



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520
Toll-free within the Borough: 1-800-478-4441, Ext. 2230
PHONE: (907) 714-2230 • **FAX:** (907) 714-2393
www.kpb.us

**MIKE NAVARRE
BOROUGH MAYOR**

MEMORANDUM

TO: Dale Bagley, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Mike Navarre, Borough Mayor *MN*
Tom Anderson, Director of Assessing *TCA*

FROM: Marie Payfer, Special Assessment Coordinator

DATE: June 25, 2015

SUBJECT: Resolution 2015-~~032~~ A Resolution Forming the Birch Park Utility Special Assessment District (USAD) and Proceeding with the Improvement

This resolution to form the Birch Park Utility Special Assessment District (USAD) and proceed with the improvement approves the formation of the USAD and authorizes the mayor to proceed with the construction of the improvement in accordance with resolution 2015-017, which approved the petition application on April 7, 2015.

Resolution 2015-017 was approved and subject to the requirements specified in KPB 5.35 under Ordinance 2009-25. On June 16, 2015, the assembly approved Ordinance 2015-012, an Ordinance Amending KPB Chapter 5.35. As such, several of the requirements for the petition and certification of the petition have since been amended. This USAD is unusual in that it is affected by both the "old" and "new" versions of KPB 5.35. Because the petition was certified under KPB 5.35, O2009-25, the information included in this memo and resolution will be based in part on the requirements for KPB 5.35, O2009-25.

This is the second step in a four-step process requiring assembly action for the Birch Park USAD: 1) resolution approving the petition application; 2) resolution to form the district and proceed with the improvement; 3) ordinance of appropriation of funds; and, 4) ordinance of assessment. Step 1 took place under the prior version of the code and impacted the requirements for the petition as laid out below; steps 2 through 4 will proceed under the current version of KPB chapter 5.35.

The petition approved by resolution 2015-017 has been received by the borough for the purpose of forming a USAD in the area of Fritz Creek, including that portion of East End Road, Birch Park Drive, and Reinhart Lane, as shown in Exhibit 3 to the resolution.

This proposal allocates 100 percent of the costs to the 18 benefited parcels involved in the formation of the district. The first petition signature was dated April 22, 2015. All signature pages were received by May 22, 2015, thereby meeting the 30-day circulation requirement of regulation D adopted through resolution 92-54 and KPB 5.35.107 (prior version). A separate signature page for each property owner was issued along with a map of the benefited parcels (Exhibit 3 to the resolution); a petition information sheet (Exhibit 4 to the resolution); a commitment letter from ENSTAR (Exhibit 5 to the resolution); and funding memo from the borough Finance Director (Exhibit 6 to the resolution). Signatures of owners for 13 parcels were needed to meet the more than 70 percent approval requirement of KPB 5.35.107 (prior version) and validated signatures for 14 parcels, or 77.78 percent were obtained (Exhibit 1 to the resolution, Clerk's certification).

On June 2, 2015, the borough clerk gave notice of the public hearing on the resolution to form the district and proceed with the improvement per KPB 5.35.110 (B)(1) & (2). No written objections to the formation of the district have been filed to date. If any written objections are filed within 30 days of the mailing of the notice an amendment memo will be provided.

PROJECT BACKGROUND:

The project is estimated to cost \$130,863.78. This includes direct costs of \$123,604.00 and indirect administrative costs of \$7,259.78 (Exhibit 2 to the resolution, estimated assessment roll).

KPB 5.35.090 requires the method of assessment shall be an allocation of costs on a per lot basis so that each lot is charged an equal amount. The per-parcel cost is estimated to be \$7,270.21. Equal allocation is reasonable because the immediate benefit of being able to connect a service line to the main line is the same for all parcels.

As required by KPB 5.35.070(D) (prior version) no lien for this project may exceed 21 percent of the fair market value of the property after giving effect to the benefit accruing from the improvement for which assessed. Within this project there are zero parcels that exceed the 21 percent limitation and required no prepayment.¹

Pursuant to KPB 5.35.070(E), a special assessment district may not be approved where properties that will bear more than ten percent of the estimated costs of the improvement are delinquent in payment of borough property taxes from the tax year immediately preceding the initiation of the USAD. For this project the immediately preceding tax year is 2014. As of today's date, June 25, 2015, there are zero lots within the proposed district that are delinquent in payment of the 2014 property tax.

The resolution is supported by the exhibits listed in the resolution which provide the documentation required by code to support forming this USAD and proceeding with construction.

¹ A lien limit of 21 percent, based on the requirements of the prior version of code, is still being used at this stage because it was the figure relied on in the petition application that was approved by the assembly through resolution 2015-17.