

Questions Received at the Street LID Public Hearing Monday, March 5, 2007

- 1. Since the state paid for Pt. Brown, how can the City collect money back for that road?**
Properties along Pt. Brown would be assessed as part of the proposed LID. Pt. Brown was rebuilt using City property tax monies, not State funds.
- 2. Why doesn't the City do different sections of town in different years?**
If the LID is approved, the City will be repairing the roads in sections. Each year, one-third of the roads in Ocean Shores will be addressed.
- 3. Who will be the inspectors?**
The construction work will be primarily inspected by City personnel. If necessary, experienced paving inspectors will be retained to supplement City personnel.
- 4. Is the City going to have anything in place for maintenance to prevent another road LID in the future?**
The two Town Hall discussions, and the Public Hearing on March 5, all included reference to a need to provide for future maintenance, to prevent the roads again deteriorating to their present condition. The discussion suggests that a tax levy for road maintenance may be presented to the residents for vote in the next two to three years.
- 5. How many miles of road in Ocean Shores?**
There are approximately 120 miles of road in Ocean Shores.
- 6. Is the close placement of the Street LID and the Sewer LID an attempt to get rid of non-permanent citizens/owners?**
No.
- 7. Will the LID take care of the storm water issues?**
The LID itself does not cover storm water issues, but the storm water project is parallel to the LID repairs. Failing storm culverts under roadways to be rehabilitated will be replaced prior to LID work.
- 8. Who will do the work? Will the City be taking bids for the work?**
The City will put the project out for competitive bids.
- 9. Will there be someone who will make sure that the money is used for what it says it will be used for? Will the LID funds be frozen for only LID use?**
Interim financing, either short-term bonds or a line of credit, will be used for constructions as the work proceeds. The long-term bonds for payment of the LID, to be issued in 2010, will be only for direct LID costs.

10. What is tax money and gas tax money going for?

Property tax money not already dedicated to specific purpose (such as the sewer levy, ambulance levy, and Pt. Brown levy, all approved by the voters) goes to support general government, such as City Hall and Police, which does not leave sufficient funds to perform proper maintenance on the roadways. The City receives less than \$90,000 per year in gas tax revenues from the State.

11. What guarantee do citizens have that the estimate is close to the actual amount that will be charged?

Staff have worked with contractors, received input from the State, and have based construction estimates on recent similar-work costs, with adjustments for inflation, location, material cost increases, etc.

12. Has the Council asked the County for money from the transportation fund?

Currently, the County does not have an excess of money in the transportation fund to supplement such a project.

13. What avenues are being researched for alternative funding?

The City is constantly searching and applying for grant opportunities to supplement the cost of the project. During the development of this project possible alternative or supplemental funding was reviewed, including B&O tax, real estate tax, income tax, motel/hotel tax, etc.; however, none of these sources are available to apply to street maintenance.

14. Will there be a special department set aside for the LID money, and will that department be audited every year?

Yes. Every City department is audited every year.

15. If the Council does not pass the LID, what is the City going to do about the roads?

There will not be sufficient funds to provide adequate road maintenance. The street will continue to degrade.

16. Who is paying for the roads now?

The money that is currently spent on road maintenance is coming from the general fund, in competition with other City needs, and approximately \$90,000 from State gas tax apportionment.

17. How will a higher assessment give a person a higher benefit?

The proposed assessment is based upon a percentage of the increased market value of a property after the project is completed.

18. Are all of the Pt. Brown people going to pay less because everyone helped pay for their road?

The LID special benefit analysis does include current condition of infrastructure in its consideration of impact on property market values;

however, a larger consideration is the positive impact on property values if the entire City street network is in good condition. The properties along Pt. Brown will be assessed as a part of the City receiving benefit.

19. How long will it take to realize the growth in value?

The special benefit analysis is a "snapshot" of current value, and what current value would be if the streets were in good condition.

20. Will the City send out postcards with "check yes or check no" boxes?

No.

21. How can the City ask disabled people to pay more (another LID assessment)?

If the project proceeds, when the final assessment is spread in 2010, consideration will be given to means or resources to reduce the impact on income-impacted residents.

22. Are property owners along the same street paying according to the condition of the street in front of their respective houses?

The proposed assessments are based on the expected increase in property value in general areas.

23. Are the rotten logs going to be dug up, and are the streets going to be done correctly?

Three million dollars of the total cost estimate for the LID project has designated for locating and digging out rotten logs.

