



City of Grand Island

Tuesday, August 13, 2013

Council Session

Item D-1

**#2013-BE-5 - Determining Revision of Benefits for Water Main
District 398T - North Road between Potash Hwy. and Stolley Park
Road**

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

From: Timothy Luchsinger, Utilities Director
Stacy Nonhof, Assistant City Attorney/Purchasing

Meeting: August 13, 2013

Subject: Board of Equalization Determining Revision of
Connection Fees for Water Main District 398T

Item #'s: D-1 & G-6

Presenter(s): Timothy Luchsinger, Utilities Director

Background

Water Main District 398T was completed in March, 1992 and provided for the installation of a 20" diameter water main in North Road between Potash Highway and Stolley Park Road. The water main provides municipal water service to the adjacent properties and was an integral part of general improvements to the water system.

The work was done as a tap (connection fee) district. This is the standard method used by the City to recoup costs when water mains are installed along undeveloped lands, and the connection fees are due when a property "taps" the main for service.

Connection fees were based on the cost of an 8-inch diameter main, the minimum size necessary to serve the potable needs of properties adjacent to the main. Due to the configuration and various sizes of the tracts of land within the district's boundary, half of the fee was based on property right of way front footage and half on square footage for each tract.

Discussion

At the time of construction, two of the tracts of land within the district were owned by Green Line Equipment, Inc., being located at 3990 West Highway 30. The property consisting of Lot One (1) Westgate 4th Subdivision and an un-subdivided tract being part of the NW ¼ of the SW ¼, Section 24, Township 11 North, Range 10 West. Attached is a sketch showing the two parcels.

During the time Green Line Equipment owned and occupied the property, they remained on their private well, and no connection fee was due.

The two parcels have recently been sold to Chief Industries, Inc. They have re-platted the area as Lots 1 – 4, Chief/Westgate Subdivision, and are in the process of redeveloping the area as indicated on the attached subdivision plat.

This reconfiguration has three lots adjacent and one lot (Lot 4) not adjacent to the water line in North Road. Lot 4 will be served from the existing water main in Westgate Road, adjacent to the north side of Lot 4, which was installed as assessment District 420 in December, 1997, however, Lot 4 was not included in District 420 and will remain in District 398T.

To provide equity in repayment of connection fees due from District 398T, it is recommended that the Council reconvene as a Board of Equalization for Lots 1 – 4, Chief/Westgate Subdivision. The original connection fees were computed on ½ square footage and ½ front footage for each tract of land. The square foot cost is \$0.0315948 and the front foot cost is \$8.7037317, as follows.

| Subdivision/Section | Lot | Square Footage | Front Footage | Square Foot Fee | Front Foot Fee | Total Fee |
|---|-----|----------------|---------------|-----------------|----------------|--------------------|
| Westgate 4 th Subdivision | 1 | 111,389.60 | 160.00 | \$3,528.81 | \$1,392.60 | \$4,921.41 |
| Pt. of the NW ¼, SW ¼, Sec. 24-11-10 | | 444,194.00 | 795.90 | \$14,034.22 | \$6,927.30 | \$20,961.52 |
| TOTAL | | | | | | \$25,882.93 |

It is recommended that the revised connection fee of \$25,882.93 be divided among the four lots on a square foot basis. This computes to \$0.0521667 per square foot and provides equity for the properties, as now re-subdivided and currently owned by Chief Industries.

| Subdivision/Section | Lot | Square Footage | Total Fee |
|----------------------------|-----|----------------|--------------------|
| Chief/Westgate Subdivision | 1 | 69,941.03 | \$3,648.59 |
| Chief/Westgate Subdivision | 2 | 168,671.06 | \$8,799.02 |
| Chief/Westgate Subdivision | 3 | 136,916.92 | \$7,142.51 |
| Chief/Westgate Subdivision | 4 | 120,628.73 | \$6,292.81 |
| TOTAL | | | \$25,882.93 |

