



Estimated Michigan Property Tax Revenue for NEXUS Gas Transmission Pipeline

Overview and Summary

The explanation below and attached tables lay out the estimated property tax revenues, and the assumptions used to arrive at those revenue estimates. In the first tax year the pipeline is on the tax rolls, it is estimated to generate about \$5.8 million in tax revenue for Counties, School Districts, Intermediate School Districts, Municipalities, Townships, and the State.

Summary of First Year Revenue

	First Year Estimated Revenues
State Education Tax	744,048
Counties	763,192
School Districts	2,959,177
Intermediate School Districts	678,894
Municipalities	3,560
Townships	693,570
Total	5,842,441

Base Assumptions

The general assumptions used to calculate the estimates are:

- 1) The total construction costs of the project were provided by Spectra Energy. The costs are comprised of pipeline in both Ohio and Michigan, four compressor stations, all located in Ohio, and five metering and regulating stations, one of which will be located in Michigan.
- 2) The cost to construct pipeline is uniform per mile across the whole of the project.
- 3) Beyond the initial investment, there is no additional investment in the pipeline over the first five years of operation.

Valuation Assumptions and Allocation of Property

- 1) Valuations for the state, each county, township, and Milan City are based on pipeline miles and siting information for the metering and regulating station provided by Spectra Energy.
- 2) Allocation of pipeline miles to school districts was done through hand measurements using a Google Earth map provided by Spectra Energy. The pipeline was measured in



154 segments to arrive at the pipeline miles in each school district. There is an estimated error rate of 0.2 percent in the measurements (Spectra reported the pipeline miles in Michigan at 46.5 miles, whereas the 154 measurements yielded an estimate 46.58 miles).

- 3) Adjustments are made for AFUDC and compression.
- 4) All property of Spectra Energy is depreciated on the schedule proscribed by the Michigan Department of Treasury.

Tax Rates

The tax rates used are the aggregates of all 2015 rates as reported by the Michigan Department of Treasury. The rates are assumed to be constant across the five year estimating period.

Estimated Revenue for School Districts

<u>County</u>	<u>District</u>	<u>Estimated Taxes Year 1</u>	<u>Estimated Taxes Year 2</u>	<u>Estimated Taxes Year 3</u>	<u>Estimated Taxes Year 4</u>	<u>Estimated Taxes Year 5</u>
Lenawee	Blissfield	740,618	694,329	648,041	609,467	570,893
Lenawee	Britton-Deerfield	394,024	369,397	344,771	324,249	303,727
Monroe	Dundee	61,566	57,718	53,870	50,664	47,457
Washtenaw	Lincoln	548,433	514,156	479,879	451,315	422,751
Washtenaw	Milan	782,849	733,921	684,993	644,219	603,446
Wayne	Van Buren	199,897	187,403	174,910	164,498	154,087
Washtenaw	Ypsilanti	231,790	217,304	202,817	190,744	178,672
	Total	2,959,177	2,774,228	2,589,280	2,435,156	2,281,032
Intermediate School Districts						
<u>County</u>	<u>Intermediate School District</u>	<u>Estimated Taxes Year 1</u>	<u>Estimated Taxes Year 2</u>	<u>Estimated Taxes Year 3</u>	<u>Estimated Taxes Year 4</u>	<u>Estimated Taxes Year 5</u>
Lenawee	Lenawee	413,587	387,738	361,889	340,348	318,807
Monroe	Monroe	12,455	11,677	10,898	10,249	9,601
Washtenaw	Washtenaw	221,531	207,686	193,840	182,302	170,764
Wayne	Wayne	31,321	29,363	27,406	25,774	24,143
	Total	678,894	636,463	594,032	558,673	523,314
Michigan State Education Tax						
		<u>Estimated Taxes Year 1</u>	<u>Estimated Taxes Year 2</u>	<u>Estimated Taxes Year 3</u>	<u>Estimated Taxes Year 4</u>	<u>Estimated Taxes Year 5</u>
	Michigan State Education Tax	744,048	697,545	651,042	612,290	573,537



Estimated Revenue for Non-Schools

<u>County</u>	<u>Township</u>	Estimated <u>Taxes Year 1</u>	Estimated <u>Taxes Year 2</u>	Estimated <u>Taxes Year 3</u>	Estimated <u>Taxes Year 4</u>	Estimated <u>Taxes Year 5</u>
Lenawee	Ogden Twp	68,898	64,592	60,286	56,697	53,109
Lenawee	Palmyra Twp	33,442	31,352	29,262	27,520	25,778
Lenawee	Blissfield Twp	34,117	31,985	29,853	28,076	26,299
Lenawee	Deerfield Twp	19,085	17,892	16,699	15,705	14,711
Lenawee	Ridgeway Twp	77,654	72,801	67,948	63,903	59,859
Lenawee	Macon Twp	2,311	2,166	2,022	1,901	1,781
Monroe	Milan Twp	44,558	41,773	38,988	36,668	34,347
Washtenaw	York Twp	27,775	26,039	24,303	22,857	21,410
Washtenaw	Augusta Twp	43,043	40,353	37,663	35,421	33,179
Washtenaw	Ypsilanti Twp	342,686	260,080	242,742	228,293	213,844
	Total	693,570	589,034	549,765	517,041	484,317
	<u>County</u>	Estimated <u>Taxes Year 1</u>	Estimated <u>Taxes Year 2</u>	Estimated <u>Taxes Year 3</u>	Estimated <u>Taxes Year 4</u>	Estimated <u>Taxes Year 5</u>
	Lenawee	334,870	313,940	293,011	275,570	258,129
	Monroe	104,868	98,314	91,759	86,298	80,836
	Washtenaw	323,454	303,238	283,023	266,176	249,329
	Total	763,192	715,493	667,793	628,044	588,294
<u>County</u>	<u>Municipality</u>	Estimated <u>Taxes Year 1</u>	Estimated <u>Taxes Year 2</u>	Estimated <u>Taxes Year 3</u>	Estimated <u>Taxes Year 4</u>	Estimated <u>Taxes Year 5</u>
Monroe	Milan	3,560	3,337	3,115	2,929	2,744

