



KENAI PENINSULA BOROUGH

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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 *TA*

FROM: Marie Payfer, Special Assessment Coordinator *MP*

DATE: May 21, 2015

SUBJECT: Resolution 2015- 029, A Resolution Approving the Petition Application for the Formation of the Diamond View Estates Utility Special Assessment District for Construction of a Natural Gas Main Line

An application has been received for the purpose of forming a Utility Special Assessment District (USAD) in the area of Diamond Ridge, including that portion of Diamond Ridge Road, Kay Court, Solstice Drive, and that portion of Belnap Drive (Diamond Ridge Estates USAD, hereinafter "USAD"), as shown in Exhibit 1. The project would benefit 59 parcels.

This is the first step in a four-step process requiring assembly review and action: Step 1) resolution approving the petition application; Step 2) resolution to form the district and proceed with the improvement; Step 3) ordinance of appropriation of funds; and Step 4) ordinance of assessment.

The total project cost for the 2015 construction season is estimated at \$246,731.51. The cost will be allocated by equal assessment to each of the 59 benefited parcels. The per-parcel cost is estimated to be \$4,181.89. If the project is approved by September 8, 2015, Enstar will attempt to construct the project in 2015. If the project is delayed and constructed in 2016, the rate will be subject to increase.

As required by KPB 5.35.070(D), no lien for this project may exceed 21 percent of the fair market value of the property after giving effect to the estimated benefit from the improvement. Within this proposed district there are zero (0) lots that exceed the 21 percent limitation, therefore, no pre-payments are required to address the lien limit restriction.

KPB 5.35.070(E) states a special assessment district similarly may not be approved where properties which will bear more than 10 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. There are no lots within the proposed district that are delinquent in payment of the 2014 property taxes.

The following list of exhibits to the resolution support and are incorporated by reference in the resolution approving the petition application:

- 1) map of the proposed USAD district and boundaries;
- 2) Enstar's commitment letter to construct the gas main line, dated April 2, 2015, stating that \$236,602.00 is Enstar's total estimated cost of the improvement (which includes the installation cost of \$205,070.00, plus non-standard cost items of \$31,532.00 for extensive brushing, two bores, and a storm water pollution prevention plan (SWPPP));
- 3) spreadsheet listing the name of the record owner of each parcel in the proposed district, the tax parcel number, the assessed valuation, an estimate of the amount to be assessed to each parcel, the status of tax payments of each parcel, whether there are other special assessment liens against any of the parcels, a description of any parcels that exceed the assessment-to-value ratio set forth in KPB 5.35.070(D), and total number of parcels to be assessed; and
- 4) memo from the finance director stating the method of financing, interest rate to be paid, and setting forth the number and frequency of payments.

The assessing department has received one written objection and one letter in support of the project. These letters are included as public comment.

Your consideration is appreciated.