CITY OF HOMER 1 2 HOMER, ALASKA 3 City Manager/ 4 Public Works Director 5 RESOLUTION 22-017(A) 6 7 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA 8 ACKNOWLEDGING THE SUFFICIENCY OF THE BUNNELL AVENUE/CHARLES WAY WATER AND SEWER IMPROVEMENT 9 SPECIAL ASSESSMENT DISTRICTS AND APPROVING THE 10 IMPROVEMENT PLAN, ESTIMATED COST OF IMPROVEMENTS AND 11 ASSESSMENT METHODOLOGY. 12 13 WHEREAS, The Homer City Council adopted Resolution 21-030 initiating the process to 14 form the Bunnell Avenue/Charles Way Water and Sewer Special Improvement Districts 15 (Bunnell Avenue/Charles Way SAD); and 16 17 WHEREAS, The Bunnell Avenue/Charles Way Water and Sewer SAD boundaries includes 18 property fronting Bunnell Avenue and Charles Way; and 19 20 21 WHEREAS, A neighborhood meeting was held on May 27, 2021 where property owners 22 were provided conceptual cost estimates for water and sewer, proposed district maps, and 23 property owner assessment projections; and 24 25 WHEREAS, A Notice of Public Hearing for August 9, 2021 and Notice of Right to Object 26 and was mailed to property owners on June 4, 2021 in accordance with Homer City Code 27 17.02.050; and 28 29 WHEREAS, Pursuant to HCC 17.02.050 (b) if owners of real property that would bear 50 percent or more of the assessed cost of the improvement file timely written objections, the 30 Council may not proceed with the improvement unless it revises the improvement plan to 31 reduce the assessed cost to less than 50% of the assessed cost of the improvement; and 32 33 WHEREAS, The deadline to receive written objections was August 8, 2021 and two 34 written objections were received, with one additional object coming in after the deadline; and 35 36 WHEREAS, Following the public hearing at the August 9, 2021 regular City Council 37 meeting Council postponed action on Resolution 21-057 to provide the Public Works Director 38 the opportunity to consider amending the boundaries and assessment methodology, and 39

consider existing service through spagnetti for some properties; and

40

41

WHEREAS, Action on this matter was further postponed to provide written public notice on different iterations of assessment methodologies for property owner consideration; and

WHEREAS, On February 10, 2022 the City Clerk's Office mailed notice to property owners in the Bunnell Avenue/Charles Way SAD of a proposed hybrid method of assessment, an informational memorandum from the Public Works Director, preliminary assessment roll, and a statement of objection to special assessment district with a deadline of 5:00 p.m. March 14, 2022 to object; and

WHEREAS, To date, one objection has been received; and

WHEREAS, Resolution 21-057(S-2) proposing a benefitted method of assessment was voted down on March 14, 2022 to take up this resolution recommending the hybrid method of assessment.

 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska acknowledges the sufficiency of the Bunnell Avenue/Charles Way SAD <u>and the petition bears</u> <u>sufficient support that the improvements are necessary and benefit the properties included in attachment A.</u>

BE IT FURTHER RESOLVED that the City Council hereby approves the improvement plan, estimated costs of improvement as follows:

- The estimated cost of the sewer improvements is \$514,153 with property owners paying 75% (\$385,615) and the Homer Accelerated Water and Sewer Program (HAWSP) paying 25% (\$128,538) of the costs; and
- The estimated cost of the water improvements, including the \$225,097 Principal Forgiveness Subsidy, is \$248,097, with property owners paying 75% (\$186,073) and the Homer Accelerated Water and Sewer Program (HAWSP) paying 25% (\$62,024) of the

costs.

BE IT FURTHER RESOLVED the assessment method will be a hybrid method based on the following findings of the Public Work Director:

 **Finding #1** – The Hybrid Method results in the fairest distribution of costs among the private property owners. We did some sensitivity analysis to find the fairest distribution of costs. We computed what the assessments would be using Equal Share Method and the Benefitted Area Method, limiting the application of the Benefitted Area Method to the Developable Area, as provided in HCC 17.01.010. Then, we created a Proposed Assessment Roll, which applies the lesser computation for a particular property. For the smaller lots, the lesser computation is the Benefitted Area Method. For the larger

Page 3 of 3 RESOLUTION 22-017(A) CITY OF HOMER

83 lots, the lesser computation is the Equal Share Method. The Benefitted Area Method penalizes the larger lots who will receive no greater benefit for their higher assessment. 84 85 86 Finding #2 - The Hybrid Method does not unreasonably penalize the City as the owner of Bishop's Beach Park. The Hybrid Method results in a proposed assessment for the 87 88 City, which is about 15% higher than what it would be under the Benefitted Area Method. This is appropriate as this park, one of Homer's most popular, provides 89 community-wide benefit. 90 91 PASSED AND ADOPTED by the Homer City Council this 14th day of March, 2022. 92 93 94 95 CITY OF HOMER 96 97 98 KEN CASTNER, MAYOR 99 100 ATTEST: 101 102 103 MELISSA JACOBSEN, MMC, CITY CLERK 104 105 Fiscal Note: HAWSP \$128,538 - Sewer and \$62,024 - Water 106 \$104,555 % 74,9874