

## EXPLANATORY TEXT

Under Section 5.5.5.1 of the Groton Town Charter, the following question will appear on the November 5, 2013 Municipal Election ballot:

- 1. Shall the Ordinance appropriating \$9,900,000 and authorizing bonds and notes in the same amount for the design and construction of the expansion of water service and sewer service to the middle segment and lower segment of the Flanders Road area be approved?**

The project calls for the extension of public water and sewer along the portion of Flanders Road that is south of Interstate Route 95 (I-95). The project has been sized and designed so that utilities can be extended over I-95 and continue north on Flanders Road as a future project. The primary purpose of this project is to provide public water and sewer to undeveloped Industrial Park (IP) zoned land as well as existing developed and undeveloped residentially zoned land.

**Sewer Extension:** Beginning at the intersection of Ring Drive and Fort Hill Road (Route 1), public sewer lines would be extended eastward along Fort Hill Road (Route 1) to the intersection of Fort Hill Road (Route 1) and Flanders Road. The sewer line would then continue north on Flanders Road and end just before the Flanders Road overpass at I-95. The sewer system will include approximately 14,000 feet of gravity and force main sewer lines and the construction of a pump station. The construction may require easements for the installation of some sewer lines and the pump station. The total cost for this portion of the project is approximately \$7.0 million.

**Water Main Extension:** Beginning at the intersection of Ensign Drive and Flanders Road, public water would be extended north on Flanders Road and end just before the Flanders Road overpass at I-95. Approximately 4,200 feet of water main is proposed to be installed. The total cost for this portion of the project is approximately \$2.9 million.

### **Background:**

- In 2003 a number of property owners approached the Town Council asking that utilities be extended up Flanders Road to an area north of I-95. The Economic Development Commission suggested that the Town Council study the issue.
- In August, 2004 the Town Council appropriated funds for an engineering assessment and cost/benefit study for utilities extension on Flanders Road.
- The engineering firm Fuss & O'Neill completed the detailed Sanitary Sewer Study in February, 2006. After an evaluation of 11 route alternatives, a short-list of five alternatives was identified for further evaluation.
- In November, 2006 the Town Council established a committee to further study the alternatives and the Committee issued its final report in February, 2008.
- Following receipt of the Committee's report, the Town Council asked for additional engineering work to ensure that utilities could be installed over I-95 at some point in the future. This additional assessment was presented to the Town Council by Fuss & O'Neill in January, 2013.
- The Flanders Road Utilities Expansion Project is consistent with the 2002 Plan of Conservation and Development, the 2004 Regional Comprehensive Economic Development Strategy, the 2006 Strategic Economic Development Plan, and findings of the Governor's 2005 Commission for the Economic Diversification of Southeastern Connecticut.

