Webster Neighbors for Responsible Growth

PROTECT WEBSTER
IT'S WORKING

VOTE YES TO RENEW - NOV 3RD

FREQUENTLY ASKED QUESTIONS

WEBSTER TOWNSHIP
2009 MILLAGE RENEWAL PROPOSALS

Q: **What are voters being asked to renew?**

A: **In 2005 Webster Township voters overwhelmingly approved three millage proposals which, in combination, represent the entire taxes for the township. Due to the timing of election cycles, voters must decide now whether to renew these millages for another five years.** Proposal C funds our public safety (police and fire) services, Proposal D funds our PDR (Purchase of Development Rights) program for farmland and open space preservation and Proposal E funds the remainder of our general township services, including all personnel, facilities and services (other than police and fire). **Proposals A and B will NOT increase your taxes. Proposal C could increase your Township taxes nominally - by less than $2 per year for a home with an average assessed taxable value of $100,000, but Township officials have pledged to not bill for this increase**.

Q: **Why do these proposals matter?**

A: The passage of the proposals in 2005 averted a pending township budget crisis and the loss of public safety services, AND established the PDR Program. We believe that voters understood the link between development and financial pressures – **studies have consistently shown that excessive development has a negative effect on local government budgets**, because it results in cost increases (for additional services required by the increased population) far beyond any related tax revenue increases – and passed a comprehensive millage package to keep the township financially secure. That package combined adequate funding for township services (including public safety) with a PDR program that offers landowners the alternative of preservation instead of development, all of which helps prevent excessive development. Elsewhere in this FAQ you will find more details on the results of these millages since 2005, but **simply put, IT'S WORKING**. **LET'S RENEW all three millages to sustain this progress**.

Q: **Remind me, what is PDR and how does it relate to responsible growth?**

A: PDR stands for Purchase of Development Rights. **A PDR purchase essentially permanently eliminates the possibility for the development of a property**. The PDR millage provides monies that are placed in a dedicated PDR fund to be used only for PDR purchases. Typically, **the PDR fund pays an owner the difference between the land's farm or open space value and the land's development value**. PDR is a voluntary program – the landowner must choose to participate. The owner still owns the land and can use it or sell it for anything but development. **The land stays on the tax rolls** at its undeveloped value.

PDR helps the Township combat development by removing the property from the development market and preserving farmland and open space. **PDR helps taxpayers** by counteracting future tax increases otherwise required to fund the costs of excessive development. **PDR helps landowners** by providing a present day financial alternative to selling to big developers while allowing them to continue to own, use and sell their land in the future for anything but development. In summary, PDR offers us a financial choice to pay now to slow development to a reasonable pace, or pay greater future costs resulting from over-development.

Q: **Has the PDR Program been successful?**

A: Yes, it has been extraordinarily successful. Specifically, since passage of the PDR millage in 2005:

- **733 acres of land in Webster Township has been or is under contract to be permanently preserved** (includes 265 acres under contract and subject to closing conditions, and 180 acres closed without funding from the Webster PDR program). A map of these preserved parcels can be found on our website: **www.websterneighbors.org**

- For the projects in which it has committed funding (553 acres) the Webster PDR program has obtained matching funds from outside the township at an incredible rate of 9:1. In other words, **every $1 of Webster taxpayer funds invested in these transactions has been matched with $9 contributed from outside sources**.

- **690 of these acres are large parcels sharing common borders, resulting in an important "belt" of rural land that enhances aesthetic value (rural character) and farming potential.**

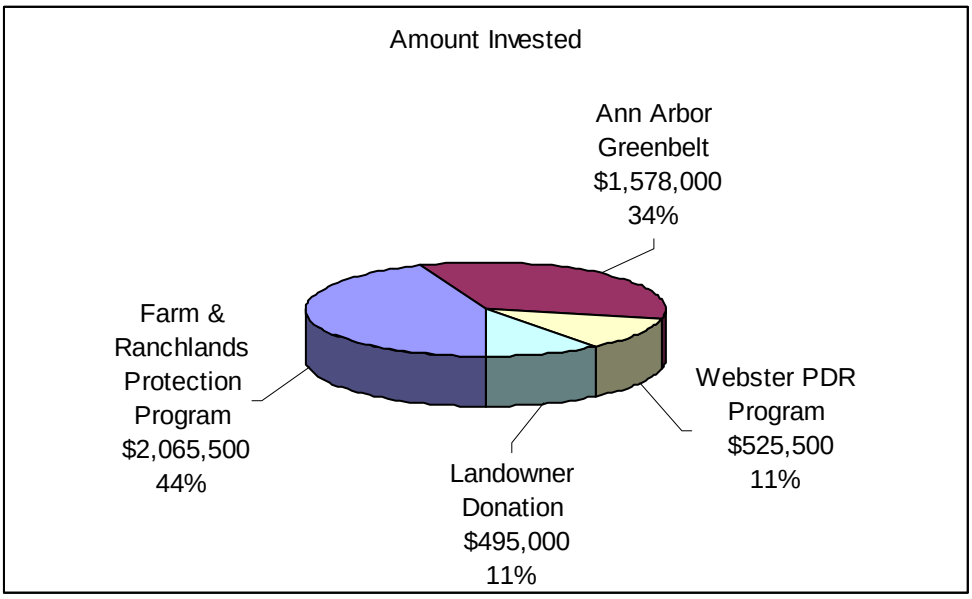
In four short years the PDR program has proven that there is substantial demand (applications have been received for over 2,000 acres of land)**, that it can significantly leverage its dollars with outside funds, and it can bring PDR transactions to completion**.

