



City Council Report

DATE: October 16, 2017

TO: City Council

THROUGH: Kari Kent, Assistant City Manager

FROM: Elizabeth Huning, City Engineer
Rob Kidder, Assistant City Engineer

SUBJECT: Street Improvements Final Assessment
Hawes and Medina – Park and Offsite Roadway Improvements
City Project No. CP0255 (formerly CP0123); Resolution Approving the
Final Assessments; District 6

Purpose and Recommendation

The purpose of this report is to provide information to the City Council to review and consider approval of the proposed final assessments for the Hawes Road Street Assessment Project, City Project No. CP0123 (“Project”). This Project improved portions of Hawes Road from Desert Lane and ending approximately 900 feet South of Baseline Road. The Project included pavement, curb and gutter, sidewalk, and storm drainage improvements (“Improvements”).

Since a portion of the improvements front an undeveloped parcel (“Property”), staff is recommending that Council approve the use of the Street Assessment Statute Law (“Assessment Law”) to assess the cost of certain improvements to the adjacent property owner at the time the Property develops (see Exhibit “A”, Assessment Diagram, for the location of the parcels being assessed).

These Improvements, per Mesa City Code (Title 9-6-4), are required to be built by the property owner at the time of development. This Assessment Law allows the City to collect these costs as part of the development requirement if the Property develops in the next 10 years. The final cost of the improvements to be assessed to the Properties are:

Parcel 304-03-946 (formerly 304-03-010M): \$19,973.75
Parcel 304-03-845A: \$2,885.75

(See Exhibit “B” for the Cost Breakdown of the Assessment)

Staff recommends Council approve the Resolution approving the final assessments.

Background

On June 16, 2014, the City Council approved Resolution No. 10483 ("Resolution"). This Resolution authorized portions of Hawes Road, beginning at Desert Lane and ending approximately 900 feet south of Baseline Road, to be improved prior to development of the adjacent Property and that a portion of the costs for the improvements to Hawes Road be assessed to the adjacent Property.

On November 23, 2015, the final construction payment was processed for Talis Corporation, the contractor for the Improvements.

Discussion

The Improvements as described in the Resolution are now completed and the final assessments have been calculated. In accordance with the Resolution and by law, the Council is required to conduct a Public Hearing on the final assessments. Two parcels are being assessed for the cost of the improvements as described in the Resolution.

On September 11, 2017, Council set the date of October 16, 2017 to conduct the hearing of the final assessments. On September 25, 2017, a "Notice of Hearing" was sent certified mail to each property owner as listed on the Maricopa County tax rolls. The "Notice of Hearing" was also published in the Arizona Republic for five (5) consecutive days beginning on Tuesday, September 26, 2017.

In addition to the above notifications, the City has previously notified the property owner of the proposed assessment and the status of the Project.

At this point, no protests for the assessments have been received.

Alternatives

An alternative would be for the City to not assess the Property as outlined under the Resolution. The entire cost of the Project would be paid for by the City and no street assessment lien would be recorded against the Property.

This is not recommended because the City would have no possibility of being reimbursed by the responsible property owners or eventual developers for improvements the developer would otherwise be required to make.

Fiscal Impact

Under this Assessment Law, the City pays for the cost of installing the improvements at the time of construction. The amount assessed against the property becomes due when an application for a building permit for development of the property is submitted to the City. Development of a property includes the construction of a building upon a vacant parcel or modifying an existing structure by more than 100% of its original size. Accordingly, all building permits are withheld until the assessment is paid in full. The amount of the

assessment does not bear interest. If the assessed pursuant to this Resolution is not developed within ten (10) years from the date of the adoption of this Resolution, the Superintendent of Streets records the assessment, the lien automatically expires and the Property may be developed without payment of the assessment (Lien expires: October 16, 2027).

The final construction cost for the Project is \$122,970.94. This is equal to the contract amount plus or minus any increases or decreases in the contract amount approved by change order. The following total amounts will be collected from the property owner/developer if the Property is developed within the next ten (10) years:

Parcel 304-03-946: \$19,973.75

Parcel 304-03-845A: \$2,885.75

Payment received for this assessment from the property owner will be credited to the appropriate City fund that paid for the improvements.

Coordinated With

The Transportation Department concurs with this recommendation.