.42	\$ 5,597.60	\$ 13,250.00	\$ 5,597.60	\$ 16,792.81	75%
006-126-105-10	24 GARDEN ST	27,700	49.50	Garden	1%	\$ 14,977.37	\$ 3,744.34	\$ 13,850.00	\$ 3,744.34	\$ 11,233.03	75%
006-126-109-19	34 VINE ST & 34½	29,300	56.75	Vine	2%	\$ 17,171.03	\$ 4,292.76	\$ 14,650.00	\$ 4,292.76	\$ 12,878.27	75%
006-126-104-09	27 MEAD ST	29,400	74.25	Mead	2%	\$ 22,466.06	\$ 5,616.51	\$ 14,700.00	\$ 5,616.51	\$ 16,849.54	75%
006-126-103-16	15 MEAD ST	29,500	42.00	Mead	1%	\$ 12,708.07	\$ 3,177.02	\$ 14,750.00	\$ 3,177.02	\$ 9,531.06	75%
006-126-103-19	19 MEAD ST	29,600	66.00	Mead	2%	\$ 19,969.83	\$ 4,992.46	\$ 14,800.00	\$ 4,992.46	\$ 14,977.37	75%
006-126-103-15	11 MEAD ST	29,800	42.00	Mead	1%	\$ 12,708.07	\$ 3,177.02	\$ 14,900.00	\$ 3,177.02	\$ 9,531.06	75%
006-126-105-16	66 UNION ST & 68	29,900	55.00	Garden	1%	\$ 16,641.53	\$ 4,160.38	\$ 14,950.00	\$ 4,160.38	\$ 12,481.14	75%
006-126-109-05	12 VINE ST	30,000	33.50	Vine	1%	\$ 10,136.20	\$ 2,534.05	\$ 15,000.00	\$ 2,534.05	\$ 7,602.15	75%
006-126-107-08	34 MEAD ST	30,900	66.00	Mead	2%	\$ 19,969.83	\$ 4,992.46	\$ 15,450.00	\$ 4,992.46	\$ 14,977.37	75%
006-126-109-07	20 VINE ST	31,100	75.00	Vine	2%	\$ 22,692.99	\$ 5,673.25	\$ 15,550.00	\$ 5,673.25	\$ 17,019.74	75%
006-126-104-17	47 MEAD ST	31,600	66.00	Mead	2%	\$ 19,969.83	\$ 4,992.46	\$ 15,800.00	\$ 4,992.46	\$ 14,977.37	75%
006-126-107-11	86 OAK ST	31,700	66.00	Mead	2%	\$ 19,969.83	\$ 4,992.46	\$ 15,850.00	\$ 4,992.46	\$ 14,977.37	75%
006-126-109-08	24 VINE ST	33,900	75.00	Vine	2%	\$ 22,692.99	\$ 5,673.25	\$ 16,950.00	\$ 5,673.25	\$ 17,019.74	75%
006-126-105-14	36 GARDEN ST	34,400	49.50	Garden	1%	\$ 14,977.37	\$ 3,744.34	\$ 17,200.00	\$ 3,744.34	\$ 11,233.03	75%
006-126-103-12	3 MEAD ST	35,000	66.00	Mead	2%	\$ 19,969.83	\$ 4,992.46	\$ 17,500.00	\$ 4,992.46	\$ 14,977.37	75%
006-126-107-14	15 VINE ST	35,600	50.00	Vine	1%	\$ 15,128.66	\$ 3,782.16	\$ 17,800.00	\$ 3,782.16	\$ 11,346.49	75%
006-126-107-17	29 VINE ST	36,200	66.00	Vine	2%	\$ 19,969.83	\$ 4,992.46	\$ 18,100.00	\$ 4,992.46	\$ 14,977.37	75%
006-126-103-09	7 GARDEN ST	37,000	100.00	Garden	3%	\$ 30,257.32	\$ 7,564.33	\$ 18,500.00	\$ 7,564.33	\$ 22,692.99	75%
006-126-104-11	33 MEAD ST	37,000	66.00	Mead	2%	\$ 19,969.83	\$ 4,992.46	\$ 18,500.00	\$ 4,992.46	\$ 14,977.37	75%
006-126-109-06	16 VINE ST	37,900	66.50	Vine	2%	\$ 20,121.12	\$ 5,030.28	\$ 18,950.00	\$ 5,030.28	\$ 15,090.84	75%

Parcel Number	Property Address	2016 SEV	Front Feet	on (street)	% total FF	Allocated total cost	allocated property owner share	Maximum total special assessment allowed (25% of value)	Special Assessment	Actual City share	Actual City % paid
Garden Street - Hillsdale Street to Union Street; Mead Street - Garden Street to Oak Street; Vine Street - Union St to Oak St											
006-126-103-20	101 HILLSDALE ST	39,500	100.00	Garden	3%	\$ 30,257.32	\$ 7,564.33	\$ 19,750.00	\$ 7,564.33	\$ 22,692.99	75%
006-126-107-16	25 VINE ST	40,200	66.00	Vine	2%	\$ 19,969.83	\$ 4,992.46	\$ 20,100.00	\$ 4,992.46	\$ 14,977.37	75%
006-126-107-15	19 VINE ST	40,400	74.00	Vine	2%	\$ 22,390.42	\$ 5,597.60	\$ 20,200.00	\$ 5,597.60	\$ 16,792.81	75%
006-126-105-01	91 HILLSDALE ST ETAL	45,600	165.00	Garden	4%	\$ 49,924.58	\$ 12,481.14	\$ 22,800.00	\$ 12,481.14	\$ 37,443.43	75%
006-126-106-02	84 UNION ST	87,600	338.00	Garden & Mead	9%	\$ 102,269.74	\$ 25,567.43	\$ 43,800.00	\$ 25,567.43	\$ 76,702.30	75%
		1,474,900	3,750.40			\$ 1,134,770.50	\$ 283,692.63	\$ 737,450.00	\$ 274,108.62	\$ 860,661.88	76%
Averages:		28,363	72.12			\$ 21,822.51	\$ 5,455.63	\$ 14,749.00	\$ 5,271.32	\$ 16,551.19	

Estimated Cost:	\$ 1,134,770.50	Portion to be specially assessed:	25%	\$ 283,692.63	Proposed City Portion:	\$851,078
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