

Introduced by: Mayor
Date: 06/20/00
Action: Adopted
Vote: 8 Yes, 1 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2000-043**

**A RESOLUTION OF NECESSITY ESTABLISHING THE TIMBERLAND TERRACE
UTILITY SPECIAL ASSESSMENT DISTRICT FOR CONSTRUCTION OF A NATURAL
GAS MAINLINE**

- WHEREAS,** residents of the borough adopted a non-area-wide power by the vote of the people to form special assessment districts for utility lines in 1991; and
- WHEREAS,** natural gas provides a safe, economical heating alternative and has been shown to increase the value and marketability of parcels; and
- WHEREAS,** the availability of natural gas as a heating fuel will decrease the utilization of heating fuels requiring storage containers which may leak their contents, thereby minimizing the potential for pollution to area drinking water and the environment; and
- WHEREAS,** a petition has been received requesting the establishment of a utility special assessment district for financing the construction of an extension of Enstar's natural gas service line to a district in the area of Timberland Terrace subdivision; and
- WHEREAS,** KP.B 5.35 requires signatures of the owners of more than 70% of the parcels within the proposed district sign the petition and 76.4% have signed the petition; and
- WHEREAS,** Resolution 92-54 requires that within 90 days of filing of the petition, the Mayor shall cause to be prepared a Resolution of Necessity for the Assembly's consideration to determine: a) whether the proposed USAD meets the requirements of KP.B Chapter 5.35, and b) whether the Borough should establish a USAD as proposed by the petition; and
- WHEREAS,** this Resolution, with its attached exhibits, which are incorporated by reference as if fully set forth herein, sets out the plans, specifications, estimated costs, proposed method of assessment, payment schedule, estimated assessment roll, proposed method of Borough financing, and schedule for construction as required by KP.B Chapter 5.35 and the regulations adopted under that Chapter;

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA
BOROUGH:**

- SECTION 1.** That this resolution is supported by the information in the following attached exhibits which are incorporated by reference as if fully set forth herein:
- 1) Clerks certification of the petition, dated May 31, 2000;
 - 2) USAD profile information sheet, dated June 8, 2000;
 - 3) the estimated assessment roll, dated June 8, 2000;
 - 4) a map of the boundaries of the proposed USAD;

5) petition form information cover sheet;
letter-statement from Enstar Natural Gas dated April 6, 2000; and,
a memo from the Finance Director dated May 22, 2000.

SECTION 2. That the boundaries of USAD for a gas mainline set forth in the map attached as exhibit 4 and the properties legally described in exhibit 3, are hereby approved as comprising the USAD.

SECTION 3. That the plans, specifications, profiles and estimated costs set forth in Exhibit 2 and the schedule for construction set forth in Exhibit 6 are hereby approved.

SECTION 4. That the method of levying the special assessment shall be on an equal allocation per lot, parcel, or tract as authorized by KPB 5.35. Uniform allocation of costs to each parcel in the proposed district is a fair method because each parcel is equally benefited by the ability to connect a service line to the mainline.

SECTION 5. That the estimated assessment roll, set forth in Exhibit 3 is incorporated by reference as if fully set forth herein.

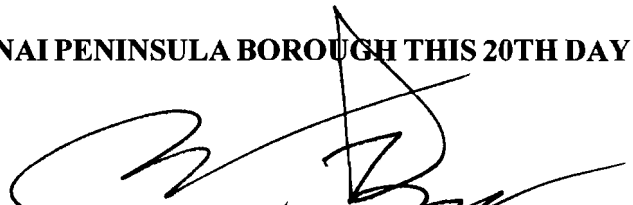
SECTION 6. Special assessment bonds will not be issued in anticipation of collection of the special assessments. Borough investment monies shall be the financing mechanism. The frequency and number of installment payments shall be as follows:

Special assessments levied on property within the Timberland Terrace Utility Special Assessment District may be paid in ten (10) equal annual installments. Penalties will not be imposed for accelerated payments.

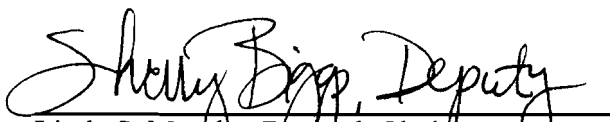
SECTION 7. That the proposed Timberland Terrace USAD, as described and proposed through Exhibits 1 - 7, is found to meet the requirements of KPB Chapter 5.35 and is determined to be necessary and in the Borough's interest.