Q: **Why should the PDR Program be renewed?**

A: **Because it's worked and there is more to do**. The early successes of this program are clear proof that it is working and that there is continuing demand from landowners to do more. **The 733 acres of development rights purchased or committed since 2005 is about 3% of township land. To have the legacy effect for future generations that we voted for in 2005, to truly protect Webster's rural character, this work must be continued for a longer period of time**. Other local PDR millages run for as long as thirty years, a recognition that it takes time to achieve the full benefit of these programs. Further, now is the perfect time to be doing this work, as the economic downturn has temporarily caused developers to stop bidding for parcels and land prices to ease. This cycle will reverse at some point. **With adequate funds in place, the Webster PDR program is perfectly positioned to make substantial and strategic investments over the next five years**.

Q: **Where do the matching funds (described above) come from?**

A: **A goal of the Webster PDR program is to obtain matching funds from other land preservation programs to make its dollars go further**. Our hope was that the program could receive matching funds at a level of 4 or 5:1. **The actual matching funds level of 9:1 wildly exceeds our expectations**. While matching levels may ebb and flow, the program has proven its ability to obtain matching funds. This is not coincidence. Obtaining matching funds requires our PDR program to be well organized, responsive and collaborative. As taxpayers, we are always concerned that our tax dollars are being properly managed. **The Webster PDR program results are clear evidence of good management**. The chart below illustrates the sources of our matching funds to date (including the pending 265 acre transaction).



The **Farm & Ranchlands Protection Program** is a federally funded program designed to preserve farmland. Applicants must demonstrate, among other things, that the subject land can be productive farmland. This program is statistically meaningless in terms of the federal budget, and thus costs you next to nothing in federal tax dollars, but has funded as much as 50% of PDR transactions that fit its protocol.

The **Ann Arbor Greenbelt** program has been an important partner for us. This program is 100% funded by the taxpayers of the City of Ann Arbor – Webster taxpayers do not pay a cent for these funds.

Q: **How do the general operating and public safety millages relate to responsible growth?**

A: If the Township can't fund its current budget, it will struggle to provide basic services and navigate the risks of eliminating public safety services. These problems will create pressures that hamper our Township official's effectiveness in managing growth. The lack of adequate funding could also lead to budget cuts that **reduce the Township's resources for master planning and enforcement** (and defense) of those plans.

Q: **In 2005, the Township was facing a budget crisis due to reduced tax revenues. What is the status of Township finances now?**

A: In a time when governments are routinely in financial crisis, **the Township has lived within the means set by the 2005 millage and has increased its reserves in both the general fund and public safety fund**. This has been accomplished in spite of rising costs. The Township has posted on their website a FAQ regarding the millage proposals (here's the link: www.twp.webster.mi.us/id18.htm), and has pledged to make available upon request additional information regarding the Township's financial status. We have also organized a public forum with Township officials present to further explore these issues. **The Public Forum will be held on Saturday, October 17th at 9:00 AM at the Township Hall, 5665 Webster Church Road (734-426-5103).**

Q: **If approved, what will all of this cost me?**

A: **Proposals C and D will NOT increase your taxes. Proposal E could increase your Township taxes nominally - by less than $2 per year for a home with an average assessed taxable value of $100,000, but Township officials have pledged to not bill for this increase**. The table below provides more detail regarding the current and proposed millage rates and resulting taxes you would pay.

MILLAGE RATE AND ANNUAL TAX TABLE

	Millage Rates				Annual Tax on Average Property *		
	2005 Rate (Voter Approved)	Current Rate (after erosion) **	Ballot Proposal	Proposed Rate Increase	Tax at Current Rates	Tax at Proposed Rates **	**Proposed Tax Increase**
Public Safety	2.00	1.973	1.973	0.000	$ 197.30	$ 197.30	**$ 0**
PDR	0.50	0.493	0.493	0.000	$ 49.30	$ 49.30	**$ 0**
General Operating **	1.16	1.144	1.160	0.016	$ 114.40	$ 116.00	**$ 1.60**
Total Township Tax	3.66	3.610	3.626	0.016	$ 361.00	$ 362.60	**$ 1.60**

*** - This illustrates the annual Township tax dollars for a property of average value in the Township, which is estimated at a taxable value of $100,000. The actual market value of this "average property" could be more than double that amount**, depending upon various factors. This illustration shows only Township taxes. Township residents pay other taxes on the tax bills received from the Township (e.g. schools, county, etc.) which the Township sends on to those other organizations.

