



City of Homer

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MEMORANDUM 20-160

To: Rob Dumouchel, City Manager
 From: Carey Meyer, City Engineer
 Thru: Jan Keiser, Public Works Director
 Date: October 6, 2020
 Subject: **Alder Lane Water Improvement SAD**

Justification for Use of “Benefitted Area” Assessment Method:

At the neighborhood meeting, where potentially benefitted property owners are provided the opportunity to learn more about and provide input into the SAD initiation process, three different assessment methodologies (equal share, frontage foot and benefitted area) were presented (shown below):

Owner		Area (Acres) Benefitted	Frontage (Feet)	Assessment Method		
				Equal Share	Frontage Foot	Benefitted Area
Cooper Subd Lot 2, BLK 2	Haaland	0.64	140.0	\$21,099	\$14,948	\$14,875
Cooper Subd Lot 3, BLK 2	Banks	0.74	160.0	\$21,099	\$17,083	\$17,199
Cooper Subd Lot 4, BLK 2	White	0.71	155.0	\$21,099	\$16,550	\$16,502
Cooper Subd Lot 5, BLK 2	Trieweiler	1.10	240.0	\$21,099	\$25,625	\$25,566
Cooper Subd Lot 6 & 9, BLK 2	Young	0.50	107.5	\$21,099	\$11,478	\$11,621
Cooper Subd Lot 6 & 9, BLK 2	Young	0.50	107.5	\$21,099	\$11,477	\$11,621
Haaland Addn Lot 7-B	Parker	0.49	170.3	\$21,099	\$18,186	\$11,389
Haaland Addn Lot 7-A	Herreman	0.46	38.2	\$21,099	\$4,079	\$10,691
Tietjen Subd Tract E	Lexicon	3.03	660.0	\$21,099	\$70,469	\$70,430
		8.17	1778.5	\$189,894	\$189,894	\$189,894

When the lots within a SAD district are similar in size and land use is consistent within the district, **equal share** can be the fairest way of levying assessments. In this case, lots sizes vary considerably and land use on the west side of Alder Lane is Rural Residential, but on the east side is East End Mixed Use.

When lots within a SAD are configured in a similar manner, **frontage foot** can be a fair method of levying assessments, since the cost of providing water service to a property is directly related to the width of the lot as it fronts the main. In this case, lots with the same land use exist with significantly different frontages (see Parker and Herreman lots; 7-B and 7-A above).

When lots within a SAD district vary in size (especially when the potential exists for future subdividing), **benefitted area** can be the fairest method of levying assessments. When assessing very large lots, the benefitted area is limited to an area immediately adjacent to and directly benefitted from the SAD improvements. The benefitted area of the large lot on the east side of Alder Lane (Lexicon; Tract E) is limited to the front 200'. This is consistent with the depth of lots on the west side of Alder Lane.

See the attached map showing the configuration of the lots within the proposed district and the area used to calculate assessments (highlighted in yellow) using the benefitted area method.

Although it was not unanimous, a majority of property owners that attended the neighborhood meeting thought the benefitted area method was the most fair. Based on the configuration of the lots within the proposed SAD, the differing land uses, the varying lot sizes, and the potential for future subdividing; Public Works recommends the benefitted area method of determining assessments be used in this case.

Justification for Including Herreman; Lot 7-A in the SAD Boundary

Lot 7-A is the farthest south lot on the east side of Alder Lane (see attached map). The owner has objected to being included in the SAD. The lot is currently served with water thorough a “spaghetti line” that crosses the adjacent lot to the west and runs up Clover Lane to an existing water main.

The Council amended the Homer City Code a few years ago to eliminate any new spaghetti lines and stipulates that when mains are installed across the front of property served by existing spaghetti lines, the lot owners are required to pay their fair share and connect.

The proposed water main needs to be extended to the bottom of Alder Lane to serve the large lot (Tract E) on the east side of Alder Lane. Service cannot be provided to any lot unless it is completely fronted by a water main. Since the proposed main needs to be extended across the entire frontage of Tract E, it will front the entire frontage of Lot 7-A.

If Lot 7-A is not included in this SAD, the other members of the district will have to share in the cost of extending a main that benefits Lot 7-A.

Public Works recommends that Lot 7-A be included in the SAD, since it will necessarily be served by the proposed water main improvement and would increase the cost to other property owners if it is not included in the proposed SAD.