The difference in the total square footage between the Green Line ownership and the Chief Industries ownership is due to additional right-of-way being dedicated for North Road with the platting of Chief/Westgate Subdivision.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

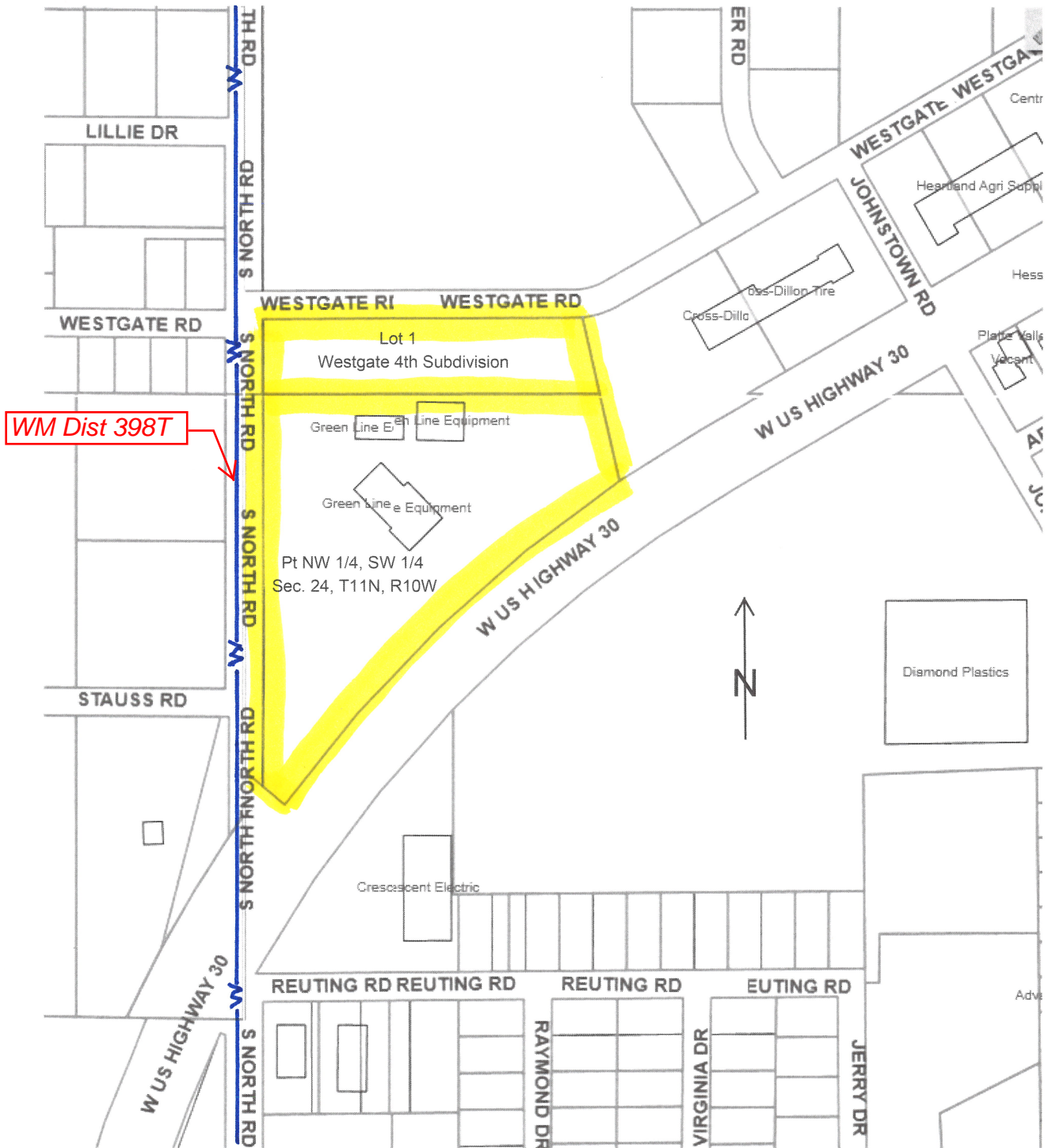
1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council set the revised connection fees for the properties within Water Main District 398T as listed above.

