

HEARING PROCEEDINGS 2007 Improvement Project

February 15, 2007

Pursuant to proper notice, the City Council of Thief River Falls, Minnesota, conducted a public hearing with regard to the 2007 Street, Sidewalk, and Utilities Improvement Project at 7:00 p.m., on February 15, 2007 in the Council Chambers of City Hall. The following Councilmembers were present: Bendickson, Cullen, Erickson, Holten, Kajewski, Lee, Schmalz, and Mayor Nordhagen. No Councilmembers were absent. Mayor Nordhagen chaired the hearing. Approximately 19 persons affected by the proposed improvements were in attendance of the hearing.

REVIEW OF PROPOSED PROJECT

Public Works Director, Ron Lindberg, presented a detailed explanation of each of the following proposed improvement areas:

FIRST STREET FROM BARZEN AVENUE TO BROOKS AVENUE – BITUMINOUS RECLAMATION

The proposed improvement would consist of reclaiming the existing five inches of bituminous pavement and six inches of aggregate base by grinding, mixing, and re-compacting the upper 11 inches of street surface. Excess combined materials would be removed and salvaged for use by the City on other municipal streets. Replacement of miscellaneous sections of curb and gutter would be accomplished, including repair of storm sewer drains at the west end of the mobile home park. A new four-inch thick bituminous wearing course would be placed, sawed, and sealed at 45-foot intervals to control future weather cracking.

The estimated total cost of this improvement is \$150,000 and would be funded with Municipal State Aid Transportation funds and special assessments. The City Council has recommended that benefited properties pay for a portion of the cost, which is determined to be 60% of the equivalent cost/ft. for a 36-foot wide, seven-ton designed, residential street. The assessment rate for street improvements is estimated to be \$19/ft. Property owners would also be assessed for 60% of the cost of concrete curb or driveway replacement if requested by the property owner.

GREENWOOD STREET (GILBERT INDUSTRIAL PARK) – UTILITIES IMPROVEMENTS AND STREET CONSTRUCTION

The 1,370-foot segment is a non-existing roadway through the Gilbert Industrial Park from the west end of the existing urban road section by Northwest Beverage to County State Aid Highway #16. The segment is on the City's Municipal State Aid Street System. The proposed improvements would consist of extending sanitary sewer and water main to the west end of the park to serve fourteen vacant industrial lots. In addition, 44-foot wide, nine-ton urbanized street construction of the route would consist of excavation, aggregate backfill, installation of storm sewer, curb and gutter, bituminous surfacing, and street lighting.

The estimated total cost of these improvements is \$600,000. The City has received a \$340,000 Mn/DOT grant and a \$273,000 DEED grant to totally fund the project cost.

SPRUCE AVENUE (ADJACENT TO FRANKLIN MIDDLE SCHOOL) – CURB AND GUTTER AND SIDEWALK REPLACEMENT

The proposed improvements would consist of removing and replacing 1,360 linear feet of curb and gutter. In addition, replacement of 4,000 square feet of six-inch thick sidewalk between Hughes Street and Gulf Street is also recommended. The bituminous adjacent to the replaced curb would be patched to a width of three feet.

The estimated total cost of these improvements is \$85,000. The project would be funded with Municipal State Aid Transportation funds and School District #564 invoicing of \$57,000. The invoicing represents 80% of the cost of the sidewalk replacement and 60% of the cost of the curb replacement according to City policy.

VANROOY DRIVE SOUTH OF WENDT DRIVE AT HIGHWAY 32 – WATER MAIN EXTENSION AND FRONTAGE ROAD STREET IMPROVEMENTS

The proposed improvements consist of the extension of 670 feet of water main south from Wendt Drive to loop existing water main on the north side of the Dean Foods property. The improvements would also include excavation, aggregate backfill, installation of east side curb and gutter, and bituminous paving for a 32-foot wide seven-ton roadway. The City's Street Department personnel would perform excavation and aggregate backfilling services to reduce the City's total project cost.

