

SUBJECT: Administrative report relating to the re-creation of and improvement to East Forest Grove Circle Road Paving Local Improvement District No. 647; and consideration of said re-creation.

AGENDA OF: June 20, 2023

ASSEMBLY ACTION:

Defeated Unanimously 7-18-23
(Signature)

AGENDA ACTION REQUESTED: Introduce and set for public hearing on July 18, 2023.

Route To Department/Director	Signature	Comments
Originator	<i>x Marcia Vorch</i>	
Finance Director	<i>x [Signature]</i>	
Borough Attorney	<i>x [Signature]</i>	
Borough Manager	<i>x [Signature]</i>	
Borough Clerk	<i>x [Signature]</i>	<i>[Signature]</i>

ATTACHMENT (S): Fiscal Note: YES ☐ NO ☒
 Ordinance Serial No. 23-064 (5 pp)
 Exhibit A (1 p)
 Map (1 p)
 Ballot Tally (1 p)

SUMMARY STATEMENT: On November 22, 2022, the Assembly approved Ordinance 22-110 for the East Forest Grove Road Paving LID. This spring, Public Works prepared to arrange for the contractor to do this work; it was then determined that the estimated cost for the project had increased by 51% over the estimate included with the ballot and legislation from November. For transparency, Finance discussed with Law and Administration how to proceed forward to fully disclose the increase to both the property owners and to the Assembly. It was decided that this LID should be re-balloted and re-approved by the Assembly. Public Works was also asked to provide

an estimate that would consider completion during the 2024 construction season. The estimate provided is now 67% higher than the original cost.

A petition was filed by the record owners of 66 percent in value of the property and signatures of 68 percent of property owners within the proposed East Forest Grove Circle Road Paving Local Improvement District. The petition has been certified by the borough clerk. The proposed East Forest Grove Circle Road Paving Local Improvement District is located in Assembly District #2.

As addressed in Section 7 of the manager's administrative report, there are zero properties that do not conform to MSB 3.28.080(B).

MANAGER'S ADMINISTRATIVE REPORT

(MSB 3.28.040)

1. Description of properties to be benefited by the improvement: SEE ORDINANCE SERIAL No. 23-064
2. Evaluation of need and benefit of improvement and proposed allocation of special assessments:
Paving the surface of the road, per the highlighted portion of the attached map, within the East Forest Grove Circle road paving local improvement district will improve the road conditions and make maintenance of the road easier. Properties, including vacant properties, being benefited by paving the surface of the road have a tendency to sell more rapidly when placed on the market than similar properties. It is believed that the benefits will accrue about equally to each property in the local improvement district. Therefore, it is proposed that the entire cost of the improvement to be allocated equally to each property within the district, without regard to the foot frontage, the size of the property, the value of the property or other measures.
3. Estimated total cost of improvement:
The estimated cost by the public works department for the paving is \$73,617.60 if done during the 2024 construction season. It is estimated that administrative costs will amount to approximately \$5,100 and the delinquency reserve will be \$4,150. The estimated total cost of the improvement as of this date is \$82,867.60. It is recommended that the project be financed by a revolving loan from the local improvement district internal service fund, which will be reimbursed from the special assessments on the properties to be benefited. It is anticipated that the interest on the loan will be recovered through the interest that will be paid on special assessment installments.

4. Current mill rate: The Fiscal Year 2024 mill rate for the improvement district is 12.025 mills consisting of 8.396 mills (areawide) plus .387 mills (non-areawide) plus 1.90 mills (FSA#130) plus 1.342 mills (RSA#16).

Taxable Property Values for Real Property: \$4,599,200.00

5. Profile of proposed properties in local improvement district:

Total Number of Lots: 22

Ownership type of properties: Private: 22

Bank: 0

Public: 0

MSB: 0

"Tax" status of properties: Number Current: 22

Number Delinquent: 0

Number in Foreclosure: 0

Number in Bankruptcy: 0

Population Estimate: 43

Estimated Area (Acres): 2.56

* This estimate is based on information collected during the 2020 census and current assessment records.

6. Other special assessments effecting this local improvement district: NONE.

7. Properties not conforming to MSB 3.28.080(B) "...An assessment may not exceed 25 percent of the assessed value for real property taxation of the property assessed": 0

8. Method of collecting assessments: Semi-annual due dates will be established, with billings sent to each property owner 30-45 days before each due date. Delinquent accounts will be acted upon in the same manner as delinquent tax accounts, including annual foreclosure action.

IMPROVEMENT PLAN (MSB 3.28.050B)

The improvement will be funded by a revolving loan from the local improvement district internal service fund. Only the proceeds of the special assessments and interest will be pledged as security for payment. The special assessments may be paid by the property owners in semi-annual installments over a ten-year period.

