

Introduced by: Mayor
Date: 03/21/17
Action: Adopted
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2017-019**

**A RESOLUTION TO FORM THE CLARENCE DRIVE ROAD IMPROVEMENT
ASSESSMENT DISTRICT AND PROCEED WITH THE IMPROVEMENT**

- WHEREAS**, KPB Chapter 14.31 authorizes the formation of road improvement districts within the Kenai Peninsula Road Service Area (RSA); and
- WHEREAS**, an application for a petition to form a road improvement assessment district (RIAD) was received from the property owners within the proposed district; and
- WHEREAS**, KPB 14.31.040 requires that applications to form a RIAD and to participate in the RIAD match program shall be received no later than July 1 of each year; and
- WHEREAS**, the application for Clarence Drive RIAD formation and to participate in the match program was submitted timely; and
- WHEREAS**, on June 14, 2016, the RSA board reviewed the RIAD application and authorized funding to obtain an engineer's estimate for the Clarence Drive RIAD for the purpose of improving and paving the roadways of Clarence Drive, Anna Leah Avenue, and Philosopher Court; and
- WHEREAS**, pursuant to KPB 14.31.065, on November 15, 2016, the RSA board adopted RSA Resolution 2016-11 approving the circulation of the Clarence Drive RIAD petition consistent with the recommendations in the staff report of June 14, 2016; and
- WHEREAS**, KPB 14.31.070(D) requires signatures of the owners of record of (a) at least 60 percent of the total number of parcels subject to assessment within the proposed district and (b) at least 60 percent in value of the property to be benefited, in order to be considered by the assembly for formation, and 63.33 percent of recorded owners have signed the petition, and 65.64 percent in value of the property to be benefited; and
- WHEREAS**, the petition and required filing fee were submitted timely by the sponsor, and the borough clerk has certified that the petition contains sufficient signatures to meet the thresholds required by KPB 14.31.070; and
- WHEREAS**, the borough clerk gave notice of the public hearing for this resolution by certified mail, return receipt requested, mailed not less than 35 days before the date of the hearing, to each record owner of a parcel in the proposed district; and

WHEREAS, the clerk further gave notice by publication once a week for two consecutive weeks in a newspaper of general circulation in the borough, with the first publication appearing not less than 30 days before the date of the hearing; and

WHEREAS, more than 35 days have passed since the mailing of the notice of the public hearing to each record owner of a parcel in the proposed district, and one written objection to the necessity of formation of the district has been filed with the borough clerk; and

WHEREAS, KPB 14.31.090 requires the mayor to prepare for assembly consideration a resolution to form the special assessment district and proceed with the improvement, and to submit with the resolution the petition report described in KPB 14.31.060, the RSA resolution to approve the petition report and recommend a borough match, a description of the current condition of the rights-of-way that are to be improved and a statement of the need for the proposed local improvement, and the method of financing the improvement.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That the Kenai Peninsula Borough shall form the Clarence Drive Road Improvement Assessment District (RIAD), and the mayor is authorized to proceed with the construction of the improvement in accordance with the provisions of KPB Chapter 14.31 and RSA Resolution 2016-11, attached as Exhibit 1 to the Mayor's Report, and negotiate and execute such documents as are determined to be in the best interests of the borough to accomplish this project.

SECTION 2. That pursuant to the requirements of KPB 14.31.090, this resolution is supported by the mayor's report, which is attached hereto and incorporated herein by reference.

SECTION 3. That the proposed Clarence Drive RIAD is necessary and should be made and is hereby formed, and the borough shall proceed with the construction of the proposed paving improvement for a district encompassing 30 benefited parcels in the area of Kalifornsky, for the roadways of Clarence Drive, Anna Leah Avenue, and Philosopher Court.

SECTION 4. That the boundaries of the RIAD for improving and paving the roadways set forth in the district map attached as Exhibit 4, page 6 of 9, to the Mayor's Report and the properties legally described in the Estimate Assessment Roll as Mayor's Report Exhibit 4, pages 4 & 5, are hereby approved as comprising the RIAD.

SECTION 5. That the estimated cost of the project of \$396,978.60, which includes direct costs of \$348,072.00, a 10 percent KPB project contingency of \$34,807.00 per KPB 14.31.060(2)(a), and indirect administrative costs of \$14,099.60, is approved.

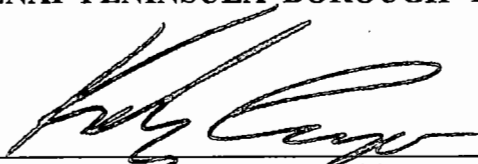
SECTION 6. That the attached Estimate Assessment Roll, Mayor's Report Exhibit 4, pages 4 & 5, which includes properties within the district to be properly included and subject to an assessment of \$6,616.31 per parcel for the improvement, is incorporated by reference herein and adopted.

SECTION 7. That the mayor is authorized to negotiate and execute such documents as are determined to be in the best interests of the borough to proceed with the construction of the improvement and to accomplish this project.

SECTION 8. That the borough clerk shall cause a copy of this resolution and estimated assessment roll to be recorded in the District Recorder's Office for the State of Alaska at Kenai.

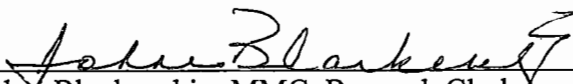
SECTION 9. That this resolution shall take effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 21ST DAY OF MARCH, 2017.

