### What is the status of the Phase 1 HESCO Barriers Local Improvement District (LID)?

The LID passed by at the <u>February 3, 2025 Assembly meeting</u> with 117 objections filed out of the 466 total properties. As noted above, the LID process requires objections from enough property owners to equal 50% or more of the total project cost for the LID to fail. No action by a property owner was considered endorsement of the LID. View the February 3, 2025 public hearing meeting materials and objections <u>here</u>.

The LID ordinance is effective as of March 3, 2025.

### When will I have to pay the LID assessment?

The timing will be based on a number of factors (see next steps outlined below), however, it is unlikely that homeowners will be asked to make any payment on the LID assessment until July 2026. Now that the ordinance to create the proposed LID has passed, it will take effect 30 days from passage on February 3, 2025.

#### Next steps:

- 1. When the ordinance takes effect, construction may commence in earnest. At that time, CBJ will place a pending note on all 466 parcels indicating that they are included in the preliminary assessment role for the LID. No payment is required yet.
- 2. Construction completes.
- 3. Costs and other funding sources are reconciled.
- 4. The Assembly takes action on a resolution that solidifies both the assessment amount AND the parcels to be included in the LID.
- 5. Once the resolution is acted upon, CBJ will place the finalized amount as an assessment on the parcels included in the resolution. *This is the point that property owners or other community members can make payment on the assessment.*
- 6. Finally, at the next tax bill cycle (likely July 1, 2026) 1/10 of the assessment will be included in the property tax bill notifications and be due on September 30<sup>th</sup>. There is no penalty for paying more than 1/10 of the assessment or paying off the entire amount early.

### What is the total project cost for Phase 1 HESCO barrier installation:

<u>\$7.83M.</u> This includes removing obstructions on riverfront property, stabilizing soils, installing drainage pipe and check valves in barriers, removing organics, bank armoring, permitting, accessing and filling HESCO bags, and restoring property after HESCO barriers are removed for 2 miles of riverfront.

Under the proposal as amended by the Assembly, CBJ taxpayers at large would pay for 60% of the project (\$4.7M), and properties included in the LID would be responsible for 40%.

#### How much will my assessment cost?

Property owners will pay their portion of the actual cost of the project, not to exceed \$6,292 per parcel.

The properties specially benefitted will have up to 10 years for repayment of funds at a **0% interest rate**. A property owner can pay the LID off at any time in full without penalty.

Four homes require additional armoring due to their location on the river and their lack of armoring. These homes have been included in the LID with a \$50,000 assessment payable over 30 years, a 0 percent interest for 10 years and then a 4.78 percent interest rate thereafter, in addition to the assessment shared by all homeowners. This \$50,000 represents a shared cost with the CBJ, as the amount is significantly below the anticipated cost for armoring. An amortization schedule for this group is included as an appendix to this document (page 6-7).

#### How do I pay my assessment?

After the project is finalized and the assessment roll is finalized, the first and all subsequent payments will be included as part of the property tax bill set July 1 and due September 30.

1. After the HESCO Barrier Phase 1 project is complete, the Assembly approves a final assessment roll by resolution. If the costs to be borne by the benefited properties are more than approved in the ordinance initiating the district, property owners have an opportunity to object to the LID through a similar process as its formation. Property owners will pay the actual local cost of the project distributed among the district per the assessment methodology. Before the assessment roll is finalized the Assembly can, by ordinance, exclude a parcel from the district but it cannot increase the boundaries without going through the objection process again. The Assembly will set the due date of the payment and when they become delinquent by resolution. After the first payment, all payments are included on the annual property tax bill as a separate charge.

### What if I don't pay my assessment?

CBJ puts a lien on your property until the assessment is paid. The assessment travels with the property, so if the property transfers, the lien and required payments also transfer. The Assembly will set the delinquency schedule for non-payment in the same resolution establishing the first payment date.

