CLERK'S OFFICE AMENDED AND APPROVED Date: 1-28-03

Submitted by:	Chair of the Assembly at the request of the Mayor
Prepared by:	Project Management
	& Engineering Department
For Reading	December 17, 2002

ANCHORAGE, ALASKA AO NO. 2002-186

AN OMNIBUS ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE TITLE 19,
 SPECIAL ASSESSMENTS, PERTAINING TO CHAPTER 30, CALCULATION OF
 IMPROVEMENT COSTS, AND CHAPTER 40, ALLOCATION OF STREET IMPROVEMENT
 COSTS, TO PROVIDE NEW METHODS OF COST ALLOCATION TO PRIVATE PROPERTY
 OWNERS FOR ROAD IMPROVEMENT DISTRICTS.

6 | THE ANCHORAGE ASSEMBLY ORDAINS:

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Section 1. Anchorage Municipal Code subsection 19.30.040A. is hereby amended to read as follows: (The remainder of this section is not affected and therefore is not set out.)

9	<u>19.30.040</u> Assessed improvement costs.				
10					
11	A. Generally. Except as provided in subsection B of this section or elsewhere in this				
12	title, the project costs assessed against benefited parcels shall be the least of the following:				
13					
14	1. Construction contract costs plus 20 percent for non-contract costs, including				
15	but not limited to engineering and design, surveys, soil investigations, right-of-				
16	way negotiations, inspection and contract supervision, and net interest, plu				
17	actual property acquisition costs;				
18	2. The last approved estimate plus ten percent; or				
19	3. The total cost of the improvement less the amount of any grant the				
20	municipality uses to defray the cost of the project.				
21	*** ***				
22	(GAAB 11.15.010.E; AO No. 77-342; AO No. 88-45; AO No. 91-21; AO No. 96-77(S-1)				
23	§ 25, 6-11-96)				

	Section 2. Anchorage Municipal Code section 19.40.010 is hereby amended to read as follows:				
2	<u>19.40.010</u> Definitions.				
3 4 5	The following words, terms and phrases, when used in sections 19.40.020 through 19.40.090, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.				
6	<u>ARDSA means the Anchorage Roads and Drainage Service Area of the Municipality of</u>				
7	Anchorage as defined in AMC 27.30.100.				
8	<u>Average Parcel Area means the average area of representative non-subdividable parcels</u>				
9	within the Road Improvement District.				
10	<u>Average Parcel Frontage means the average frontage of representative non-subdividable</u>				
11	parcels within the Road Improvement District.				
12	[CENTERLINE OF A BLOCK MEANS THAT LINE WHICH IS AT ALL POINTS				
13	EQUIDISTANT FROM THE RIGHTS-OF-WAY DEFINING THE OPPOSITE				
14	BOUNDARIES OF THE BLOCK OR 90 FEET FROM THE MARGIN LINE OF THE				
15	STREET TO BE IMPROVED, WHICHEVER DISTANCE IS GREATER.]				
16	Driveway means [THAT] the public portion of a street, alley or sidewalk [REQUIRING]				
17	improvement that requires special or different construction [BECAUSE OF THE				
18	PRESENCE OF AN ABUTTING DRIVEWAY UPON THE BENEFITED PROPERTY]				
19	to match existing or provide new access to abutting property.				
20	[<i>INTERSECTION</i> MEANS THAT PORTION OF PROPERTY ENCLOSED BY THE				
21	INTERSECTION OF THE STREET MARGIN LINES OF INTERSECTING				
22	STREETS.]				
23	Local Road means a public road or alley within dedicated right-of-way or public use				
24	easement, which is not otherwise classified in the Official Streets and Highways Plan.				
25	Country Lanes are considered local roads.				
26	[<i>MARGIN LINES</i> MEANS THE BOUNDARIES OF THE RIGHT-OF-WAY				
27	GENERALLY PARALLEL TO THE STREET TO BE IMPROVED, AND WITHIN				
28	WHICH A STREET TO BE IMPROVED MAY BE CONSTRUCTED.]				
29	Parcel Access means access to a parcel from a road improved by the RID.				
30 31	Parcel Area means the total square foot area of the parcel as identified on the Municipal Property Tax Records.				
32 33 34	Parcel Frontage means the length of a parcel's property line adjacent to proposed improvements as established in the plat of record, excluding frontage with prohibited direct access.				
35					

