

# Kenai Peninsula Borough

## Assessing Department

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### MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Charlie Pierce, Mayor *CP*  
Adeena Wilcox, Director of Assessing *aw*

**FROM:** Marie Payfer, Special Assessment Coordinator *MP*

**DATE:** February 3, 2022

**RE:** Resolution 2022-005, To Form the Lookout Drive Utility Special Assessment District and Proceed with the Improvement of a Natural Gas Main Line Extension (Mayor)

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### MAYOR'S REPORT

Property owners in the proposed Lookout Drive Utility Special Assessment District (USAD) have worked with the borough administration to form the proposed USAD. Pursuant to the requirements of KPB 5.35.105, on November 4, 2021, the Mayor approved the administrative review of the petition report approving the petition for formation of this USAD prior to its circulation among benefited property owners (see Exhibit 1).

This resolution to form the Lookout Drive USAD and proceed with the improvement approves the formation of the district and authorizes the mayor to proceed with the construction of the improvement. This is the first step in a three-step process requiring assembly action for the Lookout Drive USAD: 1) resolution to form the district and proceed with the improvement; 2) ordinance of appropriation of funds; and, 3) ordinance of assessment.

KPB 5.35.107(C) requires that the petition must contain the signatures of (a) the owners of record of at least 60% of the total number of parcels subject to assessment within the proposed district; and, (b) the owners of at least 60% in value of the property to be benefited, in order to be considered by the assembly for formation.

A completed petition for the formation of the Lookout Drive USAD was received by the Assessing Department on December 3, 2021. On December 6, 2021, the Borough Clerk certified the petition with 14 of 18 property owners, 77.78%, supporting the proposed district (see Exhibit 2, Certification of Petition), and with

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80.18% of the value of the district (see Exhibit 1, estimate assessment roll, page 17). Additionally, the Borough Clerk sent all required notices to the property owners and published the required information concerning the proposed district as required by Borough code.

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

Pursuant to KPB 5.35.110(A), the mayor shall prepare for the assembly's consideration a resolution to form the special assessment district and proceed with the improvement. The mayor shall submit to the assembly with the resolution the following information, all of which is detailed in the referenced Exhibits to this memo.

- 1) The administrative review of the petition report prepared by Borough staff under KPB 5.35.105, updated to account for any change in information, see Exhibit 1. The administrative review of the petition report includes (see Exhibit 1) the following exhibits:
  - a) Petition Signature Page (see Exhibit 1, pages 5 & 6);
  - b) Petition Report (see Exhibit 1, page 7);
  - c) The Petition Information Sheet which provided a description of the proposed improvement, and a description of the limitations on withdrawing a petition signature under KPB 5.35.107(E) (see Exhibit 1, pages 9 to 11);
  - d) Enstar's letter of commitment to support the 2022 construction of the extension and a written estimate of the total cost of construction, with attached engineer's map, dated September 8, 2021 (see Exhibit 1, pages 13 & 14);
  - e) A map of the proposed USAD district and boundaries (see Exhibit 1, page 15);
  - f) The estimate assessment roll spreadsheet which provides the total estimated cost of the improvement, the name of the record owner of each parcel, the tax parcel number of each parcel, the legal description of each parcel, the assessed valuation of each parcel, the estimate of the amount to be assessed to each parcel, the status of tax payments, if there are other special assessment liens against any of the parcels in the proposed district, and the description of any benefited

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parcel that exceed the assessment-to-value ratio set forth in KPB 5.35.070(C). (see Exhibit 1, page 17);

- g) Written comments timely received per KPB 5.35.030(E)(5), including any objections from parcel owners regarding inclusion of their property district. (See Exhibit 1, page 20);
  - h) A memorandum from the Finance Director stating the method of financing, interest rate to be paid, and setting forth the number and frequency of payments (see Exhibit 1, pages 21 & 22);
- 2) Certification of Petition, Lookout Drive USAD, dated December 6, 2021, see Exhibit 2.

PROJECT BACKGROUND:

The total project is estimated to cost is \$78,978.78. This includes direct costs of \$71,719.00 and indirect KPB administrative costs of \$7,259.78. There are total of 18 benefited parcels within this district.

KPB 5.35.090 requires the method of assessment shall be an allocation of costs on a per parcel basis so that each benefited parcel is charged an equal amount. The per-parcel cost is estimated to be \$4,387.71. 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.

Pursuant to KPB 5.35.070(C), in no case may a property be assessed an amount in excess of 50% of the fair market value of the property; and, per 5.35.070(D), in no case may a special assessment district be approved for formation where properties which will bear more than 10% of the estimated costs of the improvement are delinquent in payment of borough property taxes. Within this project there are zero properties that exceed the 50% limitation, and zero properties which are delinquent in payment of real property taxes. Additionally, pursuant to KPB 5.35.105(A)(4)(g), there are no other special assessment liens against any of the parcels in the proposed district.

Pursuant to KPB 5.35.105(B), the mayor shall exclude from the proposed district any real property, or any interest in real property, that is not directly benefited by the improvement due to the physical characteristics of a benefited property. For this district, there were zero properties owners who requested consideration to exclude their respective property from the assessment.

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Pursuant to KPB 5.35.030(E), the legal description of parcels within the proposed district as of the date the mayor approves the petition report will be used to determine assessments per KPB 5.35.070(B). Any action to replat parcels within the proposed district shall be completed and recorded before the date the mayor approves the petition report.

Additionally, per KPB 5.35.070(A), in the event a property owner seeks to subdivide a benefited parcel after the date of the mayor's approval of the petition report, the property owner shall be required to prepay estimated costs if the final assessment has not been determined, prior to approval of the final plat pursuant to KPB 20.60.030. The mayor approved the petition on November 4, 2021. There is one parcel within this district (PIN 173-151-12) with a pending subdivision. On December 21, 2021, the owner of record paid the full estimated assessment of \$4,387.71. This information is presented on the Estimated Assessment Roll spreadsheet, Exhibit 1, page 17. As of February 3, 2022, the final plat is still pending approval.

This matter is now presented to the assembly for approval to proceed with the project. Any objections received will be provided to the assembly on the hearing date.

Your consideration of this resolution is appreciated.