

Lansing Sewer Committee

Progress Report
September 2012

Current Proposal



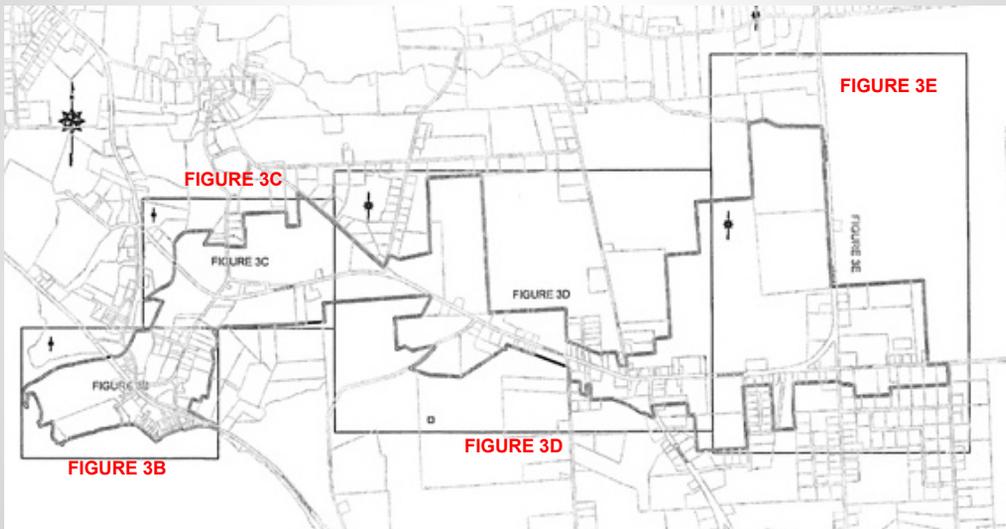
Sewer District #1 Proposal Details

- MAP Plan dated May 1, 2012 completed by Hunt Engineers - see maps on following pages and available on Town of Lansing website: <http://www.lansingtown.com/>
- Sewer District Number 1 extends from the Boys and Girls residential facilities on the east going west through the Town land, along Rt 34B passed to Lansing Schools and down to Ladoga/Myers Park.
- The sewer plant will be sited on property to be donated by Cargill.
- Low Pressure System from Ladoga/ Myers Park area with a pump station to pump up to the plant with the outflow into Cayuga Lake.
- Estimated cost for the collection system and the 150,000 gallons per day plant is \$10.2 million.
- Stearns & Wheler/GHD has reviewed the type of plant proposed as well as the cost estimates.

Service Area Map



Overview Map





Cost Analysis

Options for financing - page 1

- The Sewer Committee is working to get the annual EDU* cost to District properties in the \$500 to \$600 range including financing cost as well as O&M* costs. The NYS Comptroller's office limits the cost to \$816/EDU (if higher, it would have to be reviewed/approved by the Comptroller).
- To accomplish this the Town is working with 2 developers to build 2 senior housing projects: 1 market rate and the other affordable housing which will total approximately 190 units.
- If successful the EDU cost would be in the targeted range without the grant funding; if awarded grant funding, it would reduce the annual EDU cost by approximately 25%
- Only property owners in the Sewer District would pay the annual EDU cost.
- Connection/hookup fees for each homeowner could range between \$2,500 and \$3,500 per household (depending on location and construction costs). Two local contractors have quoted a cost of \$20 per foot for running pipe from sewer main to house. One estimate to 'decommission' an existing tank is \$400 to \$500.
 - There may be CDBG* monies available through Better Housing for Tompkins County to help qualified homeowners with this cost

Page 4



Cost Analysis

Options for financing - page 2

- The Town has submitted a Grant Proposal to the Southern Tier Economic Development Council for \$3 million to help with the cost of this project. The award will be announced sometime before election day 2012.
- The MAP Plan Report (MRP) was submitted to Environmental Facilities Corporation* (EFC) for financing. Initial response from EFC is that our project will not be in this current round of financing.
- The town has also explored BAN* financing with our municipal financing consultants and such financing is being used in the cost per EDU analysis.

Page 5

Outcome of the New Sewer District, p1



- Master plan of the Town's 150 acres has been prepared which reflects the front 100 acres as set aside for housing, to include senior, mixed use and patio homes for starter homes. Also included is an area for commercial uses such as offices and retail, along with open space for recreation, dog park, sidewalks and pathways and other needed community purposes.
- The 2 main roads will be dedicated to the Town and will have sidewalks and street lighting.
- The Master Plan contains 2 phases - the first one being the 100 acres as described and the remaining 50 acres set aside for future development hopefully for a business and technology shovel ready park.
- Currently we have 2 developers presenting letters of intent to construct the related infrastructure: 1 market rate senior housing project of 110 units and the other an affordable senior cottage project of 80 units.

The Town's goal is to have the developers do/pay for the infrastructure



Page 6

Outcome of the New Sewer District, p2



- The Town acquired the land from NYS north of the current Town Hall. The land is zoned B-1. The Town will have invested approximately \$420,000 in total for the 150 acres.
- Other phases of the project will be offered to developers based on the types of development desired and market need
- A Town Benefits Financial Model has been prepared and is updated as the projects solidify. The model reflects the Town's investment to date and future estimated costs, the financing of the investment, the sale of lots for the various projects, paydown of the debt including any interest, and the property taxes which may be generated for both the Town and School District.
- The new sewer solves another problem with the Lansing School District in that 2 of the 3 septic systems are failing and will need replacing soon.



Again the Goal is to, at a minimum, recoup the Town's investment and create a stable economic base.