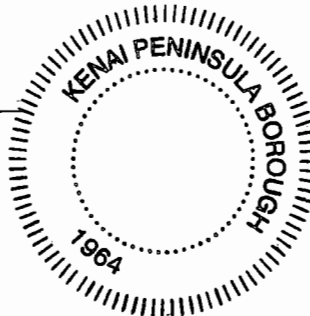


Kelly Cooper, Assembly President

ATTEST:



John Blankenship, MMC, Borough Clerk



Yes: Bagley, Carpenter, Dunne, Fischer, Hibbert, Ogle, Schaefer, Welles, Cooper
No: None
Absent: None

**KENAI PENINSULA BOROUGH ROAD SERVICE AREA
RESOLUTION 2016-11**

**A RESOLUTION APPROVING THE PETITION REPORT
AND RECOMMENDING A BOROUGH MATCH FOR THE
CLARENCE DRIVE
ROAD IMPROVEMENT ASSESSMENT DISTRICT**

WHEREAS, the road service area (RSA) board authorized funding to obtain an engineer's estimate under KPB 14.31.050(E) for the Clarence Drive Road Improvement Assessment District (RIAD) at its June 14, 2016, meeting; and

WHEREAS, the engineer's estimate is \$348,072 for the Clarence Drive RIAD (includes construction costs of \$285,305, a 15 percent design & engineering cost of \$42,796, and a 7 percent construction contingency of \$19,971); and

WHEREAS, in accordance with KPB 14.31.060(2)(a) a 10 percent project contingency cost of \$34,807, plus additional cost and fees of \$14,099.60 (includes the RSA estimated costs of \$6,000, and the KPB Administration Fee of \$8,099.60) added to the engineers estimate bringing the total estimated project cost to \$396,978.60; and

WHEREAS, per KPB 14.31.050(I), the sponsor has provided the assessing department with written notice of intent to proceed with the project; and

WHEREAS, pursuant to KPB 14.31.060, the borough assessor or the assessor's designee, in consultation with RSA staff, has prepared and submitted a special assessment district Petition Report for the RSA board's consideration and approval prior to circulation; and

WHEREAS, pursuant to KPB 14.31.050(J), at least 10 days prior to the hearing date of this resolution, the KPB Assessing Department notified the proposed benefited parcel owners by general mail, describing the special assessment district and proposed improvement, providing a map of the proposed improvement, the date of the public hearing, and informing the recipients that the legal description of parcels within the proposed district as of the date the RSA board approves the resolution will be used to determine assessments, and any action to replat parcels within the proposed district must be completed and recorded before the date the RSA board approves the resolution; and

WHEREAS, KPB 5.20.170 established a borough match fund program for RIAD projects that upgrade existing roads. Pursuant to KPB 14.31.055(A), the RSA board may authorize up to 50 percent of the costs of a RIAD be defrayed from the borough match fund for any project that upgrades existing roads; and

WHEREAS, KPB 14.31.055(B) states a borough match may be considered on RIAD projects for: (1) pavement projects for existing roads which have been certified for borough maintenance, and (2) pavement or gravel projects for existing roads,

which do not meet borough standards in order that the road will be brought to borough standards; and

WHEREAS, it is in the best interest of the road service area and borough residents to approve the petition report and recommend a borough match based on 14.31.055(D) criteria for the proposed RIAD and make a recommendation to the borough assembly regarding formation of the district;

NOW, THEREFORE, BE IT RESOLVED BY THE KENAI PENINSULA BOROUGH ROAD SERVICE AREA BOARD:

SECTION 1. The board approves the Petition Report for the proposed Clarence Drive RIAD.

SECTION 2. The board recommends the assembly form and proceed with the Clarence Drive RIAD as set forth in the attached Petition Report contingent upon the further requirements of KPB 14.31 being met. There are five (5) exhibits to the Petition Report which are also included. Those exhibits are:

- 1) Petition Information Sheet: provides a description of the proposed improvement, a description of the limitations on withdrawing a petition signature under KPB 14.31.070(E), and provides the name, address and daytime telephone number of the sponsors of the petition;
- 2) Estimated assessment roll: a spreadsheet listing the tax parcel number, legal description, the assessed valuation, the assessment-to-value ratio and any required prepayment of assessment as set forth in KPB 14.31.080(A)(1), maximum assessment, the name of the record owner, and any delinquencies or other special assessments liens of each parcel in the proposed district; additionally, the total estimate cost of the project, an estimate of the amount to be assessed to each parcel, and the total number of parcels to be assessed;
- 3) Map of the proposed RIAD district and boundaries;
- 4) Memorandum from the Finance Director stating the method of financing, interest rate to be paid, and setting forth the number and frequency of payments; and
- 5) Summary of construction cost estimates for the Clarence Drive RIAD provided by Larson Engineering & Design, P.C., prepared September 16, 2016.

SECTION 3. The board approves expenditure of up to 50 percent (estimated to be \$198,489.30) from the RIAD Match Fund for the Clarence Drive RIAD. This RIAD includes the upgrade and paving of 1,950 linear feet of Clarence Drive, 380 linear feet of Philosopher Court, and 420 linear feet of Anna Leah Avenue, for a total of 2,750 linear feet of roadway.

SECTION 4. Anna Leah Avenue is partially certified for KPB RSA maintenance for a distance of 250 linear feet, and the remaining 170 linear feet will need to be certified before the RSA will maintain that portion of the roadway. This RIAD includes 2,580 linear feet of RSA maintained roads, and an additional 170 linear feet of uncertified roadway.

SECTION 5. The board recommends that the borough proceed with the construction of the road improvement to a district encompassing 30 benefited parcels, as shown in Petition Report Exhibit 3, the district map, contingent upon the further requirements of KPB Chapter 14.31 being met.

SECTION 6. The board makes the following findings required by KPB 14.31.055(D):

1. Standard: Whether it is economically feasible to improve the road to RSA certification standards.

Finding: The entire project cost is estimated to be \$396,978.60. The project would provide pavement and reduce maintenance costs. The roads are in good condition, with no out of the ordinary costs for construction anticipated. Considering these factors, along with the funds available for RIAD matches, the project is economically feasible.

2. Standard: To what extent do the assessed values of the benefited properties support the scope of work for the project.

Finding: Pursuant to KPB 14.31.080(A)(1), no lien may exceed 25 percent of the current assessed value of the parcel for pavement improvements. The attached spreadsheet, Petition Report Exhibit 2, shows that if the borough makes a 50 percent match, assessments for each parcel will be \$6,616.31. Parcels range in value from \$198,200 to \$353,400. No lien will exceed 25% of the current assessed value of any parcel within the proposed district. The assessed values support the project.

3. Standard: The number of applications for projects received that year.

Finding: There have been a total of five (5) applications for projects received prior to the July 1, 2016, deadline. Of the applications received, 2 applications have been withdrawn due to the high estimated construction cost for the projects; and, the district boundaries of the remaining 2 applications have not been approved pursuant to KPB 14.31.050 due to unresolved rights-of-way and public easement issues.

4. Standard: The funds available in the Road Improvement Assessment District Match Fund.

Finding: The balance of the RIAD Match Fund is \$205,398.43, which is sufficient to cover the match costs.

