

**HEARING PROCEEDINGS  
2009 Improvement Project**

**February 26, 2009**

Pursuant to proper notice, the City Council of Thief River Falls, Minnesota, conducted a public hearing with regard to the proposed 2009 Street, Sidewalk, and Utilities Improvement Project at 7:00 p.m., on February 26, 2009 in the Council Chambers of City Hall. The following Councilmembers were present: Cullen, Erickson, Holten, Schmalz, and Mayor Nordhagen. Councilmembers Bendickson, Kajewski, and Lee were absent. Mayor Nordhagen chaired the hearing. Approximately two 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:

**Maple Avenue Water Main Replacement:** The proposed improvements consist of replacing the deteriorated water main with six-inch P.V.C. and reconnecting the 24 existing residential service lines. The existing bituminous street will require patching the east half after the water main replacement.

The total estimated project cost is \$75,000. Under the City's current policy, costs for water main replacement are not assessed to adjacent properties. Funding would need to come from City bonding or grants.

**Crocker Avenue Water Main Replacement – Third Street to Taft Street, and Taft Street from Crocker Avenue to Kendall Avenue:** The proposed improvements consist of replacing 1,825 feet of water main with six-inch P.V.C. and reconnecting 23 existing residential service lines. Bituminous trench patching is also required.

The total estimated project cost is \$130,000. Under the City's current policy, costs for water main replacement are not assessed to adjacent properties. Funding would need to come from City bonding or grants.

**Eastwood Drive Sanitary Sewer Extension:** The proposed improvements consist of installing 1,200 feet of eight-inch sanitary sewer in City owned property adjacent to the north boundary of South Eastwood Addition. Sewer service lines would be installed from the sewer main to the north lot lines.

The total estimated project cost is \$60,000. The total cost would be invoiced to the Cemetery Department and ultimately funded from a portion of the sales of the nine lots in South Eastwood Addition.

**Thief River Care Center Site – Utilities Extensions and County Road 62 Relocation:** The proposed improvements consist of installation of a new sanitary sewer lift station to be located on the care center site. The lift station would serve the proposed 35-acre development along with future commercial and residential development on the adjacent 80 acres. Sanitary sewer and water main will be installed in the 35-acre parcel, west on County Road 62, to serve two residential parcels, and

east of Hanson Drive to serve commercial property fronting the west side of Highway 59. Twelve-inch diameter water main would also be extended east from Hanson Drive to facilitate future highway crossing and looping of water main. Also proposed is the relocation of a 1,500 segment of County Road 62 west of Highway 59 and a direct alignment with South Eleventh Street, across the highway. The proposed relocation would require the acquisition of right-of-way from adjacent parcels.

The total estimated cost is \$385,000 for utilities improvements and \$240,000 for County Road 62 relocation. Past policy for trunk lines has required the property owners to pay for equivalent eight-inch diameter water and sewer lines, with the City paying for the oversize and over depth costs. According to past policy, property owners would be required to pay a portion of the lift station costs plus 100% of the cost of utilities, less the City's oversize contribution of approximately \$50,000. There are approximately 1,200 linear feet of benefited properties available for County Road 62 relocation cost invoicing. The City's current policy requires benefited properties pay for 60% of the equivalent cost/ft. for a 36-foot wide seven-ton designed residential street and 100% of the cost of concrete driveway approaches. The invoice rate for the street improvements is estimated at \$45/equivalent front foot and \$55/square yard for concrete driveway approaches. This rate would apply to County Road 62 and for any urbanized street improvements of public roads on the 35-acre site.

**Utility Extensions to American Agri Business Site – Barzen Avenue at CSAH**

**16:** The proposed improvements would consist of extending sanitary sewer on Barzen Avenue south of Greenwood Street for approximately 2,700 feet; construction of a new sanitary sewer lift station; and, extensions of an additional 2,700 feet of sanitary sewer west and south from the lift station site. The lift station would provide service for future development of the entire area between Barzen Avenue and CSAH 16. The extension of 2,700 feet of water main west of Barzen Avenue and then south is also proposed.

