



CITY OF WASILLA

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

COUNCIL MEMORANDUM NO. 91-31

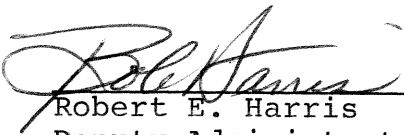
FROM: Deputy Administrator

DATE: May 20, 1991

RE: Response to Naomi Drive Property Owners

Council will recall that during the meeting of May 13, 1991, a group of Naomi Drive property owners presented a letter of questions regarding paving/repair of Naomi Drive. The residents are considering options for repair of the asphalt paving. Several of the questions are more properly the response of the Council.

The enclosed proposed response is provided for Council consideration and revisions you may wish to make prior to responding to the property owners.



Robert E. Harris
Deputy Administrator

approved as amended
5/29/91



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May 17, 1991

Mr. Chuck Stielstra
3200 Naomi Drive
Wasilla, Alaska 99687

Mr. James F. Palin
P. O. Box 1746
Palmer, Alaska 99645

Gentlemen:

The following responses to your questions dated May 7, 1991 have been reviewed and approved by the City Council.

- (1) Question: When Naomi Drive was transferred to the City of Wasilla, what were the transfer conditions, i.e., maintenance responsibilities?

Naomi Drive was platted and included in the Happy Mountain Estates subdivision approved by the Mat-Su Borough on September 19, 1977 and annexed to the City by petition effective June 12, 1978. The City assumed road maintenance responsibility beginning July 1, 1978.

- (2) Question: What is the tax income from properties on Naomi Drive to the City of Wasilla?

For 1991, the total City tax levied (3.6 mills) on the 35 lots adjoining Naomi Drive was \$8,193.00. The total City taxes levied for FY91 was \$676,912. The percentage of total city taxes allocated to road maintenance was 25 percent. The equivalent percentage of dollars in taxes levied on Naomi Drive plus an equivalent share of state provided road maintenance funds (\$600.00) totals to \$2,648.00.

If we were to compute a fair share of annual overhead and administrative costs, the cost of one crew (2 men) day plus materials and equipment for asphalt crack sealing, a fair share for storm drains and street lights (a city-wide cost) and \$65.00 per hour for contract snow plowing, it becomes apparent that an extensive amount of road repair is not possible. It should also be noted that no city taxes were levied until 1985 and that 3.6 mills was the highest tax rate of any prior year.

- (3) Question: How were the cost estimates prepared for the amount provided in your letter to us?

The cost estimates were prepared in standard City Capital Improvement Program (CIP) format by the City Engineer in January, 1990. I added about 10% to cover inflation, cost of bond attorney, and as a "hedge".

- (4) Question: There is a large amount of money in the cost estimate for the City of Wasilla costs. A detailed explanation would be appreciated. If this and/or other similar projects are not done, how will the City of Wasilla handle the reduced overall labor costs, i.e., will there be a reduction in personnel.

The City of Wasilla administrative fee for CIP projects is established by resolution and is a percentage of the actual project costs. This covers the incremental costs of projects that are of special area benefit as opposed to routine City operations costs. The estimates for engineering and contract administration are based on overall project costs and will be earned by a contracted representative, not a regular City employee. Legal fees are required for contract preparation and review and legal review of transfer of land interests (easements), if any. The labor for the project will be contractual and not by City employees, therefore, there will be no reduction in personnel. The figures are estimates of costs and only actual costs will be allocated among the property owners.

- (5) Question: What are the City of Wasilla sources of funding for road maintenance/improvement? How much is received annually?

The source of the City's road maintenance budget (see Question 2) is primarily from the property tax assessment. In FY91, the State allocated just under \$1,200.00 per mile for municipal road maintenance for a total of \$61,000.00. Naomi Drive "earned" less than \$600.00 from the State. In some years the legislature provides funds for specific road projects and on rare occasion, some funds are designated simply for "road improvements". We did not receive any such funds in FY91.

- (6) Question: How much non-winter maintenance has been done to Naomi Drive during the last eight to ten years? How does this compare to non-paved roads within the City?