The total estimated cost of these improvements is \$109,000. The City Council has recommended that properties benefiting from the improvements be invoiced or assessed for 50% of the cost of the water main (one-side benefits), 80% of the cost of the frontage road improvements, and 100% of the cost of driveway approaches according to City policy. There are approximately 700 feet of benefited frontage available for invoicing or assessment at an estimated rate of \$92/ft. for street improvements, \$52/sq.yd. for concrete driveway, and \$20/ft. for water main installation. Utilities reserves would be required to fund \$14,000 of the water main costs.

MMCDC PHASE I HOUSING SITE DEVELOPMENT – AREA SOUTH OF CHALLENGER SCHOOL

Midwest Minnesota Community Development Corporation (MMCDC) has purchased property south of Challenge Elementary School for phase construction of approximately 100 new homes. The property is currently outside of City limits and will require annexation. MMCDC is proposing to include a portion of the area in a new Tax Increment Financing (TIF) District to fund a major portion of the infrastructure.

The proposed improvements include the installation of a sanitary sewer lift station in the southeast corner of CSAH #6 and Pennington Avenue. This lift station would be designed to provide service to all four-intersection quadrants, including the areas

south of Challenger Manufactured Home Park and east of Basswood Mobile Home Park. Gravity sanitary sewer would be extended south and east from the lift station to serve approximately forty new building sites. The seven existing homes along the east side of CSAH #17 could also be served in the future when annexed. Water main would be extended east from CSAH #17 at two locations to serve the forty new sites and fifty additional sites to the east and south. Street improvements would consist of urbanized seven-ton designed construction with curb and gutter and bituminous base paving. Bituminous wearing course would be placed in a future year after all lots are developed. A bike/walking trail would be incorporated into the subdivision layout, which would ultimately connect to a city-wide trail system.

The estimated total project cost is \$960,000. The cost includes an estimated \$145,000 for a lift station of which approximately \$100,000 would temporarily come from Wastewater reserves or municipal bonding. Additional estimated costs are \$120,000 for sanitary sewer, \$160,000 for water main, \$70,000 for utility service lines, \$100,000 for storm sewer, \$340,000 for street improvements, and \$24,000 for concrete driveway approaches. The City Council has recommended that MMCDC be invoiced an estimated \$680,000 for its share of the project costs. The total is based upon 100% of the cost of utilities and concrete driveways and 60% of the cost of street and storm sewer improvements. The cost of the lift station and force main connection to gravity sewer at Evergreen Street would be distributed over the entire area to be served by the lift station. The City's estimated cost of the street and storm sewer improvements is \$174,000.

ALICE DRIVE (SOUTH OF GREENWOOD STREET) – CURB AND GUTTER AND BITUMINOUS BASE INSTALLATION

Mr. Tom Greelis and Mr. Regan Rohl are developing an area south of Greenwood Street along Alice Drive for construction of family housing units and assisted living facilities, respectively.

The proposed street improvements would consist of installing curb and gutter and bituminous base course. The final bituminous wearing course would be placed in a future year when development is completed to South 10th Street.

The estimated total project cost is \$34,000. Mr. Rohl is responsible for the 60% cost of the improvements on both sides of the street according to the Greelis purchase agreement. Mr. Rohl has requested that the cost of these improvements, estimated at \$16,200, be assessed. Cost of the concrete driveways is estimated at \$7,000 and would be assessed to benefiting properties according to City policy. The estimated driveway assessment rate is \$52/sq.yd.

CARTWAY DRIVE AND OAK AVENUE NORTH STREET IMPROVEMENTS

The proposed improvements would consist of reconstructing 2,300 feet of Oak Avenue and Cartway Drive with a 36-foot wide, seven-ton designed, roadway to provide two travel lanes and two parking/walking lanes. Curb and gutter, sub-drain tile, sump pump connections, and storm sewer to Oak Avenue and two-inch thick bitumi-

nous base course would be installed. The one-inch thick bituminous wearing course layer would be installed in a subsequent year.

The improvements would require the acquisition of an additional ten-foot roadway easement along the south side of Cartway Drive and the northerly half of Oak Avenue. The balance of the needed additional right-of-way was deeded to the public in prior years.