### What is the progress on the HESCO Barrier Phase 1 Project? (as of 2.12.25)

- CBJ EPW Project Managers began meeting with riverfront property owners in October 2024 and followed up during the week of January 27, 2025 to refine the proposed locations of the HESCO barriers. CBJ is at approximately 95% design of the alignment. Additional information on the alignment can be found in the <u>presentation</u> provided at the public meeting held on January 3, 2025. CBJ will continue meeting with residents throughout the installation.
- HESCO alignment and configuration work is ongoing, informed by preliminary modeling information from CBJ's Hydrological and Hydraulic (H&H study) consultant, Michael Baker Inc. The analysis of and validation of the HESCO placement and height will



ensure the barriers are constructed to approximately four feet higher elevation than the August 2024 GLOF. This validation is also a critical step for further calibration and refinement of the model, as well as for the development of updated inundation maps up to 20 feet.

- Work continues on the completion of permit documents for the USACE, Alaska Department of Fish and Game, Alaska Department of Natural Resources, the CBJ Floodplain Development Permit, and FEMA.
- Timing for Installation The United States Army Corps of Engineers (USACE) provided
  HESCO barriers are expected to arrive in early March. USACE will also provide a
  technical expert for the installation. HESCO installation and associated bank armoring
  are expected to begin during the end of March or beginning of April dependent upon
  factors including the date of HESCO barrier arrival, contractor availability, and weather
  conditions. CBJ intends to execute the project using multiple contractors to complete
  the work in advance of a possible 2025 GLOF and is currently finalizing the contractor
  procurement plan and obtaining the required permits. The project is planned for
  completion by July 2025.
- Future updates on the HESCO Phase 1 project, including refined technical details, schedule information, and more will be provided here.

### What is CBJ doing to pursue long-term solutions?

CBJ, our Congressional Delegation, Tribes, and community partners have been advocating for funding for a long-term GLOF solution. The American Relief Act of 2025 set forth federal appropriations that established funding for USACE General Investigations (GI) study for \$20 million, including for investigations of long-term solutions to glacial lake outburst floods. CBJ is advocating for \$10 million of that GI funding. CBJ anticipates additional information from USACE regarding the timing and amount of support available by the end of February.

### What is CBJ doing to pursue additional funding for flood mitigation?

A summary of the partnerships, funding agencies, and activities that CBJ is currently pursuing is available in PDF form at <a href="mailto:bit.ly/CBJFloodFunding">bit.ly/CBJFloodFunding</a> (This table is not exhaustive and will be updated as relevant.)

The goal of these efforts is to find federal funds to reduce the cost of the HESCO Barrier Phase I project and long-term mitigation to both homeowners and the broader community.

#### How do I learn more about the HESCO Barrier project and/or the LID?

In addition, you can visit the CBJ Flood Response website: <a href="https://juneau.org/manager/flood-response">https://juneau.org/manager/flood-response</a> or email <a href="mailto:floodresponse@juneau.gov">floodresponse@juneau.gov</a>. CBJ also held a neighborhood meeting on this topic on January 3 at 5:30 p.m.

at CITY AND BOROUGH OF JUNEAU ALASKA'S CAPIFAL CITY

Thunder Mountain Middle School Auditorium which included a panel of experts, city representatives and community Q&A. You can view the Meeting Recording here.

## **Local Improvement District (LID) FAQs**

### What is a Local Improvement District?

A Local Improvement District, or LID, is a mechanism in CBJ code for a benefited property to pay for an infrastructure improvement (in this case, the installation of the infrastructure to protect properties and homes from flooding). LIDs are governed under <u>Title 15.10 Local Improvements and Special Assessments</u>.

### What was the process for this LID?

The Mendenhall GLOF LID was proposed by the Assembly in Ordinance 2024-40(am) in November 2024. A robust public process followed before the LID ordinance passed (as outlined below.

During the week of December 16, CBJ sent a certified mailing to all property owners with details relevant to their individual assessment and clear instructions on how to protest the LID. Property owners had six (6) weeks to object. If enough property owners objected to equal 50% or more of the total project cost, the LID could only move forward with a vote of 8 Assembly members. No action by a property owner is considered endorsement of the LID.

The LID received 117 objections filed out of the 466 total properties (well below 50%) and the LID ordinance passed.

#### Timeline for the LID:

- **November 18** Introduction of Ordinance 2024-40 creating an LID
- **December 16** Public hearing #1 on Ordinance 2024-40 (View Recording)
- **Week of December 16** Certified mailing went out to everyone on the assessment roll with information on the LID and clear instructions on how to object in writing.
- **January 3** Neighborhood meeting (View Recording)
- February 3 Public hearing #2 on Ordinance 2024-40(am) (<u>View Recording and Objections Received</u>. Objections were due in writing by the close of the public hearing on February 3, 2025.
- *March 3* Ordinance is effective.

