

Mayor

David Allison

Council Members

Tom Bailer

Cathy Sherman

Kasey Kinsman

Wendy Ranney

Dave Zastrow

Kristin Smith

Ken Jones

City Manager

Samantha Greenwood

City Clerk

Susan Bourgeois

Deputy Clerk

Colette Gilmour

**City Council Work Session
March 19, 2025 @ 6:00 pm
Cordova Center Community Rooms
Agenda**

A. Call to order

B. Roll call

Mayor David Allison, Council members Tom Bailer, Cathy Sherman, Kasey Kinsman, Wendy Ranney, Dave Zastrow, Kristin Smith, and Ken Jones

C. Work Session topic

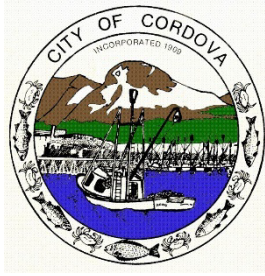
1. Strategic Planning

- a. City Manager memo..... (page 1)
- b. Cordova Municipal Code Chapter 5.32 Special..... (page 4)
Assessment Districts for Local Improvements
- c. Example of Special Assessment District-7th St..... (page 11)
- d. Example of Special Assessment District-8th St..... (page 12)
- e. City Debt Service Schedule..... (page 13)

D. Adjournment

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AGENDA ITEM 1
Work Session Meeting Date: 3/19/25
CITY COUNCIL COMMUNICATION FORM

FROM: Samantha Greenwood, City Manager
DATE: 3/13/25
ITEM: Strategic planning work session – Special Assessment Districts for local improvements

ORDINANCE
 MOTION

RESOLUTIONS
 INFORMATION

I. BACKGROUND INFORMATION: At the 2/19/25 work session, the council reviewed and agreed that the four major components of strategic planning were:

1. Infrastructure
2. Financial Plan
3. Economic Development
4. Internal Services

We also agreed that components would be intertwined with the financial component. The rest of the meeting we discussed infrastructure and how the projects could be tackled. There were multiple discussions on types of funding and how they would work. The debt schedule was also brought up, so I have included that again in this packet for reference. The council identified these projects/areas of interest:

1. Pool/Recreation/High School
2. Public Safety Building
3. Water Infrastructure
4. Sewer Infrastructure

The council also discussed these funding options

1. Grants
2. Loans
3. Special Assessment Districts for local improvements

The uncertainty and chaos with federal grants currently makes it difficult to research or rely on these sources

for the immediate future. The staff is trying to decipher and work through the new grants.gov web page and what grants are still available and any new requirements. Currently, the Clean Water Loan program is still up and running. These would be loans with potential forgiveness of principal depending on how our application scores. The city would have to send in a questionnaire for a project to understand if and what the subsidies may be.

The information presented at the last work session was overwhelming and made it difficult to focus. For this meeting, I am presenting:

1. The code for Special Assessment Districts for local improvements (attached)
2. A summary of the procedure of starting a Special Assessment District
3. Examples of what a Special Assessment District could look like

Focusing on a single topic will help us better understand the funding source's impact, the time required to implement the procedure, and the impact on the city and property owners.

An overview of the Special Assessment Districts code is below.

- A. Who can initiate a special assessment
 - a. Petition to the council by landowners
 - b. City council
- B. Petition by landowners
 - a. The city clerk verifies that the petition it meets the requirements in 5.32.040 &.050
 - b. If all requirements are met, the clerk forwards the petition to the council; if not, the clerk returns it to the applicant with an explanation of why it was not met.
- C. Action by council for petition by landowners or at council's initiative
 - a. Council decides to refer the improvement proposal to the city manager for a report
- D. City Manager prepares evaluates proposal, create a resolution setting a special assessment district, submits to the council
- E. Council reviews the resolution and sets a date and time for a public hearing on the resolution
- F. City Clerk notifies landowners and advertises as directed by code
- G. Landowners may file a written protest up to the COB on the day of the hearing
- H. After the public hearing, the staff drafts a resolution as directed in 5.32.090, and if protests are received, they must be addressed in the resolution
- I. Resolution must be approved by 5 members of council
- J. If passed it will be recorded at the state recorder's office
- K. Upon completion of the project, an assessment roll is created, and the costs are assessed as described in the resolution ad, and landowners are notified

