

AGENDA REPORT

DATE July 19, 2005

ITEM RESOLUTION 9509, RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. #1301; PRELIMINARY LEVY OF SPECIAL ASSESSMENTS ON PROPERTY WITHIN THE DISTRICT FOR THE PURPOSE OF FINANCING THE COST OF CERTAIN LOCAL IMPROVEMENTS

INITIATED BY ANNUAL ASSESSMENT PROCESS

ACTION REQUESTED ADOPT RESOLUTION 9509 AND SET PUBLIC HEARING

PREPARED BY JUDY BURG, ACCOUNTING TECHNICIAN

PRESENTED BY COLEEN BALZARINI, FISCAL SERVICES DIRECTOR

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RECOMMENDATION:

Staff recommends the City Commission adopt Resolution 9509 and set a public hearing date for Resolution 9491 to Levy and Assess Special Improvement District No. 1301.

MOTION:

"I move to adopt Resolution 9509, Preliminary Levy of Special Assessments on property within the district for the purpose of financing the cost of certain local improvements, and set the public hearing on Resolution 9491 for August 16, 2005 at 7:00 p.m."

SYNOPSIS:

Adoption of Resolution 9509 is establishing the intent to assess the properties benefiting from the improvements financed through the sale of SID 1301 bonds. This resolution will also set a public hearing for Resolution 9491, on August 16th, 2005 which will levy and assess a tax upon property within the boundaries of Special Improvement District 1301.

The total anticipated costs of bonding, engineering and capital construction is \$967,061.00. A portion of the costs are to be paid from the proceeds of the Bonds, which are to be payable primarily from special assessments to be levied against Lots 1 & 5, Medical Tech Park, which property will be specially benefited by the improvements in an amount not less than \$630,000. Costs of the improvements in excess of the costs to be assessed against Lots 1 & 5 will be paid from a contribution by the City in the amount of \$337,061. This contribution is a payment in advance of an amount equal to the amount of the assessment

(excluding there from the proportionate amount of underwriter's discount and Revolving Fund contribution) that would have been levied against the other parcel in the District, described as Medical Tech Park, Lot 1B, Cascade County, Montana and comprising 8.047 acres. The Assessment List included within Resolution 9491 shows the total individual cost per lot within the district based on the square foot method. Assessment payments are divided into 30 equal semi-annual principal and interest payments which will be due on November 30, 2005 through 2020 and May 31, 2005 through 2020.

Section 7-12-4176 through 7-12-4178, MCA, provide for the assessment of Special Improvement Districts costs. A public hearing and related notice of assessment and hearing are required. Staff is requesting the City Commission order publication of such notice and set a public hearing date for August 16, 2005.

BACKGROUND:

On January 14, 2005, staff received a request from Centene Corporation, the first tenant of the Medical Tech Park, to create a special improvement district to finance costs related to offsite infrastructure construction. This financing will provide a portion of the funding for offsite improvements, including roadways; water, sewer and storm drain utilities in the area. The construction contract was awarded on April 5, 2005 and construction began on May 1, 2005, with completion anticipated for July 31, 2005. The Centene building is set to be occupied August 1, 2005.

At their regular meeting held the 5th day of April, 2005, the Commission adopted Resolution 9469 creating Special Improvement District (SID) 1301. The SID was created to defray the cost of roadways, water, sewer and storm drain utility improvements in portions of 26th Street South and 23rd Street South and authorized the issuance of Special Improvement District debt.