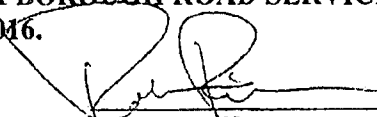
5. Standard: Whether an application for district formation has been previously filed and whether conditions have changed to make the project more feasible than in past application years.

Finding: Clarence Drive RIAD was subject to a previous RIAD application for district formation in 2013; however, prior to the ordering of the engineer's estimate, the project sponsor elected to postpone the project due to scheduling conflicts and some difficulties in contacting benefited property owners. The sponsors feels the current situation has improved to initiate the RIAD petition process for a 2017 construction.

6. Standard: The number of residents served.
Finding: The proposed RIAD serves an estimated 42 residents.
7. Standard: The number of parcels served.
Finding: There are 30 parcels served.
8. Standard: The feasibility of the project's compliance with KPB 14.31.080(A) criteria regarding restrictions on formation.
Finding: The project meets all the following feasibility criteria:
1. *Does the assessment to assessed value ratio exceed 21 percent for gravel improvements to an existing road, or 25 percent for pavement improvements, or 40 percent for construction of a new road, of the current assessed value of the parcels?*
No. There are no parcels within this RIAD whose assessment to assessed value ratio exceed the 25 percent for pavement improvements restriction.
 2. *Are there parcels bearing more than 10 percent of the estimated costs of the improvement that are subject to unpaid, past-due borough property taxes?*
No. Presently there are no parcels within this RIAD which are delinquent in payment of borough real property taxes.
 3. *Do unimproved parcels represent more than 40 percent of the assessed value within the district?*
No. All parcels within this RIAD are improved properties within a residential neighborhood.
 4. *For construction of new roads, does one owner owns more than 40 percent of the parcels to be benefited?*
N/A.
9. Standard: Whether there is alternate access to properties serviced by the road and the condition of that alternate access.
Finding: This district is directly accessed by Clarence Drive, which is not a through street, and provides the only access to the properties located on Philosopher Court and Anna Leah Avenue. The proposed improvement on Clarence Drive and Anna Leah Avenue include only those portions of public rights of way which are an existing roadway.

SECTION 7. That this resolution takes effect immediately and a copy of this resolution be forwarded to the mayor and assembly.

ADOPTED BY THE KENAI PENINSULA BOROUGH ROAD SERVICE AREA BOARD ON THIS 15TH DAY OF NOVEMBER, 2016.


Robert Ruffner,
Road Service Area Board Vice Chair

ATTEST:

Pat Malone, Roads Service Area Director



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520

PHONE: (907) 714-2160 • **FAX:** (907) 714-2388

Toll-free within the Borough: 1-800-478-4441 Ext. 2160

Email: jblankenship@kpb.us

**JOHNI BLANKENSHIP, MMC
BOROUGH CLERK**

CERTIFICATION OF PETITION

Clarence Drive

Road Improvement Assessment District

A petition for formation of the Clarence Drive Road Improvement Assessment District was received in the Office of the Borough Clerk on February 6, 2017. I hereby certify the petition as sufficient. Signatures of property owners of 18 parcels (60% of 30 parcels) were required. Signatures of property owners of 19 (63.33%) parcels were validated.

A Check in the amount of \$3,400.00 was received with the petition.

Dated this 7th day of February, 2017.

Johni Blankenship, MMC
Borough Clerk



Copies Provided to:

Shawn & DeAnna Holly, P. O. Box 1952, Soldotna, AK 99669 (Project Sponsor)

Marie Payfer, KPB Special Assessment Coordinator

KPB Assembly President Cooper and Members of the Assembly

KPB Mayor Mike Navarre



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MIKE NAVARRE
BOROUGH MAYOR

To: Stan A. McLane, Road Service Area Board Chairman
Members, Kenai Peninsula Borough Road Service Area Board

From: Pat Malone, Roads Director *PM*
Marie Payfer, Special Assessment Coordinator *MP*

Date: June 14, 2016

Subject: Clarence Drive RIAD Engineer's Estimate RSA Staff Report

In accordance with KPB 14.31.050(D), the following staff report is provided to the road service area (RSA) board for its consideration in evaluating the application for petition and determining whether the engineer's estimates for the following road improvement assessment district (RIAD) project should be funded through the Engineer's Estimate Fund established under KPB 5.20.160. Applications must be received by July 1 of each year (KPB 14.31.040), and petitions must be reviewed by September 1 of each year for construction in the following year, (KPB 14.31.050(E)). An application for the Clarence Drive RIAD was received on May 17, 2016, see Attachment #1. The following is an analysis of the criteria the board must consider when it determines whether to appropriate money from the fund:

SECTION 1. APPLICATION:

SPONSOR: Shawn & DeAnna Holly

SUBJECT ROADS: Clarence Drive, Anna Leah Avenue, and Philosopher Court cul de sac. These roads are in the RSA West Region, Unit 6, and an application has been made for improving these roadways. These roads and approximate distances are: Clarence Drive, 1,980 linear feet (LF); Anna Leah Avenue, 425 LF; and Philosopher Court, 360 LF. Total road length for the proposed project is 2,765 linear feet. See Attachment #2, District Map.

SCOPE: The application requests that the subject roads be improved and paved.

SECTION 2. KPB 14.31.080(A)(3) & (4) RESTRICTIONS ON FORMATION:

Pursuant to KPB 14.31.050(D), staff must prepare an initial report for the RSA board to consider for approval of an order for the engineer's estimate regarding the proposed project, based on the proposed boundaries (see attached map) and a review of 14.31.080(A)(3) and (4) restrictions on formation for the proposed project.

14.31.080(A)(3) *Do unimproved parcels represent more than 40 percent of the assessed value within the district?*

No. All parcels within this district are improved properties within a residential neighborhood.

14.31.080(A)(4) *If this project is for construction of new roads, does one owner own more than 40% of the parcels to be benefited?*

This project is not for construction for new roads.

SECTION 3. KPB 14.31.050(E) RSA BOARD CRITERIA:

Pursuant to KPB 14.31.050(E), the RSA board shall consider the following factors in evaluating petition applications and determining whether to approve an order for an engineer's estimate:

1. *Whether the roads are currently on the maintenance system.*

Clarence Drive and Philosopher Court are both certified for KPB RSA maintenance system, and 250 LF of the approximately 425 LF of Anna Leah Avenue are certified for KPB RSA maintenance. The remaining 175 LF of Anna Leah Avenue is currently not on the maintenance system but does serve four residential properties.