General information

1. Assessments payments can be paid in annual or semiannual payments
2. Assessments must be paid off in 15 years
3. Special assessment bonds - The council can authorize the issuance of bonds per 5.32.170 to cover the cost of the project

City Charter:

Section 6-1. - General-obligation bonds, etc.

The city shall have the power to borrow money and to issue general-obligation bonds or other such evidences of indebtedness, but only when authorized by the council for capital improvements and ratified at an election by a majority of voters. General-obligation evidences of indebtedness may also be secured by revenues from a revenue-producing utility or enterprise when they are issued for the acquisition, construction, reconstruction, repair, improvement, extension, enlargement or equipment of said utility or enterprise, or by other designated funds or revenues specifically pledged for payment of principal and interest thereon. Capital improvements as used hereinabove may also include a part or all of the city's share of the cost of a public improvement of which a part is to be paid by benefitted property.

The restrictions of this section do not apply to borrowing money to meet appropriations for a particular fiscal year, indebtedness to be paid from special assessments to be made on benefitted property, or to refunding indebtedness.

(Amended by Resolution 5-95-56, approved by the voters on July 19, 1995).

This process would require a long lead time. Funding could be secured through a bond, as described in the charter section above and 2.32.150. The 15-year time frame was probably reasonable in 2000 but may need to be extended to 20 years to establish affordable payments.

Chapter 5.32 SPECIAL ASSESSMENT DISTRICTS FOR LOCAL IMPROVEMENTS¹

5.32.010 Special assessments—In general.

- A. The council may assess against real property benefited by a capital improvement the cost of acquiring, installing and constructing the capital improvement. All or a portion of the cost may be assessed, as the council may determine.
- B. Real property owned by the federal government, the state or a municipality, as well as privately owned real property, may be assessed under this chapter, except as otherwise provided by law. If a governmental unit refuses to pay a special assessment, it shall be denied the benefit of the improvement.

(Ord. 877 (part), 2000).

5.32.020 Record owner defined.

In this chapter, a record owner of real property means a person listed as an owner of the property in the current real property tax assessment records maintained by the city assessor as of the time when the determination of ownership is to be made.

(Ord. 877 (part), 2000).

5.32.030 Initiation of improvement proposal.

An improvement proposal may be initiated by:

- A. A petition to the council signed by record owners not less than one-half the total assessed value of the property to be benefited; or
- B. The council.

(Ord. 877 (part), 2000).

5.32.040 Initiation by petition.

A petition to the council for an improvement is filed with the city clerk. The petition must contain:

- A. The signatures of record owners of not less than one-half the total assessed value of the property to be benefited, and for each signature:
 1. The printed name of the signer,
 2. The mailing address of the signer,
 3. The legal description of the property or the property's city tax parcel number, and
 4. The date the signer signed the petition;

¹Cross reference(s)—For charter provisions on local improvements, see Charter § 7-1 et seq.

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- B. The name, mailing address and daytime telephone number of the person circulating the petition;
 - C. A description of the proposed improvement; and
 - D. A map showing the location of the proposed improvement and the real property benefited by the proposed improvement.

(Ord. 877 (part), 2000).

5.32.050 Review of petition by city clerk.

- A. Upon receiving a petition for an improvement, the city clerk shall determine whether the petition is sufficient. A petition is sufficient only if it contains:
 - 1. Signatures, dated within ninety days preceding submission of the petition to the city clerk, of record owners of not less than fifty percent of the total assessed value of all real property the petition designates as benefited by the proposed improvement; and
 - 2. All of the other information required in Section 5.32.040.
- B. Upon determining that a petition is sufficient, the clerk shall forward the petition to the council. Upon determining that a petition is not sufficient, the clerk shall return the petition to the person who circulated it, with a written statement of the reasons that the petition was found not sufficient.

