

#4

IMPROVEMENT DISTRICTS, INC.

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One Innwood Circle, Suite 101 • Little Rock, Arkansas 72211
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alanking@improvementdistrictsinc.com

Alan C. King

Marian W. Walker

December 5, 2019

Mr. Chuck Hicks, Chairman
Board of Assessors
Lakewood Recreation Improvement District No. 4
3813 Lakeshore Drive
North Little Rock, AR 72116

Re: Proposed Assessment of Benefits through 2024

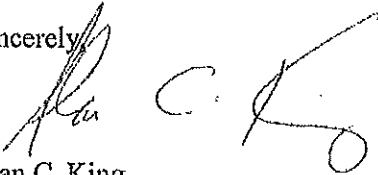
Dear Mr. Hicks:

The Board of Assessors of the Lakewood Recreational Improvement District No. 4 (the "District") have requested that I review the current assessment role of the District and the benefits of the proposed assessments to determine if they accurately reflect the benefits that accrue to each parcel of property.

Arkansas law requires an assessor to assess the value of the benefits that accrue to property owners of a district by reason of the acceptance, purchase, or construction of the proposed improvements. Arkansas law contemplates that any and all benefits that accrue to the real property, including buildings, shall be considered. The law also provides that the assessor's may annually reassess benefits. The only limitation is that the revised assessments shall not exceed the actual value of benefits received.

I have reviewed the assessment rolls and the proposed new assessments and, in my opinion, they do not exceed the actual value of benefit received.

Sincerely,



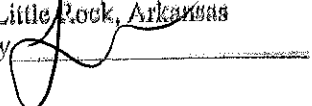
Alan C. King
Consultant to the Assessors of the District

FILED 10:30 A.M. _____ P.M.

BY mail _____

DATE 12/7/19 _____

Diane Whitbey, City Clerk and Collector
North Little Rock, Arkansas

RECEIVED by  _____

Board of Assessors
Lakewood Recreational Improvement District

December 5, 2019

Dr. Michael Grounds, Chairman
Board of Commissioners
Lakewood Recreational Improvement District
4500 Lakeshore Drive
North Little Rock, AR 72116

Dear Dr. Grounds:

The provisions governing the Lakewood Recreational Improvement District require that the Board of Assessors review the assessments each five years for each piece of property located within the District following the initial 15-year period from 1980 to 1995. The assessments were reviewed and changed for 1995 through 1999, 2000 through 2004, 2005 through 2009, 2010 through 2014 and 2015 through 2019. In 2014 the assessments recommended and approved were:

<u>Present</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$169	\$169	\$169	\$169	\$169	\$169
173	173	173	173	173	173
179	179	179	179	179	179
183	183	183	183	183	183
187	187	187	187	187	187

The income estimated in 2015 to be available from these assessments has proved to be quite accurate and the improvements projected by the Board of Commissioners at that time have essentially been completed or are now in progress and will be completed by the end of 2019. We congratulate the Board of Commissioners on what has been accomplished, adherence to the spending plans that were established, and the conscientious expenditure of the funds received from Lakewood residents and businesses. The facilities and the appearance of the community have been significantly improved. It is now time for the Board of Assessors to again review the assessments for the years 2020 through 2024. We have met with the Board of Commissioners, reviewed the capital improvements completed during the previous five years, physically inspected these improvements, reviewed the plans for the next five years, and prepared revised assessments for those years. There will be slight increases in assessments each year, as set forth below. Attached is a letter from Mr. Alan King with Improvement Districts, Inc. indicating that he has reviewed the plans and determined that they are in compliance with

legal requirements. Also attached is a projection by the Board of Commissioners of income, expenditures, and projects for the coming five-year period.

We make the following recommendations for 2020 through 2024:

1. We recommend retention of the rainbow arrangement of assessing residential property as it has been practiced for the past 30 years.
2. We recommend that the annual residential assessments increase slightly each year, as set forth below:

<u>Property Type</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Residential:					
Level 1	\$172	\$176	\$179	\$183	\$187
Level 2	176	180	184	187	191
Level 3	183	186	190	194	198
Level 4	187	190	194	198	202
Level 5	191	195	198	202	206

3. We recommend that the annual assessment for unimproved property increase at 2.0% per year from \$23.00
4. We recommend that the annual assessment for commercial property also increase by 2.0% each year.