2. *The number of petitions for projects received that year.*

This is the second petition (application) for projects received this year, 2016.

3. *The funds available in the RIAD Engineer's Estimate Fund established under KPB 5.20.160.*

It is estimated that the RIAD application fee of \$3,400 will cover the engineers estimate. The current balance in the RSA's Engineer's Estimate Fund is \$5,170.

4. *Whether an application for district formation has been previously filed and whether conditions have changed that make the project more feasible than in past application years.*

This project was subject to a previous application for district formation in 2013. In August of 2013, prior to the ordering of the engineer's estimate, the project sponsor elected to postpone the project due to scheduling conflicts and difficulties in contacting a few of the benefited property owners. The sponsors feels the current situation has improved to initiate the RIAD petition process for a 2017 construction.

ADDITIONAL COMMENTS:

The sponsors have visited with the owners of several benefited parcels included in the proposed district and they believe they will be able to obtain the required signature thresholds for support of the project; and several of those owners are willing to contribute a portion of the \$3,400 nonrefundable filing fee.

The proposed improvement for Clarence Drive and Anna Leah Avenue does not include the entire public ROW, but rather includes only that portion of those roadways within the public ROW which are an existing roadway. The proposed improvement will provide pavement up to the driveways of 47525 and 47544 Clarence Drive (parcels 131-454-03 and 131-455-05 respectively); and provide pavement up to the driveways of 47298 and 47297 Anna Leah Avenue (parcels 131-455-17 and 131-457-03 respectively), see Attachment #3.

Anna Leah Avenue is partially certified for KPB RSA maintenance, for a distance of 250 LF of approximately 425 LF total distance, see Attachment #3. The remaining portion of 175 LF will need to be certified before the RSA will maintain that portion of the roadway. The sponsors are aware of the situation and understand the steps that will need to be taken to certify the remaining distance of roadway.

RECOMMENDATION:

Clarence Drive RIAD appears to be viable based on the substantial support for the project. Code requirements have been satisfied in regards to unimproved parcel ratio and ownership restriction percentage. The roads are currently on the maintenance system and serve a number of borough residents. The assessed value of the parcels appears sufficient to support the maximum assessment lien the equivalent of which is 25 percent of a parcel's value, but that cannot be confirmed until a cost estimate is obtained. As of this date, zero parcels are delinquent in real property taxes. Therefore, it is recommended that the RSA board approve the application and match fund.

PETITION REPORT

CLARENCE DRIVE

ROAD IMPROVEMENT ASSESSMENT DISTRICT (RIAD)

In accordance to KPB Code Chapter 14.31, this petition proposes a road improvement assessment district (RIAD) be formed in the area of Kalifornsky, for the purpose of improving and paving a total road length of 2,750 linear feet (LF) of the subject roads of Clarence Drive (1,950 LF), Philosopher Court (380 LF), and Anna Leah Avenue (420 LF). This RIAD includes 2,580 LF of road service area (RSA) maintained roads, and an additional 170 LF of uncertified roadway. Anna Leah Avenue is partially certified for RSA maintenance for a distance of 250 LF of the 420 LF of total length; the remaining 170 LF will need to be certified by the RSA Board through a separate application process for inclusion in the RSA maintenance program. A map showing the parcels to be assessed is attached to the Petition Report as Exhibit 3. The project would benefit 30 parcels.

Project proposal: The project proposes to improve and pave approximately 2,750 LF of roadway. The engineer's estimate for the total cost of construction is \$348,072, which includes the 2017 estimated construction cost of \$285,305, a 15 percent design & engineering cost of \$42,796, and a 7 percent construction contingency of \$19,971. Added to the engineer's estimate is a 10 percent project contingency cost of \$34,807 (in accordance with KPB 14.31.060(2)(a)), and additional cost and fees of \$14,099.60 (includes the RSA estimated costs of \$6,000, and the KPB Administration Fee of \$8,099.60). The total estimated project cost is \$396,978.60. Accordingly, after accounting for a maximum RSA Match of 50% (if approved, and contingent on the availability of funds), the total estimated project cost for the benefited parcels is \$198,489.30. The proposed method of cost allocation is by equal assessment to each of the 30 benefited parcels. The allocated cost per parcel is estimated at \$6,616.31. See Exhibit 2 of the Petition Report, estimate assessment roll, for project cost calculation.

This Petition Report is supported by the attached exhibits:

- 1) Petition Information Sheet: provides a description of the proposed improvement, a description of the limitations on withdrawing a petition signature under KPB 14.31.070(E), and provides the name, address and daytime telephone number of the sponsors of the petition;
- 2) Estimate assessment roll: a spreadsheet listing the tax parcel number, legal description, the assessed valuation, the assessment-to-value ratio and any required prepayment of assessment as set forth in KPB 14.31.080(A)(1), maximum assessment, the name of the record owner, and any delinquencies or other special assessment liens of each parcel in the proposed district, the total estimate cost of the project, an estimate of the amount to be assessed to each parcel, and the total number of parcels to be assessed; and
- 3) Map of the proposed RIAD district and boundaries;
- 4) Memorandum from the Finance Director stating the method of financing, interest rate to be paid, and setting forth the number and frequency of payments.
- 5) Summary of construction cost estimates for the Clarence Drive RIAD provided by Larson Engineering & Design, P.C., prepared September 16, 2016.

RIAD sponsor(s):

Shawn Holly & DeAnna Holly	PO Box 1952 Soldotna AK 99669	(907) 398-4975 (907) 398-7181	AV8N4FUN@HOTMAIL.COM
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**ROAD IMPROVEMENT ASSESSMENT DISTRICT (RIAD)
PETITION INFORMATION SHEET
CLARENCE DRIVE RIAD**

In accordance to KPB Code Chapter 14.31, this petition proposes a road improvement assessment district (RIAD) be formed in the area of Kalifornsky, for the purpose of improving and paving a total road length of 2,750 linear feet (LF) of the subject roads of Clarence Drive (1,950 LF), Philosopher Court (380 LF), and Anna Leah Avenue (420 LF). This RIAD includes 2,580 LF of road service area (RSA) maintained roads, and an additional 170 LF of uncertified roadway. Anna Leah Avenue is partially certified for RSA maintenance for a distance of 250 LF of the 420 LF of total length; the remaining 170 LF will need to be certified by the RSA Board through a separate application process for inclusion in the RSA maintenance program. A map showing the parcels to be assessed is attached to the Petition Report as Exhibit 3. The project would benefit 30 parcels.