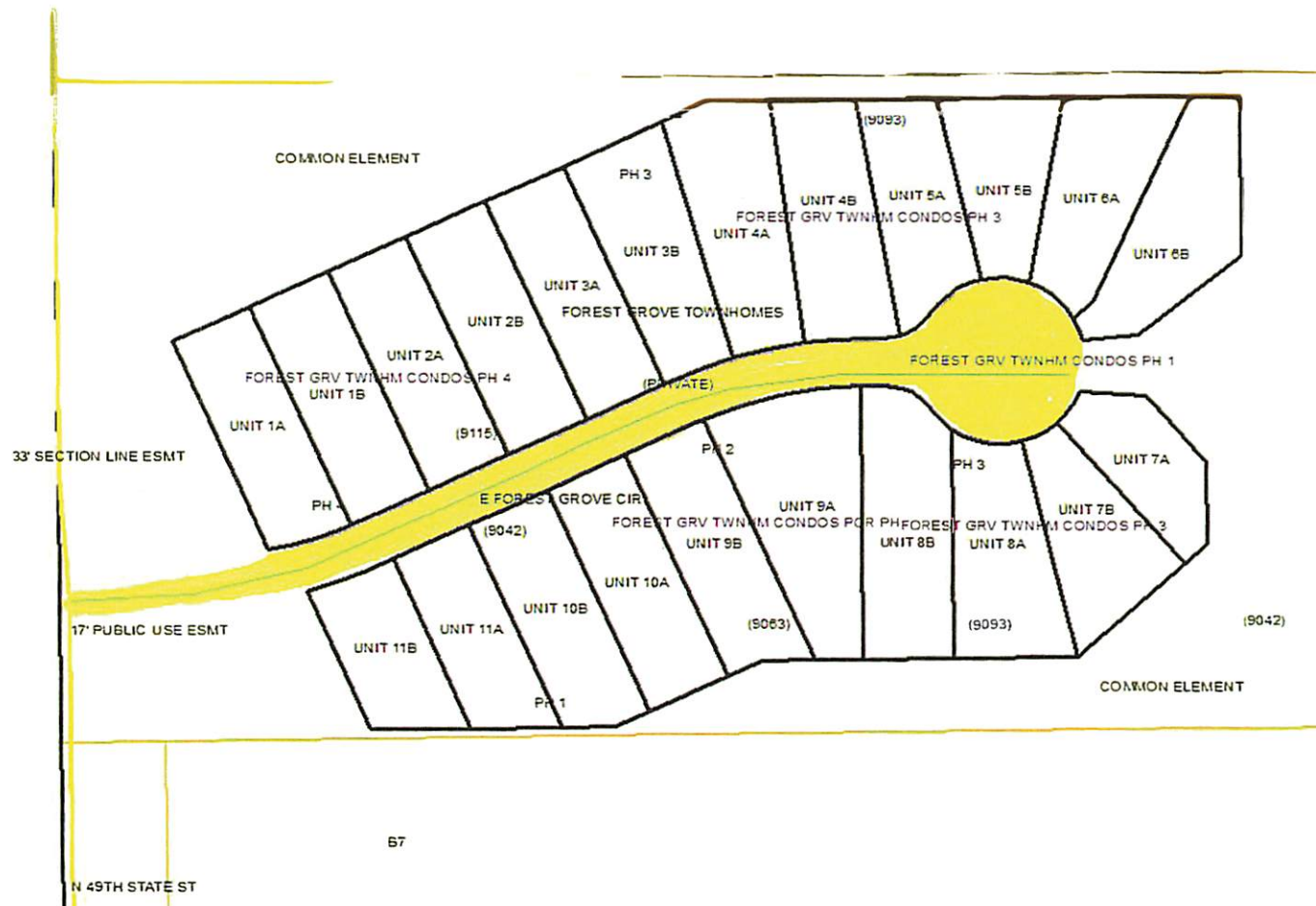
The estimated total cost is \$82,867.60. The estimated cost elements are paving \$73,617.60, delinquency reserve of \$4,150.00, and administrative costs of \$5,100.00.

The estimated total cost is to be equally assessed against the properties within the improvement district, including those properties not meeting the MSB 3.28.080(B) criteria.

The estimated special assessment against the 22 lots is \$3,766.71 per lot.

Because this is a private road, the Borough will not assume maintenance of the road.

LID647 East Forest Grove Circle



IM 23-136
OR 23-064

BALLOT TALLY

LID NUMBER	647
LOCAL IMPROVEMENT NAME	East Forest Grove Circle
LID TYPE	ROAD PAVING
LOAN AMOUNT	83,000.00
CONSTRUCTION COSTS	73,617.60
NUMBER OF LOTS	22
PER LOT COST (FULL AMOUNT)	3,766.71
ESTIMATED SEMI-ANNUAL PAYMENT	188.34

NUMBER OF BALLOTS MAILED	<u>22</u>	
NUMBER OF BALLOTS RETURNED	<u>7</u>	
NUMBER AND PERCENTAGE OF BALLOTS RETURNED MARKED "YES"	<u>2</u>	<u>(29%)</u>
NUMBER OF BALLOTS RETURNED MARKED "NO"	<u>5</u>	<u>(71%)</u>
NUMBER OF BALLOTS RETURNED UNMARKED INCORRECT PAPERWORK AND/OR SIGNATURE	<u>0</u>	

NUMBER OF BOROUGH OWNED LOTS	<u>0</u>	
NUMBER OF STATE OWNED LOTS	<u>0</u>	
NUMBER OF LOTS LESS THAN 4X1	<u>0</u>	
LETTERS NOT RECEIVED	<u>4</u>	(0 unclaimed)

COMMENTS:

As provided in MSB 3.28.062(B), the assembly may not proceed with the improvement unless ballots approving the local improvement district are timely filed by owners of property bearing more than 54 percent of the estimated cost of the improvement.

Administration recommends denial of Ordinance Serial No. 23-064.