



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99687
PHONE: (907) 373-9050
FAX: (907) 373-0788

COUNCIL MEMORANDUM NO. 90-41

FROM: Deputy Administrator

DATE: May 11, 1990

RE: Payment in Lieu of Assessment (PILA) for Sewer
Connection - Cottonwood Creek Mall

The owners of Cottonwood Creek Mall are interested in connecting to the City sewer system. Their connection cost will be in the range of \$40,000. In addition, the recently adopted Council Policy regarding PILA costs of \$4.00 per gallon/day (one-time fee), amounts to \$53,333. While the PILA policy appears appropriate for the average customer water usage, it may need further consideration for very high volume water users. The existing policy will probably preclude Cottonwood Creek Mall from connecting to the City system.

The Council may wish to consider an exception to policy in one of the two following alternatives:

- (A) Owners of property along the Palmer-Wasilla Highway between the Parks Highway and Cottonwood Creek have on occasion expressed interest in annexing to the City in exchange for permission to extend and connect to the City water system. The major obstacle is the off-site fee those property owners would owe to the developers of the Mall for constructing the water transmission line from Crusey Street to the mall. This fee is due from anyone connecting to the line for a period of 20 years. The amounts due are so high that in all probability the property owners will not extend the water system and will not annex to the City, and the mall developers will not collect the monies due them.

The total fees due from properties north of the Parks Highway are \$291,855.93. Of that amount, \$182,669.57 are fees against properties outside of the City boundary.

Approved Alternate A
5/14/90

The proposal would be for the City to forgive the \$53,333 sewer PILA in exchange for forgiveness of the \$182,669.57 future fees collectable from property outside the City boundary. The gain to the City is the increased potential to extend water service and expand the City boundary.

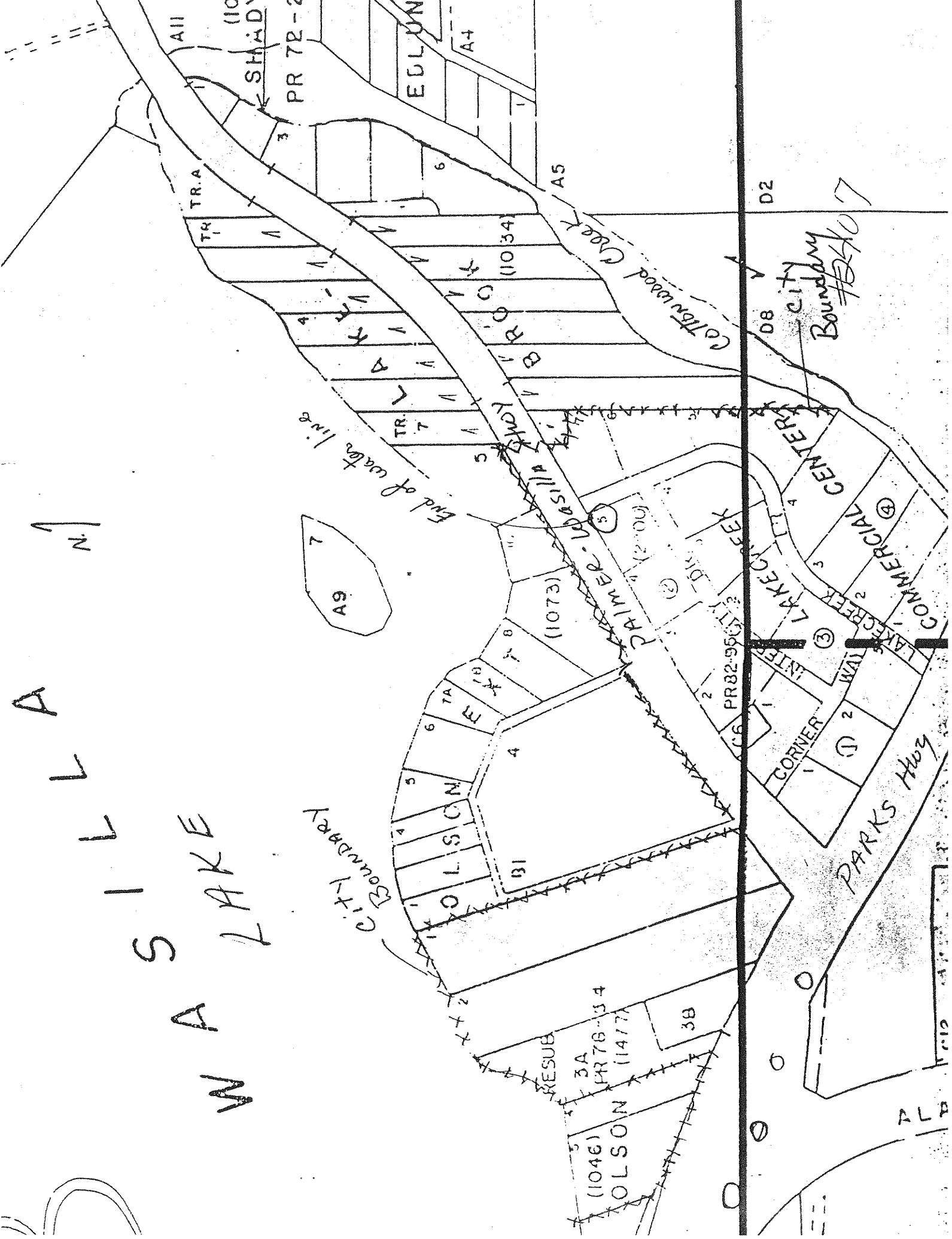
- (B) Should the above proposal not be acceptable to either party, an extension of the payment schedule for the PILA of \$53,333 is recommended as an exception to policy. The interest rate should be 6.5%, the same as the original sewer assessment, for a term of 30 years at an annual payment of \$3,885.



Robert E. Harris
Deputy Administrator

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WATER TRANSMISSION LINE FEES DUE FROM PROPERTIES NORTH OF PARK HIGHWAY
NOT IN CITY BOUNDARY

Olson	Lot 4	\$14,660.57
	5	15,817.98
Olson Extension	Lot 9	9,876.59
	10	3,240.76
	B1	13,243.82
Shady Nook	Tract A	3,009.22
	Lot 1	1,851.86
	2	2,469.15
	3	3,240.76
	4	5,709.90
	5	6,095.71
	6	7,947.57
Lake Brook	Tract 1-1	4,398.17
	1-2	9,799.43
	2	12,577.22
	3	12,808.71
	4	12,963.03
	5	15,817.98
	6	19,290.22
	7	7,850.92
Total		\$182,669.57