Accurate non-winter maintenance records are not maintained but other than a couple of culvert repairs and street sign replacements...not much. Last summer 2 men spent most of one day filling asphalt cracks at a cost of around \$600.00. Non-paved residential streets are graded about four times (average) during non-winter months. The cost is currently \$65.00 per hour.

- (7) Question: Are Davis-Bacon wage rates mandated for City road improvements?

Yes, for any project that costs more than \$2,000.00.

- (8) Question: What is the City's position concerning a group of property owners on a particular street (such as Naomi Drive) hiring their own contractor to make improvements to the street? We recognize many problems with this approach, but would like to know the City's position.

The City has no objection to the proposal provided that all work is properly contracted to be performed to City standards and provisions for performance bonding and to indemnify the City during construction are made. The City would reserve the right to inspect and accept or reject the work for purposes of accepting maintenance responsibility.

- (9) Question: What is the Council's position in regard to 50% plus 1 (majority) of the property owners wanting road improvements? If 50% plus 1 (majority) wanted a project completed, would the City charge all property owners an equal share over a specified time period?

The City Council has not established a definite policy on the "majority" rule. A recent survey for forming a local improvement district resulted in a vote as follows:

<u>Vote</u>	<u>Percent</u>
No	40%
Yes	29%
Not Returned	31%

While the City code states that the not returned votes are to be counted, in effect, as "yes" votes, the majority of the City Council decided to not proceed with the project. Dissenting Council members indicated they wanted to see a majority "positive" response.

If a Local Improvement District (L.I.D.) is formed, all owners of property benefiting from the project are assessed an equitable (not necessarily equal) amount which, in most cases, can be paid over a specified time period.

- (10) Question: Would the City of Wasilla consider a 10-year payback?

Project funds are usually borrowed by the City from a lending institution. The amount of the loan generally dictates the payback period allowed by the lender, with the smaller loans being repaid in a shorter time. The Administration is willing to negotiate for

the longest allowable time period but recognize that the interest cost will increase.

- (11) Question: Can a payback provision be included that waives the interest charges? *No interest waives.*

~~If a commercial loan is made by the City, the interest charges will be included in the assessment fees paid by the property owners. If the project costs are relatively low and the City Council agrees to finance the project with the City general fund balance, the Council could waive the interest charges. Administration would recommend that interest be charged equal to the interest being earned by the general fund.~~

- (12) Question: Can the City waive or reduce the local assessment for the road tax during the payback period?

The City mill (tax) rate is established to support the entire City budget and is not allocated to specific services. State law provides for a differential increase tax zone for a service not provided elsewhere, but does not provide for a selective reduction when services provided are essentially equal. The short answer is "no".

- (13) Question: The City of Wasilla has recognized the need for improvements/maintenance of Naomi Drive and there has been minimal, if any, maintenance (other than snow removal) to this street in the last eight to ten years. What maintenance is planned for the next four to six years?

The maintenance planned for Naomi Drive is the same as for other paved streets; that is, crack sealing and pothole patching. Rebuilding of road shoulders, pavement edge cutting and repaving on Naomi is a major repair and is beyond the routine maintenance budget.

- (14) Question: For road improvements, what is the City's share of the costs and how is it determined.

City code requires that the City, either from general revenue (tax) funds or legislative grants, pay at least two-thirds of the cost of improvement projects on commercial or collector roads. The owners of property in the "downtown" paved area paid one-third of the street improvements.

To date, paving improvements in residential areas have been paid entirely by the owners of the benefited property. An example is Mission Hills subdivision, paved to City standards in 1986 at a cost of about \$2,400 per lot. The developer of Bridgestone subdivision paved the streets to City specifications.

- (15) Question: If the City and a majority of the property owners on Naomi Drive could reach an agreement to proceed with improvements, what is a likely schedule?

Requirements for public notice and public hearings make forming a Local Improvement District (L.I.D.) unlikely before the end of July, 1991.

Council could direct an engineer to prepare plans and specifications immediately or go through a formal selection process that typically takes about 6 weeks.

Preparation of plans and specification bid documents will require about 30 days.