#### Who is included in the LID?

The LID includes properties in the 16-foot inundation map excluding parcels that will not be protected from Phase 1. (Exhibits A). Properties north of Marion Dr and south of Rivercourt Way are not included because that's the projected limitation on their flood containment effectiveness. The 16-foot inundation map is the best data that we currently have that reflects protected properties.

Properties in the 16-foot inundation map that receive some water on their parcels but do not necessarily receive severe flooding are included given that the HESCO barriers are

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designed to protect to some degree above a 16-foot event. While it would be ideal to wait until new inundation maps and complete HESCO design is available before making these decisions, that is not possible from a timing perspective if we are to have Phase 1 complete before a GLOF event next year. At the December 16, 2024, public hearing on the LID ordinance, the Assembly amended the cost split from 50/50 CBJ/property owners to 60/40 CBJ/property owners. This was done to reduce the cost to property owners in the LID with the stated intent of reducing the property owner impact due to the possibility that with more time and study, more properties may have been able to be included in the LID.

## How did CBJ decide what would be included in Phase 1 of the HESCO barrier installation project and why is/isn't my property included?

With extensive consultation and involvement from United States Army Corps of Engineers (USACE) flood fighting experts, CBJ is planning to install USACE provided HESCO barriers as a near-term solution to mitigate potential widespread damage from future releases. Based upon several factors, including the locations of major inundation that occurred during the 2024 GLOF, a survey of high- water marks along the length of the river from the 2024 GLOF, the availability of time and materials to install barriers before a 2025 GLOF, and the number of properties that can be protected by such barriers, a 2-mile stretch of riverbank from north Marion Dr. to Rivercourt Way was identified as the most viable alternative to provide the most protection to the highest number of flood-vulnerable residents and homeowners.

### Why is CBJ focusing on short-term temporary flood mitigation?

Any long-term permanent flood mitigation will require design and engineering to ensure we don't do more harm than good. CBJ is concerned that without temporary flood fighting, the devastation to valley homes would be overwhelming while we work together on a long-term solution. CBJ's highest federal priority has been to secure federal funding for the United States Army Corps of Engineers (USACE) to begin a General Investigation study to do that work. In the meantime, CBJ and the United States Forest Service have entered into an agreement to spend USFS federal dollars on data collection and studies in advance of the General Investigation to keep things moving.

In addition to mitigation, CBJ will continue to provide emergency response and management in the event of a flood or any other disaster in our community.

### Is CBJ pursuing other funding sources for flood mitigation?

Yes. We are working with the Federal Delegation to pursue funding through legislation and working with FEMA and HUD for potential grant programs. The challenge for Phase 1 is timing; it is unlikely any funding would be available by the time we need to expend the funds to protect homes before a 2025 GLOF. However, the Federal Delegation has been incredibly supportive and helpful in both engaging United States Army Corps of Engineers (USACE) for technical assistance in emergency flood fighting (HESCO barriers) and finding a long-term solution by supporting a USACE General Investigation Study. We will continue to work with the delegation, and pursue grants, to find funding for Phase 2 and long-term solutions.



LID 210 HESCO Barrier Project Phase I - \$56,292 LID AMOUNT Ord 2024-40am

DRAFT Amortization 03.11.2025

\*Amounts and timing may change when the final roll is approved

Computation Interval: Exact Days

Nominal Annual Rate: 0.000% Daily Rate: 0.00000%

### **Cash Flow Data - Loans and Payments**

	Event	Date	Amount	Number	Period	End Date
1	Loan	01/01/2026	56,292.00	1		
2	Payment	09/30/2026	Fixed Principal	9	Annual	09/30/2034
	Principal payment amount		1,876.40			
3	Rate Change	01/01/2035	Rate: 4.778 % Compounding: Exact Days			
4	Payment	09/30/2035	Fixed Principal	21	Annual	09/30/2055
	Principal paym	1,876.40				

