

SUBJECT: Administrative report relating to the creation of and improvement to Ridgefield & Drinkhouse Road Paving Local Improvement District No. 638; and consideration of said creation.



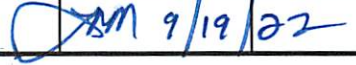

AGENDA OF: September 27, 2022

ASSEMBLY ACTION:

Adopted without objection
11-22-22

MANAGER RECOMMENDATION: Introduce and set for public hearing on November 22, 2022.

APPROVED BY MICHAEL BROWN, BOROUGH MANAGER: 

Route To:	Department/Individual	Initials	Remarks
	Originator	MVE	9-9-2022
	Finance Director		
	Borough Attorney		
	Borough Clerk	 9/19/22	

ATTACHMENT (S) : Fiscal Note: YES _____ NO X
Ordinance Serial No. 22-113 (5 pp)
Exhibit A (1 p)
Map (1 p)
Ballot Tally (1 p) to be presented at Public Hearing

SUMMARY STATEMENT:

A petition has been filed by the record owners of 98 percent in value of the property and signatures of 91 percent of property owners within the proposed Ridgefield & Drinkhouse Road Paving Local Improvement District. The petition has been certified by the borough clerk. The proposed Ridgefield & Drinkhouse Road Paving Local Improvement District is located in Assembly District #5.

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

If monies are appropriated in the Fiscal Year 2023 budget for the road program, this LID, if approved, would qualify for up to 50 percent matching funds.

MANAGER'S ADMINISTRATIVE REPORT

(MSB 3.28.040)

1. Description of properties to be benefited by the improvement:
SEE ORDINANCE SERIAL NO. 22-113
2. Evaluation of need and benefit of improvement and proposed allocation of special assessments:
Paving the surface of the road(s), per the highlighted portion of the attached map, within the Ridgefield & Drinkhouse 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 front footage, 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 \$84,806.75 if done during the 2023 construction season. It is estimated that administrative costs will amount to approximately \$3,600.00 and the delinquency reserve will be \$7,760.00. The estimated total cost of the improvement as of this date is \$96,166.75. 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 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 2023 mill rate for the improvement district is 12.982 mills consisting of 8.901 mills (areawide) plus .392 mills (non-areawide) plus 1.950 mills (FSA#130) plus 1.739 mills (RSA#14).

Taxable Property Values for Real Property: \$2,566,900.00

5. Profile of proposed properties in local improvement district:

	Total Number of Lots:	<u>11</u>
Ownership type of properties:	Private:	<u>0</u>
	Bank:	<u>0</u>
	Public:	<u>0</u>
	MSB:	<u>0</u>
"Tax" status of properties:	Number Current:	<u>11</u>
	Number Delinquent:	<u>0</u>
	Number in Foreclosure:	<u>0</u>
	Number in Bankruptcy:	<u>0</u>
	Population Estimate:	<u>9</u>
	Estimated Area (Acres):	<u>46.49</u>

* 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.

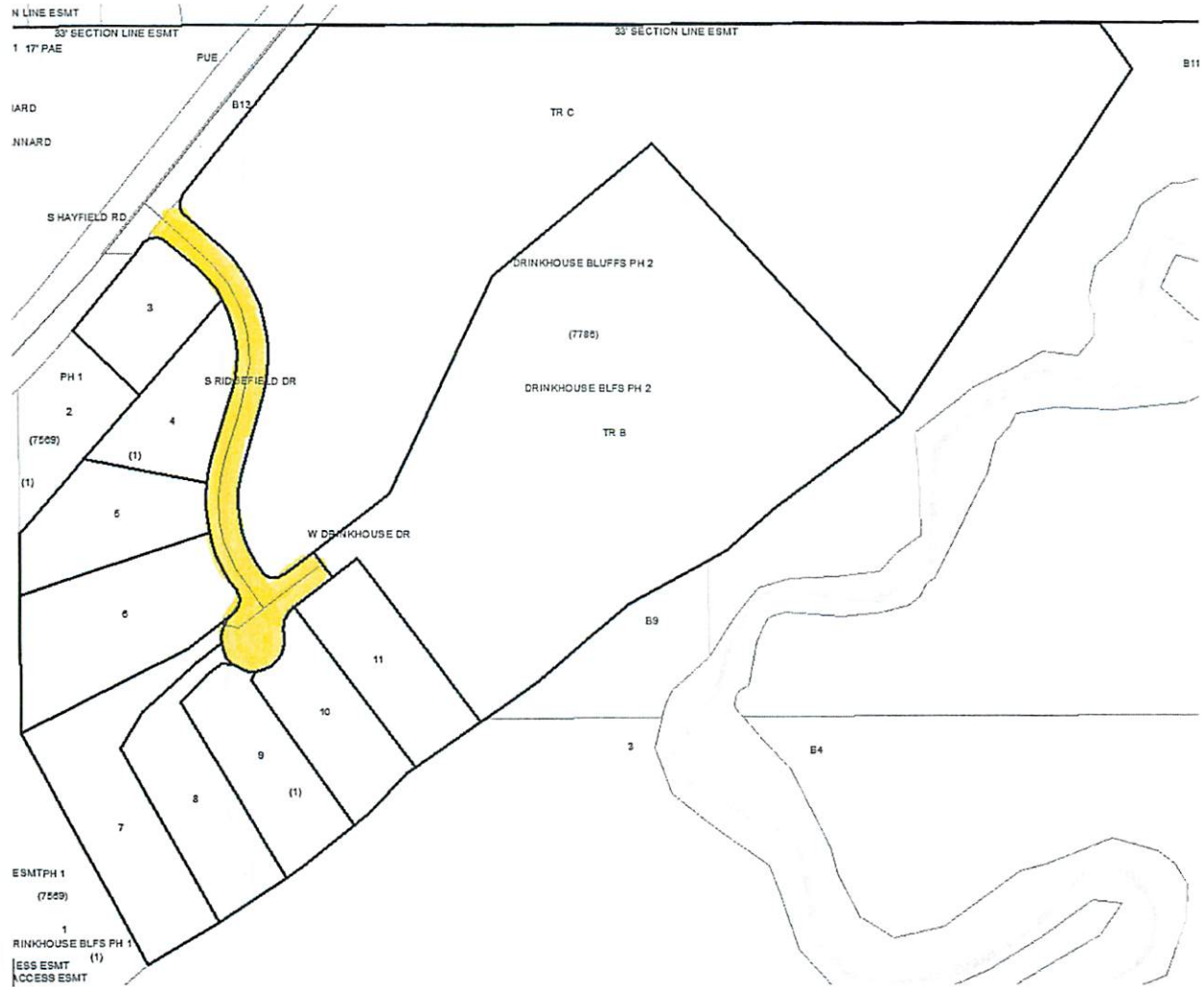
The estimated total cost is \$96,166.75. The estimated cost elements are paving \$84,806.75, delinquency reserve of \$7,760.00, and administrative costs of \$3,600.00.

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 11 lots is \$8,742.43 per lot.

If the entire matching funds are approved, the estimated special assessment against the 11 lots with the matching funds would be \$4,553.03, which is comprised of up to 50% of the construction costs only (not including any upgrade, if necessary for the project, or administrative costs or reserves).

LID638



IM 22-206
OR 22-113

EXHIBIT A

7786

Lots Three (3) through Ten (10), Block One (1), and Tract C, DRINKHOUSE BLFS PH 2, according to Recorded Plat #2018-108; and

8216

Lot Eleven A (11A) and Tract B-1, BURNETTS PL, according to Recorded Plat #2021-162.

THE ABOVE ARE RECORDED IN THE PALMER RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA.