



Memorandum 21-140

TO: City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Janette Keiser, PE, Director of Public Works
DATE: July 28, 2021
SUBJECT: Bunnell Avenue/Charles Way Water & Sewer Special Assessment Districts

Issue: The purpose of this Memorandum is to recommend the method of assessment computation for the Bunnell Avenue/Charles Way Water & Sewer Special Assessment Districts.

Background:

On May 10, 2021, the City Council adopted Resolution 21-030 initiating the process for creating special assessment districts to bring City water and sewer to the Bunnell Avenue/Charles Way neighborhood.

A packet of information, containing proposed alignments for the water/sewer main extensions and a preliminary assessment roll were sent to property owners in the neighborhood. On May 27, 2021, a Neighborhood Meeting was held. Seven property owners participated in the meeting. Some of the comments expressed include:

- Several property owners said they already had City water & sewer service and would not benefit from the proposed main extensions. Subsequent research showed these properties were served by “spaghetti lines”, which had been installed 10+ years ago with the City’s approval, inspection and permitting.
- One property owner said they didn’t live at their property fulltime so hauling water was not a problem and thus, they would not receive any benefit from the proposed main extensions.
- Almost all of the property owners opined that Bishop’s Beach Park would be a substantial beneficiary and the City’s assessment share should reflect this reality; that is, the benefitted area method of assessment should be used, rather than the Equal Share method.

In response to these comments, we revisited the proposed boundaries as well as the method of computing the assessments, and made the following adjustments:

1. **Re: Assessment Computation Methodology.** We recommend that the Benefitted Area method of assessment be used. There are three possible methods of computing assessment: Equal Share, Frontage Foot and Benefitted Area. Usually, the Equal Share method is used, unless there is a compelling reason for a different method. For example, one of the properties in the Alder Lane

Water Assessment District was three-four times larger than the other lots. With the Equal Share method that property would have been assessed the same as the smaller lots, which wasn't equitable. So, we recommended, and the City Council adopted, the Benefitted Area method. With the Ocean Drive Seawall Special Assessment District, the benefit to each property was directly proportional to the length along the Seawall, so the Frontage Foot method was used. With the districts (water & sewer) proposed for the Bunnell Avenue/Charles Way neighborhood, the Benefitted Area method would be most equitable because it would account for the benefit to Bishop's Beach, one of the City's most popular parks. Using the Benefitted Area method would significantly reduce the projected assessment for the residential properties.

2. **Re: Properties that would not benefit from the water/sewer main extensions were dropped from the district boundaries.** Multiple properties, which are currently listed in the proposed assessment roll, are already served with city water and sewer, with installations that were permitted, approved and inspected by the City. Such properties would receive no new benefits from being connected to the new water/sewer main connections. We recommend these properties be excluded from the proposed water/sewer districts.
3. **Re: Properties that would be at the "end of the line" who didn't want to be served with City water/sewer, were dropped from the proposed district boundaries.** Several properties are located at the end of the proposed water/sewer line and did not want City water/sewer service. We recommend these properties be excluded from the proposed water/sewer districts.

The last day for property owners to object to the proposed Special Assessment Districts is August 8, 2021. The public hearing will be held at the regular City Council meeting of August 9, 2021. I believe that without assurance from the City Council that the recommendations set forth above will be adopted, the districts will fail. This would be unfortunate because the public health risks of not having access to City water and sewer have not gone away. If anything, the risks have become more acute. For example, on July 6, 2021, I was notified by the ADEC that a complaint had been received that a sewage holding tank in this neighborhood had overflowed into the wetland. The official wanted to know if the City wanted to take the lead on addressing the situation. As I researched what we could do, I found, to my surprise and dismay, the City has little regulatory means of addressing such events.

Action Recommended: That the City Council adopt the proposed resolution approving the recommendations set forth above.