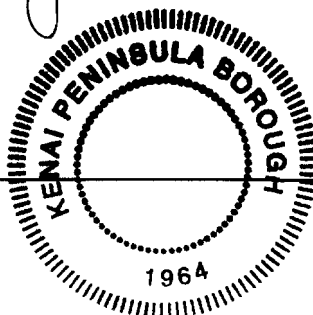
SECTION 8. That this resolution shall take effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 20TH DAY OF JUNE, 2000.


William Popp, Assembly President

ATTEST:


Linda S. Murphy, Borough Clerk





KENAI PENINSULA BOROUGH

144 N. BINKLEY • SOLDOTNA, ALASKA • 99669-7599
BUSINESS (907) 262-8608 FAX (907) 262-8615
EMAIL: assemblyclerk@borough.kenai.ak.us

RECEIVED

MAY 31 2000

LINDA MURPHY, CMC
BOROUGH CLERK

KPB ASSESSING DEPT.

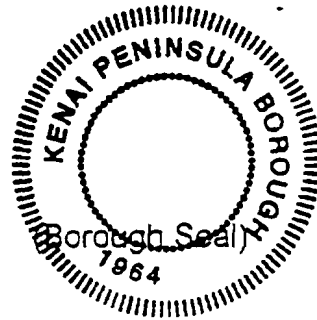
KENAI PENINSULA BOROUGH CERTIFICATION OF PETITION Timberland Terrace Utility Special Assessment District

A petition for formation of the Timberland Terrace Utility Special Assessment District was received in the Office of the Borough Clerk on May 18, 2000. I hereby certify the petition as sufficient. Signatures of property owners of 12 parcels (70% of 17 parcels) were required. Signatures of property owners of 13 parcels were validated.

A Check in the amount of \$1,000.00 was received with the petition.

Dated this 31st day of May, 2000.

Linda S. Murphy, CMC/AE
Borough Clerk



Copies Provided to:

Walt Arthur (Representing Petitioners)
Clyde Johnson, KPB USAD Coordinator
KPB Assembly President Popp and Members of the Assembly
KPB Mayor Dale Bagley

EXHIBIT 1

TIMBERLAND TERRACE

Enstar Cost:	51,255.00
KPB Admin Cost:	7,259.94
Total Cost:	58,514.94
No. Parcels:	17
Cost per Parcel:	3,442.06

Total Cost:	58,514.94
Total Prepayments:	6,099.67
Total Assessments:	52,415.27

HEADING DEFINITIONS

Total Assessed Value: 2000 assessments.

Adjusted totals: The estimated increased value of the property as a result of the gas line.

Cost /Adj value: The percent of the cost to the adjusted value of each parcel.

Maximum assessment: The assessment lien to each parcel cannot exceed 21%.

Prepayment needed: The amount needed to keep the assessment lien under 21%.

No. of Parcels Delq:	-
Percentage of Parcels Delq:	-

Total No. of Parcels:	17
Parcels in favor of project:	13
Percent of parcels in favor:	76.47%

Parcel #	Land Value	Total Assessed Value	Adjusted Total	Cost / Adj Value	Max Assmnt	Prepymt Needed	Name	+ = Yes vote	Tax Delq. Y = delq
055-251-03	9,600	9,600	13,042	26.39%	2,738.83	703.22	BIERDMAN JOHN & LINDA		
055-257-01	42,000	42,000	45,442	7.57%	3,442.06	-	GERETY DAWN K & GERETY MEGAN C	+	
055-257-02	42,000	42,000	45,442	7.57%	3,442.06	-	ABOOD MITCHELL E JR & DINAH M	+	
055-257-03	42,000	42,000	45,442	7.57%	3,442.06	-	STREET JEFFREY R	+	
055-257-04	42,000	42,000	45,442	7.57%	3,442.06	-	MANSUR JEFFREY O & BARRETT WILLIAM		
055-257-05	42,000	42,000	45,442	7.57%	3,442.06	-	KERR KEVIN C & MARY B	+	
055-257-06	42,000	42,000	45,442	7.57%	3,442.06	-	CHRISTAL ROBERT V & JO ELLEN	+	
055-257-07	42,000	42,000	45,442	7.57%	3,442.06	-	CHRISTAL ROBERT V & JO ELLEN	+	
055-257-08	42,000	28,000	31,442	10.95%	3,442.06	-	VIGUS LUCY M	+	
							TIMBERLAND TERRACE SUB PHASE TWO		
055-257-09	100	100	3,542	97.18%	743.83	2,698.22	PROPERTY OWNERS ASSOC INC	+	
055-257-10	66,500	148,800	152,242	2.26%	3,442.06	-	STANDISH ROBERT J	+	
055-257-11	66,500	76,300	79,742	4.32%	3,442.06	-	ARTHUR WALTER A JR & BETTY A	+	