The total estimated project cost is \$360,000. The City Council has recommended that benefited properties be assessed for 60% of the cost of street and storm sewer improvements and 100% of the cost of concrete driveway approaches. There are approximately 4,000 feet of benefited property available for assessment at rates of \$40/equivalent front foot for street improvements and \$52/sq.yd for concrete driveway approaches. There are approximately 1,200 feet of benefiting property available for storm sewer assessment at \$12/equivalent front foot.

EAST GREENWOOD STREET – UTILITIES EXTENSION AND MINOR STREET IMPROVEMENTS

Developers of property adjacent to East Greenwood Street requested consideration of City installed utilities to facilitate area housing development. Property adjacent to the south side of Greenwood Street is within the City limits, but the property adjacent to the north side of Greenwood Street is in North Township and would require City annexation prior to utilities extensions.

The proposed improvements would consist of installing a sanitary sewer lift station and force main to serve development of the area and provide future service to existing river front homes currently on septic systems. Large diameter water main and sanitary sewer would also be installed on Greenwood Street to loop existing water main to the northwest and provide a truck sewer line for area development. Water main and sanitary sewer would be extended 1,500 feet north to serve eight properties adjacent to the Red Lake River and twenty vacant lots. Utilities would also be extended 1,200 feet south to serve properties adjacent to Nelson Drive. Utilities service lines would be installed to all properties. Rural sectioned roads would be restored to present condition and 300 feet on Rider Court would be excavated and aggregate backfilled for development of nine residential lots.

The total estimated project cost is \$575,000 with approximately 5,200 feet of property benefited. City policy for trunk lines requires the property owners to pay for an equivalent eight-inch diameter water and sewer lines and the City pays for the over-size and over depth costs. According to City policy, the developer would be required to pay 100% of the cost of utilities less the City's oversize contribution of approximately \$30,000. The developer would also be required to pay 60% of the cost of street improvements on Rider Court. Estimated cost of the lift station and force main is \$125,000. Of that cost, 50% could be recovered through initial project invoicing and the balance funded from utilities reserves. Area lift station fees charged to each future developed lot would eventually reimburse the City Wastewater Fund. Estimated developer costs are \$373,000 for utilities and \$15,000 for partial street im-

provements on Rider Court. Private lots adjacent to the river would be invoiced an estimated \$2,000/lot for lift station and service lines costs, plus an additional \$52/ft. for water main and sanitary sewer benefit. The City Council has recommended that the developers and homeowners be directly invoiced for 100% of the costs related to the utilities improvements, including lift station fees. Estimated developers costs are \$133,000 for Ault/Beito; \$255,000 for Ness; \$85,000 for private river lots; plus, \$92,000 utilities reserves and \$10,000 in general City costs.

FINANCING

Jodie Torkelson, City Administrator, presented the options available for financing of the projects. Property owners will be either invoiced or assessed depending on the type of project and following City policy as already outlined by Ron Lindberg. For those projects where there may be assessments, the City will internally finance the debt through the use of City reserves.

Following last year's policy, developers will be invoiced for 50% of the project amount payable May 7th with the remainder due upon completion of the project.

Assessed property owners will be notified later in the project year (normally October) 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 assessment is normally one percent above the estimated cost of financing by the City. The term of the assessment roll is also normally determined by the size of the project and the number of property owners assessed. Generally, it is 12 years. Looking at the current rates, the City is anticipating an interest rate of five and one-half percent, but the City will check again just before the October hearing date for those figures.

The property owner has the option of paying their assessment in full, or even paying a portion of the amount due. Interest is always charged on the unpaid balance of the assessment. Payment options will be covered more thoroughly at the assessment hearing in the Fall after the project is substantially completed.

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 Erickson, to adjourn the hearing at 8:52 p.m. On vote being taken, the Chairman declared the motion unanimously carried and the hearing adjourned.

Steve Nordhagen, Mayor

Attest: _____
Jodie R. Torkelson, City Administrator