

HEARING PROCEEDINGS
2005 Street and Utilities Improvement Project

February 17, 2005

The City Council of Thief River Falls, Minnesota, conducted a hearing at 7:00 p.m., on February 17, 2005 in the Council Chambers of City Hall. The following Councilmembers were present: Holten, Worker, Cullen, Schmalz, and Mayor Wennberg. Councilmembers Kajewski, Blacklance, and Carlson were absent. Mayor Wennberg chaired the hearing. Approximately 11 persons were in attendance from the public.

DISCUSSION

Ron Lindberg, Public Works Director, outlined the areas proposed for street and utilities improvements which will be begin after Memorial Day and be completed by Labor Day.

Allwood Acres (Woodland Court and Spruce Avenue South of Allwood Court): By request of the developer, proposed improvements consist of installation of 12-inch sanitary sewer, 12-inch water main, and utilities service lines on Spruce Avenue. Large diameter mains would also service future residential areas south of County Road #62. The proposed improvements on Woodland Court include installation of six-inch water main, eight-inch sanitary sewer, utilities services lines, and installation of storm sewer. Street improvements on Spruce Avenue and Woodland Court include excavation and aggregate backfill. Curb and gutter would also be accomplished on Spruce Avenue.

Total cost of the proposed improvements is estimated to be \$190,000. City policy for Spruce Avenue trunk lines have required the property owners to pay for equivalent eight-inch diameter water and sewer lines and the City pay for the oversize and overdepth costs. The developer will be required to pay 100% of the cost of utilities, less the City's oversize contribution of approximately \$10,000. The developer will also be required to pay 60% of the cost of street improvements and 100% of the cost of concrete driveway approaches. The estimated assessment rates for existing developed properties fronting on Spruce Avenue is \$35/ft. for street improvements; \$9/ft. for storm sewer improvements; and \$42/sq.yd. for concrete driveways.

Alice Drive (south of Greenwood Street): By request of the developer, proposed improvements involve the extension of eight-inch water mains and eight-inch sanitary sewers south to Tenth Street at the extension of Alice Drive. Excavation and aggregate backfilling for a future surfaced street is also proposed.

The estimated project cost is \$98,000 with the developer being invoiced for 100% of the cost of utilities installation and 60% of the cost of street improvements, according to City policy. The developer's proposed cost is \$80,000.

Sunrise Court (Meadowlark Court East): By request of the developer, proposed improvements consist of extension of six-inch water main and eight-inch sanitary sewer along Sunrise Court and six-inch water main along the north side of Cartway Drive and along the west side of Sherwood Avenue; installation of service lines to serve twelve residential lots; construction of a seven-ton designed urbanized roadway, including excavation and aggregate backfill; and installation of curb and gutter and bituminous base paving.

The estimated project cost is \$118,000. The developer will be invoiced for 100% of the cost of utilities improvements and driveway construction and 60% of the cost of street improvements in accordance with City policy. The Street Department will accomplish subgrade excavation and aggregate backfilling through force account services at an estimated value of \$19,000 to reduce the City's portion of the project costs. The developer's cost is estimated to be \$103,000.

Oak Avenue (south of Cartway Drive): By request of the property owners, the proposed improvements consist of the construction of a seven-ton, 36-foot wide, urbanized roadway including excavation, aggregate backfill, installation of curb and gutter, and bituminous paving.

The estimated project cost is \$25,000, with benefiting properties being assessed for 60% of the cost of street improvements and 100% of the cost of concrete driveway approaches. The estimated assessment rates are \$35/ft. for street improvements and \$42/sq.yd. for concrete driveways. The Street Department will accomplish excavation and aggregate backfilling operations through force account services at an estimated value of \$11,000 to reduce the City's portion of the project costs.

Gausen Court: The proposed improvements consist the extension of six-inch diameter water main and eight-inch diameter sanitary sewer on Gausen Court along with installation of service lines to serve five residential lots; construction of a 36-foot wide, seven-ton designed urbanized roadway, including excavation and aggregate backfill.