The total estimated cost of utilities improvements is \$540,000. Past policy for trunk lines has required the property owners to pay for equivalent eight-inch diameter water and sewer lines, with the City paying for the oversize and over depth costs. According to that policy, the developer would be required to pay 100% of the cost of utilities less the City's oversize contribution of approximately \$35,000. The developer would also pay for a portion of the lift station costs. Private property adjacent to the west side of Barzen Avenue is currently undeveloped and lies outside of the City limits. The Arctic Cat test track property is adjacent to the east side of Barzen Avenue. Future connection fees in lieu of assessments would apply to future utility requests for these properties.

**Bituminous Edge Milling and Resurfacing of East Greenwood Street – Spruce**

**Avenue to Hanson Drive:** The proposed improvements to the 2,600-foot segment, which was constructed in 1987, would consist of six-foot tapered milling and placing a one and three-fourths inch bituminous wearing course surface layer. Minor sections of settled curb and gutter would be replaced prior to bituminous paving.

The estimated total project cost is \$118,000. The project would be funded with Federal Economic Stimulus Grant funds and special assessments. There are approximately 2,100 linear feet of benefited properties available for assessment. The City's current assessment policy requires benefited properties pay for 60% of the equivalent cost/foot for a 36-foot wide seven-ton designed residential street. The assessment rate for the street improvements is estimated at \$14/equivalent front foot. The improvements would be made subject to grant funding.

**MSA Bituminous Reclamation and Construction of Right Turn Lane – Brooks**

**Avenue from Third Street (US Highway 59):** The proposed improvements to the 1,160-foot segment, which was constructed in 1982, would consist of reclaiming the existing four-inch thick bituminous pavement along with four inches of aggregate base by grinding, mixing and recompacting the upper eight inches of street surface. Excess combined material would be removed and salvaged for use by the City on other municipal projects. Replacement of miscellaneous sections of curb and gutter would be accomplished along the construction of a right turn lane at US Highway 59 and placing four inches of bituminous pavement. The new bituminous would be sawed and sealed at 45-foot intervals to control future cracking.

The total estimated project cost is \$130,000. The project would be funded with Federal Economic Stimulus Grant funds and special assessments. There are approximately 275 linear feet of benefited properties available for assessment. The City's current assessment policy requires benefited properties pay for 60% of the equivalent cost per foot for a 36-foot wide seven-ton designed residential street. The assessment rate for the street improvements is estimated at \$18/equivalent front foot. The improvements would be made subject to grant funding.

**SUMMARY**

The total estimated project cost for the discussed improvements is \$1,678,000. The project could be financed with \$248,000 from Federal Economic Stimulus Grant funds, \$187,000 from Municipal State Aid funds, \$582,000 from direct invoicing, and \$660,000 from utilities bonding, wastewater reserves or grant funds. Recovery of \$24,000 in street assessments and \$60,000 from lot sales on Eastwood Drive is also assumed.

**FINANCING**

Property owners will be either invoiced or assessed depending on the type of project and following City policy. For those projects where there may be assessments, the City will go out to finance or internally finance the debt through the use of City reserves depending on the size and scope of the projects approved by the City Council.

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, the term is 12 years. Looking at the current rates, the City is anticipating an interest rate of not more than 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.

Mr. Keith Danks who owns property near County Road 62 expressed concern that the future relocation of County Road 62 may decrease the value of his property since he would no longer have a corner lot. City Attorney Ihle and Public Director Lindberg indicated that past court rulings have ruled that there is no lost value.

### **ADJOURNMENT**

There being no further discussion, Councilmember Schmalz moved, being seconded by Councilmember Cullen, to adjourn the hearing at 7:00 p.m. On vote being taken, the Chairman declared the motion unanimously carried and the hearing adjourned.

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Steve Nordhagen, Mayor

Attest: \_\_\_\_\_  
Jodie R. Torkelson, City Administrator