

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: March 7, 2024

RE: Resolution 2024-005, to Form the Jubilee Street Utility Special Assessment District and Proceed with the Improvement of a Natural Gas Main Line Extension (Mayor)

MAYOR'S REPORT

Property owners in the proposed Jubilee Street Utility Special Assessment District (USAD) have worked with the KPB administration to form the proposed USAD. Pursuant to the requirements of KPB 5.35.105, on November 27, 2023, the Mayor approved the administrative review of the petition report, approving the petition for formation of this USAD prior to its circulation among benefited property owners (see Mayor's Report Attachment 1).

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

KPB 5.35.107(C) requires that the petition must contain the signatures of (a) the owners of record of at least 60% of the total number of parcels subject to assessment within the proposed district, and (b) the owners of at least 60% 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 Jubilee Street USAD was received by the Assessing Department on January 9, 2024. On January 11, 2024, the KPB Clerk certified the petition with 6 of 10 property owners, 60 percent, supporting the proposed district (see Mayor's Report Attachment 3, Certification of Petition), and with 70.12 percent of the value of the district (see Mayor's Report Attachment 2, Estimated Assessment Roll, page 13). Additionally, the KPB Clerk sent all required notices to the property owners and published the required information concerning the proposed district as required by KPB code.

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

Pursuant to KPB 5.35.110(A), the Mayor submits 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: The administrative review of the petition report memo prepared by KPB staff under KPB 5.35.105, updated to account for any change in information.
- 2) Attachment #2: The petition report prepared by KPB staff under KPB 5.35.105, updated to account for any changes in information. The petition report includes the following Petition Report Exhibits:
 - a) Petition Signature Page, see Attachment 2, 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 5.35.107(E), see Attachment 2, pages 5 to 8;
 - c) Enstar Natural Gas Company's letter of commitment (*Petition Report Exhibit 2*) to support the 2024 construction of the extension and a written estimate of the total cost of construction, with attached engineer's map, dated August 29, 2023, see Attachment 2, pages 9 & 10;
 - d) A map (*Petition Report Exhibit 3*) of the proposed USAD district and boundaries, see Attachment 2, page 11;
 - e) The estimate assessment roll spreadsheet (*Petition Report Exhibit 4*) which provides the total estimated cost of the improvement, the name of the record owner of each parcel, the tax parcel number of each parcel, the legal description of each parcel, the assessed valuation of each parcel, the 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 the description of any benefited parcel that exceed the assessment-to-value ratio set forth in KPB 5.35.070(C), see Attachment 2, page 13;
 - f) A memorandum (*Petition Report Exhibit 5*) 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 2, pages 15 & 16;
 - g) Written comments (*Petition Report Public Comment*) timely received per KPB 5.35.030(E)(5), including any objections from parcel owners regarding inclusion of their property district, see Attachment 2, pages 17 & 18;
- 3) Attachment #3: Certification of Petition, Jubilee Street USAD, dated January 11, 2024.

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PROJECT BACKGROUND:

The total project is estimated to cost is \$42,562.00. This includes direct costs of \$35,862.00 and indirect administrative costs of \$6,700.00. There are a total of 10 benefited parcels within this district.

KPB 5.35.090 requires the method of assessment shall be an allocation of costs on a per parcel basis so that each benefited parcel is charged an equal amount. The per-parcel cost is estimated to be \$4,256.20. Equal allocation is reasonable because the immediate benefit of being able to connect a service line to the main line is the same for all parcels.

Pursuant to KPB 5.35.070(C), in no case may a property be assessed an amount in excess of 50 percent of the fair market value of the property. Within this project there are zero properties that exceed the 50 percent limitation. No prepayments are required for this district. See Mayor's Report Attachment 2, page 13, Estimated Assessment Roll.

Per KPB 5.35.070(D), a special assessment district 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 KPB property taxes. There are zero properties within this proposed district that are delinquent in payment of real property taxes. Additionally, pursuant to KPB 5.35.105(A)(4)(g), there are no other special assessment liens against any of the parcels in the proposed district.

This matter is now presented to the assembly for approval to proceed with the project. Any objections received will be provided to the assembly on the hearing date.

Your consideration is appreciated.