



KENAI PENINSULA BOROUGH

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MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

TO: Blaine Gilman, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Mike Navarre, Mayor *MN*
Tom Anderson, Director of Assessing *TA for TA*

FROM: Marie Payfer, Special Assessment Coordinator *MP*

DATE: June 9, 2016

SUBJECT: Resolution 2016-029, A Resolution To Form the Eddy Hill Drive Road Improvement Assessment District and Proceed with the Improvement (Mayor)

MAYOR'S REPORT

Property owners in the proposed Eddy Hill Drive Road Improvement Assessment District (RIAD) have worked with the borough administration to form the proposed RIAD. Pursuant to the requirements of KPB 14.31.065, on March 22, 2016, the Road Service Area Board adopted RSA Resolution 2016-03, approving the petition report before its circulation among benefited property owners, approving up to \$318,994.20 as the RSA match for this project, and recommending the formation of the district (see Exhibit 1).

This resolution to form the Eddy Hill Drive 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 Eddy Hill Drive 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 benefited, in order to be considered by the assembly for formation. A completed petition for the formation of the Eddy Hill Drive RIAD was received by the Assessing Department on April 21, 2016. On April 22, 2016, the borough clerk certified the petition with 27 of 35 property owners, 77.14 percent, supporting the proposed district (see Exhibit 2), and with 79.47 percent of the value of the district (see Exhibit 4, estimate assessment roll, page 5). Additionally, the borough clerk sent all required notices to the property

owners and published the required information concerning the proposed district as required by borough code.

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

Pursuant to KPB 14.31.090, the mayor shall prepare for assembly consideration a resolution to form the special assessment district and proceed with the improvement. The mayor shall submit with the resolution the following information, all of which is detailed in the referenced Exhibits to this memo.

- 1) RSA Resolution 2016-03, March 22, 2016, see Exhibit 1.
- 2) Certification of Petition, Eddy Hill Drive RIAD, dated April 22, 2016, see Exhibit 2.
- 3) RSA Staff Report, dated July 14, 2015, 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, see Exhibit 3.
- 4) The petition report prepared by borough staff under KPB 14.31.060, updated to account for any change in information, see Exhibit 4. The petition report includes the following exhibits:
 - a) The petition information sheet 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 Exhibit 4, pages 3 & 4).
 - b) The estimate assessment roll spreadsheet 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 Exhibit 4, pages 5 to 7).
 - c) A map of the proposed RIAD district and boundaries (see Exhibit 4, page 8).
 - d) A memorandum from the Finance Director stating the method of financing, interest rate to be paid, and setting forth the number and frequency of payments (see Exhibit 4, pages 9 & 10).
 - e) Summary of construction cost estimates for the Eddy Hill Drive RIAD (4,525 LF) provided by Larson Engineering & Design, P.C. (see Exhibit 4, page 11).

PROJECT BACKGROUND:

The total project is estimated to cost \$637,988.40. This includes direct costs of \$566,808.00, a 10 percent KPB project contingency of \$56,681.00 per KPB 14.31.060(2)(a), and indirect administrative costs of \$14,499.40. There are 35 benefited parcel within this district.

KPB 14.31.120 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 \$9,114.12. 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 25 percent for paving improvements. Within this proposed district, there are seven (7) parcels that exceed the 25 percent limitation, and require prepayments of the estimated amount of assessment to reduce the liens to the allowable amount of \$9,114.12 per parcel. A total of \$30,548.84 in prepayments was received by the borough at least 15 days prior to the date the assembly will act on the resolution to form the district and proceed with the improvement per code requirement.

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 or before the hearing date.