

Kenai Peninsula Borough

Finance Department

MEMORANDUM

TO: Peter Ribbens, Assembly President
Members, KPB Assembly

THRU: Peter A. Micciche, Mayor *PM*
Adeena Wilcox, Borough Assessor *aw*
Brandi Harbaugh, Finance Director *BH*

FROM: Nolan Scarlett, Property Tax & Collections Manager *NS*

DATE: May 8, 2025

RE: Ordinance 2024-19-38 Appropriating an Additional \$150,029.03 to the Special Assessment Fund for the Rollins Way Road Improvement Assessment District (Mayor)

On May 21, 2024, the Assembly enacted Ordinance 2023-19-36, appropriating \$289,178.64 to the special assessment fund for the Rollins Way Road Improvement Assessment District (“RIAD”). The total cost to construct the RIAD is now estimated at \$439,207.67, an increase of \$150,029.03.

This Ordinance will appropriate, \$75,014.51 from the General Fund and the RSA Board approved 50% match of \$75,014.52, for a total appropriation of \$150,029.03, to the RIAD Special Assessment Fund for the increased construction cost of the RIAD.

This Ordinance is scheduled to go before the RSA Board at their May 13th regularly scheduled meeting. The RSA Board’s recommendations will be provided to the Assembly prior to the scheduled hearing on June 3rd. The RSA Board previously adopted Resolution 2023-007 approving a 50% match of the original estimated RIAD construction cost.

The increase in cost for the RIAD will change the per lot assessments from \$8,032.74 to \$12,200.21, an increase of \$4,167.47 per parcel.

Additionally, per KPB 14.31.080(A)(1), the estimated amount of the assessment to be levied against each parcel in the RIAD may not exceed 21% for gravel improvements to an existing road. Due to the increase in project costs, this restriction affected 10 benefited properties.

The total amount of required prepayment of assessments is \$58,645.13. The prepayments must be paid in full at least 15 days prior to the date of the Assembly hearing on June 3, 2025.

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The revised total cost of the Rollins Way RIAD is estimated to be \$439,207.67. The loan will be repaid through assessments levied on property located within the RIAD which may be paid in 10 annual installments. Billings will include an interest charge equal to the published prime rate in effect at the time of the loan plus 2.00%. The prime rate is currently 7.5%. If it remains unchanged through project completion, owners included in the RIAD will be charged an interest rate of 9.5% (7.5% + 2.00%). This is the same formula used to determine the rate of interest to finance the other RIAD projects. Early payments can be made without penalty.

If for any reason the RIAD is not formed, the loan will not be made and the General Fund will absorb any administrative costs that exceed the \$1,000 filing fee received with the petition.

Your consideration is appreciated.

FINANCE DEPARTMENT	
ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>100.27900</u> Amt: <u>75,014.51</u>
Acct. No.	<u>236.27900</u> Amt: <u>75,014.52</u>
By: <u>CS</u>	Date: <u>5/7/2025</u>