(Ord. 877 (part), 2000).

5.32.060 Action by council.

Upon receipt of a petition for an improvement that the city clerk has determined to be sufficient or upon its own initiative, the council shall determine whether to refer the improvement proposal to the city manager for a report.

(Ord. 877 (part), 2000).

5.32.070 City manager's report.

The city manager shall prepare a written report on an improvement proposal referred by the council. The report shall include the following information:

- A. An evaluation of the need for and the benefit of the improvement;
- B. A designation of the real property benefited by the improvement, both by a map and by legal description;
- C. The estimated cost of the improvement, the percentage of the cost that should be assessed against benefited real property, and the amount and source of funds to pay any remainder of the cost of the improvement; and
- D. A method for allocating among the benefited properties the portion of the cost of the improvement that is to be assessed.

(Ord. 877 (part), 2000).

5.32.080 Notice of public hearing and protest.

- A. The City Manager shall forward to the council with the report on an improvement proposal a resolution creating a special assessment district for the proposed improvement. The council shall set the date and time for a public hearing on the resolution, which shall be not less than thirty days after the date on which notices will be mailed under subsection B of this section.
- B. After the council sets the date and time for the public hearing on a resolution creating a special assessment district, the City Clerk shall:
 - 1. Publish at least once a week for two consecutive weeks a notice of the public hearing including the following:
 - a. The time and place of the public hearing,
 - b. A description of the proposed improvement,
 - c. A map of the proposed special assessment district, and
 - d. A description of the protest procedure in subsection C of this section, and
 - 2. Mail, certified return receipt requested, to each record owner of real property within the proposed special assessment district a notice of the public hearing, including the information in the published notice and the following:
 - a. The legal description and city tax parcel number of the record owner's property that is proposed to be assessed, and
 - b. The estimated amount of the assessment against the property.
- C. The owner of record of real property in a proposed special assessment district may file with the City Clerk a written protest of the creation of the district not later than five p.m. on the last day on which city offices are open before the date of the public hearing.

(Ord. 877 (part), 2000).

(Ord. No. 1203, § 13, 9-21-2022)

5.32.090 Decision on creation of special assessment district.

- A. After holding the public hearing, the council shall act upon the resolution creating the special assessment district. The resolution shall:
 - 1. Describe the improvement;
 - 2. Describe the real property that is benefited by the improvement;
 - 3. Find that the improvement is necessary and should be made;
 - 4. Create the special assessment district, and direct the city manager to proceed with the improvement;
 - 5. Determine the percentage of the cost of the improvement that will be assessed against benefited real property, and the amount and source of funds to pay any remainder of the cost of the improvement; and
 - 6. Determine the method for allocating among the benefited properties the portion of the cost of the improvement that is to be assessed.

(Supp. No. 85)

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- B. If record owners of property bearing not less than one-half of the estimated assessed cost of the improvement file written protests of the creation of the special assessment district within the time allowed by Section 5.32.080, the council may not proceed with the improvement unless either:
1. It revises the resolution creating the special assessment district to reduce the number of protests by record owners of real property in the special assessment district, with the result that record owners of less than one-half of the estimated assessed cost of the improvement maintain such protests, and the revised resolution is approved after notice and hearing as provided in Sections 5.32.080 and 5.32.090(A); or
 2. The resolution creating the special assessment district is approved by a vote of at least five council members.

(Ord. 877 (part), 2000).

5.32.100 Extension of special assessment districts.

The council, by amending the resolution creating a special assessment district either before or after the public hearing or the initial adoption of the resolution, may extend a special assessment district to include a contiguous area containing one or more additional properties, provided that:

- A. The record owner of each property that will be included in the special assessment district as a result of the extension consents in writing to the inclusion of the property in the special assessment district; and
- B. The council finds that the extension will not cause the assessment on any property within the original boundaries of the special assessment district to increase.

