

Kenai Peninsula Borough

Assessing Department

MEMORANDUM

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

THRU: Peter A. Micciche, Mayor *PM*
Adeena Wilcox, Borough Assessor *AW*

FROM: Marie Payfer, Special Assessment Coordinator *MP*

DATE: May 9, 2024

RE: Resolution 2024 -006, to Form the Rollins Way Road Improvement Assessment District and Proceed with the Improvement (Mayor)

MAYOR'S REPORT

Property owners in the proposed Rollins Way Road Improvement Assessment District ("RIAD") have worked with the KPB administration to form the proposed RIAD. Pursuant to the requirements of KPB 14.31.065, on November 14, 2023, the Road Service Area ("RSA") Board adopted RSA Resolution 2023-007, approving the petition report before its circulation among benefited property owners, approving up to \$144,589.32 as the RSA match for this project, and recommending the formation of the district (see Mayor's Report Attachment 1, Staff Report).

This resolution to form the RIAD and proceed with the improvement approves the formation of the RIAD 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 RIAD: 1) resolution to form the district and proceed with the improvement; 2) ordinance of appropriation of funds; and, 3) ordinance of assessment.

KPB 14.31.070(D) requires the petition to contain the 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. A completed petition for the formation of the RIAD was received by the assessing department on January 5, 2024. On January 9, 2024, the Borough Clerk certified the petition with 11 of 18 property owners, 61.11 percent, supporting the proposed district and 68.41 percent of the value of the district (see Mayor's Report Attachment 2, Certification of Petition, and Mayor's Report Attachment 4, page 9, the Estimate Assessment Roll). Additionally, the Borough Clerk sent all required notices to the property owners and published the required information concerning the proposed district as required by KPB code.

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

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Pursuant to KPB 14.31.090, the Mayor prepared this Resolution for Assembly consideration to form the special assessment district and proceed with the improvement. Per code, the following information accompanies this Resolution, all of which is detailed in the referenced attachments to this memo:

1. Attachment #1: RSA Staff Report, dated June 14, 2022, a description of the current condition of the rights-of-way proposed for improvement and a statement of the need for the proposed local improvement.
2. Attachment #2: RSA Resolution 2023-007, November 14, 2023.
3. Attachment #3: Certification of Petition, Rollins Way RIAD, dated January 9, 2024.
4. Attachment #4: The petition report prepared by KPB staff under KPB 14.31.060, updated to account for any change in information. The petition report includes the following Petition Report Exhibits:
 - a) Petition Signature Page, see Attachment 4, pages 1 & 2;
 - b) The Petition Information Sheet (*Petition Report Exhibit 1*) which provided a description of the proposed improvement, and a description of the limitations on withdrawing a petition signature under KPB 14.31.070(E), see Attachment 4, pages 5-7.
 - c) The estimate assessment roll spreadsheet (*Petition Report Exhibit 2*) which provides the legal description of the benefited parcels, the name of the record owner, the total estimated cost of the project, an 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 a description of any benefited parcels that exceed the assessment-to-value ratio set forth in KPB 14.31.080(A)(1). There are no properties within this proposed district delinquent in payment of real property taxes, and no properties with other borough special assessment liens, see Attachment 4, page 9.
 - d) A map (*Petition Report Exhibit 3*) of the proposed RIAD district and boundaries, see Attachment 4, page 11.
 - e) A memorandum (*Petition Report Exhibit 4*) from the Finance Director stating the method of financing, interest rate to be paid, and setting forth the number and frequency of payments, see Attachment 4, pages 13 & 14.
 - f) Summary of construction cost estimates (*Petition Report Exhibit 5*) for the Rollins Way RIAD (approx. 2,050 LF) provided by McLane Consulting, on August 14, 2023, see Attachment 4, pages 15 & 16.

Project Background:

The total project is estimated to cost \$289,178.64. This includes direct costs of \$250,724.51, a 10 percent KPB project contingency of \$25,072.45 per KPB 14.31.060(2)(a), and indirect administrative costs of \$13,381.68. There are 18 benefited parcels within this district.

KPB 14.31.120 requires the method of assessment be an allocation of costs on a per parcel basis so that

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each benefited parcel is charged an equal amount. The per-parcel cost is estimated to be \$8,032.74. Equal allocation is reasonable because the benefit of access to the improvement is the same for all parcels.

Pursuant to KPB 14.31.080(A)(1), a special assessment district may not be formed if the estimated amount of the assessment to be levied against each parcel in the district exceeds 21 percent for gravel improvements. Within this proposed district, there are 10 parcels that exceed the 21 percent limitation. Prepayment of assessments in an amount of \$25,433.40, where paid at least 15 days prior to the scheduled date of the assembly hearing for the resolution, meeting code requirements.

This matter is now presented to the assembly for approval to proceed with the project.

Your consideration is appreciated.