TIMBERLAND TERRACE USAD

6/8/00

Parcel #	Land Value	Total Assessed Value	Adjusted Total	Cost / Adj Value	Max Assmnt	Prepymt Needed	Name	+ = Yes vote	Tax Delq. Y = delq
							BENKERT JEFFERY A & WILLIAMS		
055-257-12	76,500	179,900	183,342	1.88%	3,442.06	-	JILLAIN R	+	
055-257-13	71,000	75,000	78,442	4.39%	3,442.06	-	GERETY DANIEL A & ARLENE C	+	
							TIMBERLAND TERRACE SUB PHASE TWO		
055-257-14	100	100	3,542	97.18%	743.83	2,698.22	PROPERTY OWNERS ASSOC INC	+	
055-258-99	208,200	541,100	544,542	0.63%	3,442.06	-	CHO KYU JIN & SUN SHIK		
055-259-99	370,000	592,500	595,942	0.58%	3,442.06	-	RIVER QUEST RV RESORT LLC		
17					52,415.27	6,099.67			13

TIMBERLAND TERRACE USAD
ESTIMATED ASSESSMENT ROLL

6/8/00

EXHIBIT 3

TIMBERLAND TERRACE

Enstar Cost 51,255.00
 KP B Admin Cost 7,259.94
 Total Est. Cost 58,514.94

Total Cost: 58,514.94
 Total Prepayments: 6,099.67
 Total Assessments: 52,415.27

No. of Parcels 17
 Cost/Parcel 3,442.06

Parcels > 21%: 3
 Total To Prepay: 6,099.67

Parcel #	Legal Description	Total Assessed Value	Max Assment	Req. Prepay	Owner	Address	City	ST	ZIP
055-251-03	T05N R10W S19 KN840140 CASTAWAY COVE SUB AMENDED LOT 2 BLOCK 1	9,600	2,738.83	703.22	BIERDMAN JOHN & LINDA	PO BOX 8214	NIKISKI	AK	99635
055-257-01	T05N R10W S19 KN980008 TIMBERLAND TERRACE PHASE 2 LOT 1	42,000	3,442.06	-	GERETY DAWN K & GERETY MEGAN C	PO BOX 222	GIRDWOOD	AK	99587
055-257-02	T05N R10W S19 KN980008 TIMBERLAND TERRACE PHASE 2 LOT 2	42,000	3,442.06	-	ABOOD MITCHELL E JR & DINAH M	3201 NORTHWOOD	ANCHORAGE	AK	99517
055-257-03	T05N R10W S19 KN980008 TIMBERLAND TERRACE PHASE 2 LOT 3	42,000	3,442.06	-	STREET JEFFREY R	13208 NW 30TH CT	VANCOUVER	WA	98685
055-257-04	T05N R10W S19 KN980008 TIMBERLAND TERRACE PHASE 2 LOT 4	42,000	3,442.06	-	MANSUR JEFFREY O & BARRETT WILLIAM	3016 NE 183RD PLACE	VANCOUVER	WA	99682
055-257-05	T05N R10W S19 KN980008 TIMBERLAND TERRACE PHASE 2 LOT 5	42,000	3,442.06	-	KERR KEVIN C & MARY B	2941 WENTWORTH ST	ANCHORAGE	AK	99508
055-257-06	T05N R10W S19 KN980008 TIMBERLAND TERRACE PHASE 2 LOT 6	42,000	3,442.06	-	CHRISTAL ROBERT V & JO ELLEN	12661 SCHOONER DR	ANCHORAGE	AK	99515
055-257-07	T05N R10W S19 KN980008 TIMBERLAND TERRACE PHASE 2 LOT 7	42,000	3,442.06	-	CHRISTAL ROBERT V & JO ELLEN	12661 SCHOONER DR	ANCHORAGE	AK	99515
055-257-08	T05N R10W S19 KN980008 TIMBERLAND TERRACE PHASE 2 LOT 8	28,000	3,442.06	-	VIGUS LUCY M	8321 PIONEER DRIVE	ANCHORAGE	AK	99504
055-257-09	T05N R10W S19 KN980008 TIMBERLAND TERRACE PHASE 2 LOT 9	100	743.83	2,698.22	TIMBERLAND TERRACE SUB PHASE TWO PROPERTY OWNERS ASSOC INC	2138 CHURCHILL DR	ANCHORAGE	AK	99517
055-257-10	T05N R10W S19 KN980008 TIMBERLAND TERRACE PHASE 2 LOT 10	148,800	3,442.06	-	STANDISH ROBERT J	PO BOX 1106	KENAI	AK	99611
055-257-11	T05N R10W S19 KN980008 TIMBERLAND TERRACE PHASE 2 LOT 11	76,300	3,442.06	-	ARTHUR WALTER A JR & BETTY A	9521 EMERALD ST	ANCHORAGE	AK	99516
055-257-12	T05N R10W S19 KN980008 TIMBERLAND TERRACE PHASE 2 LOT 12	179,900	3,442.06	-	BENKERT JEFFERY A & WILLIAMS JILLAIN R	570 E BENSON STE 21	ANCHORAGE	AK	99503
055-257-13	T05N R10W S19 KN980008 TIMBERLAND TERRACE PHASE 2 LOT 13	75,000	3,442.06	-	GERETY DANIEL A & ARLENE C	2138 CHURCHILL DR	ANCHORAGE	AK	99517