Project proposal: The project proposes to improve and pave approximately 2,750 LF of roadway. The engineer's estimate for the total cost of construction is \$348,072, which includes the 2017 estimated construction cost of \$285,305, a 15 percent design & engineering cost of \$42,796, and a 7 percent construction contingency of \$19,971. Added to the engineer's estimate is a 10 percent project contingency cost of \$34,807 (in accordance with KPB 14.31.060(2)(a)), and additional cost and fees of \$14,099.60 (includes the RSA estimated costs of \$6,000, and the KPB Administration Fee of \$8,099.60). **The total estimated project cost is \$396,978.60.** Accordingly, after accounting for a maximum RSA Match of 50% (*if approved, and contingent on the availability of funds*), the total estimated project cost for the **benefited parcels is \$198,489.30.** The proposed method of cost allocation is by equal assessment to each of the 30 benefited parcels. **The allocated cost per parcel is estimated at \$6,616.31.** See Exhibit 2 of the Petition Report, estimate assessment roll, for project cost calculation.

Additionally, with regard to each benefited parcel, Petition Report Exhibit 2 (the estimate assessment roll) contains the tax parcel number, name of record owner, legal description, assessed value, estimated amount of special assessment, the existence of other special assessment liens (if any), and any violations of the assessment to value ratio per KPB 14.31.080(A). The sponsors of this petition are Shawn & DeAnna Holly, PO Box 1952, Soldotna, AK 99669, 907-398-4975 or 907-398-7181.

What costs are covered: This estimated assessment will only cover the cost to improve and pave the public rights-of-way of the above-mentioned roadways, not the private driveways to individual benefited parcels.

The proposed improvement on Clarence Drive and Anna Leah Avenue include only those portions of public rights of way which are an existing roadway. The proposed improvement will provide pavement up to the driveways of 47525 and 47544 Clarence Drive (parcels 131-454-03 and 131-455-05 respectively); and provide pavement up to the driveways of 47298 and 47297 Anna Leah Avenue (parcels 131-455-17 and 131-457-03 respectively). See Petition Report Exhibit 3, the district map.

Assessment lien: This cost will be assessed in the form of a lien on the benefited parcel. In no case may a property be assessed an amount in excess of 25% of the current assessed value of the property for a paving improvement. For the purpose of this restriction, the estimated amount of the special assessment lien against a parcel will be reduced by the amount of a *prepayment* of the assessment for the parcel. There are no parcels within this proposed RIAD which are affected by the assessment to value lien limit restriction.

Payment options: The cost assessed can be paid in full, or in 10 annual installments with interest to accrue on the unpaid amount of the assessment. The assessment may be paid at any time prior to the 10 year period without penalty. Interest will be added to any assessments not paid within 30 days of the date of mailing the Notice of Assessment. The interest rate charged is the ***prime rate plus 2%** (*as of the date the ordinance confirming the assessment roll is enacted by the assembly), and is fixed for the life of the loan. The penalty for delinquent installment and assessment payments is the same as the penalty for delinquent real property taxes in effect on the date of the delinquency. The lien will remain on the parcel until the debt has been paid in full.

Legal description of parcels: The legal description of the parcels subject to the special assessment within the proposed RIAD was established as of the date of the RSA resolution to approve the petition report and recommend a borough match. The RSA Board approved RSA Resolution 2016-11 on November 15, 2016. Any action to replat parcels within the proposed RIAD must have been completed and recorded before the date the RSA board approved the resolution. No further subdivision, reversion of acreage, or lot line adjustment will be recognized for RIAD assessment purposes.

Petition signature thresholds: This petition proposes to assess all of the benefited parcels equally. In order to qualify, the petition must have the signatures of the owners of record of (a) at least 60% of the total number of parcels subject to assessment within the proposed RIAD *and* (b) at least 60% in value of the property to be benefited. **Approval of the project is signified by properly signing and dating the petition signature page.** Failure to secure enough signatures to meet these thresholds will cause the petition to fail.

Petition signature requirements: An owner's signature represents a **VOTE IN FAVOR** of the project. All signatures must be made in ink, dated properly, and the completed petition signature page must be returned to the RIAD sponsor in a timely manner to meet the petition deadline. For parcels with joint ownership *each owner of record must sign and date the petition*. If a joint owner is deceased a copy of the death certificate must be provided. Refer to page 2 of the ***Petition Signature Page*** for additional instructions.

Signature withdrawal, KP.B 14.31.070(E): A signature on a petition may be withdrawn only by written notice from the signer submitted to the assessing department *prior* to the final filing of the petition signature pages by the sponsor. *A withdrawal is effective only if written notice of the withdrawal is submitted before the filing of the completed petition to the assessing department.* This restriction does not preclude the property owners from filing an objection as to the necessity of formation of the district as provided in KP.B 14.31.090(D).

Deadline for signatures: The sponsor will be responsible to file the completed petition (signature pages) to the assessing department within *45 days of the date on which the assessing department distributes the final petition to the sponsor* for distribution to all property owners. Benefited property owners should **contact the RIAD sponsors** with any questions regarding the **petition deadline**.

Certification of petition: Once the sponsor files the completed petition with the assessing department, the borough clerk shall determine whether the petition contains sufficient signatures as required. If the petition meets the required signature thresholds, the borough clerk shall certify the petition and submit the petition to the mayor for preparation of a resolution to form the district and proceed with the improvement.

