

**TO:** Ron Wille, Road Service Area Board Chairman  
Members, Kenai Peninsula Borough Road Service Area Board

**FROM:** Doug Schossler, Roads Director  
Clyde Johnson, Senior. Appraiser/Auditor

**DATE:** June 16, 2009

**SUBJECT:** Poppy Ridge Road & Franke Road RIAD  
Engineer's Estimate Staff Report

Pursuant to KPB 14.31.050, the following staff report is provided to the Road Service Area ("RSA") Board for its consideration in evaluating the application for petition and determining whether the engineer's estimates for the following road improvement assessment district ("RIAD") project should be funded through the Engineer's Estimate Fund established under KPB 5.20.160. Applications must be received by June 1 of each year for construction the following year. (KPB 14.31.050). Petitions must be reviewed by August 1 of each year. (KPB 14.31.050). A request to fund the Preliminary Engineering and Cost Estimate for the Poppy Ridge Road & Franke Road RIAD is hereby made of the RSA Board. If the RSA Board approves preliminary funding for the engineer's report, the RSA Board will then have the opportunity to recommend approval of the project to the Borough Assembly after reviewing the completed engineer's estimate.

Following is an analysis of the criteria the board must consider when it determines whether to appropriate money from the fund:

#### **SECTION 1. APPLICATION.**

**SPONSOR:** Monica Griffin

**SUBJECT ROADS:** That portion of Poppy Ridge Road, located north of the intersection of Poppy Ridge Road and Bonita Avenue, and Franke Road. These roads are in the RSA West Region, Unit 1 and an application has been made for improving these roadways. These roads and approximate distances are that portion of Poppy Ridge Road, 2300 feet and Franke Road 600 feet. Total road length for the proposed project is 3,600 feet.

**SCOPE:** The application requests that the subject roads be improved and paved.

#### **SECTION 2. KPB 14.31.080 RESTRICTIONS ON FORMATION:**

Pursuant to KPB 14.31.050(A), staff must evaluate the feasibility of the project based on the proposed boundaries (see attached map) and the criteria set forth in KPB 14.31.080.

A. *Does the assessment to assessed value ratio exceed 21 percent for gravel improvements, or 25 percent for pavement?*

Because the proposed assessment cannot be determined without the engineer's estimate of project costs, this factor cannot be considered at this time. While 2 of the 34 benefited parcels are unimproved parcels each of them appears to have sufficient value to support the allowable assessment lien of 25 percent of the value of the parcel. One is a 240 acre tract owned by the Kenai Peninsula Borough and leased to a private individual. The other is a 34 acre parcel on the Kenai River and owned by a private individual. While generally without the engineer's estimate of the project costs it is difficult to determine feasibility, assessing believes this project is feasible because of the preliminary substantial support for the project, majority of the benefited parcels are of homogeneous size and use, and the proposed district involves internal subdivision roads facilitating the determination of benefited parcels and the method of assessment. In projects similar to this proposed project we have used equal allocation and assessed valuation allocation methods in setting assessments.

B. *Are the parcels bearing more than 10 percent of the estimated costs of the improvement delinquent in real property taxes?*

At the time of this report the tax delinquency check had not been completed. It will be completed and available to the Board prior to consideration of this project.

C. *Do unimproved parcels represent more than 40 percent of the assessed value within the district?*

No, the values of the unimproved parcels represent 9.77 percent of the assessed value in the proposed district.

### **SECTION 3. KPB 14.31.050(D) RSA BOARD CRITERIA:**

The RSA board is required to consider the following factors in determining which projects should have engineer's estimate front-funded through KPB 14.31.050(A).

A. *Whether the roads are currently on the maintenance system.*

The roads within the proposed district are certified for KPB RSA maintenance

B. *To what extent assessed values of properties support the proposed scope of work for each project.*

The values of the benefited parcels range from \$27,100 to \$591,200. There are two unimproved parcels within the proposed district however their respective values seem sufficient to support the allowable assessment lien. The remaining 32 parcels are improved with single family dwellings with assessed values ranging from \$151,400 to \$305,700.

C. *The number of petitions for projects received that year.*

There have been six petitions (applications) for projects received this year.

D. *The funds available in the RIAD Engineer's Estimate Fund established under KPB 5.20.160.*  
**DOUG/ANGIE**

E. *Whether an application for district formation has been previously filed and whether conditions have changed that make the project more feasible than in past application years.*  
The project has not been subject to a previous application for district formation.

**ADDITIONAL COMMENTS:**

The sponsor has visited with 30 of the 34 property owners and all 30 of these owners are in support of the project and are willing to contribute their portion of the \$3,000 nonrefundable filing fee.

**RECOMMENDATION:**

Poppy Ridge Road & Franke Road RIAD appears to be viable based on the limited information available before an engineer's estimate is obtained. Code requirements have been satisfied in regards to tax delinquency and unimproved parcel ratio. The assessed values of the unimproved parcels seem sufficient to support the 25% maximum assessment lien, but that cannot be confirmed until a cost estimate is obtained. The roads are currently on the maintenance system and serve a number of borough residents.