



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

Project Summary

The Aurora Park neighborhood was platted in the 1950s with gravel roads serving the neighborhood since its development. Over the years, the condition of the gravel streets has been discussed periodically. In 2022, several concerns were raised by residents regarding dust, drainage, street conditions, and road materials.

The City had previously considered and attempted several short-term solutions, including different grading techniques and changes to road materials. Dust control techniques and the asphalt millings were also considered but never attempted due to a variety of reasons. None of these efforts addressed the underlying challenges associated with maintaining gravel roads. As a result, the City Council began evaluating a long-term solution that included paving the streets.

As part of the project, the City recognized the deferred maintenance of the neighborhood's drainage ditches and determined that drainage improvements should be completed at the same time as the street improvements. The City agreed to accept responsibility for the ditch and drainage improvements rather than including those costs in any special assessments to property owners.

Garver was retained to evaluate the drainage needs, develop paving concepts, and prepare estimated project costs.

In 2023, petitions were submitted to the City Council requesting the paving of 40th Street and Parkwood. More than 51% of the property owners in the area signed and returned petitions requesting that the streets be paved. The petitions outlined the estimated project costs and the amount proposed to be assessed to benefiting properties. At that time, the estimated construction cost identified in the petitions was \$581,085.

In April 2024, construction bids for the project were presented to the City Council. Ken Lee with Garver explained that the bids exceeded the original estimates, with the project bid totaling \$660,658. (a difference of \$79,573)

The City Council had an extensive discussion regarding the drainage improvements and emphasized that eligible drainage costs should not be charged to property owners through the special assessments for street paving. Ultimately, the City Council accepted the bid and increased the City's financial participation to cover the eligible drainage costs associated with the project.

During construction, the Aurora Park project experienced complications, primarily involving utility conflicts associated with the ditch and drainage work. Because the City had committed to funding 100% of the eligible ditch and drainage improvements, change orders associated with those complications were

approved by the City Council and funded by the City.

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 must be considered that is the financing and interest costs associated with issuing bonds for the special assessments.

For this project, 22 lots will share the \$660,658 cost associated with construction of the street improvements. Temporary note financing and other bond-related costs will add \$154,406 to the project bringing the total amount to \$815,063. Based on 22 lots, the current assessment is approximately \$37,048 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 will appear on property tax bills in November 2027. At an estimated 4% interest rate over 20 years, the annual payment would be approximately \$2,700 per lot, or approximately \$225 per month.

Separate from the amount assessed to the property owners, the City's contribution toward the ditch and drainage improvements for the project was \$469,699.