ONLY the *Petition Signature Page* needs to be returned to the RIAD sponsor(s):

Shawn Holly & DeAnna Holly	PO Box 1952 Soldotna AK 99669	(907) 398-4975 (907) 398-7181	AV8N4FUN@HOTMAIL.COM
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For additional information, contact:

Marie Payfer, KP.B Special Assessment Coordinator

Direct: 907-714-2250 or Email: mpayfer@kpb.us

CLARENCE DRIVE RIAD - ESTIMATE ASSESSMENT ROLL

Resolution to Form and Proceed with the Improvement

Estimate Cost	
Estimate Construction Cost:	245,305.00
Engineering Design (15%):	41,795.00
Construction Contingency (7%):	15,971.00
Total Estimate Construction Cost:	348,071.00
RIAD Project Contingency (10%):	34,807.00
RSA Estimate Cost:	6,000.00
RFB Administration Cost:	8,099.60
Other Cost Subtotal:	48,906.60
Total Estimate Cost:	396,977.60
Road Service Area Match (50% estimate):	198,488.80
Total Estimate Project Cost to Parcel Owners:	198,488.80
Number of Benefited Parcels:	30
Estimate Cost Per Parcel:	6,616.31

Non-Refundable Filing Fee per 14.31.07(2): \$3,600 Paid June 30, 2016

Total Assessed Value (AV): 2016 Assessed Value		
Lien limit per parcel: Cannot exceed 25% of Assessed Value, per 14.31.07(4)(1)		
Total Estimate Project Cost:	198,488.80	
Less any required pre-payment:	0.00	
Total Estimate Assessments:	198,488.80	
Total number of parcels in district:	30	
Total number parcels in favor of project:	19	
Percentage of parcels in favor of project:	63.33%	> 60% per 14.31.07(2)
Percentage of district's assessed value in favor of project:	65.84%	> 60% per 14.31.07(2)
Percentage of parcels in district delinquent in taxes:	0.00%	< 10% per 14.31.07(2)
Unimproved/Improved parcel ratio of district:	0.00%	< 40% per 14.31.07(2)

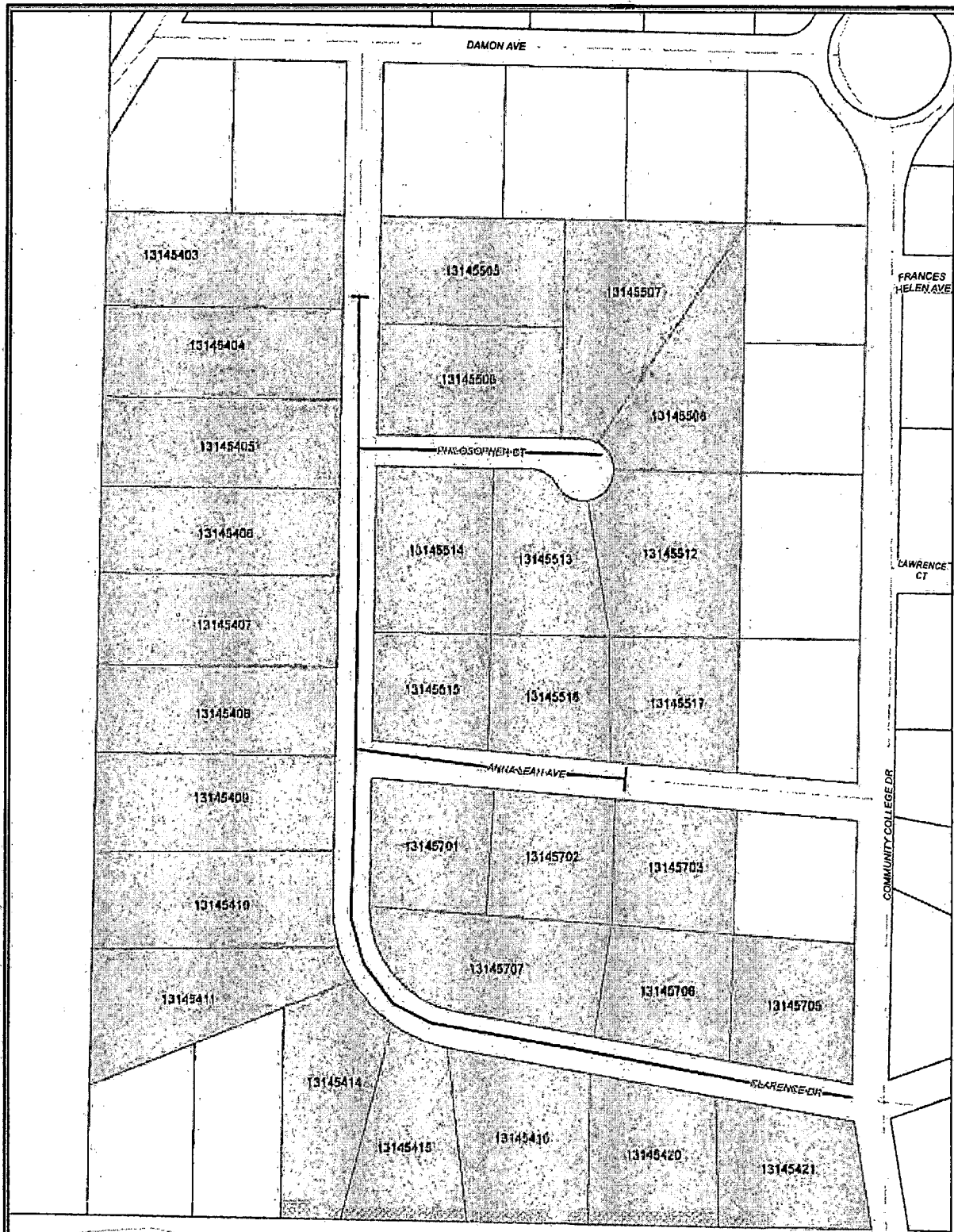
PARCEL ID	LEGAL DESCRIPTION	2016 ASSESSED VALUE	LIEN LIMIT <25% AV	MAXIMUM ASSESSMENT	REQUIRED PREPAYS	OWNER	ADDRESS	CITY ST ZIP	DEL TAX	OTHER SPECIAL ASMT	VOTED IN FAVOR	A.V. IN FAVOR	
131-454-03	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 8 BLK 4	223,200	2.90%	6,616.31	0.00	GRANADAS JOSEPH R	PO BOX 243	KENAI, AK 99611	NO	NO		0	
131-454-04	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 4 BLK 4	205,500	2.29%	6,616.31	0.00	WIMFREY JERRY A	PO BOX 1247	KASLOFT, AK 99610	NO	NO	YES	289,500	
131-454-05	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 3 LOT 5 BLK 4	230,900	2.82%	6,616.31	0.00	SCHILLER DEATE M & HARTMUT	3845 WHITE SALMON CT	WEST LYN, OR 97068	NO	NO	YES	230,900	
131-454-06	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 5 BLK 4	315,800	2.10%	6,616.31	0.00	MUSGRAVE MONIKA L	PMB 316	35555 KENAI SPUR HWY	SOLDOTNA, AK 99669	NO	NO	YES	315,800
131-454-07	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 7 BLK 4	246,500	2.68%	6,616.31	0.00	SATATHITE WILL J & PAMELA J	PO BOX 1915	SOLDOTNA, AK 99669	NO	NO	YES	246,500	
131-454-08	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 8 BLK 4	250,100	2.65%	6,616.31	0.00	NELSON SHAWN C	PO BOX 1255	SOLDOTNA, AK 99669	NO	NO		0	
131-454-09	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 9 BLK 4	306,700	2.16%	6,616.31	0.00	HOLLY DEANNA E & SHAWN L	PO BOX 1952	SOLDOTNA, AK 99669	NO	NO	YES	306,700	
131-454-10	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 10 BLK 4	231,800	2.85%	6,616.31	0.00	DOYLE KEVIN M	PO BOX 1608	SOLDOTNA, AK 99669	NO	NO		0	
131-454-11	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 11 BLK 4	291,500	2.27%	6,616.31	0.00	TOUGH STEPHEN F & ELIZABETH	47305 CLARENCE DR	SOLDOTNA, AK 99669	NO	NO	YES	291,500	
131-454-14	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 14 BLK 4	229,200	2.89%	6,616.31	0.00	HAMRICK HUNTER	451 LILLY DR	SOLDOTNA, AK 99669	NO	NO	YES	229,200	
131-454-15	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 15 BLK 4	198,200	3.34%	6,616.31	0.00	HAGAN BRANDY J	PO BOX 3967	SOLDOTNA, AK 99669	NO	NO		0	
131-454-16	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 16 BLK 4	301,700	2.19%	6,616.31	0.00	HARCASTLE DUKE W	47305 CLARENCE DR	SOLDOTNA, AK 99669	NO	NO	YES	301,700	
131-454-20	T4N R 11W SEC 2 Seward Meridian KN 2002096 DAMON PLAZA SUB NO 3 LOT 17A BLK 4	353,400	1.87%	6,616.31	0.00	HUMPHRIES MIRIAM A & ALAN D	105 W REDOUBT AVE	SOLDOTNA, AK 99669	NO	NO		0	
131-454-21	T4N R 11W SEC 2 Seward Meridian KN 2002096 DAMON PLAZA SUB NO 3 LOT 18A BLK 4	309,200	2.29%	6,616.31	0.00	WHITOM JOSEPH M	PO BOX 582	SOLDOTNA, AK 99669	NO	NO		0	
131-455-05	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 15 BLK 5	227,500	2.91%	6,616.31	0.00	MORRIS HOUSTON R	35228 KENAI SPUR HWY	SOLDOTNA, AK 99669	NO	NO		0	
131-455-06	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 16 BLK 5	250,800	2.64%	6,616.31	0.00	KIRSCH BEVERLY V & GEORGE B	47504 CLARENCE DR	SOLDOTNA, AK 99669	NO	NO	YES	250,800	
131-455-07	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 17 BLK 5	242,800	2.73%	6,616.31	0.00	YOUNGBERG JENNIFER L & KENNETH	47360 PHILOSOPHER CT	SOLDOTNA, AK 99669	NO	NO	YES	242,800	
131-455-08	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 8 BLK 5	284,700	2.32%	6,616.31	0.00	ANDERSON CHERYL A & JEFFRY L	47340 PHILOSOPHER CT	SOLDOTNA, AK 99669	NO	NO	YES	284,700	
131-455-12	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 12 BLK 5	223,700	2.96%	6,616.31	0.00	HEDLUND TRAVIS T	405 HALLER ST	KENAI, AK 99611	NO	NO		0	
131-455-13	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 13 BLK 5	240,700	2.75%	6,616.31	0.00	MAY MELISSA A	PO BOX 1488	SOLDOTNA, AK 99669	NO	NO		0	
131-455-14	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 14 BLK 5	310,400	2.13%	6,616.31	0.00	LACY PAUL E & KAREN A	PO BOX 523	SOLDOTNA, AK 99669	NO	NO	YES	310,400	
131-455-15	T4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 15 BLK 5	228,200	2.90%	6,616.31	0.00	LEE JUSTIN R	47406 ANNA LEAN AVE	SOLDOTNA, AK 99669	NO	NO	YES	228,200	

