



Matanuska-Susitna Borough
350 E Dahlia Ave
Palmer AK 99645

FORMATION AND PROCEDURES - SPECIAL ASSESSMENTS (LIDs)

HOW TO FORM A LOCAL IMPROVEMENT DISTRICT IN THE MATANUSKA-SUSITNA BOROUGH

This document details how to form a Local Improvement District (LID) outside the city limits of Palmer, Wasilla, and Houston.

1. The property owner interested in a capital improvement for their neighborhood arranges an appointment with the Borough's LID personnel (907-861-8632), located in the Finance Department, to obtain an "LID kit" and assistance. The first part of the "LID kit" consists of a Borough tax map which should identify the entire proposed LID area. The Borough LID personnel will select the appropriate property tax map and assist you in marking the boundaries of the LID on the tax map. With assistance from the LID personnel, the property owner (petitioner) identifies all the lots proposed to be serviced within the improvement. The map is reviewed to ensure that all lots which can benefit are included within the LID.
2. The LID kit will include a printout which lists the name and address of each property owner within the proposed LID, the assessed value of each property, petition forms, and a map clearly showing the boundaries of the proposed LID.
3. The petitioner may make as many copies of the petition, including map, as there are people who wish to circulate the petitions. Everyone receiving a petition to circulate must understand that all the blanks on the signature line must be

filled in by the property owner signing the petition.

4. The petitioner obtains signatures of property owners representing more than 50% (100% for noncontiguous) of the total number of properties and more than 50% (100% for noncontiguous) the property assessed values that will bear the estimated cost of the improvement within the proposed LID. Signatures on the petition shall be effective for three months from the date of the first signature date. Once completed, the petition forms should be reviewed by the LID personnel, before they are filed with the Borough Clerk.
5. The Borough Clerk will review the petition(s) to confirm there are a sufficient number of signatures by property owners representing more than 50% (100% for noncontiguous) of the value of the property within the proposed LID and more than 50% (100% for noncontiguous) of the total number of lots.
6. LID personnel will obtain an estimate of the construction cost of the improvement. If the improvement is to be a natural gas line extension, Enstar will determine whether this LID is to be considered a "refundable" or "contribution in aid" LID.
7. The LID personnel reviews the internal service fund to determine if funding is available for the proposed LID. If funding is available the process continues; if funding is not available the project is stopped.
8. The LID personnel and Finance Director will work with the Manager in preparing an administrative report on the feasibility of forming this LID. This report will be presented before the Assembly at the same time the petition is brought forward.
9. The petition comes before the Borough Assembly in the form of an informational memorandum (IM) and an Ordinance.

10. The ordinance will set a date for a public hearing in front of the Assembly. Once a date has been obtained, property owners will be given written notice of the Assembly's proposal to form the LID and to do the required construction. The Assembly notice will include the estimated amount to be assessed against each property, along with a notice of the date by which a person must file a ballot voting on the proposed assessment.
11. A ballot will be mailed to all property owners in the LID with the above notice. The owners of record will have 30 days to respond "yes" if in favor of the project or "no" if they object to the project. The assembly may not proceed with the project unless more than 50% (100% for noncontiguous) of the total number of property owners files ballots marked "yes". If a ballot is not returned, it is counted as a "no" vote.
12. After 30 days, at the required public hearing, the Assembly will consider the LID. Anyone wishing to speak may present their arguments orally to the Assembly.
13. If approved by the Borough Assembly, construction will proceed.
14. Upon completion of the construction, the actual cost of construction will be added to the anticipated administrative costs, and applicable reserve account. This total amount will then be spread equally as a special assessment against all the properties within the LID.
15. The final ordinances regarding the LID (assessment roll and bond ordinance) are then presented to the Assembly. The Assembly will hold a public hearing on the ordinances. This public hearing is the last one regarding this LID. Notice of the public hearing is mailed to each property owner. If anyone wishes to speak on

the matter, they will be heard at this time. After considering any testimony presented, the Assembly will make such adjustments to the assessment as it deems appropriate, and then approve the roll. When the roll has been approved, statements of the assessments due will be sent to property owners, with a letter explaining any options the Assembly may have given to make the payments over the financing period, usually 10 years.

16. The Borough LID personnel arranges the bond closing and the subsequent installment billing cycle. Property owners have a choice to pay the entire assessment within the first 30 days with no interest, or allow the installment billing cycle to commence (if so, payments will consist of equal amounts of principal and accrued interest) with two payments per year for ten years or until paid in full. There is no penalty for extra payments or if the LID is paid in full before the 10 year installment plan is completed.