1 2	<u>Primary Access Road means the road that serves as the primary vehicular public access</u> point for a parcel.				
3 4 5	<u><i>RID</i></u> means a Road Improvement District, which is a special assessment district of the Municipality of Anchorage, created to construct or reconstruct one or more local roads and to assess benefited property all or a portion of the project costs.				
6 7 8	<i>Right-of-way</i> means any publicly owned property interest within which a street or related public improvement is or may be constructed.				
9 10 11	[<i>STREET TO BE IMPROVED</i> MEANS ANY STREET, ROAD, PARKWAY, ALLEY, CURB AND GUTTER, OR SIDEWALK BETWEEN INTERSECTIONS WITHIN THE SPECIAL ASSESSMENT DISTRICT.]				
12 13	<u>Subdividable Parcel means property that can be subdivided in accordance with AMC Title 21, without moving an existing permanent structure or obtaining a variance.</u>				
14 15	Total Project Costs means all costs, direct and indirect, incurred during development of the project.				
16	Usable Access means access that provides reasonably functional access benefit to a parcel.				
17	(CAC 3.08.240)				
18	Section 3. Anchorage Municipal Code section 19.40.030 is hereby amended to read as follows:				
19	19.40.030 Extent of assessment district.				
20 21 22 23 24 25 26 27	A street special assessment district shall include, unless otherwise provided by the ordinance to proceed with the district, the property to be assessed for each street [AND EACH STREET INTERSECTION TO BE IMPROVED]. Assessments may include but are not be limited to [BE MADE FOR], driveways, water and sewer service connection(s), and curb cuts. Unless otherwise provided in the ordinance to proceed with the district, the area specially benefited by a street to be improved shall include property abutting the proposed improvement except that: 1) property with prohibited access shall be excluded; 2) property without useable access shall be excluded; and, 3) non-abutting property with legal -access to				
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20 21 22 23 24 25 26 27 28 29 30 31	A street special assessment district shall include, unless otherwise provided by the ordinance to proceed with the district, the property to be assessed for each street [AND EACH STREET INTERSECTION TO BE IMPROVED]. Assessments may include but are not be limited to [BE MADE FOR], driveways, water and sewer service connection(s), and curb cuts. Unless otherwise provided in the ordinance to proceed with the district, the area specially benefited by a street to be improved shall include property abutting the proposed improvement except that: 1) property with prohibited access shall be excluded; 2) property without useable access shall be excluded; and, 3) non-abutting property with legal-access to the improvement shall be included. direct legal driveway [ALL THE PROPERTY LYING BETWEEN THE CENTERLINE OF THE SUBJECT BLOCK AND THE MARGIN LINE ALONG THE ENTIRE LENGTH OF THE STREET TO BE IMPROVED. UNLESS OTHERWISE PROVIDED IN THE ORDINANCE TO				
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20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35	A street special assessment district shall include, unless otherwise provided by the ordinance to proceed with the district, the property to be assessed for each street [AND EACH STREET INTERSECTION TO BE IMPROVED]. Assessments may include but are not be limited to [BE MADE FOR], driveways, water and sewer service connection(s), and curb cuts. Unless otherwise provided in the ordinance to proceed with the district, the area specially benefited by a street to be improved shall include property abutting the proposed improvement except that: 1) property with prohibited access shall be excluded; 2) property without useable access shall be excluded; and, 3) non-abutting property with legal-access to the improvement shall be included. direct legal driveway [ALL THE PROPERTY LYING BETWEEN THE CENTERLINE OF THE SUBJECT BLOCK AND THE MARGIN LINE ALONG THE ENTIRE LENGTH OF THE STREET TO BE IMPROVED. UNLESS OTHERWISE PROVIDED IN THE ORDINANCE TO PROCEED WITH THE DISTRICT, THE AREA SPECIALLY BENEFITED BY THE INTERSECTION IMPROVEMENT INCLUDES ALL THE PROPERTY, EXCEPT STREETS AND ALLEYS, WITHIN EACH AREA BOUNDED BY THE MARGINAL LINES OF THE INTERSECTING STREETS AND THE CENTERLINES OF EACH				

