SPECIAL CITY COUNCIL MEETING
THURSDAY, FEBRUARY 20, 2003
5:30 PM - CITY COUNCIL CHAMBERS

A. CALL TO ORDER: at 5:30 p.m. by Mayor Pro-Tem Tony Pippel in Council Chambers.

B. ROLL CALL, DETERMINATION OF A QUORUM. Present: Mayor Pro-Tem/Council member Pippel and Council members Vanover, Fish, Combs, Hanson, and Carrington. Mayor Cooper's absence was excused (out of the country). Also present: City Manager Tom Healy and Attorney Jack Snodgrass. A quorum was established.

C. APPROVAL OF AGENDA: The agenda was approved as presented.

D. PLEDGE OF ALLEGIANCE: led by Council member Vanover.

E. AUDIENCE PARTICIPATION: None.

F. OLD BUSINESS:

1. Amend the Method of Allocating Costs for the Proposed Council-Initiated Special Assessment District for the North Valley Way Street Improvement Project.

Manager Healy gave an overview; noted that he has new information that the two large lots (Tract A, Kline Subd, and B34, vicinity map [Dahl properties]) in the proposed assessment district not only have access on N. Valley Way, but also to N. Eklutna St. The council decision at a previous meeting was to use an average of the square footage + assessed value method to determine costs. In the case of these two lots, since they do have alternate access, staff recommended that the assessment on the Dahl properties be adjusted to 50% square foot and 50% assessed value with the difference spread among the remaining properties. *See* revised Worksheet on the table reflecting the proposed adjustments for North Valley Way Street Improvements LID.

Questions and discussion ensued. The attorney noted that it would be rational to assume that the Kline Subd. (Dahl) properties would be assessed again at 50% when N. Eklutna is paved. Council member Hanson inquired as to access status of B35; it has the same owner as the property to the north (B34) and currently has no "legal" access except through B34; it would be reasonable to assume that B35 would be developed in the future.

Council member Pippel encouraged that *some* consideration and weight be given to front footage in addition to assessed value and square footage as part of the allocation method for this LID; argued that the people who front on the street derive a greater benefit from paving than people who do not; suggested a 20% front footage, 40% assessed value, 40% square footage formula would be fair and more appropriate. The attorney seconded the suggestion; noted that if it were ever challenged, he would feel more comfortable, in this case, arguing that front footage was part of the consideration given. Council member Vanover, supported by Council member Combs, requested that a brief recess be taken in order for Mr. Koch to add a numbers column to the worksheet reflecting the "Average of Square Foot (40%), Front Foot (20%), Assessed Value (40%). Council member Combs commented that the proposed allocation method has merit and the council should consider it.

Discussion turned to whether B35 should be included in the new calculations. Consensus: include B35 at 50% with the 40/20/40 formula (above stated). Council member Hanson pointed out that the council should conceptualize the proper way to fairly allocate the costs and let the numbers fall according to the formula, as opposed to being influenced by lot size. The attorney reminded the council that the survey and report must show the numbers being considered and recommended that the new calculations be made prior to making a decision.

A recess was taken during which Mr. Koch recalculated the numbers as directed; the meeting was called back to order at 6:32 p.m. Council member Pippel stated that the new numbers have been calculated, however, B35 was calculated at 100% instead of 50% (Mr. Koch had indicated the difference in the actual numbers by recalculating at 50% would be insignificant in terms of comparison).

[It was noted for the record that Council member Hanson had to leave early (during the break) and was not present for the vote on this action; the quorum was reduced to five council members present.]

> MOVED COMBS, SECONDED VANOVER, to reconsider the council's previous direction [2/11/03 council meeting] to employ a 50/50 average of square foot and assessed value it in the N. Valley Way LID.
> MCU.

Council member Pippel brought forward the motion now before the council on reconsideration:

> MOVED COMBS, SECONDED CARRINGTON, to direct the manager to prepare a resolution wherein the assessed value method employed in the N. Valley Way LID be a 50/50 average of the square foot and assessed value methods.
> MOTION FAILS UNANIMOUSLY.

New motion:

> MOVED VANOVER, SECONDED CARRINGTON, to direct the manager to prepare a resolution wherein the assessed value method employed in the N. Valley Way LID be a weighted average of 20% front footage/40% square footage/40% assessed value, and to apply a 50% square foot and assessed value to the Kline Subd. Tract A, B34, and B35 properties.

Mr. Koch briefly explained the new numbers. Council member Combs argued against employing front footage in this case; noted that it is a given that everyone who fronts on N. Valley Way will benefit, that the council is bound to try to come up with the fairest way to allocate the assessment in terms of usage – who will actually be using the road, to what extent, wear and tear, and how many people will be accessing it off a given property. He argued last time that he didn't think frontage was appropriate, in this case, because the square footage was taken into consideration, which basically points to future development. The large piece of land (Johnson property), which could be developed in the future, takes into consideration in the assessment what the value is at this point in time. But to compare it to the Kline Subd. properties equally with a frontage method, whether it's

20% or any other percentage, is not fair in his opinion. He believes it would be shifting the burden to the other property owners and is not appropriate in this case. He argued in favor of keeping the allocation method as originally directed by the council.

Council member Pippel stated that he liked his argument for front footage a lot less after hearing Council member Combs' argument against. He brought up front footage, not necessarily because he was insistent about it being included, but because he thought it would be easier for the city to defend their allocations. The attorney had no argument against what has been stated, but renewed his concern of not being able to defend that front footage was taken into consideration. Council member Combs countered that he believes front footage ***is*** taken into consideration; argued that the document itself (LID Worksheet for Determination of Methodology to be Employed for Per Lot Assessments) shows all the elements – area in acres, area in square feet, front footage, property assessment – being taken into consideration by the council; that we have crafted an ordinance that gives us the latitude to look at each situation as a specific entity and try to come up with the fairest way of assessing based on usage and contributions from each piece of property to the improvement; that just because the council doesn't factor in a 20% front footage in this case, doesn't mean that front footage wasn't considered.

> MOVED COMBS, SECONDED CARRINGTON, to amend the assessment method from a 40/40/20 allocation to 50% assessed value/50% square footage allocation, and apply 50% of that number to the Kline Subd., B34, and B35 properties.

Brief debate continued. Council member Combs clarified his argument in support of the amendment. Council member Pippel was persuaded by the argument and will vote in favor of the 50/50 sq ft/assessed value amendment.

> Question on Amendment: MCU.
>
> Question on Motion as Amended: MCU.

G. AUDIENCE PARTICIPATION: None.

H. ADJOURNMENT: at 7:00 p.m.

_____

TONY PIPPEL, MAYOR PRO-TEM

ATTEST:

_____

THOMAS HEALY, CITY CLERK