EXHIBIT #4 (page 4 of 9)




PARCEL ID	LEGAL DESCRIPTION	2016 ASSESSED VALUE	LIEN LIBRT +25% AV	MAXIMUM ASSESSMENT	REQUIRED PREPAYS	OWNER	ADDRESS	CITY ST ZIP	DEL TAX	OTHER SPECIAL ASMNT	VOTED IN FAVOR	A.V. IN FAVOR
131-455-16	T 4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 16 BLK 5	271,300	2.44%	6,616.31	0.00	GILES CARLENA & GORDON E	PO BOX 377	SELDOVIA, AK 99553	NO	NO	YES	271,300
131-455-17	T 4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 17 BLK 5	254,500	2.60%	6,616.31	0.00	CRAIG LEANNE MICHELLE & CHAD D	47298 ANNA LEAH AVE	SOLDOTNA, AK 99669	NO	NO	YES	254,500
131-457-01	T 4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 1 BLK 7	203,800	3.25%	6,616.31	0.00	MACDONALD CECELY M	332 W REDOUBT AVE #1	SOLDOTNA AK 99669	NO	NO		0
131-457-02	T 4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 2 BLK 7	302,200	2.19%	6,616.31	0.00	HORTON CHRISTY K & JUSTIN D	PO BOX 2706	FENAI, AK 99611	NO	NO	YES	302,200
131-457-03	T 4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 3 BLK 7	259,500	2.55%	6,616.31	0.00	MILLER BARBARA L	47297 ANNA LEAH AVE	SOLDOTNA AK 99669	NO	NO	YES	259,500
131-457-05	T 4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 5 BLK 7	229,000	2.89%	6,616.31	0.00	WACKLER JAMES TIMOTHY	36304 KENAI SPUR HWY	SOLDOTNA AK 99669	NO	NO		0
131-457-06	T 4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 6 BLK 7	249,900	2.65%	6,616.31	0.00	JOHNSON KIMBERLY & EZRA	33220 COMMUNITY COLLEGE DR	SOLDOTNA, AK 99669	NO	NO	YES	249,900
131-457-07	T 4N R 11W SEC 2 Seward Meridian KN 0870062 DAMON PLAZA SUB NO 2 LOT 7 BLK 7	235,100	2.81%	6,616.31	0.00	LONG ERICA N & TOBY R	PO BOX 2671	FENAI, AK 99611	NO	NO	YES	235,100
30		7,771,900		188,469.30	0.00				0	0	19	5,101,200