The project must be advertised at least two weeks and bid award could be made at the next Council meeting - usually within two weeks.

Most contractors need two to four weeks to line up supplies and subcontractors and mobilize on the job site. Construction will require about two weeks. The project, if expedited, could probably be completed this construction season.

The addresses for the mailing list of property owners were obtained from the January, 1991 Mat-Su Borough property tax records. We have no other practical way of obtaining mailing addresses and we are required to mail to the Borough's recorded owner of record.

If you have additional questions that I may assist with, please contact me.

Sincerely,

Robert E. Harris
Deputy Administrator

REH/sbh

May 7, 1991

Mr. Bob Harris, Deputy Administrator
City of Wasilla
290 E. Herning Avenue
Wasilla, AK 99687

Dear Bob:

Subject: Naomi Drive Road Improvement

On May 2, 1991, a group of approximately 25 people met to discuss the April 3, 1991, letter to many of us from you concerning the deteriorated conditions of the pavement on Naomi Drive. A large majority of those present feel that something should be done to improve the road. However, there were several questions raised that the group felt should be answered before any further steps are made. The following is a list of those questions that we would appreciate responses to as soon as possible so that a general group discussion may be held in the near future:

- 1 o When Naomi Drive was transferred to the City of Wasilla, what were the transfer conditions; i.e., maintenance responsibilities?
- 2 o What is the tax income from properties on Naomi Drive to the City of Wasilla?
- 3 o How were the cost estimates prepared for the amount provided in your letter to us?
- 4 o There is a large amount of money in the cost estimates for City of Wasilla costs. A detailed explanation would be appreciated. If this and/or other similar projects are not done, how will the City of Wasilla handle the reduced overall labor costs; i.e., will there be a reduction in personnel?
- 5 o What are the City of Wasilla's sources of funding for road maintenance/improvement? How much is received annually?
- 6 o How much non-winter maintenance has been done to Naomi Drive during the last eight to ten years? How does this compare to non-paved roads within the City of Wasilla?
- 7 o Are Davis-Bacon wage rates mandated for City road improvements?
- 8 o What is the City's position concerning a group of property owners on a particular street (such as Naomi Drive) hiring their own contractor to make improvements to the street? We recognize many problems with this approach, but would like to know the City's position.



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April 3, 1991

*Letter mailed
to property owner
list.*

Dear Property Owner:

The Matanuska-Susitna Borough property records indicate that you are the owner of:

, Happy Mountain Estates.

You are probably aware of the deteriorated condition of the pavement on Naomi Drive. It was originally strip paved in 1978 by a developer who used inexpensive specifications. The remaining pavement is beyond economical repair and will have to be replaced or revert to a gravel street. The only viable option to fund a paving project is by forming a Local Improvement District (L.I.D.).

The existing street surface is substandard in width. A fairly extensive project involving reconstruction of ditch lines and driveway culverts would be required to bring the street to 20' paved residential standards. The cost of the project, including paving, not including sidewalks or street lights, is estimated to be about \$6,000 for each of the owners of the 35 lots adjacent to Naomi Drive.

Alternatively, the existing 16' street width could be repaved at an approximate cost of \$2,900 per lot owner. In either case, it may be possible to spread the cost, plus interest, over 5 annual payments.

We are attempting to determine the amount of interest the owners of property adjacent to Naomi Drive have in forming an L.I.D. for the project and for which type of project, if any. If a majority of favorable responses are received, the City Council may proceed to obtain more accurate cost estimates and conduct a formal ballot.

Please indicate your preference on the enclosed form and return it to the City of Wasilla by April 19, 1991. This is not a formal canvass and does not commit you nor the City of Wasilla to any obligation.

if you have questions on this project, please call Bob Harris, City of Wasilla, 373-9055.

Sincerely,

Robert E. Harris
Deputy Administrator

REH/sbh

PAVE TO CITY STANDARDS

Preliminary Cost Estimate #1

Widen Naomi Drive to a 20-foot paved width plus shoulders. Reconstruct 2,470 lineal feet of paved roadway, adjust drainage structures, relocate cluster mail boxes, fences and utilities.

