

CLERK'S OFFICE

APPROVED

Date: 2-27-07

Submitted by: Chair of the Assembly at the  
Request of the Mayor

Prepared by: Project Management  
& Engineering Department

For Reading: January 30, 2007

ANCHORAGE, ALASKA

AO NO. 2007- 31

1 AN ORDINANCE WAIVING THE ASSESSABLE SHARE REQUIREMENT OF  
2 ANCHORAGE MUNICIPAL CODE SECTION 19.40.100B. FOR SEVEN ROAD  
3 RECONSTRUCTION ROAD IMPROVEMENT DISTRICTS.  
4

5  
6 WHEREAS, benefiting property owners and the Anchorage Assembly approved and  
7 created the following Special Assessment Districts through the Reconstruction  
8 (90/10) Road Improvement District (RID) Program:  
9

10	Town and Country Estates Subdivision Area	AO 2004-172
11	Marathon Circle	AO 2004-173
12	Bayshore West Subdivision Area	AO 2004-164
13	Leawood Drive/Roy Street	AO 2005-129
14	58 <sup>th</sup> Avenue between Arctic Boulevard and Silverado Way	AO 2006-075
15	B Street between 40 <sup>th</sup> Avenue and Tudor Road	AO 2006-102
16	Arlene Drive, Kingfisher Drive, Pelican Drive and Pelican Court	AO 2006-091; and

17  
18 WHEREAS, Anchorage Municipal Code section 19.40.100B. mandates assessable  
19 costs on projects funded through the Reconstruction (90/10) RID Program shall be  
20 ten percent (10%) of the total project costs; and  
21

22 WHEREAS, final assessments are capped at ten percent (10%) above the owner-  
23 approved assessments unless the higher assessments are approved by property  
24 owners; and  
25

26 WHEREAS, the current estimated cost of each of these RIDs results in  
27 assessments exceeding the ten percent (10%) cap, due to substantial construction  
28 cost increases; and  
29

30 WHEREAS, construction of these RIDs is a priority for the Municipality because of  
31 the deteriorated condition of the roads; and  
32

33 WHEREAS, the Municipality desires to proceed with design and construction of the  
34 RIDs without increasing the property-owner-approved assessments above the  
35 established cap; and  
36

37 WHEREAS, a waiver of section 19.40.100B. is required in order for these additional  
38 costs to be absorbed by the Municipality; now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

**Section 1.** The requirement in Anchorage Municipal Code section 19.40.100B. mandating that assessable costs shall be ten percent (10%) of the total project costs is hereby waived for the following RIDs:

Town and Country Estates Subdivision Area	AO 2004-172
Marathon Circle	AO 2004-173
Bayshore West Subdivision Area	AO 2004-164
Leawood Drive/Roy Street	AO 2005-129
58 <sup>th</sup> Avenue between Arctic Boulevard and Silverado Way	AO 2006-075
B Street between 40 <sup>th</sup> Avenue and Tudor Road	AO 2006-102
Arlene Drive, Kingfisher Drive, Pelican Drive and Pelican Court	AO 2006-091

**Section 2.** The Municipality is authorized to proceed with the aforementioned improvements.


**Section 3.** The Municipality is authorized to include funding for these projects in future capital improvement programs and shall pursue the necessary funding.

**Section 4.** This ordinance shall be effective immediately upon passage and approval.

PASSED AND APPROVED by the Anchorage Municipal Assembly this 27<sup>th</sup> day of February, 2007.

  
Chair of the Assembly

ATTEST:

  
Municipal Clerk

**MUNICIPALITY OF ANCHORAGE**  
**SUMMARY OF ECONOMIC EFFECTS - GENERAL GOVERNMENT**

AO Number: 2007-31 Title: AN ORDINANCE WAIVING THE ASSESSABLE SHARE REQUIREMENT OF ANCHORAGE MUNICIPAL CODE SECTION 19.40.100B. FOR SEVEN ROAD RECONSTRUCTION ROAD IMPROVEMENT DISTRICTS.