Note: Since the commercial assessed value is periodically reviewed by the Pulaski County Assessor's office, commercial values may be adjusted. Due to this fact, the Board of Assessors reserves the right to alter the rates stated above if the Board deems it necessary on an annual basis.

5. Based on the information available to us, we project that funds as shown below will be generated by these recommended assessments, net of 3% county fees:

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$673,763	\$687,231	\$700,970	\$714,982	\$729,276

6. These assessments and our judgment of the betterment to be received by the owners of property within the Lakewood Recreational Improvement District are based upon carrying out the projects and activities as outlined in the


attached document. Should the plans be substantially altered, it is possible that our view of betterment to be received may also be altered.

7. Given the projects and activities that we were considering, we believe the recommended assessments are equitable; we believe they adequately support activities necessary to preserve the beauty of the area and the level of available activities; and we believe that property values will be undergirded to the benefit of individuals and commercial enterprises by maintaining the community as an attractive place to reside and conduct business.
8. As set forth above, the Board of Assessors is recommending these changes in the assessment criteria at this time for the five year period. However, we would like to receive periodic updates regarding assessment income and expenditures and meet with the District Commissioners on an annual basis. After any of these reviews, the Board of Assessors reserves the right to recommend changes to the assessment rates if it deems necessary.

We appreciate the assistance and the support of the Board of Commissioners of the Lakewood Recreational Improvement District, Mr. Ken Sullivan of the Lakewood Property Owners Association, and many others as we have reviewed these assessments. We wish to take this opportunity to also express our appreciation to Mayor Joe Smith, the members of the City Council, and the City of North Little Rock for assistance in conducting repairs to dams and roadways. The roadway bases and control of water for flooding purposes are responsibilities the District and the City share and that has been demonstrated through the cooperative efforts that have taken place. It is a pleasure to reside in a community where such cooperation is possible.

Sincerely,

Board of Assessors:



Chuck Hicks



Chris Cathey



Jan Smith

cc:

Mr. Mark Ruble
Ms. Jeanne Hyde
Mr. Ken Sullivan

LAKWOOD ID PROPOSED TAX RATES 2020-2024

12/4/2019
Updated

Prop. Class	No. Prop's	Option III - 2% Annual Increase				
		2020	2021	2022	2023	2024
		Tax Rates	Tax Rates	Tax Rates	Tax Rates	Tax Rates
Level 1	908	\$ 172	\$ 176	\$ 179	\$ 183	\$ 187
Level 2	306	176	180	184	187	191
Level 3	682	183	186	190	194	198
Level 4	516	187	190	194	198	202
Level 5	453	191	195	198	202	206
Comm.	28,048,405	Current(2019) assessment by parcel Plus 2% each year				
Unimp.	27.45 Acres	23.46	23.69	23.93	24.17	24.41
Aver. Annual % Inc.						2.0%
Aver. Compound % Inc		2.0%	4.0%	6.1%	8.2%	10.4%

Prop. Class	No. Prop's	Option III - 2% Annual Increase				
		2020	2021	2022	2023	2024
		Revenue	Revenue	Revenue	Revenue	Revenue
Level 1	908	\$ 156,521	\$ 159,651	\$ 162,844	\$ 166,101	\$ 169,423
Level 2	306	\$ 53,996	\$ 55,076	\$ 56,178	\$ 57,301	\$ 58,447
Level 3	682	\$ 124,519	\$ 127,009	\$ 129,550	\$ 132,141	\$ 134,783
Level 4	516	\$ 96,316	\$ 98,242	\$ 100,207	\$ 102,211	\$ 104,256
Level 5	453	\$ 86,405	\$ 88,133	\$ 89,895	\$ 91,693	\$ 93,527
Comm.	28,048,405	\$ 176,200	\$ 179,724	\$ 183,318	\$ 186,985	\$ 190,725
Unimp.	27.45	644	650	657	663	670
Total Gross Income		\$ 694,601	\$ 708,485	\$ 722,649	\$ 737,095	\$ 751,831
(3% County Fee)		(20,838)	(21,255)	(21,679)	(22,113)	(22,555)
Total Net Income		\$ 673,763	\$ 687,231	\$ 700,970	\$ 714,982	\$ 729,276