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1 2 3 4 5 6 7 8 9	ESTABLISHED IN AN ADJACENT BLOCK, OR THAT WHICH RESULTS IN AN ASSESSMENT PROPORTIONATE TO THE BENEFIT RECEIVED FROM AND THE BURDEN IMPOSED ON THE IMPROVEMENT. IN THE CASE OF PLANNED UNIT DEVELOPMENTS OR OTHER LAND USES WHERE THE RIGHTS-OF-WAY WITHIN THE PARCEL ARE NOT DEDICATED TO THE PUBLIC, OR BLOCKS WHICH CONTAIN ONE OR MORE CULS-DE-SAC WHICH ARE ASSESSED UNDER SECTION 19.40.035, THE CENTERLINE OF THE BLOCK SHALL BE ESTABLISHED IN THE SAME MANNER AS IF THE PROPERTY WERE UNSUBDIVIDED.] (CAC 3.08.50; AO No. 81-29)			
9				
10 11	Section 4. Anchorage Municipal Code section 19.40.035, Assessment of improvements to cul-de- sac, is hereby repealed in its entirety.			
12	Section 5. Anchorage Municipal Code section 19.40.040 is hereby amended to read as follows:			
13	<u>19.40.040 Total assessment.</u>			
14 15 16 17 18	Total assessment under this chapter for each parcel of property shall be computed by adding the assessment for the <u>RID</u> improvements [BETWEEN INTERSECTIONS, THE ASSESSMENT, IF ANY, FOR THE IMPROVEMENT WITHIN THE INTERSECTION,] and any individual assessment against that parcel for <u>other improvements including</u> [A] driveways, <u>water and sewer connections</u> , or curb cuts.			
19	(CAC 3.08.260)			
20 21 22	Section 6. That Anchorage Municipal Code sections 19.40.050, Zones, 19.40.060, Rate of assessment between intersections, and 19.40.070, Rate of assessment for intersections, are hereby repealed in their entirety.			
23 24	Section 7. That Anchorage Municipal Code section 19.40.080, Assessment for driveway and curb cuts, is hereby renumbered as 19.40.050.			
25 26	Section 8. That Anchorage Municipal Code section 19.40.090, Assessment for sewer and water connections, is hereby renumbered as 19.40.060.			
27 28 29	Section 9. That Anchorage Municipal Code section 19.40.100, Assessment for improvements to arterial and collector streets, is hereby renumbered as section 19.40.070 and amended to read as follows:			
30	19.40.070[100] Assessment exemption for [IMPROVEMENTS TO] arterial and			
31	<u>collector streets.</u>			
32	No assessments shall be levied for improvements to streets identified in the Official			
33	Streets and Highways Plan as collectors, minor arterials, or major arterials.			
34	[NO ASSESSMENT WILL BE LEVIED FOR THE IMPROVEMENT OF STREETS DESIGNATED ON THE OFFICIAL STREETS AND HIGHWAYS MAP AS			
35	ARTERIAL AND FREEWAY CLASS STREETS. STREETS DESIGNATED ON THE			
36 37	I OFFICIAL STREETS AND HIGHWAYS MAP AS COLLECTOR STREETS SHALL			
38	DE ASSESSED FOR THE FOUTVALENT PORTION OF A STANDARD			
39	DESIDENTIAL STREET WHICH WOULD INCLUDE A 32-FOOL-WIDE ASPHALL			
40	STREET SECTION WITH ROLLED CURB AND GUTTER, AND MAY INCLUDE, IF			

APPLICABLE, STANDARD FOUR-FOOT-WIDE ADJACENT SIDEWALKS AND STANDARD RESIDENTIAL STREETLIGHTS.]