Sponsor & Preparing Agency: Project Management & Engineering Others Affected: None

Changes in Expenditures and Revenues (Thousands of Dollars)

Operating Expenditures	FY 07	FY 08	FY 09	FY 10	FY 11
1000 Personnel services	N/A				
2000 Supplies	N/A				
3000 Other services	N/A				
4000 Debt service	21	48	76	85	85
5000 Capital Outlay	245	300	325	102	NONE
Total Direct Costs	266	348	401	187	85

ADD: 6000 Charge from others	N/A				
LESS: 7000 Charge to others	N/A				
FUNCTION COST:	N/A				

REVENUES:	NONE	NONE	NONE	NONE	NONE
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CAPITAL:	N/A				
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POSITIONS: FT, PT AND TEMP	N/A				
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**Public Sector Economic Effects:** This ordinance will result in \$972,000 of the costs of seven Road Improvement Districts (RID) being paid with road bonds rather than by special assessments. The Capital Outlay reflects the estimated annual additional RID project cost that would be absorbed by the Municipality if this ordinance is adopted. The Debt Service amounts are based on the Capital Outlay amounts and an assumed interest rate of 6%. It should be noted that while the proposed Debt Service increases on the RIDs are included in this summary, they do not increase debt service already reflected in the road bond approval process.

**Private Sector Economic Effects:** The property-owner approved assessments on approximately 400 properties will not be raised above the established cap.

If further explanation is necessary, a separate page may be attached.

Prepared by: James L. Lamson  
(name)

Telephone: 343-8120

Validated by OMB: \_\_\_\_\_  
(name)

Date: \_\_\_\_\_

Approved by: Howard C. Holtan, P.E.  
Director, Preparing Agency

Date: \_\_\_\_\_

Concurred by: NONE  
Director, Affected Agency

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_  
Executive Manager

Date: \_\_\_\_\_



## MUNICIPALITY OF ANCHORAGE ASSEMBLY MEMORANDUM

No. AM 101 -2007

Meeting Date: January 30, 2007

**FROM:** Mayor

**SUBJECT:** An Ordinance Waiving the Assessable Share Requirement of Anchorage Municipal Code Section 19.40.100B. for Seven Road Reconstruction Road Improvement Districts.

This ordinance waives the code requirement for property owner assessments to cover 10% of the total project costs on seven road reconstruction Road Improvement Districts (RIDs). The estimated average assessment share would be 6.5%, and the estimated project costs to be absorbed by the Municipality are approximately \$972,000. These projects are estimated to total \$28,000,000. The seven RIDs are:

Town and Country Estates Subdivision Area	AO 2004-172
Marathon Circle	AO 2004-173
Bayshore West Subdivision Area	AO 2004-164
Leawood Drive/Roy Street	AO 2005-129
58 <sup>th</sup> Avenue between Arctic Boulevard and Silverado Way	AO 2006-075
B Street between 40 <sup>th</sup> Avenue and Tudor Road	AO 2006-102
Arlene Drive, Kingfisher Drive, Pelican Drive and Pelican Court	AO 2006-091

Road construction costs increased approximately 40% over the last three years and, on most projects, the Municipality has been able to adjust CIP funding to match. However, RIDs are approved with an assessment cap of 10% above the approved estimate, and property owner approval is required if costs exceed this cap. While the streets in these RIDs are in poor shape, and the Municipality sees reconstruction as a priority, it is unlikely the 400 affected property owners would support the projects at the higher assessment level. The effect of failed re-ballots is cancellation of the reconstruction projects.

These seven RIDs were approved by property owners at an average cost of about \$1,034/LF, 38% higher than the average cost of RIDs completed in 2002 and 2003. Historically, a budget increase of this size would have covered construction inflation. However, the current estimated cost for these seven RIDs has risen even further to \$1,628/LF. More detail on the costs of these seven RIDs is attached.

Over \$800,000 has already been invested by the Municipality in these seven projects and if the RIDs fail in re-balloting, the Municipality's investment is lost. Approving this ordinance authorizes the Municipality to absorb about \$972,000 in

