

SUBJECT: Administrative report relating to the creation of and improvements to Asbury Court & Shangrila Lane Natural Gas Local Improvement District No. 632; and consideration of said creation.

AGENDA OF: June 15, 2021

ASSEMBLY ACTION:

Defeated Unanimously 7-20-21
(B500)

MANAGER RECOMMENDATION: Introduce and set for public hearing on July 20, 2021.

APPROVED BY MICHAEL BROWN, BOROUGH MANAGER: *MB*

Route To:	Department/Individual	Initials	Remarks
	Originator	MVE	5-28-2021
	Finance Director	<i>OX</i>	
	Borough Attorney	<i>NS</i>	
	Borough Clerk	<i>MB 6/7/21</i>	<i>KBJ</i>

ATTACHMENT (S) : Fiscal Note: YES ☐ NO ☒
Ordinance Serial No. 21-061 (5 pp)
Exhibit A (5 pp)
Map (1 p)
Ballot Tally (1 p)

SUMMARY STATEMENT:

A petition has been filed by the record owners of 77 percent in value of the property and signatures of 71 percent of property owners within the proposed Asbury Court & Shangrila Lane Natural Gas Local Improvement District. The petition has been certified by the borough clerk. The proposed Asbury Court & Shangrila Lane Natural Gas Local Improvement District is located in Assembly District #5.

As addressed in Section 8 of the manager's administrative report, (listed below) there are 2 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. 21-061
2. Evaluation of need and benefit of improvement and proposed allocation of special assessments:
The installation of natural gas distribution lines, per the highlighted portion of the attached map, makes available to the property owners within the Asbury Court & Shangrila Lane natural gas local improvement district a clean energy source that is substantially lower in cost than any other source available. Properties, including vacant properties, served by natural gas have a tendency to sell more rapidly when placed on the market than similar properties in areas not served by natural gas. 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 of the installation by ENSTAR is \$217,348.05 if done during the 2021 construction season. It is estimated that administrative costs will amount to approximately \$10,322.00 and the delinquency reserve will be \$19,840.00. The estimated total cost of the improvement as of this date is \$247,510.05. 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 2022 mill rate for the improvement district is 12.944 mills consisting of 9.942 mills (areawide) plus .432 mills (non-areawide) plus 0 mills (FSA#None) plus 2.57 mills (RSA#21).

Taxable Property Values for Real Property: \$5,056,400.00

5. Ownership of distribution lines: Enstar Natural Gas Co. is a division of Semco Energy Inc. It will own and be wholly responsible for the service and maintenance of the natural gas lines.

6. Profile of proposed properties in local improvement district:

	Total Number of Lots:	<u>28</u>
Ownership type of properties:	Private:	<u>28</u>
	Bank:	<u>0</u>
	Public:	<u>0</u>
	MSB:	<u>0</u>
"Tax" status of properties:	Number Current:	<u>28</u>
	Number Delinquent:	<u>0</u>
	Number in Foreclosure:	<u>0</u>
	Number in Bankruptcy:	<u>0</u>
	Population Estimate:	<u>54</u>
	Estimated Area (Acres):	<u>135.04</u>

* This estimate is based on information collected during the 2010 census and current assessment records.

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

8. 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": 2

9. 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 is the installation of approximately 6,015 linear feet of natural gas distribution lines by ENSTAR to serve and benefit 28 properties within the Asbury Court & Shangrila Lane Natural Gas Local Improvement District as described in Ordinance Serial No. 21-061. The current ENSTAR tariff sets the cost of gas lines at \$25.87 per foot for a cost of \$155,608.05.

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.

ENSTAR will engineer, own, install, and maintain the line under an agreement with the borough.

The estimated total cost is \$247,510.05. The estimated cost elements are installation costs of \$155,608.05, boring of \$61,740.00, delinquency reserve of \$19,840.00, and administrative costs of \$10,322.00.

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

The estimated special assessment against the 28 lots is \$8,839.64 per lot.

LEGAL DESCRIPTION FOR
Asbury Court & Shangrila Lane LID#632

17N03W30B005

Lots 2 and 3 of Section 30, Township 17 North, Range 3 West, Seward Meridian, EXCEPTING therefrom all and the whole of Sunny Slopes Subdivision, according to Plat No. 56, and also EXCEPTING therefrom the following two portions of said Lots 2 and 3, more particularly described as follows:

(a) Beginning at the northwest corner of Lot 9, Sunny Slopes Subdivision; thence South 19°57' West along the West line of Lot 9, a distance of 20.1 feet to the point of beginning; thence West and Southwesterly, 200 feet distant from and parallel to the meander line of the shoreline of Big Lake, to the West boundary of Lot 3 of Section 30, Township 17 North, Range 3 West, Seward Meridian; thence South along the West line of said Lot 3, a distance of 200 feet to the meander line of the shoreline of Big Lake; thence Easterly and Northeasterly along the meander line of the shoreline of Big Lake to the Southwest corner of Lot 9, Sunny Slopes Subdivision; thence North along the West line of said Lot 9, a distance of 200 feet to the point of beginning;

Reserving a 20.1 foot road and utility easement to the use of the public adjoining the North line of the above described tract.