Page 7

Outcome of the New Sewer District, p3



- **The benefits to the Town include:**
 - **growing a tax base**
 - **promote planned density in the Town Center area**
 - **protection of valuable farm land to the north**
 - **have sewer infrastructure to address failing and aging septic systems**
 - **protect the lake**

- With this infusion of dense residential and commercial development the Town can attract businesses which provide some of the basic services currently lacking in the Town such as a pharmacy, doctors offices, bank branch and other needed services.

- This area is included in the Incentive Zone approved for IDA PILOT* financing. Each developer can apply for a Pilot but the Town Board must first approve and then it goes to the County IDA for approval.
 - *Transonic is one example of a successful PILOT program*

- The affordable housing will not be eligible for PILOTS since they have reduced assessments per state law.

Page 8

Timeline of Plan



Steps from here

- The Town's goal is to start construction on the sewer project in the spring of 2013 with hook-ups available in early summer 2014.

- The sewer plant would be designed for 20 years growth and expandable on demand.

- The developers would begin construction of the projects 10 months prior to the sewer being available. Therefore the sewer and Town Center projects would be developed concurrently.

Page 9



Next Steps:

- Presentations to public
- Town Board Approvals/Process
- Legal formation of district
- Final numbers from engineers on costs
- Environmental reviews/permits
- Final negotiations on contracts with developers
- Financing the project
- Construction

Page 10



Definitions

BANS: Bond Anticipation Notes of the new Sewer District; short-term, general obligation bonds

EDUS: Equivalent Dwelling Units (i.e. 1 EDU per residence)

CDBG: Community Development Block Grant; a flexible program that provides communities with resources to address a wide range of unique community development needs.

Affordable Housing: Households that make 30-90% of the Area Median Income (AMI) range qualify for 'affordable housing' (Tompkins County AMI is \$66,000)

Benefit District: The area serviced by the sewer (see attached maps)

Incentive Zone: Town Designated Area

IDA PILOT programs: Industrial Development Agencies (IDAs) encourage business growth and new jobs by providing tax incentives to attract companies to local areas. These incentives are often delivered in the form of Payment In Lieu Of Taxes (PILOT) agreements that set a low taxable value on properties that gradually steps up to the full value over the course of the agreement

SBR: Sequence Batch Reactor (the type of sewer plant being constructed)

GPD: Gallons per day

O&M: Operations and Maintenance costs associated with running the plant and collection systems

EFC: NYS Environmental Facilities Corporation

B-1 Zoning: Business District Zoning

Master Plan: The Town of Lansing has a Master Plan online at www.LansingTown.com

Municipal Solutions: The Town of Lansing bond financing advisor

Page 11



FAQs, p1

Who manages the new affordable development housing being built?

Better Housing for Tompkins County will manage the affordable project after being built/occupied. This provides numerous benefits to Lansing and Tompkins County - a well-known and respected organization is accountable and it also provides sustainability.

How did the district map get decided (who is included, who is not)?

The engineers laid out the District to keep the project affordable & to be able to service the Town Center and the Lansing School and Ladoga/Myers Park area, keeping as much gravity flow as possible.

Who gets to vote on the referendum for approval?

Property owners in the District being formed will have a vote.

What's the Timeline to connect? Does everyone have to connect?

Property owners within the District will not be required to connect, unless the Tompkins County Health Department requires it due to a failed system. Whether you connect or not, all property owners within the District are required to pay the annual fee.

How will the Sewer Plant be run/managed?

Depending on the DEC regulations, either a part-time or full-time employee(s) will be hired. This may also be something outsourced by the Town for the best cost option.

How does this affect the Town's ability to fund other projects?

No affect on the Town's ability to do other projects as the Sewer District is separate funding.

Page 12



FAQs, p2

What is the impact on property taxes for property owners both inside the District and outside the District, but in the Town?

Per the assessment office, the availability of sewer does not result in the increase in valuation. But it may increase the saleability of a property.

Will the new senior housing compete with Woodsedge?

The current rates paid by Woodsedge residents is a different price point than what these new senior housing units will be targeting.

Why include new commercial properties when there are properties sitting vacant already in Lansing?

The market for commercial rentals is not being met by the current inventory due mainly to location and age of existing stock. Medical professionals, for example, seek facilities with state-of-the-art spaces & amenities. Many of the existing properties may not 'build to suit' in order to compete for the premier businesses who do want to become established in Lansing.

How did the committee arrive at the projected Town growth?

A discussion about projected Growth within the Town of Lansing is linked to the growth the Town has experienced to date and to conform with the Comprehensive Plan of nodal development.

What is the cost benefit for Lansing Schools to connect vs. replace failing septic systems?

Refer to chart/handout available

Page 13



FAQs, p3

What is the risk to the District if development doesn't happen or the developers go bankrupt?

All property owners will be obligated to pay the annual EDU cost whether they hook up to the sewer system or not. If any property owner defaults in paying the annual charge, such charge is a lien against their property similar to unpaid real estate taxes. The Town may issue Revenue Anticipation Notes (RANS) pending sale of the defaulting property and payoff the RANS.

What if I don't want Lansing to change - I like things the way they are?

Development is already happening; this new Sewer District is the Town's approach to manage & control planned density so we don't have major change to the rural character of Lansing.

How does the annual fee vary over the 30 years this is financed?

The annual fee will fluctuate, sometimes going up or down around \$20-\$40. Many factors contribute to the financing, including annual variable rate, grant monies, etc.

How does this fit in with the Town's Comprehensive Plan?

The plans for the Town Center are already in accordance with the current Plan.

How will the Town roads be affected?

The State Department of Transportation will be involved in traffic studies and they will dictate any changes to roads near the Town Centre.