Asphalt pavement depth 2" compacted.

1. Existing Asphalt Removal	2,000 SY @ \$ 5.25/SY =	\$ 10,500.00
2. Excavation of Traffic Ways	5,000 SY @ 3.75/CY =	18,750.00
3. Classified Fill Type III	3,500 CY @ 4.00/CY =	14,000.00
Type I	1,400 CY @ 4.75/CY =	6,650.00
4. Leveling Coarse	1,000 CY @ 20.00/CY =	20,000.00
5. Asphaltic Concrete	6,200 SY @ 4.50/SY =	27,900.00
6. Drainage Structures		
Removal & Replacement	340 LF @ 20.00/LF =	6,800.00
Installation	18 x 40 LF @ 24.00/LF =	960.00
7. Cluster Mail Box		
Relocation	3 Each @ \$1,000/EA	3,000.00
8. Fence Removal & Replacement	240 LF @ 20.00/LF	<u>1,400.00</u>

Preliminary Construction Subtotal \$209,960.00

Engineering and Contract Administration 22,000.00
Contingency 16,500.00

Subtotal \$148,460.00

City Administration \$ 7,500.00
Legal Fees and Advertising 4,500.00
Property Acquisition/Slope Easements 10,000.00

Recommended CIP Budget Request \$175,000.00 - \$185,000.00

Add-On - Inflation and Bonding Costs \$ 25,000.00

Total \$210,000.00

RESURFACE EXISTING ROADWAY

Preliminary Cost Estimate #2

Minor upgrade of shoulders and ditches, attempt to maintain 16-foot width of pavement. Project will not meet minimum City standards. Asphalt pavement 2" depth compacted.

1. Asphaltic removal	20,000 SY @ \$ 5.25/SY =	\$ 10,000.00
2. Leveling Coarse	300 CY @ 20.00/CY =	6,000.00
3. Asphaltic Concrete	6,200 SY @ 4.50/SY =	<u>27,900.00</u>
Preliminary Construction Subtotal		\$ 44,400.00
Engineering and Construction Administration		9,000.00
Contingency		<u>6,500.00</u>
Subtotal		\$ 59,900.00
City Administration		3,000.00
Legal Fees and Advertising		<u>1,800.00</u>
Recommended CIP Project Funding	\$65,000 -	\$ 75,000.00
Add-On For Inflation/Bonding Costs		<u>25,000.00</u>
Total		\$100,000.00



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NAOMI DRIVE PAVING

Name: , Happy Mountain Estates

MY PREFERENCE FOR REPAVING NAOMI DRIVE IS:

- Construct to residential street width standards at about \$6,000 per owner of each lot.
- Repave existing 16' street width at about \$2,900 per owner of each lot. I understand that the expected useful life of the pavement may not exceed 10 years.
- Do not pave, maintain as a gravel street as pavement fails.

5/2/91

<u>NAME</u>	<u>ADDRESS</u>	<u>PHONE No.</u>
Ed Schwabem	3000 NAOMI AVE	373-1550
Jan Deedy	3033 NAOMI AVE	376-6432
Anna Deedy	3033 NAOMI AVE	376-6432
Jay & Marla James	3363 Naomi	376-4604
Elzde + Janet Bentler	600 Seward meridian	376-7746
Alex Gusev	3333 Naomi Drive	376-0111
Chuck & Penny Stielstra	3200 Naomi.	376-3776
Dave + Sandy Choppel	3065 Mount Dr	376-4755
Edward D. + Lute D. Hitt	3100 Naomi Dr.	376-8837
Israel Medaugh	3165 E. NAOMI AVE.	376-6553
Richard E. Petryk	3432 NAOMI DR.	378 2031. ?
Jack + Linda Markus	3266 E Naomi Dr	376-4317
Ray + Ruby Otto	3233 NAOMI DR	376-3156
Bill Wimmer	3101 Naomi Dr	373-0940
Terrell Henshaw	3066 Naomi Ave	376-8305
Laye Palin	3332 Naomi Ave	376-6900