TIMBERLAND TERRACE USAD
ESTIMATED ASSESSMENT ROLL

6/8/00

Parcel #	Legal Description	Total Assessed Value	Max Assment	Req. Prepay	Owner	Address	City	ST	ZIP
055-257-14	T05N R10W S19 KN980008 TIMBERLAND TERRACE PHASE 2 TRACT C	100	743.83	2,698.22	TIMBERLAND TERRACE SUB PHASE TWO PROPERTY OWNERS ASSOC INC	2138 CHURCHILL DR	ANCHORAGE	AK	99517
055-258-99	T05N R10W S19 KN GOVT LOT 4	541,100	3,442.06	-	CHO KYU JIN & SUN SHIK	PO BOX 1270	SOLDOTNA	AK	99669
055-259-99	T05N R10W S19 GOVT LOT 5 & 6	592,500	3,442.06	-	RIVER QUEST RV RESORT LLC	5101 TARGEE	BOISE	ID	83705
17			52,415.27	6,099.67					

Following parcels are located in Castaway Cove Subdivision and are along the proposed gas line route on Ciechanski Road. These lots have been determined to be substandard based on their size and usage and are not included in the proposed district. ENSTAR Natural Gas Company has further indicated that based on the substandard size of these lots and their recreational usage they are not eligible for natural gas service.

055-251-04	055-251-16	055-252-06
055-251-05	055-251-17	055-252-07
055-251-06	055-251-18	055-252-08
055-251-07	055-251-19	055-252-09
055-251-08	055-251-20	055-252-10
055-251-09	055-251-25	055-252-11
055-251-10	055-251-26	055-252-12
055-251-11	055-251-27	055-252-13
055-251-12	055-251-28	055-252-14
055-251-13	055-252-03	055-252-15
055-251-14	055-252-04	055-252-26
055-251-15	055-252-05	055-255-47