### TValue Amortization Schedule - U.S. Rule, 365 Day Year

Tanata in the same and the same						
Date	Payment	Interest	Principal	Balance		
01/01/2026				56,292.00		
09/30/2026	1,876.40	0.00	1,876.40	54,415.60		
09/30/2027	1,876.40	0.00	1,876.40	52,539.20		
09/30/2028	1,876.40	0.00	1,876.40	50,662.80		
09/30/2029	1,876.40	0.00	1,876.40	48,786.40		
09/30/2030	1,876.40	0.00	1,876.40	46,910.00		
09/30/2031	1,876.40	0.00	1,876.40	45,033.60		
09/30/2032	1,876.40	0.00	1,876.40	43,157.20		
09/30/2033	1,876.40	0.00	1,876.40	41,280.80		
09/30/2034	1,876.40	0.00	1,876.40	39,404.40		
01/01/2035		0.00	0.00	39,404.40		
Rate: 4.778 % Compounding: Exact Days						
09/30/2035	3,279.43	1,403.03	1,876.40	37,528.00		
09/30/2036	3,674.40	1,798.00	1,876.40	35,651.60		
09/30/2037	3,579.83	1,703.43	1,876.40	33,775.20		
09/30/2038	3,490.18	1,613.78	1,876.40	31,898.80		
	01/01/2026 09/30/2026 09/30/2027 09/30/2028 09/30/2029 09/30/2030 09/30/2031 09/30/2032 09/30/2033 09/30/2034 01/01/2035 09/30/2035 09/30/2036 09/30/2037	01/01/2026 09/30/2026 1,876.40 09/30/2027 1,876.40 09/30/2028 1,876.40 09/30/2029 1,876.40 09/30/2030 1,876.40 09/30/2031 1,876.40 09/30/2032 1,876.40 09/30/2032 1,876.40 09/30/2033 1,876.40 01/01/2035  Rate: 4.778 % Co	01/01/2026         09/30/2026       1,876.40       0.00         09/30/2027       1,876.40       0.00         09/30/2028       1,876.40       0.00         09/30/2029       1,876.40       0.00         09/30/2030       1,876.40       0.00         09/30/2031       1,876.40       0.00         09/30/2032       1,876.40       0.00         09/30/2033       1,876.40       0.00         09/30/2034       1,876.40       0.00         09/30/2035       0.00         Rate: 4.778 % Compounding: Ex         09/30/2035       3,279.43       1,403.03         09/30/2036       3,674.40       1,798.00         09/30/2037       3,579.83       1,703.43	01/01/2026 09/30/2026		

LID 210 HESCO Barrier Project Phase I - \$56,292 LID AMOUNT Ord 2024-40am

DRAFT Amortization 03.11.2025

\*Amounts and timing may change when the final roll is approved

	Date	Payment	Interest	Principal	Balance
14	09/30/2039	3,400.52	1,524.12	1,876.40	30,022.40
15	09/30/2040	3,314.80	1,438.40	1,876.40	28,146.00
16	09/30/2041	3,221.22	1,344.82	1,876.40	26,269.60
17	09/30/2042	3,131.56	1,255.16	1,876.40	24,393.20
18	09/30/2043	3,041.91	1,165.51	1,876.40	22,516.80
19	09/30/2044	2,955.20	1,078.80	1,876.40	20,640.40
20	09/30/2045	2,862.60	986.20	1,876.40	18,764.00
21	09/30/2046	2,772.94	896.54	1,876.40	16,887.60
22	09/30/2047	2,683.29	806.89	1,876.40	15,011.20
23	09/30/2048	2,595.60	719.20	1,876.40	13,134.80
24	09/30/2049	2,503.98	627.58	1,876.40	11,258.40
25	09/30/2050	2,414.33	537.93	1,876.40	9,382.00
26	09/30/2051	2,324.67	448.27	1,876.40	7,505.60
27	09/30/2052	2,236.00	359.60	1,876.40	5,629.20
28	09/30/2053	2,145.36	268.96	1,876.40	3,752.80
29	09/30/2054	2,055.71	179.31	1,876.40	1,876.40
30	09/30/2055	1,966.05	89.65	1,876.40	0.00
<b>Grand Totals</b>		76,537.18	20,245.18	56,292.00	