



MAYOR AND COUNCIL COMMUNICATION

DATE: 11/17/15
CONSENT
ITEM: #7

AGENDA ITEM: Approve Special Assessment Payoff – Kleis Family Trust
SUBMITTED BY: Cathy Bendel, Finance Director
THROUGH: Cathy Bendel, Finance Director
REVIEWED BY: Peter Kastler, Kleis Family representative

SUGGESTED ORDER OF BUSINESS:

- Introduction of Item..... Finance Director
- Report/Presentation Finance Director
- Questions from Council to Staff Mayor Facilitates
- Public Input, if Appropriate..... Mayor Facilitates
- Call for Motion Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

FINANCIAL IMPACT: Special Assessment payoff of 6,879.55; \$3,821.97 principal and \$3,057.60 interest (10 years at 8% which was the rate charged on assessments for this project based on the bonding rate at that time).

BACKGROUND AND STAFF REPORT:

In 1995, the Kleis property (PID #03.029.21.24.0001) was part of a street overlay project which involved assessments to parcel owners. The assessment to their property was \$3,821.97. These assessments were assessed over 10 years at a rate of 8%.

Peter Kastler’s grandparents owned the property at that time and the property was, and still is, in the Green Acres program. Mr. Kastler recently purchased a portion of this property from his family and they were unaware of any outstanding special assessments on the parcel until a request to sub-divide the property was brought forward to the City Council on 10/6/15.

The family firmly believes that had their grandparents been aware that the interest being charged was 8% until the special assessment is paid in full, and that it would be a lien on the parcel, they would have paid it off in full prior to assessment.

The special assessments will need to be resolved in order for Mr. Kastler to move forward with the sub-division which was approved by the City Council on 10/6/15.

RECOMMENDATIONS:

Staff recommends accepting the payoff offer of \$6,879.55 from Mr. Kastler/Kleis family to pay in full the outstanding special assessments related to the 1995 street overlay project. The amount offered is fair and reasonable.