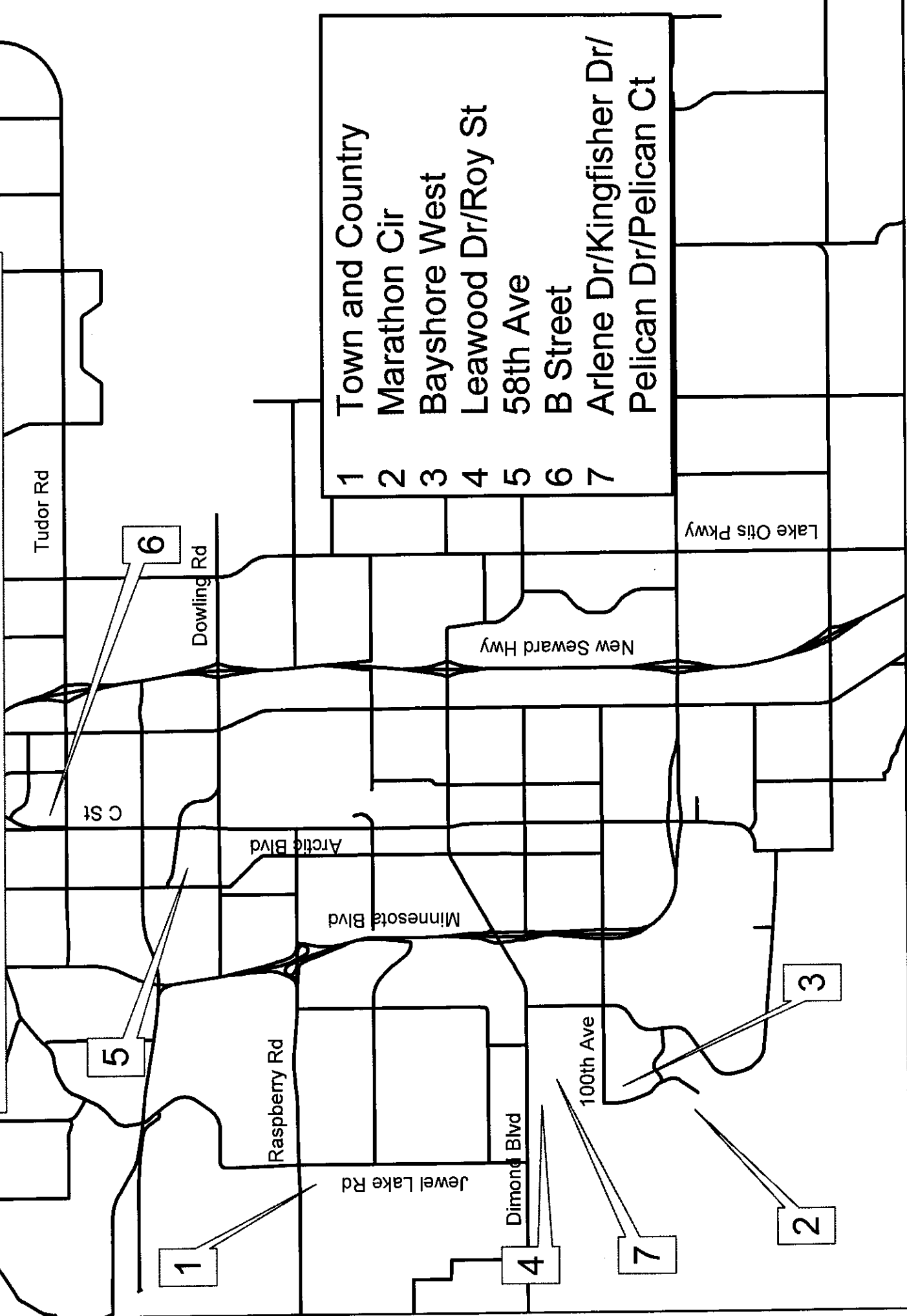
costs that would have been assessed through the 90/10 program. The ordinance does not require tax revenue expenditure, as funding will come from road bonds.

These seven RID projects would fully expend Reconstruction RID funding in the CIP for the next three years. While local road reconstruction is a growing need due to deteriorating neighborhood streets, it seems unlikely that property owners would approve future 90/10 projects with assessments in the \$7,000-per-lot range. If the 90/10 program is no longer effective in funding local road reconstruction projects, other options should be considered, such as changing the assessment formula.

THE ADMINISTRATION SUPPORTS APPROVAL OF AN ORDINANCE  
WAIVING THE ASSESSABLE SHARE REQUIREMENT OF ANCHORAGE  
MUNICIPAL CODE SECTION 19.40.100B. FOR THE SEVEN ROAD  
RECONSTRUCTION ROAD IMPROVEMENT DISTRICTS NAMED HEREIN.

