

HEARING PROCEEDINGS
2006 Street and Utilities Improvement Project

October 18, 2006

Pursuant to proper notice, the City Council conducted a public hearing at 7:00 p.m. on October 18, 2006 in the Council Chambers of City Hall. The following Councilmembers were present: Cullen, Holten, Schmalz, Worker and Acting Mayor Carlson. Councilmembers Blacklance and Kajewski were absent. Acting Mayor Carlson chaired the hearing. Approximately three citizens were in attendance of the hearing.

DISCUSSION

Mark Borseth, Assistant Public Works Director, indicated that on February 13, 2006 a public hearing was held regarding the proposed street, storm sewer, and utilities improvements scheduled for the 2006 construction season. Bids were opened for Schedule A and Schedule B of the project on May 2, 2006. The City Council awarded both contracts to Davidson Construction, Inc. in the amounts of \$689,380.25 for Schedule A and \$299,843.50 for Schedule B.

The assessment hearing is for portions of the following improvements constructed under the two contracts:

- 1) Bituminous reclamation and construction of right turn lanes on Municipal State Aid Streets – Brooks Avenue from Third Street to 1,050 feet south of First Street; Second Street from Horace Avenue to Atlantic Avenue; and Atlantic Avenue from Second Street to Third Street;
- 2) Bituminous overlay of Municipal State Aid First Street from Knight Avenue to Main Avenue;
- 3) Bituminous wearing course placement on Oakland Park Road, Baken Street, Wendt Drive, VanRooy Drive, Somerset Drive, and 11th Street South;
- 4) Bituminous reclamation of streets in Countryside Mobile Home Park;
- 5) Highway 59 Frontage Road reconstruction – Barzen Avenue to Ruby Avenue;
- 6) Hanson Drive – street and storm sewer improvements and utilities extension south to County Road 62;
- 7) Alley Reconstruction – Second Street to Third Street west of Main Avenue; and,
- 8) Storm Sewer Replacement on Fourth Street and on Davis Avenue.

Construction began on May 16, 2006 with the contractor replacing a hydrant at 6th Street and LaBree Avenue. Minn-Dak Asphalt completed bituminous paving on Brooks Avenue on September 7th and United Rentals completed all project striping on September 25, 2006.

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 13th Project Hearing, benefited properties would be assessed or invoiced for 100% of the cost of concrete alley improvements; 80% of the cost of frontage road improvements; 60% of the cost of construction of a typical 36-foot wide residential street; driveway improvements 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 lines would be assessed or invoiced at 100% of the cost.

The estimated assessment rates discussed at the project hearing were as follows: \$92.00/ft. for alley reconstruction; \$62.00/ft. for frontage road reconstruction; \$37.00/ft. for new street construction; \$19.00/ft. for bituminous reclamation and repaving; \$45.00/sq.yd. for concrete driveway construction; \$11.00/ft. storm sewer installation; and \$1,400.00 for utilities service lines installation.

Based upon the final project costs, the benefited assessment rates are \$92.00/ft. for alley reconstruction; \$67.00/ft. for frontage road reconstruction; \$38.70/ft. for new street construction; \$17.00/ft. for bituminous street reclamation; \$49.00/sq.yd. for concrete driveway construction; \$12.00/ft. storm sewer installation; and \$1,240.00 for utilities service lines installation.

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

Total project costs for all street, concrete drive, storm sewer, frontage road, alley reconstruction, water and sanitary sewer mains, service lines improvements, and miscellaneous utility and street repairs discussed is \$1,129,000. The City Council will resolve to fund the costs through the use of the following:

\$344,000	Municipal State Aid Street Funds
\$ 30,000	Utilities Departments Invoicing
\$199,300	Developer and Private Owner Invoicing
\$369,000	Assessment Billings
\$ 31,000	Prepayment Assessment in 2006
\$ 58,000	Storm Water Utilities funds
\$ 97,000	General City Cost

FINANCING

Jodie Torkelson, City Administrator, presented information and options available for financing and/or payment of the proposed assessments. Assuming that the City Council follows past practice and adopts the special assessment roll on Tuesday, October 24, 2006 at 5:00 p.m., Torkelson noted the City Administrator's Office will mail notification of the adoption of the assessment roll to the property owners. This notification will outline the options that the property owner has regarding payment of the assessment.

The property owner may pay all of the assessment in full to the City Administrator's Office within thirty days without interest. The final day to pay the assessment in full will be Monday, November 27, 2006.

The property owner can elect not to pay the assessment in full and the assessment will become part of their property taxes payable over twelve years with interest at five and one-half percent on the unpaid balance. Interest will start as of the date of the adoption of the assessment roll by the City Council.

The property owner may make a partial payment of the assessment, with any balance remaining as of November 27, 2006 being certified as part of the property owner's property taxes, with the balance being payable over twelve years with five and one-half percent interest on the unpaid balance. The partial payment would reduce the amount certified to the property's owner's real estate taxes annually.

If the property owner does not make a payment at this time, they may at any time pay to the City Administrator's Office the entire amount of the assessment remaining unpaid with interest accrued to December 31st of the year in which the payment is made. Payments must be made before November 15th or the interest will be charged through December 31st of the succeeding year.

QUESTIONS/OBJECTIONS

A letter of objection was received and reviewed from the Minnesota Northern Railroad, Inc. in regard to the proposed assessments against Parcel No. 25-089-037-00, citing several reasons that they should not be assessed for the improvements.

The City Council was also presented with a letter of objection to the proposed assessment from Ron Reiersen, Mr. Reiersen is in the process of purchasing this property from Mr. Eugene Hanson and Mr. Reiersen indicated that he had not been notified of the proposed assessments.

Several questions were then asked by those in attendance. Mr. Borseth will review the questions and attempt to resolve any issues prior to the adoption of the assessment roll.

ADJOURNMENT

There being no further discussion, Councilmember Cullen moved, being seconded by Councilmember Schmalz, to adjourn the hearing. On vote being taken, the Chairman declared the motion unanimously carried and the hearing adjourned.

Dave Carlson, Acting Mayor

Attest: _____
Jodie R. Torkelson, City Administrator