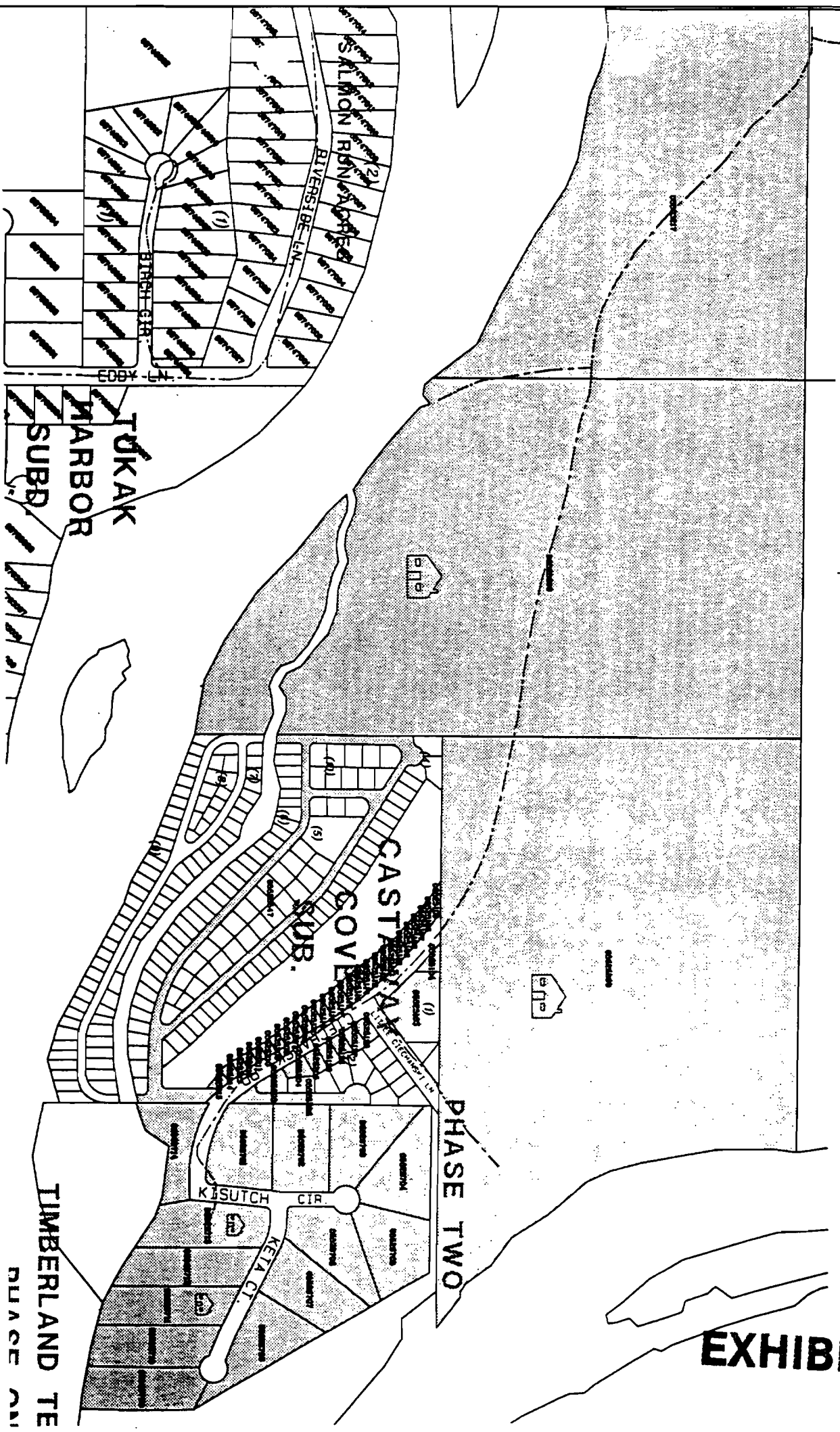


EXHIBIT 4

UTILITY SPECIAL ASSESSMENT DISTRICT INFORMATION SHEET

TIMBERLAND TERRACE SUBDIVISION PHASE II

This petition proposes a utility special assessment district (USAD) be formed for the purpose of providing natural gas to the Timberland Terrace, Phase II subdivision. A map showing the proposed route and the parcels to be assessed is attached.

The project proposes to lay approximately 6,320 feet of gas line. The estimated project cost is \$58,515 (Enstar's cost of \$51,255 plus the Kenai Peninsula Borough's cost of \$7,260). The proposed method of cost allocation is by equal assessment to each of the 18 benefited parcels. The allocated cost per parcel is estimated at \$3,250.83.

This cost will be assessed in the form of a lien on the benefited parcel. It will be payable over a ten (10) year period. At your option, it may be paid at any time prior to the ten (10) year period. Failure to pay the assessment will be cause for foreclosure proceedings.

Be advised that any replats of parcels that are approved and recorded prior to the final assessment could cause a change in the cost allocated to each benefited parcel.

This petition proposes to assess 100% of the benefited parcels. In order to qualify, the petition must have more than 70% of the property owners within the proposed district approving the project. Approval is signified by properly signing the petition signature page. Failure to secure approval of more than 70% of the parcel owners within the proposed district will cause the petition to fail.

All signatures must be dated and the petition must be filed with the office of the Borough Clerk within thirty (30) days of the date of the first signature in order to be included in the calculation of the required percentages.

No property owner may withdraw his/her approval of the improvement for a period of six (6) months after the filing of this petition. (This shall not preclude the owner(s) from filing an objection as provided in KPB 5.35.110(D).

A non refundable filing fee of \$1,000 must be paid at the time of submission of this petition. (This filing fee is for the whole project, not a per parcel fee.)