(Ord. 877 (part), 2000).

5.32.110 Resolution and amendments recorded with district recorder.

- A. The city clerk shall record with the district recorder each resolution creating a special assessment district, and each amendment thereto.
- B. The failure to file a resolution or amendment as required by subsection A of this section does not affect the validity of proceedings to create a special assessment district or to levy special assessments, and does not affect the lien of the city for special assessments that have been levied.

(Ord. 877 (part), 2000).

5.32.120 Assessment roll.

- A. At any time after completion of the improvement in a special assessment district, the council shall assess the authorized portion of the cost of the improvement against the real property in the special assessment district in proportion to benefit received in accordance with the method of allocating the assessed cost that was approved in the resolution creating the district.
- B. The special assessment roll contains property descriptions, names of record owners and assessment amounts. The special assessment roll shall be prepared by the city manager.
- C. The council shall set a date and time for a public hearing on the assessment roll. The city clerk shall mail notice of the hearing to each record owner of an assessed property not less than fifteen calendar days before the hearing. The notice shall include:

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1. A description of the special assessment district;
 2. The date and time of the public hearing;
 3. A statement that the public hearing is for the purpose of objecting to any error or inequality in the assessment roll;
 4. The legal description and city tax parcel number of the record owner's property that is to be assessed; and
 5. The amount of the assessment against the property.

(Ord. 877 (part), 2000).

5.32.130 Public hearing on assessment roll and settlement.

After the public hearing, the council shall correct errors and any inequalities in the assessment roll. When the assessment roll is corrected it shall be confirmed by resolution. The resolution shall provide for the levy of the special assessments.

(Ord. 877 (part), 2000).

5.32.140 Objection and appeal.

- A. The validity of an assessment may not be contested by a person who did not either file with the city clerk a written objection to the assessment roll before its confirmation, or appear at the public hearing on the assessment roll and object to its confirmation.
- B. The decision of the council upon an objection may be appealed to the superior court within thirty days from the date of mailing of assessment statements under Section 5.32.150.
- C. If no objection is filed or an appeal taken within the time provided in this section, the assessment procedure shall be considered valid in all respects.

(Ord. 877 (part), 2000).

5.32.150 Payment of assessments.

- A. The resolution confirming the assessment roll shall fix the date on which the special assessments are due. A special assessment may not be due before thirty days after the date of mailing of the assessment statements under subsection C of this section.
- B. The council may provide in the resolution confirming the assessment roll that assessments are payable in annual or semiannual installments over the term provided in the resolution, which may not exceed fifteen years. The resolution shall fix the dates on which special assessment installments are due, and the annual rate of interest to accrue on the unpaid principal balance of a special assessment.
- C. Within ten days after the adoption of the resolution confirming the assessment roll, the City Clerk shall mail to each record owner of real property in the special assessment district an assessment statement including the following information:
 1. The legal description and city tax parcel number of the property;

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2. The amount and due date of the assessment, and if the assessment is payable in installments, the amount of each installment, the dates on which installments are due, and the annual rate of interest accruing on the unpaid balance of the special assessment;
 3. The penalty that will apply to delinquent assessments or assessment installments;
 4. That the entire assessment may be paid without interest within thirty days after the date of mailing of the assessment statement; and
 5. That the resolution confirming the assessment roll is a final decision and any person objecting to an assessment has thirty days from the date of mailing of the special assessment statement to appeal the confirmation of the assessment roll to the superior court.
- D. Within five days after assessment statements are mailed, the city clerk shall publish notice that the statements have been mailed.

(Ord. 877 (part), 2000).

