



City Council Report

DATE: September 11, 2017

TO: City Council

THROUGH: Kari Kent, Assistant City Manager

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

SUBJECT: Street Improvements Final Assessments
Hawes and Medina – Park and Offsite Roadway Improvements
City Project No. CP0255 (formerly CP0123); Resolution to Set the
Hearing Date to Approve Final Assessments; District 6

Purpose and Recommendation

The purpose of this report is to provide information to the City Council regarding the proposed final assessments for the Hawes Road Street Assessment Project, City Project No. CP0255 (“Project”), and to set a public hearing date of October 16, 2017 to approve such assessments. This Project improved portions of Hawes Road from Guadalupe Road to approximately 900 feet south of Baseline Road. The Project included asphalt pavement, curb and gutter, sidewalk, landscaping, and pavement markings.

Since a portion of the new roadway improvements along Hawes Road front undeveloped parcels (“Property” or “Properties”), City staff has recommended Council approve the use of the Street Assessment Statute to assess the cost of certain improvements to the adjacent property owner(s) at the time the properties develop (See Exhibit “A” for the parcels being assessed).

Per City Development Standard (Title 9-6-4), these roadway improvements are required to be built by the property owner(s) at the time of development. The Street Assessment Statute allows the City to collect these costs as part of the development requirement if the Properties are developed within the next ten (10) years from the date the assessments are recorded by the Maricopa County Recorder. The final cost of the improvements to be assessed to the properties is \$22,859.50 (See Exhibit “B” for a breakdown of the assessment costs).

Staff recommends Council approve the Resolution setting the hearing date on the proposed final assessment.

Background

On June 16, 2014, the City Council approved Resolution No. 10483 ("Resolution"). This Resolution ordered portions of Hawes Road, from Guadalupe Road to 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 be assessed to the adjacent property. On November 23, 2015, the final construction payment was made to the contractor, Talis Corporation.

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. It is proposed that October 16, 2017, be set as the hearing date on the final assessments. A "Notice of Hearing" will be mailed September 25, 2017 to each property owner as listed on the Maricopa County tax rolls. The "Notice of Hearing" will also be 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 notified the property owner of the proposed assessment and the status of the Project.

Alternatives

An alternative would be for the City to not assess the adjacent property owner(s) as outlined under the Resolution. The entire cost of the project would then be borne 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 Street Assessment Improvements at the time of construction. The amount assessed against each property becomes due when an application for a building permit for development of the property is submitted to the City. Accordingly, all building permits are withheld until the assessment is paid in full. The amount of the assessment does not bear interest. If any property assessed pursuant to this Resolution is not developed within ten (10) years from the date of recording the assessment with the Maricopa County Recorder, the lien automatically expires and the property may be developed without payment of the assessment. The assessment lien is recorded against each property after the construction has been completed. (Lien expires: October 16, 2027)

The overall 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

owners/developers if the property is developed within the next ten (10) years:

Parcel 304-03-010M: \$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 once collected.

Coordinated With

The Transportation Department concurs with this recommendation.