**** -** The voter approved millages erode due to the effects of the Headlee rollback law. For the General Operating millage, the renewal proposal will re-set the millage at pre-eroded rates. **Township officials have pledged that if the renewal is passed the operating millage for 2010 will be billed at the current eroded rate of 1.144 mills**. For the Public Safety and PDR millages, the renewal proposals will not override the Headlee law, and thus the millages will be unchanged from the current rate.

Q: **How long will the proposed millages be in effect?**

A: Each proposal is for a **five year period**. Upon expiration, the voters will have to decide again whether to renew these millages.

Q: **Why should I support these millages?**

A: **Because IT'S WORKING**. Consider the following value questions.

- **Isn't $50 per year* a good investment to sustain a highly effective PDR program** dedicated to permanently preserving farmland and open space in Webster Township?

- **Isn't $116 per year* a bargain for all of the non-public safety services** provided to you by the Township? This includes those services that will be critical to responsibly managing growth.

- **Aren't public safety services worth $200 per year***? If you're not sure, consider would you choose to eliminate all public safety services (police, fire, emergency, etc.) to save $200 per year*? What would be the ultimate cost to you if those services weren't there when you need them?

  * - These dollar amounts are for the "Average Home" with a $100,000 taxable value.

Q: **What if these proposals fail?**

A: If all proposals are approved, our total Township tax rate will be 3.66 mills. **For a glimpse into our future if we do not continue to take action to control our growth, consider that the current tax rates for Pittsfield and Ypsilanti Townships are 5.2 mills and 10.4 mills respectively, and their farmland is largely gone**.

If the public safety millage is not passed, the Township will have no public safety millage to support our public safety costs. The only police alternative would be to rely on the State Police - **a level of service which would be inadequate in terms of response time and depth of services**. It is also difficult to conceive of the lack of or alternatives to our existing fire and emergency services.

If the general operating millage is not passed, the millage rate will revert all the way back to the pre-2005, Headless eroded level of 0.7790 mills. In this event, **the Township would have to cut costs by over 30% to balance the budget, which could only be done by significant reductions in services**.

Q: **In a sense, this all started with the proposal for a 2,000 unit mobile home park. What is the status?**

A: Here's an unfinished story that illustrates the power of our PDR program. The mobile home park (MHP) proposal was arguably the turning point for excessive development in Webster Township. With leadership from Webster Neighbors for Responsible Growth and our Township officials, from 2003 to 2005 the community banded together and successfully fought to stop these plans. Weeks after the passage of the PDR program in 2005, the MHP proposal finally "died" when the developer withdrew their lawsuit. Apparently voters had sent a clear message to the developer that we were investing in planned growth, rather than developer demands. But the story doesn't end there. **Recently, the landowner submitted an application to permanently preserve their land via PDR**. Webster Township is participating in an Ann Arbor Greenbelt lead transaction to place 265 acres of that farm into the PDR program. **It's now under contract, but it's not yet complete** and the complexity of these transactions suggests that we caution that they are never "done" until the actual closing occurs. **Regardless, this story illustrates how the PDR program has created an alternative for even the largest Webster Township landowners to realize a portion of the financial value of their land without having to sell their land to developers – typically developers that, due to the size of the parcel, can only justify their investment by forcing excessive development into the township**.

Q: **Can PDR fund monies or land protected by PDR be used for other purposes?**

A: **No**. Monies from the PDR millage are deposited into a dedicated PDR fund and can only be used for PDR purposes. Once development rights for a property have been purchased by the PDR fund, the right to develop that property is extinguished and cannot be traded or sold by the Township. The Township also cannot use the land to build hospitals, prisons, etc. The landowner retains all ownership rights in the property and can use and sell their land in the future for anything but development.

Q: **Where can I find more information on the millage proposals and PDR?**

A: We will be posting information on our website (**www.websterneighbors.org**) as it becomes available. We have already begun that process. If you have further questions, send us an email at **localinfo@websterneighbors.org**. In addition, we are hosting a Public Forum which will include presentations by Webster Neighbors For Responsible Growth and by members of the Webster PDR Board and the Township Board of Trustees, followed by a question and answer session. **The Public Forum will be held on Saturday, October 17th at 9:00 AM at the Township Hall, 5665 Webster Church Road (734-426-5103).**