(AO No. 86-130)

Section 10. Anchorage Municipal Code section 19.40.110, *Credit for salvageable work*, is hereby renumbered as 19.40.080.

Section 11. Anchorage Municipal Code sections 19.40.120, *Double- and triple-fronting lots*, and 19.40.130, *Adjustments due to elevation differential*, are hereby repealed in their entirety.

Section 12. Anchorage Municipal Code chapter 19.40 is hereby amended by adding new sections to read as follows:

<u>19.40.090</u> Assessment share calculation.

The percentage of a project's total assessable cost to be allocated to each parcel is the assessment share. The intent of this section is to establish a method for determining an assessment share for each parcel that is proportionate to the benefit received. Assessment share calculations shall be as established in this section, unless otherwise authorized in the ordinance to proceed with the RID.

- A. Assessment share formula. The assessment share for each parcel shall be calculated with fifty percent (50%) based on parcel access, forty percent (40%) based on parcel area, and ten percent (10%) based on parcel frontage. The parcel access assessment share shall be allocated equally to each parcel and parcel area, and parcel frontage assessment shares shall be allocated proportionately as a percent of area and frontage of all the parcels in the RID, except as provided in paragraphs B and C of this section.
- B. Adjustments for multiple-fronting parcels. The assessment share for parcels with parcel frontage on two or more local roads, which are not all included in the RID shall be calculated in accordance with paragraph A except that: 1) parcel access shall only be included in the calculation if the primary access road is being improved by the RID; and 2) parcel area included in the calculation shall be proportionate to the number of abutting roads which are included in the RID. The parcel area reduction shall not include abutting streets if access is prohibited, or if the ordinance to proceed confirms the street cannot provide useable access.
- C. Adjustments for subdividable parcels. The assessment share for subdividable parcels shall be calculated in accordance with paragraphs A and B, except that the parcel access assessment share shall be calculated based on an assumed future subdivision consisting of parcels comparable to others in the RID. The number of lots in a comparable subdivision shall be based on average parcel frontage and average parcel area except that the number of lots shall not exceed the maximum allowed by zoning regulations. Assessment amounts related to a future subdivision may be deferred to the date the property is subdivided and adjusted to reflect the actual parcels created, if and as authorized in the ordinance to proceed with the RID. Assembly action to defer a portion of an assessment must include details related to funding, repayment, interest, and specify if any separate property owner agreement related to the deferral will be executed and recorded.

1	<u>19.40.100 Funding programs.</u>				
2 3	All Municipal RID funding programs are subject to the availability of funding through the Municipal Capital Improvement Program. RID funding programs include:				
4 5 6 7 8 9	A. Upgrade (30/70) RID Program. An upgrade RID upgrades one or more local roads that have not been constructed to the specifications and standards of the Municipality. Assessable costs for upgrade RIDs shall be seventy percent (70%) of the total project costs. Improvements already constructed to standards that are reconstructed as part of an Upgrade RID may be assessed in accordance with paragraph B below.				
10 11 12 13 14 15 16 17 18	B. Reconstruction (90/10) RID Program. A reconstruction RID reconstructs one of more local roads that were formerly improved with paving and were constructed to the specifications and standards of the Municipality. This program may include the upgrade of existing facilities, such as street lighting, to current standards. Assessable costs for reconstruction RIDs shall be ten percent (10%) of the total project costs. If amenities such as street lighting or sidewalks that did not previously exist are included in the RID, the assessable costs for those amenities shall be in accordance with paragraph A. This program is applicable only to roads within ARDSA.				
19 20 21 22 23 24 25 26 27	C. Subdivision Completion (90/10) RID Program. A Subdivision Completion RID completes road improvements that were required in a Subdivision Agreement between a Developer and the Municipality. Assessable costs for qualifying Subdivision Completion RIDs shall be ten percent (10%) of the total project costs. If amenities such as street lighting or sidewalks that were not required in the subdivision agreement are included in the RID, the assessable costs shall be in accordance with paragraph A. This program is applicable only to roads and subdivisions within ARDSA and only if all five of the following conditions are met:				
28 29 30	 The developer of the subdivision entered into a Municipal Subdivision Agreement with a requirement to construct local residential roads as a condition of subdividing the property. 				
31 32	2. The properties were sold to individual owners prior to completion of the required improvements.				
33 34	3. The developer failed to complete the improvements within the time provided in the subdivision agreement and was declared in default of the agreement.				
35 36	4. The guarantees that were provided under the subdivision agreement were insufficient to complete the road improvements.				
37 38	5. The obligations of the developer are uncollectable from the developer or collection is economically unfeasible.				

