

Kenai Peninsula Borough

Finance Department

MEMORANDUM

TO: Brent Johnson, Assembly President
Members, KPB Assembly

THRU: Peter A. Micciche, Mayor *PAM*
Brandi Harbaugh, Finance Director *BH*

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

DATE: February 15, 2024

RE: Ordinance 2023-19-36, Appropriating \$289,178.64 to the Rollins Way Road Improvement Assessment District (Mayor)

A petition has been received requesting the formation of a special assessment district for the Rollins Way Road Improvement Assessment District (RIAD), located in Anchor Point. The petition is the first step of the process. A resolution is scheduled to be heard at the March 19, 2024 assembly meeting to authorize the formation of the Rollins Way RIAD.

The second step in the process is this ordinance that will appropriate the necessary funds should the assembly approve the project with adoption of the resolution to form the RIAD and proceed with the improvement. The third and final step of the process will be an ordinance of assessment following the completion of the project.

KPB 14.31.070(D) requires the petition to contain signatures of the owners of record of at least 60% of the total number of parcels and owners of record of at least 60% in value of the property to be benefited within the proposed district in order to be considered by the assembly for formation. Owners of record of 61.11% of the parcels and owners of record of 68.41% in value of the property to be benefited within this proposed RIAD have signed the petition.

The total cost of the Rollins Way RIAD is estimated to be \$289,178.64. This ordinance appropriates \$289,178.64 to the assessment fund with 50% or \$144,589.32 provided as an interfund loan from the KPB General Fund and a 50% or \$144,589.32 match from the Road Service Area RIAD Match Fund.

On November 14, 2023, the Road Service Area board adopted Resolution 2023-007 to fund the 50% match. The loan will be repaid through assessments levied on property located within the RIAD which may be paid in ten annual installments. Billings will include an interest charge equal to the published prime rate in effect at the time of the loan plus 2%. The prime rate is currently 8.5%. If it remains unchanged through project completion, residents of the RIAD will be charged an interest rate of 10.5% (8.5% + 2%). This is the same formula used to determine the rate of interest on the interfund loans used to finance other USAD and RIAD projects. Early payments can be made without penalty.

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Re: Ordinance 2023-19-

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. 100.27910
Amount: \$144,589.32

Acct. No. 236.27910
Amount \$144,589.32

By:  Date: 2/13/2024