Parcels

EXHIBIT #4 (page 5 of 9)



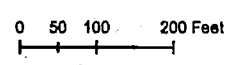
Legend

-  Proposed Improvement Route
-  Improved Benefitted Parcels
-  Unimproved Benefitted Parcels



The information depicted herein is for a graphical representation only of best available sources. The Kenil Parkside Borough assumes no responsibility for any errors on this map.

CLARENCE DR RIAD



Date: 6/10/2016
EXHIBIT #4 (page 6 of 9)



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520

Toll-free within the Borough: 1-800-478-4441

PHONE: (907) 262-4441 • FAX: (907) 262-1892

www.borough.kenai.ak.us

MIKE NAVARRE
BOROUGH MAYOR

TO: Kelly Cooper, Assembly President
Members of the Kenai Peninsula Borough Assembly

THRU: Mike Navarre
Kenai Peninsula Borough Mayor

FROM: Craig Chapman, Finance Director *C Chapman*

DATE: November 1, 2016

SUBJECT: Clarence Drive Road Improvement Assessment District ("RIAD") Financing

The Borough plans to provide the funds necessary to finance the Clarence Drive RIAD from internal sources. KPB 5.10.040 allows the investment of borough monies in special assessment districts that are authorized under KPB 5.35. The total of such investments is limited to not more than \$5,000,000 at the end of any fiscal year. As of October 31, 2016, the borough has \$2,711,160 invested in special assessment districts. If approved, the \$198,489 projected for the Clarence Drive RIAD will increase the total special assessment district investment to approximately \$2,909,649.

The owners of property located within the RIAD will be required to make principal and interest payments each year for a ten-year period to retire the indebtedness to the borough. The rate of interest will be equal to the prime rate (currently 3.50%) plus 2% or 5.50%. Property owners can avoid or reduce the interest charge by making accelerated payments on the principal. Penalties will not be imposed for accelerated payments. The assessment constitutes a lien on each parcel within the district.

**Kenai Peninsula Borough
 Currently Proposed USAD/RIAD Projects
 Updated 11/1/2016**

	Current Proposal	Outstanding Proposals
Max Allowed	\$ 5,000,000	\$ 5,000,000
Current Balance(100.10706) as of:		
10/31/2016	2,711,160	2,711,160
Previously Approved Projects(awaiting assessment):		
Funny River East USAD		1,225,995
Projects Awaiting Approval:		
Eddy Hill Drive RIAD		318,994
Clarence Drive RIAD	198,489	198,489
Total	<u>\$ 2,909,649</u>	<u>\$ 4,454,638</u>

CLARENCE DRIVE, ANNA LEAH AVE., AND PHILOSOPHER COURT (2750 LF)					
2016 CAPITAL IMPROVEMENT PROGRAM					
RIAD Construction Cost Estimate					
Pay Item No.	Pay Item Description	Pay Unit	Quantity	Unit Bid Price	Amount Bid
Engineer's Estimate					
110(1)	Existing Utilities in Construction Zone	Lump Sum	All Required	\$ 2,500.00	\$ 2,500.00
201	Clearing and Grubbing	Lump Sum	All Required	\$ 4,500.00	\$ 4,500.00
203(9A)	Roadbed Widening 2 feet, Anna Leah Ave, Philosopher Ct	Station	6.8	\$ 1,500.00	\$ 9,900.00
203(13A)	Turnaround Construction - Clarence Drive	Each	1	\$ 4,500.00	\$ 4,500.00
203(13B)	Turnaround Construction - Anna Leah Ave.	Each	1	\$ 4,500.00	\$ 4,500.00
203(13)	Cul-de-sac Construction - Philosopher Ct	Each	1	\$ 5,500.00	\$ 5,500.00
301(1)	Aggregate Base Course, Grading D-1	Ton	725	\$ 40.00	\$ 29,000.00
302(2A)	Subgrade Modification, 8" Depth, 24' Wide	Station	5	\$ 1,100.00	\$ 5,500.00
302(2B)	Subgrade Modification, 12" Depth, 22' Wide	Station	4	\$ 1,500.00	\$ 6,000.00
303(1)	Embankment Reconditioning	Station	26	\$ 750.00	\$ 19,500.00
401(1)	Asphalt concrete, Type II, Class A	Ton	820	\$ 150.00	\$ 123,000.00
603(1-15)	15 inch Corrugated Steel Pipe	Linear Foot	144	\$ 45.00	\$ 6,480.00
639(1)	Gravel Residence Driveway Transition	Each	23	\$ 475.00	\$ 10,925.00
639(5)	Paved Driveway	Each	9	\$ 1,500.00	\$ 13,500.00
640(1)	Mobilization and Demobilization	Lump Sum	All Req'd	(LUMP SUM)	\$ 12,500.00
641(2)	Temporary Erosion and Pollution Control	Contingent Sum	All Req'd	(Contingent SUM)	\$ 2,500.00
643(2)	Traffic Maintenance	Lump Sum	All Req'd	(LUMP SUM)	\$ 7,500.00
650(1)	Miscellaneous Work	Contingent Sum	All Req'd	(Contingent SUM)	\$ 15,000.00
670(1)	Painted Traffic Markings	Lump Sum	All Req'd	(LUMP SUM)	\$ 2,500.00
CONSTRUCTION SUBTOTAL					\$ 285,305.00
ENGINEERING DESIGN, CONSTRUCTION INSPECTION AND ADMINISTRATION			15%		\$ 42,795.75
KPB ADMINISTRATIVE OVERHEAD			3%		\$ 8,559.15
CONTINGENCY			7%		\$ 19,971.35
TOTAL CLARENCE DRIVE RIAD				\$	356,631.25