SUMMARY OF ESTIMATED TAX RECEIPTS BY COUNTY AND JURISDICTION

LENAWEE COUNTY MICHIGAN

Cumulative Tax Revenue of the First Five Years: \$9,335,105

Type	Jurisdictions	Estimated Taxes Year 1	Estimated Taxes Year 2	Estimated Taxes Year 3	Estimated Taxes Year 4	Estimated Taxes Year 5	5 Year Cumulative
School Districts	Blissfield	\$740,618	\$694,329	\$648,041	\$609,467	\$570,893	\$3,263,347
	Britton-Deerfield	\$394,024	\$369,397	\$344,771	\$324,249	\$303,727	\$1,736,166
Townships	Ogden Twp	\$68,898	\$64,592	\$60,286	\$56,697	\$53,109	\$303,582
	Palmyra Twp	\$33,442	\$31,352	\$29,262	\$27,520	\$25,778	\$147,354
	Blissfield Twp	\$34,117	\$31,985	\$29,853	\$28,076	\$26,299	\$150,330
	Deerfield Twp	\$19,085	\$17,892	\$16,699	\$15,705	\$14,711	\$84,091
	Ridgeway Twp	\$77,654	\$72,801	\$67,948	\$63,903	\$59,859	\$342,164
	Macon Twp	\$2,311	\$2,166	\$2,022	\$1,901	\$1,781	\$10,181
County	Lenawee	\$334,870	\$313,940	\$293,011	\$275,570	\$258,129	\$1,475,520
Intermediate School District	Lenawee	\$413,587	\$387,738	\$361,889	\$340,348	\$318,807	\$1,822,368
Municipalities							
All County Jurisdictions		\$2,118,605	\$1,986,192	\$1,853,780	\$1,743,436	\$1,633,092	\$9,335,105

MONROE COUNTY MICHIGAN

Cumulative Tax Revenue of the First Five Years: \$1,000,251

Type	Jurisdictions	Estimated Taxes Year 1	Estimated Taxes Year 2	Estimated Taxes Year 3	Estimated Taxes Year 4	Estimated Taxes Year 5	5 Year Cumulative
School Districts	Dundee	\$61,566	\$57,718	\$53,870	\$50,664	\$47,457	\$271,276
Townships	Milan Twp	\$44,558	\$41,773	\$38,988	\$36,668	\$34,347	\$196,335
County	Monroe	\$104,868	\$98,314	\$91,759	\$86,298	\$80,836	\$462,074
Intermediate School District	Monroe	\$12,455	\$11,677	\$10,898	\$10,249	\$9,601	\$54,880
Municipalities	Milan	\$3,560	\$3,337	\$3,115	\$2,929	\$2,744	\$15,686
All County Jurisdictions		\$227,007	\$212,819	\$198,631	\$186,808	\$174,985	\$1,000,251

WASHTENAW COUNTY MICHIGAN

Cumulative Tax Revenue of the First Five Years: \$10,888,321

Type	Jurisdictions	Estimated Taxes Year 1	Estimated Taxes Year 2	Estimated Taxes Year 3	Estimated Taxes Year 4	Estimated Taxes Year 5	5 Year Cumulative
School Districts	Lincoln	\$548,433	\$514,156	\$479,879	\$451,315	\$422,751	\$2,416,535
	Milan	\$782,849	\$733,921	\$684,993	\$644,219	\$603,446	\$3,449,427
	Ypsilanti	\$231,790	\$217,304	\$202,817	\$190,744	\$178,672	\$1,021,327
Townships	York Twp	\$27,775	\$26,039	\$24,303	\$22,857	\$21,410	\$122,385
	Augusta Twp	\$43,043	\$40,353	\$37,663	\$35,421	\$33,179	\$189,659
	Ypsilanti Twp	\$342,686	\$260,080	\$242,742	\$228,293	\$213,844	\$1,287,644
County	Washtenaw	\$323,454	\$303,238	\$283,023	\$266,176	\$249,329	\$1,425,221
Intermediate School District	Washtenaw	\$221,531	\$207,686	\$193,840	\$182,302	\$170,764	\$976,123
Municipalities							
All County Jurisdictions		\$2,521,563	\$2,302,778	\$2,149,259	\$2,021,327	\$1,893,395	\$10,888,321

WAYNE COUNTY MICHIGAN

Cumulative Tax Revenue of the First Five Years: \$1,018,802

Type	Jurisdictions	Estimated Taxes Year 1	Estimated Taxes Year 2	Estimated Taxes Year 3	Estimated Taxes Year 4	Estimated Taxes Year 5	5 Year Cumulative
School Districts	Van Buren	\$199,897	\$187,403	\$174,910	\$164,498	\$154,087	\$880,795
Townships	None						\$0
County	None						\$0
Intermediate School District	Wayne	\$31,321	\$29,363	\$27,406	\$25,774	\$24,143	\$138,007
Municipalities							\$0
All County Jurisdictions		\$231,217	\$216,766	\$202,315	\$190,273	\$178,230	\$1,018,802