KENAI PENINSULA BOROUGH

Assessing Department

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**DAVID R. CAREY
BOROUGH MAYOR**

MEMORANDUM

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

THRU: David R. Carey, Borough Mayor *ihtleary*
             Tom Anderson, Director of Assessing *TCA*

FROM: Marie Payfer, USAD Coordinator *MP*

DATE: September 2, 2011

SUBJECT: Resolution 2011-090, forming the Anchor Point Utility Special
                Assessment District (USAD) and proceeding with the improvement

This resolution to form the Anchor Point Utility Special Assessment District (USAD) and proceed with the improvement approves formation of the USAD and authorizes the mayor to proceed with the construction of the improvement in accordance with resolution 2011-075, approving the petition application.

The petition approved by resolution 2011-075 has been received for the purpose of forming a USAD in Anchor Point west of the Sterling Highway and north of the Anchor River up to the north end of the Anchor River Air Park, including those parcels on the east side of the Sterling Highway that do not currently have access to natural gas as shown in exhibit 4, attached.

This proposal allocates 100 percent (100%) of the costs to the 268 benefited parcels involved in the formation of the District. The first petition signature was dated July 12, 2011. All signature pages were received by August 8, 2011, thereby meeting the 30-day circulation requirement of regulation D adopted through resolution 92-54 and KPB 5.35.107. A separate signature page for each property owner was issued along with a map of the benefited parcels (exhibit 4 to the resolution); a petition information sheet (exhibit 5 to the resolution); and a commitment letter from ENSTAR (exhibit 6 to the resolution). Signatures of owners for 188 parcels were needed to meet the more than 70 percent (70%) approval requirement of KPB 5.35.107 and validated signatures for 203 parcels, or 75.7 percent were obtained (exhibit 1 to the resolution, Clerk's certification).

The borough clerk gave notice of the public hearing on the resolution to form the district and proceed with the improvement per KPB 5.35.110 (B)(1) & (2) and no written objections to the formation of the district have been filed within the 30 days after the mailing of the notice.

PROJECT BACKGROUND:

The project cost is estimated to cost $723,410.00. This includes direct costs of $698,720.00 and indirect administrative costs of $24,690.00.

The proposed method of allocating the cost is by equal allocation of the assessment among all benefited parcels, i.e., dividing the cost by the number of benefited parcels. The per-parcel cost is estimated to be $2,699.30. KPB 5.35.090 requires the method of assessment shall be an allocation of costs on a per lot basis so that each lot is charged an equal amount. 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.

As required by KPB 5.35.070(D) no lien for this project may exceed 21 percent of the fair market value of the property after giving effect to the benefit accruing from the improvement for which assessed. Within this project there are zero parcels that exceed the 21 percent limitation and required no prepayment.

Pursuant to KPB 5.35.070(E), a special assessment district may not be approved where properties that will bear more than ten percent (10%) of the estimated costs of the improvement are delinquent in payment of borough property taxes from the immediately preceding year. For this project the immediately preceding tax year is 2010. As of today's date, September 2, 2011, only one (1) lot within the proposed district is delinquent in payment of the 2010 property tax.

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