24. Is the City already or will the City be charging "big rigs" for maintenance costs?

No. Legally, the City cannot charge such a fee.

25. Will a full assessment charge for a half-lot be fixed?

The initial assessment roll was based on the records of the County Assessor's office. All of the assessments will be reviewed before the final assessment roll is completed to prevent incorrect charges. It is likely that a full assessment for a half-lot would be reduced. Property owners who were given a full assessment for a half-lot should send a letter to the Public Works office, and those assessments will be reviewed.

26. Where are the real estate taxes and hotel/motel taxes going?

Real estate taxes go to the General Fund. Hotel/Motel taxes are required by law to go towards tourism and may not be used for road maintenance.

27. What will be the true cost?

Our best estimate, looking at inflation, material costs, etc., is the approximate \$31,800,000 indicated in presentation.

28. Will the \$31 million really solve the problems?

Yes. The estimated amount is based upon a very realistic analysis of construction costs.

29. What is the projected longevity of the new roads?

Typically, roadways need minor attention about every 5 years, and major resurfacing about every 20 years. We do have an advantage that, while high water table can affect roadway base, we do not have the damaging freeze-thaw cycles of many other areas. If an adequate ongoing maintenance levy, which allows for surface treatment of approximately 10% of the City's streets each year, is approved when put to the voters, the City should not again face a major effort such as the proposed LID.

30. Why doesn't the City add a surcharge of \$2.00 on motel/hotel rooms?

The City is already imposing the highest tax that they legally are allowed to charge motels/hotels.

31. What happened to the money allotted for road maintenance over the years?

Funding allocated to Street activities has been used for such each year. The allocation has not been adequate for the contract work necessary to properly maintain the City's streets.

32. Why doesn't the City go through AWC and lobby for money from the state?

The City does work with AWC and is part of the lobby effort to get more street funding.

33. Why doesn't the City do the first section and then see how the estimated cost and real costs compare and then use those figures for the rest?

For an LID to be formed it must include all properties from the beginning. This is proposed to be a three-year program, with several projects each year. This will allow ongoing review and control of costs.

34. Why don't we wait until Ocean Shores is more "in-filled" before we repair the roads?

It has taken over 40 years to fill in a third of the lots. If maintenance were delayed until most of the lots are "in-filled", many of the streets would be dirt roads and impassable a major portion of the year.

35. Will the City require utilities in place to prevent cross cuts?

The City started over a year ago working with the utilities (including the City's) to insure that future road cuts are minimized. Also, new requirements for methods of back-filling trenches are enforced to eliminate the residual settlement, which is noticeable especially as a remnant of the sewer LID.

36. Has the City considered instituting an infrastructure fee?

The City cannot instate an infrastructure fee on new development because Ocean Shores is not in a Growth Management County. Ocean Shores is limited to SEPA charges, which are very specific on threshold application and on uses.

37. What will be the tourists' burden in this project?

There is no legal vehicle by which the City may charge tourists for street maintenance.

38. How did the City reach the \$35 million figure? Was it from Macaulay's feasibility study?

The actual figure is \$31.8 million, not \$35 million. The estimated costs are based on a condition analysis of the streets and estimation of costs for appropriate repair. The Macaulay report indicated a city-wide benefit of approximately \$46,000,000. The estimated project was divided into the benefit figure to arrive at an assessment of 68% of the estimated benefit.

39. Did the City check the \$35 million number with a civil engineer?

The estimates are based on information from the State and contractors.

40. Why don't we make everyone take the 15-20 yr. payments to make the costs even and give everyone the same penalty?

State law on LIDs provides for a 30 day period to pay the assessment, then bonding the residual cost and setting a time period for payment.

41. If the treatments for two different roads are different, then why are the assessment amounts the same for lots on both of those roads?

The assessment amounts are based upon the estimated increase in parcel value, which is affected by the City-wide street system and neighborhood area streets, not the treatment option to be used on the road.

42. Did the City consider the increases in the cost of asphalt in the next three years?

Yes. The cost of inflation was also estimated in the project cost.

43. Has the City looked into putting in an asphalt plant to help alleviate the cost of bringing in asphalt?

The projects will be going to competitive bid. If it is economically feasible, a paving contractor may propose such action. There are concerns with placement of an asphalt plant: limited property zoned for such activity, permitting, SEPA reviews, etc.