(Ord. No. 1203, § 14, 9-21-2022)

5.32.160 Enforcement of delinquent assessments.

- A. Special assessments are liens upon the property assessed and prior and paramount to all liens except municipal tax liens. A special assessment lien may be enforced as provided by law for city tax liens.
- B. Upon the delinquency of an assessment or assessment installment there shall be due and payable in addition to the delinquent assessment or installment a penalty equal to eight percent of the delinquent assessment or installment. If any assessment or installment has been delinquent for more than thirty days as of January 1st the assessed property will be placed on the city's real property foreclosure list. At that time, the entire principal balance of the assessment, plus accrued interest and penalty on the principal balance, and applicable foreclosure costs, shall be due and payable.
- C. The treasurer shall mail notice of a delinquency in payment of an assessment or assessment installment to the record owner of the assessed property. The notice shall describe the delinquency, and in the case of a delinquent assessment installment, state that the balance of the assessment, plus penalty and accrued interest, will be due and payable if the delinquent installment, plus penalty and accrued interest, is not paid.

(Ord. 877 (part), 2000).

5.32.170 Special assessment bonds.

- A. The council by resolution may authorize the issuance and sale of special assessment bonds to pay all or part of the cost of an improvement in a special assessment district. The principal and interest of special assessment bonds shall be payable solely from the levy of special assessments against the property to be benefited. The assessments shall constitute a sinking fund for the payment of principal and interest on the bonds.
- B. Upon default in a payment due on a special assessment bond, a bondholder may enforce payment of principal and interest and costs of collection in a civil action in the same manner and with the same effect as actions for the foreclosure of mortgages on real property. Foreclosure shall be against all property on which assessments are in default. The period of redemption shall be the same as in the case of a mortgage foreclosure on real property.

(Supp. No. 85)

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- C. In the resolution authorizing special assessment bonds, the council may establish a reserve fund to cover any deficiency in meeting payments of principal and interest on the bonds by reason of nonpayment of assessments when due. The reserve fund may be funded from special assessment bond proceeds or from amounts appropriated by the council. Money received from actions taken against property for nonpayment of assessments shall be credited to the reserve fund. Interest on amounts deposited in the reserve fund shall be a cost of the special assessment district.

(Ord. 877 (part), 2000).

Example - Seventh Street Curb, Gutter, and Sidewalks.

Estimated Cost*: \$1.5 Million
Project Length: 310 Linear Feet
Cost Per Foot: \$4,838.70

City Frontage:
- 60 Linear Feet = \$290,322.00

Private Frontage:
- 250 Linear Feet = \$1,209,675.00

Individual Property's Share:
 $\$1,209,675.00 / 20 = \$60,483.75$

15 Year Assessment Cost Per Year:
 $\$60,483.75 / 15 = \$4,032.25$ per year

for example only

10 Properties -
each 25 feet wide

Seventh Street

10 Properties -
each 25 feet wide

250 ft

60 ft

Lake Avenue

The Special Assessment District code allows for the Council to determine the methodology for dividing the cost amongst the property owners.

This example shows the yearly cost over a 15-year period if the project cost was split evenly based on the linear footage since all twenty properties are the same width. The City would pay for the 60 feet of the project with no adjacent private property frontages

The Council could determine that the City will pay an increased share of the project cost, which would then lower the cost for each property owners yearly share.

Coast Guard Housing



Source: Esri, Maxar, Earthstar Geographics, IGN, and the GIS User Community

Example - Eighth Street Curb, Gutter, and Sidewalks.

