



KENAI PENINSULA BOROUGH

Planning Department • Land Management Division
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DAVID R. CAREY
BOROUGH MAYOR

MEMORANDUM

TO: Gary Knopp, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: David R. Carey, Mayor *DR Carey*
Craig Chapman, Finance Director *C Chapman*
MB Max Best, Planning Director

FROM: Marcus A. Mueller, Land Management Officer *M Mueller*

DATE: August 4, 2011

SUBJECT: Ordinance 2011-19-10, Appropriating \$87,535 in supplemental funding to complete Widgeon Woods Subdivision Development

In the FY08 budget \$150,000 was appropriated from the Land Trust Fund for the Woods Drive Realignment Design, Engineering and Subdivision Project. In October 2008 a professional design services contract was awarded to Tauriainen Engineering. Based on preliminary design information, \$650,000 was appropriated in the FY09 annual budget from the Land Trust Fund for Widgeon Woods Phase 2 Subdivision road and utility construction.

Currently, the Widgeon Woods Phase 2 Subdivision development is approximately 70 percent complete. The project costs have primarily come in within FY09 budget however rising utility costs have exceeded the budgeted amount. Original estimates for electric, phone and natural gas totaled \$282,319; current costs for these utilities are \$369,854, a difference of \$87,535 needed for the project. It is anticipated that this supplemental appropriation will bring the project to completion.

The 78.5-acre parcel that is being improved by this project has a 2011 assessed value of \$177,200. In November 2009, Derry and Associates appraised the project at \$1,453,000 upon completion indicating an increase in land value of \$1,275,800.

Shortened hearing is respectfully requested due to the short construction season and in the interest of avoiding interruption to ongoing construction activities. Your consideration of this ordinance is greatly appreciated.

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| FINANCE DEPARTMENT FUNDS VERIFIED \$ | |
| Acct. No. | <u>250.27900 FB</u> |
| Amount | <u>\$87,535-</u> |
| By: | <u>CBW</u> Date: <u>8/4/11</u> |