



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99654-7091

Area Code (907)

Administration
Ph: 373-9055
Fx: 373-9085

Clerks Office
Ph: 373-9065
Fx: 373-9085

Finance
Ph: 373-9070
Fx: 373-9085

Library
Ph: 376-5913
Fx: 376-2347

Museum
Ph: 373-9071
Fx: 373-9072

Planning
Ph: 373-9074
Fx: 373-9085

Police
Ph: 373-9077
Fx: 373-9051

Public Works
Ph: 373-9095
Fx: 373-9085

Ph: _____
Fx: _____

COUNCIL MEMORANDUM

95-86

From: Finance Director
Date: October 12, 1995
Subject: Assessment District Code Rewrite, Ordinance 95-52

HISTORY.

Chapter 2.60 was established April 10, 1978 with the passage of Ordinance W78-0-1. This ordinance was modeled after a city of Anchorage ordinance which a lot of cities used at that time. In September of 1980 a section was added on warrants (Interim Financing). In September of 1990 a section on refunding of Gas Assessment Districts was added. In April of 1994 several technical amendments were made to formation procedures, contract bids, payment terms & early payoffs. The final change came in July of 1994 when the section on arterial streets was rewritten (2.60.080I). To date approximately 25 assessment districts have been formed under the current assessment code for various purposes such as Water, Sewer, Gas and Paving. This re-write has had substantial input from our City Attorney and our Bond Attorney.

APPROACH.

Assessment codes were reviewed from the cities of Kenai & Valdez & the Boroughs of Sitka, Kenai & Fairbanks with an eye toward choosing a new model. After reading the codes it was decided they had general features similar to our own code & specific local sections. With the Mayor's concurrence it was decided to work with the existing code, one that most everyone is familiar with, as the starting point.

OBJECTIVES.

1. Total reorganization of the assessment code. Dick Deuser was of great assistance in insisting that the code be reorganized so that it flows in an orderly manner from the beginning of the Special Assessment District process to the end.
2. To purge the code of sections never or seldom used.
3. To extend, by 100% the time frame for the filing of protests to the formation of an assessment district.
4. To make minor grammatical & punctuation type changes for clarity.

CHANGES NOT MADE IN THE CODE

The area of the code that has caused the most controversy over the years has been the method of asking for protests whereby a non response has been considered a yes vote. Consideration was given to changing to a system whereby a project could not proceed unless it received a 51% positive vote. While it would be within our power to change to such a system, with the mayor's concurrence, it was decided not to propose this change. To turn this process around & require a 51% positive vote would make the formation process so difficult that the creation of special assessment districts would probably be halted. This is exactly the objective of some people. The October 3, 1995 election demonstrates the difficulty of getting the vote out, especially when you are asking people to pay something for the privilege.

The infamous phrase "a non-response will be counted as a yes vote" will not be found in either version of the code. The phrase was developed over the years, by staff, to pound home the message to property

owners that to protest, they had to respond. We believe that the message has gotten through to the property owners. It has been our experience over the years that the majority of property owners find the process to be very efficient & fair. I can't ever remember a property owner in favor of a project objecting to the process. However, most of the districts have had a small minority who object both to the project & to the process. This vocal minority is made up of intelligent people & realize that if they could get the process turned around, they would have a better chance of defeating projects proposed to be built through a special assessment district.

Even though protests on a specific project may not reach the 51% level, if the level of protests has reached a level to make the council politically nervous, then the council may simply not want to approve the project. Bear in mind that then you get to listen to the majority complain. Nothing in either version of the code requires council to form a district whatever the vote may be, it is strictly optional.

POTENTIALLY MAJOR CHANGES

I call your attention to two sections of the Code that are considered major changes by our City Attorney, one of them potentially controversial.

1. Section 2.60.070 allows for a 3/4 vote to approve a assessment district for a life safety/health situation.
2. Section 2.60.080(B) makes clear that after a contract has been awarded and the project started, all increases in costs are eligible assessable costs.

RECOMMENDATION.

Introduction and set for public hearing.