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1	<u>19.40.110</u> <u>Utilities required.</u>			
2 3 4	No road shall be constructed through any RID program prior to extension of utilities to serve included parcels, unless later extension of the utilities would not adversely impact the improvements.			
5 6 7	If utility extensions are required to allow permitted use of property within the RID, installation may be required prior to or in conjunction with the RID, unless later extension of the utilities would not adversely impact the improvements.			
8	19.40.120 Application of grants received.			
9 10	Any grants obtained for a RID shall be used to reduce the total project costs in determining assessable amounts unless stipulated otherwise in the grant.			
11	<u>19.40.130 Final assessment cap.</u>			
12 13 14	Final assessments shall not exceed property-owner-approved assessments by more that ten percent (10%) unless the increased costs are approved by property owners representing over fifty percent (50%) of the new assessable amount.			
15 16 17 18	Section 13. This ordinance shall be effective immediately upon its passage and approval.			
19 20 21	PASSED AND APPROVED by the Anchorage Municipal Assembly this $\frac{28^{\#}}{2003}$ day of $\frac{28^{\#}}{2003}$.			
22 23 24 25	<u>Deka</u>			
26 27 28	ATTEST:			
29 30 31 32	Municipal Clerk			

MUNICIPALITY OF ANCHORAGE Summary of Economic Effects - General Government

AO Number: 2002-186 Title: AN OMNIBUS ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE TITLE 19, SPECIAL ASSESSMENTS, PERTAINING TO CHAPTER 30, CALCULATION OF IMPROVEMENT COSTS, AND CHAPTER 40, ALLOCATION OF STREET IMPROVEMENT COSTS, TO PROVIDE NEW METHODS OF COST ALLOCATION TO PRIVATE PROPERTY OWNERS FOR ROAD IMPROVEMENT DISTRICTS.

Sponsor: Project Management & Engineering Department

None

Preparing Agency: Project Management & Engineering Department

Others Impacted:

_____ CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars) FY02 FY03 FY04 FY05 FY06 **Operating Expenditures** 0 0 0 **1000 Personal Services** 0 0 ò 0 0 2000 Supplies 0 0 0 Ò 0 0 0 3000 Other Services 0 0 0 4000 Debt Service 0 0 0 0 0 0 0 5000 Capital Outlay TOTAL DIRECT COSTS: 0 Ö 0 Ö 0 0 0 0 0 0 ADD: 6000 Charge from Others 0 0 0 0 0 LESS: 7000 Charge to Others _____ FUNCTION COST: Ø **REVENUES:** 0. Ð CAPITAL: POSITIONS: FT/PT and Temp. None PUBLIC SECTOR ECONOMIC EFFECTS: None

PRIVATE SECTOR ECONOMIC EFFECTS:

None		
Prepared by:	James L. Lamson	Telephone: 343-8120
Validated by O	MB:	Date:
Approved by:	Howard C. Holtan	Date:
	(Director, Preparing Agency)	
Concurred by:		Date:
	(Director, Impacted Agency)	
Approved by: _		Date:
	(Operations/Municipal Manager)	



MUNICIPALITY OF ANCHORAGE ASSEMBLY MEMORANDUM

No. AM 1067-2002

Meeting Date: December 17, 2002

FROM: Mayor

SUBJECT: AN OMNIBUS ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE TITLE 19, SPECIAL ASSESSMENTS, PERTAINING TO CHAPTER 30, *CALCULATION OF IMPROVEMENT COSTS* AND CHAPTER 40, *ALLOCATION OF STREET IMPROVEMENT COSTS*, TO PROVIDE NEW METHODS OF COST ALLOCATION TO PRIVATE PROPERTY OWNERS FOR ROAD IMPROVEMENT DISTRICTS

Anchorage Municipal Code Title 19, Special Assessments, establishes the process for initiation and development of special assessment districts within the Municipality of Anchorage. Special assessment districts provide a means for property owners to initiate capital improvements or public services, which they pay for through special property assessments. The amendments proposed in the ordinance are limited to special assessment districts for street improvements, often referred to as Road Improvement Districts (RIDs). No economic impact is anticipated from the ordinance.

The RID program has worked well with strong property owner and voter support and few complaints. However, staff experience, internal audit findings, assembly meeting discussions, and nationwide research have identified areas where amendments can promote clarity, consistency, and equity. The proposed amendments achieve clarity and consistency by bringing existing codes and policies and procedures together into a single code location. The proposed amendments also increase equity by more consistently linking the amount assessed with the benefit received. Primary equity adjustments are:

5 √ Individual assessment calculations will consider parcel access, parcel area, and parcel frontage,
6 rather than the current method of considering parcel area only.

 $\sqrt{27}$ Parcels having primary access on a road not included in the RID will have reduced assessment 28 shares.

29 Subdividable parcels may be able to defer a portion of their assessments.

The Administration proposes ordinance AO 2002-186, and offers the following discussion to
 provide further detail on the individual code changes in a format consistent with the subject
 ordinance.

Section 1. Reference AMC 19.30.040, Assessed improvement costs. This section establishes how assessable costs in special assessment districts are calculated. The amendment adds wording to allow the assessment cost issues related to street improvements to be addressed in the code section related to street improvement.

Section 2. Reference AMC 19.40.010, Definitions. This section provides definitions used in AMC 19.40. The amendment adds definitions to provide clarity and deletes definitions no longer needed.

Section 3. Reference AMC 19.40.030, Extent of assessment district. This section defines how assessment district boundaries are determined. The amendment adds wording to more clearly connect the establishment of district boundaries to benefiting property, and deletes unnecessary wording.

Section 4. Reference AMC 19.40.035, Assessment of improvements to cul-de-sac. This section defines how assessments are calculated on cul-de-sac streets and is repealed, as the section is no longer applicable.

Section 5. Reference AMC 19.40.040, Total assessment. This section establishes how total assessments are calculated. The amendment adds wording to reflect proposed changes and deletes unnecessary wording.

Section 6. References AMC 19.40.050, Zones; AMC 19.40.060, Rate of assessment between intersections; and, AMC 19.40.070, Rate of assessments for intersections. These sections relate to a weighted zone assessment method that is not currently used and will no longer be used. The amendment repeals the sections, as they are no longer needed.

Section 7. Reference AMC 19.40.080, Assessment for driveway and curb cuts. This section is renumbered to 19.40.050.

Section 8. Reference AMC 19.40.090, Assessment for sewer and water connections. This section is renumbered to 19.40.060.

Section 9. Reference AMC 19.40.100, Assessment for improvements to arterial and collector streets. This section establishes how assessments are calculated for collector and arterial streets. The amendment renumbers the section to 19.40.070 and extends the assessment exemption granted to arterial streets to include collector streets.

