

HEARING PROCEEDINGS
2005 Street and Utilities Improvement Project

October 19, 2005

Pursuant to proper notice, the City Council of Thief River Falls, Minnesota, conducted a Public Hearing at 7:00 p.m. on October 19, 2005 in the Council Chambers of the City of Thief River Falls. The following Councilmembers were present: Carlson and Schmalz. Absent were Councilmembers Kajewski, Worker, Holten, Blacklance, Cullen, and Mayor Wennberg. Vice-Mayor Carlson chaired the hearing.

Also present were City Administrator Jodie Torkelson, Public Works Director Ron Lindberg, and Assistant Public Works Director Mark Borseth. One person from the community was present.

DISCUSSION

Ron Lindberg, Public Works Director, indicated that on February 17, 2005 a public hearing was held regarding proposed street, storm sewer and utilities improvements scheduled for the 2005 construction season. Bids were opened for Schedule A and Schedule B of the project on May 3, 2005. The City Council awarded both contracts to Mark II of Fosston, Inc. in the amounts of \$652,253.25 and \$94,318.60, which were \$69,107.30 below the second low bidder and \$113,218.85 below the Engineer's Estimate of \$859,790.70. The City Council authorized the Street Department to complete an additional \$46,000 in force account work for the excavation and aggregate backfilling of Oak Avenue, Sunrise Court and Gausen Court.

This assessment hearing is for portions of the following improvements constructed under the contracts, including authorized force account work.

1. New street construction, including sanitary sewer and water main installation, excavation, aggregate backfilling, storm sewer and curb and gutter installation, and bituminous paving on: Nelson Drive from Hwy 59 to Stevens Drive; Sherwood Avenue north of Nelson Drive; Sunrise Court; Oak Avenue south of Cartway Drive; and Spruce Avenue south of Allwood Court.
2. New street construction as above, excluding curb and gutter and bituminous paving, on: Woodland Court, Gausen Court and Alice Drive south of Greenwood Street.
3. Curb and gutter and bituminous paving on previously constructed Allwood Court.
4. Grading, ditch sloping, installation of aggregate base and bituminous paving of Barzen Avenue south of First Street to Digi-Key.

Construction began on June 20, 2005 with excavation and ditch sloping along Barzen Avenue. Final bituminous surfacing was placed on October 19 and 20, 2005.

To fund the cost of the improvements the City Council determined that the benefited properties be assessed for part of the project costs in accordance with past assessment policies. As discussed at the February 17 project hearing, benefited properties would be assessed or invoiced for 60% of the cost of construction of a typical 36-foot wide residential street; driveway improvements would

be assessed or invoiced at 100% of the actual cost; storm sewer assessed or invoiced at 60% of the cost; and water main, sanitary sewer and service line would be assessed or invoiced at 100% of the cost.

The estimated assessment rates discussed at the project hearing were as follows:

\$35.00/ft. for new street construction; \$18.00/ft. for curb and gutter and bituminous paving only; \$42.00/sq.yd. for concrete driveway construction; \$9.00/ft. for storm sewer installation; \$18.00/ft. for sanitary sewer main; \$18.00/ft. for water main; and \$1,800.00 for utilities service lines installation.

Based upon the final project costs the benefited assessment rates are \$34.00/ft. for street construction; \$18.60/ft. for curb and gutter and bituminous paving only; \$42.00/sq.yd. for concrete driveway installation; \$9.00/ft. for storm sewer installation; \$16.00/ft. for sanitary sewer installation; \$15.00/ft. for water main installation; and \$950/lump sum for water & sewer service line installation.

In the case of irregular shaped lots frontage is computed on an equivalent frontage basis and corner lots are assessed for frontage only.

Total project costs for all street, storm sewer, sanitary sewer, water main, and service lines improvements discussed is \$909,800. The City Council will resolve to fund the costs through the use of the following:

\$112,000 in Municipal State Aid Street Funds
\$ 35,000 in Utilities Department Invoicing
\$740,000 in Private Invoicing
\$ 39,000 in Assessment Billings
\$ -0- General City Cost

FINANCING

Jodie Torkelson, City Administrator, explained the options available for paying off special assessments, based upon the assumption that the City Council will adopt the special assessment roll at their regular Council Meeting scheduled for Tuesday, October 25, 2005. Those assessed will have thirty days following the adoption of the assessment roll to make payment upon the special assessment without interest being assessed. The final day to pay the assessment in full would be Monday, November 28, 2005.

Those being assessed for the project may pay the assessment in full, make a partial payment with the balance being spread out over 12 years with interest and paid as part of their real estate taxes, or leave the entire balance to be paid as part of their real estate taxes at 5.5% interest. Interest will start as of the date of the adoption of the assessment roll. Torkelson noted that payments can be made at any time to reduce the principal balance of the special assessment.

Those persons being assessed for the improvement project will receive a letter following the adoption of the assessment roll with detailed instructions with regard to payment of the special assessment.

There being no further discussion, the hearing was closed.

David Carlson, Vice-Mayor

Attest: _____
Jodie R. Torkelson, City Administrator