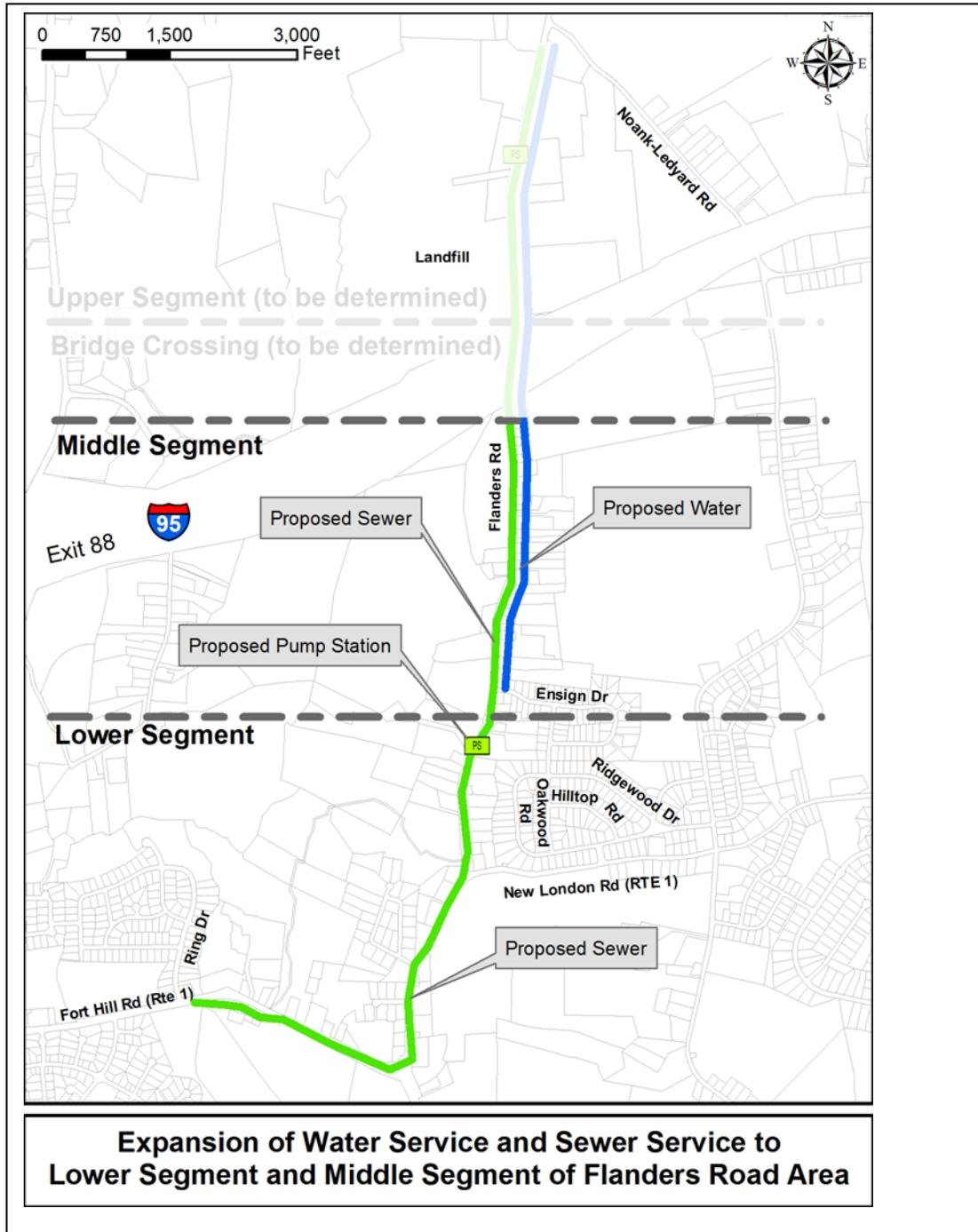
## EFFECT ON MILL RATE

Taxpayers within the City of Groton, which has its own sanitary sewer system, will only participate in the funding of the water utility portion of this project.

For non-City of Groton taxpayers, the estimated effect of the 20-year bonding on the General Fund and Sewer District Fund mill rates will add 0.06 mills in the first year, increasing to 0.36 mills after all bonds have been issued and decreasing every year thereafter to 0.05 mills in the final years. This assumes a 6.0% municipal bond rate, substantially equal annual principal payments, no grants, and a 2.0% increase in the grand list over the bond repayment period. A homeowner paying taxes on property assessed at \$100,000 will see a tax increase of \$5.75 in the first year, peaking to \$35.19 in the third year and decreasing to \$5.13 in the final year.

For City of Groton taxpayers, the estimated effect of the 20-year bonding on the General Fund mill rate will add 0.01 mills in the first year, increasing to 0.08 mills after all bonds have been issued and decreasing every year thereafter to 0.01 mills in the final year. This assumes a 6.0% municipal bond rate, substantially equal annual principal payments, no grants, and a 2.0% increase in the grand list over the bond repayment period. A homeowner paying taxes on property assessed at \$100,000 will see a tax increase of \$1.14 in the first year, peaking to \$7.58 in the third year and decreasing to \$1.21 in the final year.

The estimated cost of the project does not reflect anticipated revenue from sewer benefit assessments or potential tax revenue from resulting development.



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Referendum Question #1 Explanatory Text November 5, 2013

Ordinance Appropriating \$9,900,000 for the Design and Construction of the Expansion of Water Service and Sewer Service to the Middle Segment and Lower Segment of the Flanders Road Area

Authorized by the Town Council  
Prepared and distributed by the Town Clerk  
Text Approved by the Town Attorney