

Special Assessment District Process

A Special Assessment District (SAD) may be created for the purpose of acquiring, installing or constructing a capital improvement that benefits real property.

Phase 1

- A. A SAD may be initiated by the following:
 - 1. Resolution initiated by City Council, the City Manager or through a developer reimbursement application process and be approved by $\frac{3}{4}$ of City Council; or
 - 2. A petition signed by 50 percent of the total property owners of record who receive notice from the City Clerk's Office that they will be assessed a portion of the costs of a single capital improvement.

- B. SAD Petition Applications are available from the City Clerk's Office. These are to be completed and submitted with the required fee.

- C. The City Clerk's Office will perform the within 10 days from receiving the completed application:
 - 1. Submit to Public Works Director and Finance Director for review
 - 2. Notify the applicant in writing that the application is sufficient or insufficient and identify insufficiencies.

- D. Upon approval of the application the City Clerk's Office will then prepare a petition which will contain all listed property owners of record, mailing addresses as shown on the Kenai Peninsula Borough Tax Assessors website and a legal description of the properties.

- E. The completed petition along with a letter outlining the request and deadline dates and a map of the proposed special assessment district will be distributed to all property owners of record by Certified Mail no more than 30 days after the application has been approved.

- F. Petition forms with the signatures of property owners in the district must be received by the City Clerk's Office within 60 days after the mailing of the petition.

Phase Two

Upon adoption of a resolution initiating a special assessment district or the filing of a sufficient petition with the City Clerk's office the City clerk shall perform the following:

- 1. Schedule a neighborhood meeting of the property owners of record in the proposed district, notifying the owners by mail of the date, time and location of the meeting and include a copy of notice in the City's regular meeting advertisement.

2. Submit the proposed district to the Public Works Director who shall prepare an improvement plan for the proposed district to be provided at the neighborhood meeting. The proposed improvement plan shall include:
 - a. The boundaries of the proposed district
 - b. The design of the proposed improvement
 - c. A cost estimate for the improvement
 - d. The assessment allocation method used to calculate the amount owed by each record owner in the proposed district
 - e. The percentage of the improvement cost to be assessed against the properties in the district
 - f. The time period over which assessments will be financed; and
 - g. Preliminary assessment roll for the proposed district
3. The Public Works Director shall use the equal area method in calculating the assessment amount unless another method is specified in the improvement plan.

Phase Three

- A. Upon completion of the improvement plan the City Clerk shall set a time for a Public Hearing on the necessity of the improvement and proposed improvement plan.
- B. Notice of the Public hearing shall be published twice in a newspaper of general circulation in the City and mailed via certified mail to every record owner of real property in the proposed district not less than 60 days prior to the Public Hearing.
- C. A record owner of property in the proposed district may file a written objection to the City Clerk using the Notice of Objection form included in the notice of Public Hearing Information Packet.
- D. Notice of Objection must be received by the City Clerk no later than the day before the scheduled Public Hearing on the improvement plan.
- E. If owners of real property that would bear 50% or more of the assessed cost of the proposed improvement plan file timely written objections, then Council may not proceed with the improvement unless it revises the improvement plan to reduce the assessed cost of the improvement that is borne by the objecting record owners to less than 50% of the assessment cost of the improvement.
- F. If the resolution changes the district boundary in the improvement plan the City Clerk shall notify all record owners of property included in the district under the improvement plan of the change.
- G. City Council will hold a Public Hearing at the noticed date, time and location and shall adopt a resolution approving the assessment if Council finds that the improvement is necessary and benefits the properties that will be assessed. Council must also approve of the proposed improvement plan.

- H. The resolution adopted by City Council shall contain a description of the improvement, the estimated cost of the improvement, the percentage of the cost to be assessed against the properties in the district and a description of the properties to be assessed.
- I. If the record owners of all real property in the proposed assessment district waive in writing the notice, protest period and public hearing required under applicable city code 17.02.050(d) the question of creating the district may be submit to Council without such notice, protest period or public hearing.

Phase Four

After the special assessment district has been created (Council adopting the Resolution) the City shall contract for the construction of the improvement.

1. If the City will own the improvement then it shall solicit bids for the construction of the improvement.
2. If the City will not own the improvement it shall contract with the owner of the improvement for its construction.

If the cost of constructing the improvement will exceed 15% of the estimated cost of construction identified in the improvement plan, the City shall not contract for the construction of the improvement without first notifying all record owners in the district via certified mail of the increased cost and providing record owners in the proposed district 30 days to object to the increase.

If the City receives written objections from record owners collectively bearing one half or more of the cost of the improvement, the City may not contract to construct the improvement unless it can do so at an amount not more than 15% above the estimated costs of construction identified in the improvement plan. The City may still impose an assessment or levy taxes on the district for the costs of developing the improvement plan so long as the record owners approved the initiation of the district and the improvement plan.

Phase Five

A Special Assessment roll listing for each property in the district the name and address of the record owner, Kenai Peninsula Borough parcel number, legal description of the property and the amount assessed against the property for the improvement and the assessed value of the property as determined by the Borough Assessor will be created.

All record owners in the proposed district will have an opportunity to raise objections to the assessment roll at the Public Hearing. At least 15 days before the hearing the City Clerk shall send a notice of Public Hearing on the certification of the assessment roll by certified mail to each record owner appearing on the assessment roll and public notice of the hearing in a newspaper of general circulation in the City.

City Council shall hold a public hearing prior to adoption of the resolution certifying the assessment roll.

City Council shall correct any errors or inequalities in the assessment roll after the Public Hearing prior to certifying the assessment roll.

If the assessment is increased a new hearing shall be set and notice published unless all record owners of property subject to the increased assessment consent in writing to the increase. Objection to the increased assessment amounts are limited to those record property owners whose assessments were increased.

When the assessment roll is corrected the Council shall confirm the assessment roll by resolution. The City Clerk shall record the resolution and confirmed assessment roll with the District Recorder.

Phase Six

In the resolution certifying the assessment roll, City Council shall fix the time or times when the assessment installment(s) are due, the amount of the penalty on a delinquent payment and the rate of interest on the unpaid balance of an assessment.

An assessment that is to be paid in a single payment shall not be due before 60 days after billing.

Within 30 days after fixing the time when payment of the assessments is due, the Finance Director shall mail a statement to the record owner of each assessed property identifying the property and stating the assessment amount, the payment due date, and the amount of the penalty on a delinquent payment.

Within 5 days after mailing the statements the Finance Director shall publish notice of mailing the statements in a newspaper of general circulation in the City.