(b) Beginning at the northwest corner of Lot 1, Sunny Slopes Subdivision; then North along the West line of the 30 foot road and utility easement delineated on the Plat of Sunny Slopes Subdivision as extended, to the North line of Lot 2 of Section 30, Township 17 North, Range 3 West, Seward Meridian; thence East along the North line of said Lot 2, to the meander line of the shoreline of Big Lake; thence southwesterly along the meander line of the shoreline of Big Lake, to the northeast corner of Lot 1, Sunny Slopes Subdivision; thence West along the North line of said Lot 1, to the point of beginning; and

17N03W30B007

A parcel of land in Lot 3, beginning at a point 375 feet in an easterly direction from the point where the West line of Section 30, Township 17 North, Range 3 West, Seward Meridian, meets the shoreline of Big Lake thence 150 feet North, thence 50 feet East, thence South to the shoreline of said lake, thence in a westerly direction along the shore line to the point of beginning, in the Palmer Recording District, Third Judicial District, State of Alaska; and

17N03W30B009

Beginning at point of the Shore Line of Big Lake, a/k/a Fish Lake, which is 100 feet directly East of West Line of Section 30 Township 17 North, Range 3 West; thence North 200 feet North parallel to the West Boundary of Section 30, Township 17 North, Range 3 West; thence 200 feet East; thence South to the Shore line of said lake; thence Westerly along the shore of said lake to the point of beginning; and

17N03W30B010

That parcel of Land in Lot 3, Section 30, Township 17 North, Range 3, West, Seward Meridian, Alaska, and more particularly described as follows:

Beginning at a point 300 feet in as Easterly direction from the point where the West line of Section 30, Township 17 North, Range 3, West Seward Meridian, meets and the shoreline of Big Lake, sometimes known as Fish Lake, thence 150 feet north; thence 75 feet East; thence South to the shoreline of said lake; thence in a Westerly direction along the shoreline to the point of beginning; and

17N03W30B024

A tract of land lying West of the Sunny Slopes Subdivision in U.S. Lots 2 and 3 of section 30, T17North, Range 3 West, Seward Meridian Alaska and more particularly described as follows:

Beginning at the NORTHWEST corner of LOT 9, SUNNY SLOPES SUBDIVISION (Plat File #26- Wasilla Records).

Thence S81°45'W a distance of 136.20 feet; Thence S19°57'W a distance of 257.97 feet to the shoreline of Big Lake; Thence following the shore N50°04'E a distance of 63.55 feet; Thence N81°45'E a distance of 100.00 feet; (This point being the Southwest Corner of LOT 9- Sunny Slopes Subdivision). Thence N19°57'E along the West boundary of said LOT 9 a distance of 220.10 feet to the Point of Beginning. All a part of the U.S. Lot 2 & 3, Section 30, T17N, R3W S.M. Alaska and containing 0.654 acres more or less; and

17N03W30B025

That portion of Government Lots 2 and 3, Section 30, Township 17 North, Range 3 West, Seward Meridian, in the Palmer Recording District, Third Judicial District, State of Alaska, described as follows:

Beginning at the Northwest corner of Lot Nine (9), Sunny Slopes Subdivision, according to Plat 26, filed June 29, 1955, in the Palmer Recording District, S 81 45' W 136.20 feet to the point of beginning:

Thence S 67°07' W 234.3 feet; thence S 31°58'W 189.7 feet;

thence S 0° 55' E 127.9 feet;
thence S 35°56' E 63.7 feet;
thence East 50 feet;
thence South 145.2 feet to the meander line of Big Lake;
thence along the meander line of Big Lake N 74°49' E 107.8 feet;
thence N 26°00' E 96.0 feet;
thence N 29°22' W 39.4 feet;
thence N 8° 48' W 135.3 feet;
thence N 33°09' E 57.6 feet;
thence N 19°57' E 261.7 feet to the point of beginning; and

17N02W30B026

A parcel of land located in Lot 3, beginning at a point where the West line of Section 30, Township 17 North, Range 3 West, Seward Meridian, meets the shoreline of Big Lake; thence 200 feet North along the West section line; thence 100 feet East; thence South to shoreline of said Lake; thence in a Westerly direction along the shoreline to the Point of beginning, all located in Lot 3, Section 30, Township 17 North, Range 3 West, in the Palmer Recording District, Third Judicial District, State of Alaska; and

17N04W25A002

US GOVERNMENT LOT 18; and

17N04W25A003

US GOVERNMENT LOT 17; and

17N04W25A004

US GOVERNMENT LOT 16; and

17N04W25A005

US GOVERNMENT LOT 15; and

17N04W25A006

US GOVERNMENT LOT 14; and

17N04W25A007

US GOVERNMENT LOT 13; and

17N04W25A008

PARCEL 2: Government Lot Twelve (12), Section 25, Township 17 North, Range 4 West, Seward Meridian, EXCEPT that portion more particularly described as follows:

Beginning at the Southwest corner of said Lot Twelve (12); thence East 50 feet; thence North 150 feet; thence West 50 feet; thence South 150 feet to the point of beginning, being within the Palmer Recording District, Third Judicial District, State of Alaska; and

17N0W25A010

All of the East 100 feet of U.S. Lot #10, Section 25, Township 17 North, Range 4 West, Seward Meridian, Alaska, containing approximately 1.8 acres more or less. Excepting reservations as to oil, gas and other mineral rights and right to prospect as set forth in the U.S. Patent No. 1169235, recorded in Book 15, Page 171 of the Wasilla Recording Precinct records, filed March 28, 1957; and

17N04W25A011

US GOVERNMENT LOT 10 excepting therefrom the following portion:

All of the East 100 feet of U. S. Lot #10, Section 25, Township 17 North, Range 4 West, Seward Meridian, Alaska, containing approximately 1.8 acres more or less.

EXCEPTING reservations as to oil, gas and other mineral rights and right to prospect as set forth in the U.S. Patent No. 1169235, recorded in Book 15, Page 171 of the Wasilla Recording Precinct records, filed March 28, 1957; and

17N04W25B002

U.S. Lot 8, Section 25, Township 17 North, Range 4 West, Seward Meridian, SAVE AND EXCEPT: Beginning at the Northeast corner of Lot 8, Section 25, Township 17 North, Range 4 West, Seward Meridian, Alaska; thence due West 330 ft. more or less, to the Northwest corner of said Lot 8; thence Southerly along the western boundary of said Lot 8 to a point along the meander line of Big Lake; thence Southeasterly along the meander line of Big Lake to a point midway between the aforementioned point at the southern end of the western boundary of said Lot 8, and a similar point on the western end of the southern boundary line of Lot 8 where it intersects the meander line; thence from that midway point along the meander line Northeasterly to the point of beginning. Said tract of land comprises the northwest triangle of Lot 8, Section 25; and

17N04W25B003

Beginning at the Northeast corner of Lot 8, Section 25, T17N, R4W, Seward Meridian, Alaska; thence due West 330 feet, more or less, to the Northwest corner of said Lot 8; thence Southerly along the western boundary of said Lot 8 to a point along the meander line of Big Lake; thence Southeasterly along the meander line of Big Lake to a point midway between the aforementioned point at the southern end of the western boundary of said Lot 8, and a similar point on the western end of the southern boundary line of Lot 8 where it intersects the meander line; thence from that midway point along the meander line Northeasterly to the point of beginning. Said tract of land comprises the northwestern triangle of Lot 8, Section 25; and

17N04W25B004

US GOVERNMENT LOT 7; and

17N04W25B006

US GOVERNMENT LOT 6, excepting therefrom the following parcel of land:

Beginning at the Southeast corner of said Lot 6, thence North a distance of 150 feet along the boundary between Lot 6 and Lot 7, thence West 75 feet, thence South parallel to the East boundary of Lot 6, to an intersection with the shoreline of Fish (Big) Lake, thence in a northeasterly direction along said shoreline to the point of beginning, in the Palmer Recording District, State of Alaska; and

17N04W25B020

NE1/4 NW1/4

4645

Lots C-1 and E-1, WEEL RSB L/C-E, according to Recorded Plat #97-51; and

4778

Lots One (1) through Three (3), PETERSEN AC, according to Recorded Plat #98-108; and

6294

Lots Four (4) and Nine (9), SUNNY SLOPES, according to Recorded Plat #55-26W.

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

Ordinance Serial 21-061

FAILED 21-061

BALLOT TALLY

LID NUMBER	632
LOCAL IMPROVEMENT NAME	Asbury Court & Shangrila Lane
LID TYPE	NATURAL GAS
LOAN AMOUNT	248,000.00
CONSTRUCTION COSTS	217,348.05
NUMBER OF LOTS	28
PER LOT COST (FULL AMOUNT)	8,839.64
ESTIMATED SEMI-ANNUAL PAYMENT	441.98
REFUNDABLE OR CONTRIBUTION IN AID	CIA

NUMBER OF BALLOTS MAILED	<u>28</u>	
NUMBER AND PERCENTAGE OF BALLOTS RETURNED MARKED "YES"	<u>16</u>	<u>(57%)</u>
NUMBER OF BALLOTS RETURNED MARKED "NO"	<u>7</u>	(25%)
NUMBER OF BALLOTS RETURNED UNMARKED, INCORRECT PAPERWORK AND/OR SIGNATURE OR NOT RETURNED	<u>5</u>	(18%)
TOTAL NUMBER AND PERCENTAGE OF BALLOTS RETURNED MARKED "NO", UNMARKED OR NOT RETURNED	<u>12</u>	<u>(43%)</u>

NUMBER OF BOROUGH OWNED LOTS	<u>0</u>	
NUMBER OF STATE OWNED LOTS	<u>0</u>	
NUMBER OF LOTS LESS THAN 4X1	<u>2</u>	
LETTERS NOT RECEIVED	<u>5</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 70 percent of the estimated cost of the improvement.

Administration recommends denial of Ordinance Serial No. 21-061.

Im 21-112