The total estimated project cost is \$46,000, with benefiting properties being invoiced for 100% of the cost of utilities improvements and 60% of the cost of street improvements in accordance with City policy. The Street Department will accomplish subgrade excavation and aggregate backfilling through force account services at an estimated value of \$16,000 to reduce the City's portion of the project costs.

Nelson Drive (Highway 59 to Steven's Drive): The proposed improvements consist of a nine-ton, 44-foot wide, urbanized roadway, including excavation, aggregate backfill, installation of storm sewer, curb and gutter, and bituminous paving.

The total estimated project cost is \$179,000, including \$44,000 for storm sewer improvements. The City Council has recommend that Wal-Mart Corporation be invoiced for the project cost.

The Minnesota Department of Transportation (MnDOT) may require a relocation of a portion of Sherwood Avenue to accommodate increased traffic on Nelson Drive. Wal-Mart would be obligated for an additional \$30,000 to accomplish the relocation, if required.

Allwood Court: By request of the property owners, it is proposed to install curb and gutter, concrete driveways, and bituminous surfacing on the existing aggregate base roadway.

The total estimated cost of the project is \$30,000. The City Council has recommended that the benefited properties be assessed for 60% of the cost of street improvements and 100% of the

cost of concrete driveway approaches. The assessment rates are estimated to be \$18/equivalent front foot for street improvements and \$42/sq. yd. for concrete driveway approaches.

Barzen Avenue (south of First Street): The proposed improvement consists of lowering the existing irregular roadway profile approximately two inches at the south end and 18 inches at the north end and reducing the surface width from 38 feet to 34 feet, including four-foot wide gravel shoulders. Also, installation of aggregate material and bituminous surfacing would complete the nine-ton rural section.

The total estimated project cost is \$150,000. The City Council recommends that the project cost be funded by invoicing Digi-Key for \$75,000, Arctic Cat for \$25,000, Pennington County for \$25,000, and the City paying the remaining \$25,000.

SUMMARY

The total estimated project cost for the above improvements is \$836,000 with state funds, direct billings, utilities reserves, and force account services recovery of \$813,000. The City will also recovery approximately \$46,000 in special assessments and \$15,000 in tax increment payments after 15 years, reducing the final City cost to zero. Interim financing of approximately \$680,000 is required to complete the project over a seven-month period..

FINANCING

Jodie Torkelson, City Administrator, presented the options available for financing of the projects. For the majority of the improvements discussed, property owners will be invoiced. For those projects where there may be assessments, the City will internally finance the debt through the use of City reserves. Developers will be invoiced for 50% of the project cost payable May 1st with another 25% of the project cost due by August 31st and the remainder due upon completion of the project.

Those assessed as a special assessment will be notified later in the project year of a hearing to provide the actual dollar amount of their proposed invoice or assessment. At that time, the interest rate and term of the special assessment will be determined.

The interest rate for any agreed upon special assessments is normally one percent above the estimated cost of the internal financing by the City. The term of the assessment roll is determined by the size of the project and the number of property owners assessed. Generally, it is for 10-12 years.

The property owners being assessed have the option of paying their assessment up in full or paying a portion of the amount due. Interest is charged on the unpaid balance of the assessment. Payment options will be covered more thoroughly at the assessment hearing in the fall.

QUESTIONS

The public was then given an opportunity to ask questions on the proposed improvements. The questions and answers provided are on file in the Office of the City Administrator.

ADJOURNMENT

There being no further discussion, Councilmember Cullen moved, being seconded by Councilmember Worker, to adjourn the hearing at 8:15 p.m. On vote being taken, the Chairman declared the motion unanimously carried and the hearing adjourned.

Dale Wennberg, Mayor

Attest: _____
Jodie R. Torkelson, City Administrator