Sample Motion

Move to approve the revised connection fees for properties within Water Main District 398T.



Water Main District 398T

Connection fees based on 1/2 SF + 1/2 FF

3/16/1992

Connection Fee per SQ Ft = \$0.0315948

Connection Fee per FF = \$8.7037317

| <u>Subdivision / Section</u> | <u>Lot</u> | <u>SQ FT</u> | <u>FF</u> | <u>SQ FT Fee</u> | <u>FF Fee</u> | <u>Total Conn. Fee \$</u> |
|----------------------------------|------------|-------------------|-----------|------------------|---------------|---------------------------|
| Westgate 4th Subdivision | 1 | 111,689.60 | 160.00 | \$3,528.81 | \$1,392.60 | \$4,921.41 |
| Pt NW 1/4, SW 1/4, Sec. 24-11-10 | | <u>444,194.00</u> | 795.90 | \$14,034.22 | \$6,927.30 | <u>\$20,961.52</u> |
| | | 555,883.60 * | | | | |

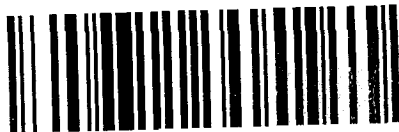
\$25,882.93

Connection recalculated per re-subdivided lots:

| | | <u>SQ FT</u> | <u>Total Conn. Fee \$</u> |
|------------------------------|---|-------------------|---------------------------|
| Chief / Westgate Subdivision | 1 | 69,941.03 | \$3,648.59 |
| Chief / Westgate Subdivision | 2 | 168,671.06 | \$8,799.02 |
| Chief / Westgate Subdivision | 3 | 136,916.92 | \$7,142.51 |
| Chief / Westgate Subdivision | 4 | <u>120,628.73</u> | <u>\$6,292.81</u> |
| | | 496,157.74 * | \$25,882.93 |

Connection fee per SQ FT = \$0.0521667

* Difference in square footage due to additional r-o-w being dedicated for North Road as indicated on plat of Chief/Westgate Subdivision.



RESOLUTION 2013-BE-5

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, sitting as a Board of Equalization for Water Main District 398T, after due notice having been given thereof, that we find and adjudge:

That the benefits accruing to the real estate in such district to be the total sum of \$25,882.93; and

Such benefits are equal and uniform; and

According to the equivalent frontage of the respective lots, tracts, and real estate within such Water Main District No. 398T, such benefits are the sums set opposite the descriptions as follows:

| Name | Description | Assessment |
|--|-----------------------------------|--------------------|
| Chief Industries, Inc., A Delaware Corporation | Chief/Westgate Subdivision, Lot 1 | \$3,648.59 |
| Chief Industries, Inc., a Delaware Corporation | Chief/Westgate Subdivision, Lot 2 | \$8,799.02 |
| Chief Industries, Inc., a Delaware Corporation | Chief/Westgate Subdivision, Lot 3 | \$7,142.51 |
| Chief Industries, Inc., a Delaware Corporation | Chief/Westgate Subdivision, Lot 4 | \$6,292.81 |
| TOTAL | | \$25,882.93 |

BE IT FURTHER RESOLVED that the special benefits as determined by this resolution shall not be levied as special assessments, but shall be certified by this resolution to the Register of Deeds, Hall County, Nebraska, pursuant to Section 16-6,103,R.R.S. 1943. A connection fee in the amount of the above benefit accruing to each property in the district shall be paid to the City of Grand Island at the time such property becomes connected to the water main. No property benefited as determined by this resolution shall be connected to the water main until the connection fee is paid. The connection fees collected shall be paid into the fund from which construction costs were made to replenish such fund for the construction costs.

Adopted by the City Council of the City of Grand Island, Nebraska, on August 13, 2013.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form ☐ _____
July 3, 2013 ☐ City Attorney