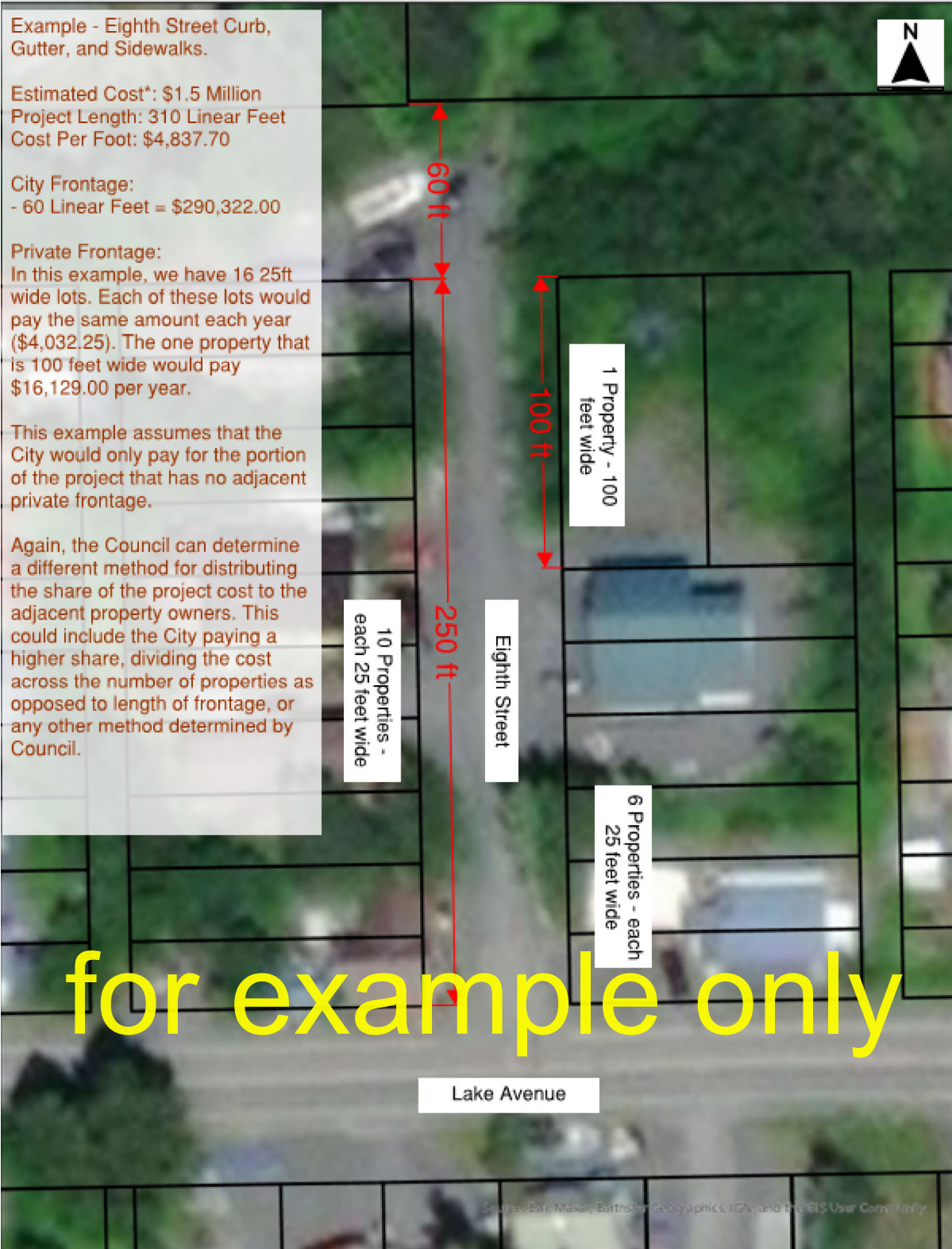
Estimated Cost*: \$1.5 Million
Project Length: 310 Linear Feet
Cost Per Foot: \$4,837.70

City Frontage:
- 60 Linear Feet = \$290,322.00

Private Frontage:
In this example, we have 16 25ft wide lots. Each of these lots would pay the same amount each year (\$4,032.25). The one property that is 100 feet wide would pay \$16,129.00 per year.

This example assumes that the City would only pay for the portion of the project that has no adjacent private frontage.

Again, the Council can determine a different method for distributing the share of the project cost to the adjacent property owners. This could include the City paying a higher share, dividing the cost across the number of properties as opposed to length of frontage, or any other method determined by Council.