Section 10. Reference AMC 19.40.110, Credit for salvageable work. This section is renumbered to 19.40.080.

Section 11. References AMC 19.40.120, Double- and triple-fronting lots and AMC 19.40.130,
 Adjustments due to elevation differential. These sections define the method of assessments on
 double- and triple-fronting lots and provide assessment adjustments related to elevation differential.
 The amendment repeals these sections as the issues are addressed in other sections of the proposed
 ordinance.

Section 12. Reference AMC 19.40, Allocation of street improvement costs. This section amends AMC 19.40 by adding new sections as discussed below:

19.40.090, Assessment share calculation: This new section establishes a method for calculating assessment shares for street improvements. The intent is to provide assessments that are more proportionate to the benefit received.

A. Assessment share formula: This paragraph establishes a new assessment share calculation method for determining individual assessments. The current method only considers parcel area, the result of which, for example, is that a parcel with twice the area of another receives twice the assessment. It is debatable that the larger parcel receives twice the benefit. Nationwide research revealed that other communities have considered a variety of factors, including lot area, frontage, depth, shape, value, access, buildable area, development possibilities, zoning and land use. Many of these factors point toward benefits that should be considered in calculating assessments. The proposed ordinance incorporates these benefits by including parcel access, parcel area and parcel frontage in assessment share calculations, as noted below:

 $\sqrt{}$ Parcel access: Improved parcel access to the public roadway system is considered the primary benefit of a street improvement and is established as the primary factor in determining assessments. Parcel access will account for fifty percent (50%) of the assessment share calculation. Non-subdividable parcels are considered to benefit equally from improved access, and the parcel access portion of the assessment is allocated equally. Subdividable parcels receive potentially greater benefit related to buildable area, development potential, zoning, and land use. Paragraph C of this section establishes a process for these factors to be considered.

 \checkmark **Parcel area:** Increased property value and enhanced land use are considered the next significant benefits of street improvements. Parcel area is a practical method of allocating these benefits since both property value and land use are functions of the parcel size. Parcel area is established as a second factor in determining assessments, and will account for forty percent (40%) of the assessment share calculation. The parcel area assessment share is allocated based on the parcel area as a percent of the area of all the parcels in the RID.

 $\sqrt{}$ Parcel frontage: Improved parking and direct access to a parcel is another benefit of street improvements. Parcel frontage is the most practical method of allocating these benefits. Parcel frontage is established as a third factor in calculating assessments and will account for ten percent (10%) of the assessment share calculation. Parcel frontage assessment shares are allocated based on the frontage as a percent of the combined frontage of all the parcels in the RID.

B. Adjustments for multiple-fronting parcels: This paragraph establishes an assessment share calculation method for parcels with frontage on two or more streets that are not all being improved in the RID. The current code considers only whether the property abuts a road to be improved, and no consideration is given to whether the owner can or will use that road for parcel access. The proposed ordinance provides a reduction in the assessment share if the parcel's primary access is on a street not included in the district. **C. Adjustments for subdividable parcels:** This paragraph establishes an assessment share calculation method for subdividable parcels. The current code does not provide for benefit and assessment considerations specific to subdividable parcels. The proposed ordinance states that the assessment on subdividable parcels shall be calculated based on an assumed future subdivision with parcels comparable to others in the RID. This allows for a RID-wide balance in access consideration. The proposed ordinance also provides a payment deferral option for the portion of an assessment related to an assumed future subdivision. An assessment adjustment option is also provided for subdivisions that provide fewer parcels than assumed. Assessment deferral and adjustment options shall be as defined in the ordinance to proceed with the district.

19.40.100, Funding programs: This new section establishes funding programs for various types of RIDs, establishes a new funding formula for Upgrade RIDs, and codifies the existing 90/10 funding formula for Reconstruction RIDs and Subdivision Completion RIDs previously established in Policy and Procedure 46-2.