An additional sum of \$5,674.48 must be submitted prior to adoption of the resolution to proceed with the construction of the improvement. This sum reflects the total amount by which three (3) lots within the proposed USAD exceed the assessed value-to-special assessment ratio set forth in KPC 5.35.070(C). These parcels and the required prepayment amounts are as follows:

TAX PARCEL # 055-251-03	\$580.16
TAX PARCEL # 055-257-09	\$2,547.16

EXHIBIT 5

TAX PARCEL #055-257-14

\$2,547.16

Be advised that this USAD will require the acquisition of easements. If Enstar is unable to acquire the easements the gas line may not be installed. Any prepayment of the assessment for individual parcels will be returned in the event the easements cannot be acquired and the gas line is not installed, however, the non-refundable filing fee will not be returned.

This petition consists of the following documents: 1) this information sheet, 2) a map of the geographic area encompassing the benefited parcels, 3) Enstars commitment letter to construct the gas line, dated April 6, 2000, 4) the petition signature page, and 5) a list of the benefited parcels in the proposed USAD detailing each respective parcels tax identification number, legal description, assessed value, estimated charge for the benefit, and the name(s) and addresses of the parcel owners.

Only the page requiring your signature(s) needs to be returned.

Questions regarding this petition may be referred to:

Petition Organizer(s):

Walt Arthur (907) 243 - 8088

Or

Clyde Johnson, Kenai Peninsula Borough USAD Coordinator (907) 262-4441 ext. 222
or 1-800-478-4441 within the Borough



ENSTAR Natural Gas Company
A Division of SEMCO ENERGY, Inc.
36225 Kenai Spur Highway
Soldotna, Alaska 99669
(907) 262-9334 Fax (907) 264-3752

April 6, 2000

Clyde Johnson, USAD Coordinator
Kenai Peninsula Borough
148 N. Binkley
Soldotna, Alaska 99669

RE: ***Timberland Terrace Utility Special Assessment District***

Dear Mr. Johnson:

The Timberland Terrace USAD engineering has been completed. The project design requires 6,320 feet of 2-inch pipe. ENSTAR's 2000 construction rate for 2-inch pipe is \$8.11 per foot. Therefore, ENSTAR's total estimated cost will be \$51,255.00

This is a Non-refundable project and a *Contribution In Aid of Construction* agreement will be used for this project. Credits or Free Main Allowances will be paid directly to the Borough by ENSTAR as customers connect to the gas system over the term of the contract. Credits will be based upon projected annual gas usage by each new customer. The 2000, Free Main Allowances or FMA's are as follows, Small \$360, Medium \$684, and Large \$1,080. FMA's are adjusted annually throughout the ten-year contract.

In the event the Timberland Terrace Utility Special Assessment District is approved by the Kenai Peninsula Borough Assembly during this construction season, ENSTAR will construct the project in 2000, barring any unexpected construction delays and/or adverse weather conditions.

Please do not hesitate to call should you need any assistance or have any questions.

Respectfully,

A handwritten signature in black ink, appearing to read "C.P." or "Charlie Pierce".

Charlie Pierce
Southern Division Manager

EXHIBIT 6

**MEMORANDUM
KENAI PENINSULA BOROUGH
FINANCE DEPARTMENT**

TO: Bill Popp, Assembly President
Members of the Kenai Peninsula Borough Assembly

THRU: Dale Bagley, Mayor *DLB*

FROM: Jeffrey Sinz, Finance Director *JS*

DATE: May 22, 2000

SUBJECT: Timberland Terrace USAD – Financing

The Borough plans to provide the funds necessary to finance the Timberland Terrace USAD from internal sources. KP.B 5.10.040 allows the investment of borough monies in special assessment districts that are authorized under KP.B 5.35. The total of such investments is limited to not more than \$2,000,000 at the end of any fiscal year. Currently, the borough has \$435,220.16 committed to fund six existing utility special assessment districts. If approved, the \$58,514.94 projected for the Timberland Terrace USAD will increase the borough's total principal investment to approximately \$493,735.10.

The owners of property located within the USAD will be required to make principal and interest payments each year for a ten-year period to retire the indebtedness to the borough. The rate of interest will be equal to the prime rate plus 2%. The prime rate is currently 9.5%. If it remains at that level, the rate of interest charged to the USAD will be 11.5%. Property owners can avoid or reduce the interest charge by making accelerated payments on the principal. Penalties are not imposed for accelerated payments.

EXHIBIT 7