Prepared by: Howard C. Holtan, Director, Project Management & Engineering Department  
Concur: James N. Reeves, Municipal Attorney  
Concur: Denis C. LeBlanc, Municipal Manager  
Respectfully submitted: Mark Begich, Mayor

# 90/10 Reconstruction RIDs - Active Projects



# **Budget Status and Funding Plan for 90/10 Reconstruction RID Projects January, 2007**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	RID Project	Assembly	Approved Budget plus 10%	RID Cap Cost/LF	CPD Revised Budget	Current Budget Cost/LF	Additional Muni Cost with No Re-Ballot	Average Property Balloted w/cap	Average Property Owner Assessment if Re-Balloted	Spent	Existing Funding	Funding Required	2007 funding plan	2008 funding plan	2009 funding plan
1	Town and Country Estates (Residential)	Sullivan, Jennings	\$1,745,015	\$827	\$3,600,000	\$1,706	\$185,499	\$4,058	\$8,372	113,780	2,700,000	900,000	900,000		
2	Marathon Cir (Residential)	Birch, Sharnberg	\$605,000	\$931	\$1,100,000	\$1,692	\$49,500	\$2,881	\$5,238	124,906	600,000	500,000	500,000		
3	Bayshore West Subdivision (Residential)	Birch, Sharnberg	\$4,400,018	\$938	\$6,800,000	\$1,450	\$239,998	\$3,235	\$5,000	401,820	2,231,296	4,568,704	4,600,000		
4	Leawood Dr - Roy St (Residential)	Sullivan, Jennings	\$1,848,000	\$901	\$3,300,000	\$1,610	\$145,200	\$4,107	\$7,333	64,903	772,668	2,527,332		2,600,000	
5	58th Ave (Business)	Traini, Coffey	\$1,870,000	\$1,133	\$2,700,000	\$1,636	\$83,000	\$10,389	\$15,000	104,986	500,961	2,199,039		2,200,000	
6	B Street (Business)	Traini, Coffey	\$1,650,000	\$1,331	\$2,100,000	\$1,694	\$45,000	\$14,536	\$15,000	33,838	408,833	1,691,167		1,700,000	
7	Arlene Dr - Kingfisher Dr - Pelican Dr & Cir (Residential)	Sullivan, Jennings	\$6,160,000	\$1,178	\$8,400,000	\$1,606	\$224,000	\$5,500	\$7,500	11,181	253,441	8,146,559	750,000	750,000	6,650,000
	TOTAL		\$18,278,032 Average	\$1,010	\$28,000,000 Average	\$1,631	\$972,197			855,414	7,467,199	20,532,801	6,750,000	7,250,000	6,650,000
	IMPACT OF ORDINANCE ON THE APPROVED 2007-2012 CIP														
												Total	2007	2008	2009
												Proposed CIP funding	20,532,801	16,750,000	7,250,000
												Current CIP funding	19,150,000	5,850,000	9,300,000
												CIP change	1,382,801	900,000	-2,050,000
															2,650,000

**Content Information****Content ID :** 004715**Type:** Ordinance - AO

**Title:** AN ORDINANCE WAIVING THE ASSESSABLE SHARE  
 REQUIREMENT OF ANCHORAGE MUNICIPAL CODE SECTION  
 19.40.100B. FOR SEVEN ROAD RECONSTRUCTION ROAD  
 IMPROVEMENT DISTRICTS

**Author:** rerkosp**Initiating Dept:** PME

**Description:** AN ORDINANCE WAIVING THE ASSESSABLE SHARE  
 REQUIREMENT OF ANCHORAGE MUNICIPAL CODE SECTION  
 19.40.100B. FOR SEVEN ROAD RECONSTRUCTION ROAD  
 IMPROVEMENT DISTRICTS

**Date Prepared:** 1/11/07 4:18 PM**Director Name:** Howard C. Holtan**Assembly****Meeting Date** 1/30/07**MM/DD/YY:****Public Hearing** <sup>13</sup>**Date MM/DD/YY:** 2/27/07

M.O.A.  
 2007 JAN 22 AM 10:15  
 CLENN'S OFFICE

**Workflow History**

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
AllOrdinanceWorkflow	1/11/07 4:32 PM	Checkin	rerkosp	Public	004715
PME_SubWorkflow	1/11/07 4:38 PM	Approve	holtanhc	Public	004715
OMB_SubWorkflow	1/19/07 11:01 AM	Approve	mitsonjl	Public	004715
Legal_SubWorkflow	1/19/07 12:02 PM	Approve	fehlenrl	Public	004715
MuniManager_SubWorkflow	1/19/07 3:13 PM	Approve	leblancdc	Public	004715
MuniMgrCoord_SubWorkflow	1/19/07 3:24 PM	Approve	abbottmk	Public	004715