Lake Avenue

VENDOR	4100	4100	4100	4100	6167	6003	6003			
BNY MELLON ACS & LOAN #	AMBBGOB15-1 Bond	AMBBGOB15-1 Bond	AMBBAGO15A2 Bond	AMBBGO22-TWO Bond	ADEC ACWF Loan 2007	ADEC ACWF Loan 2021	ADEC Drinking Loan 2015	Permanent Fund Loan 2019 PF loan Refuse	Permanent Fund Loan South Harbor	
City of Cordova	School 2015 One-C	Roads 2015 One -A	Cordova Ctr 2015 Two-A	Harbor 2022 - Two	Sewer 261071 #261071	Refuse 261171-S 261171-S	WATER 261141 #261141	Refuse Truck CPF 2018-2026	Cash Flow	
Balance 1/1/2025	\$4,830,000.00	\$1,120,000.00	\$1,840,000.00	\$4,885,000.00	\$770,000.00	\$558,000.00	\$1,922,588.04	\$85,312.87	\$3,000,000.00	
	4/1/2025	4/1/2025	3/1/2025	6/1/2025		6/1/2025	6/1/2025	7/1/2025	4/1/2025	
Prin			\$130,000.00	\$0.00		\$31,000.00	\$93,833.00	\$41,804.84	\$3,000,000.00	
Int	\$120,750.00	\$24,412.50	\$41,250.00	\$108,906.25		\$8,370.00	\$28,838.82	\$2,651.62	\$875,000.00	
	9/15/2025	9/15/2025	9/1/2025	12/1/2025	9/1/2025					
Prin	\$1,130,000.00	\$90,000.00		\$125,000.00	\$55,000.00	\$0.00	\$0.00	\$0.00		
Int	\$120,750.00	\$24,412.50	\$38,000.00	\$108,906.25	\$10,725.00	\$0.00	\$0.00	\$0.00		
Total 2025 Payments	\$1,371,500.00	\$138,825.00	\$79,250.00	\$342,812.50	\$65,725.00	\$8,370.00	\$28,838.82	\$2,651.62		
Principal 12/31/2025	\$3,700,000.00	\$1,030,000.00	\$1,710,000.00	\$4,760,000.00	\$715,000.00	\$527,000.00	\$1,828,755.04	\$85,312.87		
INTEREST PAID TO DATE	\$4,453,770.83	\$690,258.47	\$1,045,304.58	\$703,439.93	\$265,365.41	\$17,205.00	\$244,496.28	\$21,540.42		
PRINCIPAL PAID TO DATE	\$6,365,000.00	\$775,000.00	\$1,080,000.00	\$240,000.00	\$440,000.00	\$93,000.00	\$277,361.00	\$225,491.97		
time frame	10/1/2015-10/01/2028	6/30/2015-10/1/2034	9/1/2015-3/1/2035	12/30/2022-12/30/2047	9/1/2018-9/1/2037	6/1/2023-6/1/2042	6/1/2023-6/1/2042	11/21/2018-7/1/2026		
REMAINING INTEREST	\$376,000.00	\$218,925.00	\$387,450.00	\$2,757,837.50	\$64,350.00	\$71,145.00	\$256,673.08	\$948.43		
REMAINING PRINCIPAL	\$3,700,000.00	\$1,030,000.00	\$1,710,000.00	\$4,760,000.00	\$660,000.00	\$527,000.00	\$1,828,755.04	\$43,508.03		
TOTAL	\$4,076,000.00	\$1,248,925.00	\$2,097,450.00	\$7,517,837.50	\$724,350.00	\$598,145.00	\$2,085,428.12	\$44,456.46		
INTEREST	\$4,829,770.83	\$909,183.47	\$1,432,754.58	\$3,461,277.43	\$329,715.41	\$88,350.00	\$501,169.36	\$22,488.85		
ORIGINAL ISSUE	\$10,065,000.00	\$1,805,000.00	\$2,790,000.00	\$5,000,000.00	\$1,100,000.00	\$620,000.00	\$2,106,116.04	\$269,000.00		
	\$14,894,770.83	\$2,714,183.47	\$4,222,754.58	\$8,461,277.43	\$1,429,715.41	\$708,350.00	\$2,607,285.40	\$291,488.85		