

## TOWN OF WETHERSFIELD



### EXPLANATORY TEXT

#### NOVEMBER 6, 2018 REFERENDUM

The Town of Wethersfield in accordance with the Town Charter and the Connecticut General Statutes voted on September 4, 2018 to submit the following question to the electors. This explanatory text was authorized by the Town Council in order to provide information to the voters on the question.

#### Question #3

“SHALL THE TOWN OF WETHERSFIELD APPROPRIATE \$2,470,000 FOR COSTS WITH RESPECT TO THE ACQUISITION OF THE KYCIA FARM PROPERTY ON HIGHLAND STREET FOR RECREATIONAL, OPEN SPACE AND OTHER MUNICIPAL PURPOSES, AND AUTHORIZING THE ISSUE OF BONDS AND NOTES IN THE SAME AMOUNT TO FINANCE SUCH APPROPRIATION?”

The question before the voters is whether the Town of Wethersfield should purchase the Kycia Farm property. A vote “Yes” is a vote in favor of purchasing the property and a vote “NO” is a vote against the purchase.

#### Background

The Town Council reached an agreement for the potential purchase of the Kycia Farm property on Highland Street subject to voter approval at referendum on November 6, 2018. The land is being purchased for open space, recreational use, including possible future athletic fields, and other municipal purposes.

The Kycia Farm property is made up of four parcels of land totaling approximately 32 acres located at 303 and 310 Highland Street. It includes approximately 26.26 acres on the north side of Highland Street along with the house lot (.87 acres) and approximately 5.33 acres on the south side of Highland Street together with the barn and outbuildings; excluding an approximately 0.5 acre parcel on the northwest corner of the property with frontage on Collier Road. Of the 32 acres, about 5.1 acres contain wetland soils.

Pursuant to section §8-24 of the General Statutes, the Wethersfield Town Council referred the proposed purchase of the Kycia Farm property to the Planning and Zoning Commission for a Report. The Planning and Zoning Commission issued a favorable or positive recommendation at their meeting on August 7, 2018. Following a public hearing on September 4, 2018, the Wethersfield Town Council voted to approve the bond ordinance and set the referendum date for November 6, 2018. Therefore, the intent and purpose of the Referendum Question is for the voters to decide whether to purchase the Kycia Farm property.

The proposed purchase cost is \$2,400,000. Legal fees, soil and environmental testing, surveying and bond issuance costs are estimated at \$70,000.

ESTIMATED COST OF BONDING

**Assumptions:**

- The Grand List of October 1, 2017 equals \$2,192,673,313
- One estimated mill equals \$2,192,673
- The Grand List remains constant
- The amount to be financed through bonding is \$2,470,000
- 20 Year term on bonds, level principal payments
- Interest rate on bonds is 3.5%
- Total projected interest costs: \$900,375
- Anticipated issuance of bonds is January 2019

| <u>FISCAL YEAR</u> | <u>ANNUAL DEBT PAYMENT</u> | <u>COST PER \$1,000 OF ASSESSMENT</u> | <u>COST PER \$100,000 OF ASSESSMENT</u> |
|--------------------|----------------------------|---------------------------------------|-----------------------------------------|
| FY 19-20           | \$208,250                  | \$0.095                               | \$9.50                                  |
| FY 20-21           | \$203,963                  | \$0.093                               | \$9.34                                  |
| FY 21-22           | \$199,675                  | \$0.091                               | \$9.11                                  |
| FY 22-23           | \$195,388                  | \$0.089                               | \$8.91                                  |
| FY 23-24           | \$191,100                  | \$0.087                               | \$8.72                                  |

An example of the estimated tax impact of the bond financing on a residential property with a current assessed value of \$167,212 is shown below. The assessed value is 70% of the estimated market value.

| <u>FISCAL YEAR</u> | <u>ANNUAL DEBT PAYMENT</u> | <u>COST PER \$167,212 OF ASSESSMENT</u> |
|--------------------|----------------------------|-----------------------------------------|
| FY 19-20           | \$208,250                  | \$15.88                                 |
| FY 20-21           | \$203,963                  | \$15.62                                 |
| FY 21-22           | \$199,675                  | \$15.23                                 |
| FY 22-23           | \$195,388                  | \$14.90                                 |
| FY 23-24           | \$191,100                  | \$14.57                                 |

Each succeeding year, the annual debt payment decreases as principal and interest payments are made thus reducing the principal amount upon which interest is paid.