



DATE: August 25, 2026
TO: Bel Aire City Council
FROM: Ted Henry, City Manager
SUBJECT: Cozy Drive Special Assessments

Project Summary

The Cozy Homes Addition was platted in 1965 with gravel roads serving the neighborhood since its development. While the condition of the gravel streets in this area had not deteriorated as much as other areas of the City, drainage was taking its toll on certain areas of the subdivision.

The City hired Garver to conduct a drainage evaluation on Aurora Park, Hillcrest, Cozy Drive and Eagle Lake in 2021. The study revealed that while the ditches would be of adequate size once they were cleaned out and restored to grade. As with any grading and ditch work on gravel roads, the cleaning out of the ditches is not a “one and done” type of event. Regular maintenance is necessary to maintain the capacity and grade of the ditches. As an alternate to this continued maintenance, the City Council undertook a petition process to see if the residents would have an appetite to pave the roadway.

Petitions were sent to the residents of Cozy Drive in 2023 to request the paving of Cozy Drive. More than 51% of the property owners in the area signed and returned petitions requesting that the street be paved. The petitions outlined the estimated project costs and the amount proposed to be assessed to the benefiting properties. At that time, the estimated construction cost identified in the petitions was \$360,000. Following the acceptance of the petition, the Council hired Garver to design paving and drainage improvements to Cozy Drive.

Upon evaluation of the topography, it was determined that the roadway could be lowered enough to capture the majority of the drainage along Cozy Drive without the need for ditches. A new set of inlets with a trench drain was installed roughly 200’ west of the dead end and new crossroad pipes were installed where the drainage ditch ran between Lots 6 and 7 to the north and the east edge of Lot 8 to the south. With the storm sewers in place, curb and guttering was included and the project was bid out with pricing for both asphalt and concrete paving. When the bids came in, the price for concrete was approximately 7.9% higher than asphalt. In keeping with Council’s policy of utilizing concrete when it is within 30% of the asphalt costs, concrete was chosen at a cost of \$350,218.

As part of the project, the City recognized the deferred maintenance of the neighborhood’s drainage ditches. The City agreed to accept responsibility for a portion of the drainage improvements rather than including these costs in any special assessments to property owners.

Bond Financing and Interest Costs

Throughout the planning and construction process, much of the discussion focused on the estimated construction cost of the improvements. As the City now begins the bonding process, an additional factor that must be considered is the financing and interest costs associated with issuing bonds for the special assessments.

For this project, 11 lots will share the \$350,218 of the cost associated with construction of the street improvements. Temporary note financing and other bond-related costs will add \$81,851 to the project bringing the total amount to \$432,069. Based on 11 lots, the current assessment is approximately \$39,279 per lot.

Property owners will be notified of their final assessment amount and will have an opportunity to pay the assessment in full, obtain their own financing, or allow the assessment to be financed through the City's bond issue. The City's bond interest rate is currently estimated to be approximately 4% to 4.5%.

For property owners who choose to finance the assessment through the City's bond issue, the special assessment is anticipated to first appear on property tax bills in November 2027. At an estimated 4% interest rate over 20 years, the annual payment would be approximately \$2,856 per lot, or approximately \$238 per month.

Separate from the amount assessed to the property owners, the City's contribution toward the ditch and drainage improvements for the project is currently at \$127,415.