

**HEARING PROCEEDINGS
2011 Street Improvement Project**

January 6, 2011

Pursuant to proper notice, the City Council of Thief River Falls, Minnesota, conducted a public hearing at 7:00 p.m. on January 6, 2011 in the Council Chambers of City Hall. The following Councilmembers were present: Cullen, Haj, Kajewski, Schmalz, Swanson, and Mayor Nordhagen. Councilmembers Erickson and Holten were absent. Mayor Nordhagen chaired the hearing.

There was one person from the community in attendance.

PRESENTATION

Engineering Services Director Borseth discussed the following 2011 Street Improvement Project areas:

East Greenwood Street from Spruce Avenue to Hanson Drive – Bituminous Edge Milling and Resurfacing. The proposed improvement would consist of six-foot tapered edge milling and placing a one and one-half inch bituminous wearing course. Minor sections of settled curb and gutter would be replaced prior to bituminous paving.

The total estimated project cost is \$119,000. The project would be funded with Federal Grant funds, Municipal State Aid funds, and special assessments. There are approximately 2,300 linear feet of benefited properties available for assessment. The City's current assessment policy requires benefited properties pay for 60% of the equivalent cost/ft. for a 36-ft. wide seven-ton designed residential street. The assessment rate for the street improvements is estimated at \$13.50/equivalent front foot.

Brooks Avenue from Third Street (US Highway 59) to Sixth Street – Bituminous Edge Milling, Resurfacing, and Construction of Right Turn Lane: The proposed improvement would consist of a six-foot tapered edge milling and placing a one and one-half inch thick bituminous wearing course. Replacement of miscellaneous sections of curb and gutter would be accomplished along with construction of a right turn lane at US Highway 59, and pedestrian ramp upgrades.

The total estimated project cost is \$112,000. The project would be funded with Federal Grant funds, Municipal State Aid funds, and special assessments. There is approximately 300 linear feet of benefited properties available for assessment. The City's current assessment policy requires benefited properties pay for 60% of the equivalent cost/ft. for a 36-ft. wide seven-ton designed residential street. The assessment rate for the street improvements is estimated at \$13.50/equivalent front foot.

Spruce Avenue from Greenwood Street to First Street – Bituminous Milling and Resurfacing: The proposed improvements would consist of milling the entire street surface and placing a one and one-half inch bituminous wearing course. Minor sections of settled concrete curb and gutter would be replaced along with handicap ramp upgrades prior to bituminous paving.

The total estimated project cost is \$146,000. The project would be funded with Federal Grant funds, Municipal State Aid funds, and special assessments. There is approximately 3,700 linear feet of benefited properties available for assessment. The City's current assessment policy requires benefited properties pay for 60% of the equivalent cost/ft. for a 36-ft. wide seven-ton designed residential street. The assessment rate for the street improvements is estimated at \$13.50/equivalent front foot.

Nora Street from Pennington Avenue to Spruce Avenue: The proposed improvements would consist of milling the entire street surface and placing a one and one-half inch bituminous wearing course. Minor sections of settled concrete curb and gutter would be replaced along with handicap ramp upgrades prior to bituminous paving.

The total estimated project cost is \$189,000. The project would be funded with Federal Grant funds, Municipal State Aid funds, and special assessments. There is approximately 200 linear feet of benefited properties available for assessment. The City's current assessment policy requires benefited properties pay for 60% of the equivalent cost/ft. for a 36-ft. wide seven-ton designed residential street. The assessment rate for the street improvements is estimated at \$13.50/equivalent front foot.

SUMMARY

The total estimated project cost for the proposed 2011 Street Improvement Project is \$566,000. The project could be financed with \$356,250 from Federal Grant funds, \$122,000 from our Municipal State Aid Account, and \$87,750 from City bonding. Special assessments will recover approximately \$87,750.

FINANCING

Property owners will be assessed on projects following City policy as outlined in the Notice of Hearing on Proposed Improvements. For those projects where there are assessments, the City will go out to the bond market 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 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 regarding the proposed improvements.

ADJOURNMENT FROM HEARING

There being no further discussion, Councilmember Schmalz moved, being seconded by Councilmember Cullen, to adjourn the hearing at 7:22 p.m. On vote being taken, the Chair declared the motion unanimously carried and the hearing adjourned.

RECONVENE OF COUNCIL MEETING

At 7:22 p.m., the City Council reconvened to act upon the findings presented at the hearing with regard to the 2011 Street Improvement Project.

RESOLUTION NO. 1-16-11: RESOLUTION ORDERING THE 2011 STREET IMPROVEMENT PROJECT AND PREPARATION OF PLANS AND SPECIFICATIONS

Following discussion, Councilmember Cullen introduced Resolution No. 1-16-11, being seconded by Councilmember Kajewski, that:

WHEREAS, pursuant to Resolution No. 12-246-10 adopted on December 7, 2010 a date was established to conduct a public hearing on the following proposed improvements:

- 1) Greenwood Street Bituminous Edge Milling and Resurfacing;
- 2) Brooks Avenue Bituminous Edge Milling, Resurfacing and Construction of Right Turn Lane;
- 3) Spruce Avenue Bituminous Milling and Resurfacing; and,
- 4) Nora Street Bituminous Milling and Resurfacing.

WHEREAS, ten days' mailed notice and two weeks' published notice of the hearing was given, the hearing was held at 7:00 p.m. on the 6th day of January, 2011 at which time all persons desiring to be heard were given an opportunity to be heard thereon.

THEREFORE, BE IT RESOLVED, by the City Council, that:

- 1) Such improvements are necessary, cost-effective, and feasible as detailed in the Feasibility Report;
- 2) Such improvements are hereby ordered as proposed;
- 3) The Engineering Services Director shall assist Widseth, Smith, &

- Nolting, as the designated engineers for these improvements. They shall prepare plans and specifications for the making of such improvements; and,
- 4) The City Council declares its official intent to provide interim financing of the improvements through the use of reserves and/or outside funding.

On vote being taken, the resolution was unanimously passed.

Steve Nordhagen, Mayor

Attest:

Jodie R. Torkelson, City Administrator