A. Upgrade (30/70) RID Program: This paragraph establishes a new funding program for Upgrade RIDs. Currently, property owners pay one hundred percent (100%) of the assessable costs through special assessments. Assessable costs in an upgrade RID do not include storm drain costs and non-construction contract costs exceeding twenty percent (20%) of the construction contract. Right-of-way acquisition costs are assessable. The proposed ordinance establishes a funding program in which the Municipality of Anchorage funds thirty percent (30%) of the total project costs if property owners agree to repay seventy percent (70%) of the total project costs through special assessments. This funding approach mirrors the average participation in the existing upgrade RID program, but is simpler to apply and explain.

B. Reconstruction (90/10) Program: This paragraph codifies the existing 90/10 funding program for Reconstruction RIDs that was established in Policy and Procedure 46-2. The proposed ordinance continues the current program in which the Municipality funds ninety percent (90%) of the total project costs if property owners agree to pay ten percent (10%) of the total project costs through special assessments.

C. Subdivision Completion (90/10) Program: This paragraph codifies the existing 90/10 funding program for Subdivision Completion RIDs that was established in Policy and Procedure 46-2. The proposed ordinance continues the current program in which the Municipality of Anchorage funds ninety percent (90%) of the total project costs if property owners agree to pay ten percent (10%) of the total project costs through special assessments.

19.40.110, Utilities required: This new section requires the extension of public utilities, prior to road improvements, if later extension of the utilities would adversely impact the improvements. This codifies current practice.

19.40.120, Application of grants received: This new section requires that grants received for RIDs be used to reduce the total project costs before determining assessable amounts, unless otherwise stipulated in the grant.

19.40.130, Final assessment cap: This new section establishes a final assessment cap at ten percent (10%) above the original estimate approved by property owners, unless property owners approve a larger increase through the petition process. The Municipality may cancel the RID if increased costs are not approved.

6 THE ADMINISTRATION RECOMMENDS APPROVAL OF ORDINANCE 2002-186
7 AND RECOMMENDS THAT A PUBLIC HEARING BE SCHEDULED FOR THIS
8 ORDINANCE.

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- 10 Prepared by: Howard C. Holtan, Director, Project Management & Engineering Department
- 11 Concur: Craig E. Campbell, Executive Director, Office of Planning, Development & Public Works
- 12 Concur: Harry J. Kieling, Jr., Municipal Manager
- 13 Respectfully submitted: George P. Wuerch, Mayor





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Content Manager New Check In Ordinance **Checked Out Content Content Checked Out By User** Work in Progress **Active Workflows**

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Work Flow History Report

Workflow History						
Workflow Name	Action Date	Action	<u>User</u>	Security Group	Content ID	ŀ
AllOrdinanceWorkflow	11/21/02 4:27 PM	Checkin	schuringmj	Public	000414	[
PME_SubWorkflow	11/21/02 4:34 P M	Approve	holtanhc	Public	000414	ſ
PDPW_SubWorkflow	11/22/02 5:00 P M	Approve	campbellce	Public	000414	(
AllOrdinanceWorkflow	12/3/02 12:13 PM	Reject	rogersta	Public	000414	
AllOrdinanceWorkflow	12/3/02 2:16 PM	Checkin	schuringmj	Public	000414	(
PME_SubWorkflow	12/6/02 3:32 P M	Approve	campbellce	Public	000414	(
PDPW_SubWorkflow	12/6/02 3:32 P M	Approve	campbellce	Public	000414	(
OMB_SubWorkflow	12/10/02 10:32 AM	Approve	rogersta	Public	000414	ſ
Legal_SubWorkflow	12/10/02 1:50 PM	Approve	wheelerda	Public	000414	(
MuniManager_SubWorkflow	12/11/02 1:21 PM	Approve	kielinghj	Public	000414	(
MuniMgrCoord_SubWorkflow	12/11/02 1:24 PM	Approve	bealejl	Public	000414	ſ

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addendum

INTRODUCTION

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