



Legislation Details (With Text)

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File created: 3/6/2018 **In control:** City Council

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Title: Consider Adopting Assessments for the 2018 Division Street and Seventh Street Reconstruction and Washington Street Mill and Overlay Project

Sponsors:

Indexes:

Code sections:

Attachments: 1. 1 - 2018 Division & Seventh Adopt Assessments, 2. 2 - Project Process - Division & Seventh Current.pdf, 3. 3 - 2018_Assessment Roll - Alt 1, 4. 4 - 2018_Assessment Roll - Alt 2

Date	Ver.	Action By	Action	Result
5/15/2018	1	City Council	approve	Fail
5/15/2018	1	City Council	approve	Pass

City Council Meeting Date: May 15, 2018

To: Mayor and City Council
City Administrator

From: Sean Simonson, Engineering Manager
David Bennett, P.E., Public Works Director/City Engineer

Subject:

Consider Adopting Assessments for the 2018 Division Street and Seventh Street Reconstruction and Washington Street Mill and Overlay Project

Action Requested:

The Northfield City Council approves the attached Resolution with Alt. 1or 2 Adopting Assessments for the 2018 Division Street and Seventh Street Reconstruction and Washington Street Mill and Overlay Project (2018STRT-A37).

Summary Report:

The City Council is being asked to approve a resolution (Attachment 1) adopting the assessments for the 2018 Division Street and Seventh Street Reconstruction and Washington Street Mill and Overlay Project (2018STRT-A37). The statutorily required 14-day notice for the May 1, 2018 assessment hearing was published in the Northfield News on April 11, 2018 and notices were sent to abutting property owners. On May 1, 2018, the City Council held a public hearing on assessments for the 2018 Division Street and Seventh Street Reconstruction and Washington Street Mill and Overlay Project (2018STRT-A37).

During the public hearing, City Council raised the question regarding the size of a home that could be put on a specific lot size of roughly 5,600 square feet and 10,890 square feet. After consultation with the City Planning

Department, based on a Building Area Ratio Limit of 30% from the City of Northfield Land Development Code (LDC), a 1,680 square foot house could be built on the 5,600 square foot lot, and a 3,267 square foot house could be built on the 10,890 square foot lot. Furthermore, the west side of Washington Street, which is in the C-1 zoning district, would permit multi-family residential as well as commercial zoning principal uses listed in table 2.7-1 of the LDC. On the east side of Washington Street, which is in the R-1 zoning district, several pages of compatibility standards for residential construction would also dictate building standards.

It was also brought to staff's attention at the public hearing regarding the number of improvements that have been performed on Washington Street in the past, namely the block of Washington Street between Second Street and Third Street. City staff checked the available as-built records and found that a reconstruction project was completed on Washington Street in 1991. According to the records on hand, the project limits were from Woodley Street to Third Street, excluding the block of Washington Street from Third Street to Second Street that was questioned. In 2000, a reconstruction project called Washington, Second, and Union was completed in the immediate area. That project did include the reconstruction of Washington Street from Second Street to Third Street. Lastly, as part of the Library Project, a 6" sprinkler service line was installed on the watermain on Washington Street into the existing Library building. This resulted in a patch on Washington Street that was approximately 16' x 40'; no additional improvements were made to pavement surface at that time.

With that said, the question was raised whether the City of Northfield Assessment Policy defines the service life of public improvements, and allows assessments within the service life. Chapter 66- Special Assessments, Section 66-4 reads:

*The city shall design public improvements to last for a definite period as stated in this section, or, if different, shall be as stated in the resolution ordering the improvement. Repair or replacement of public improvements within their designated service life generally will not be assessed to benefited properties, **except that resurfacing or replacement of streets within 30 years of initial construction** generally will be assessed to benefited properties.*

- (1) Sidewalks: 20 years.*
- (2) Street reconstruction, including sub-base, surfacing and curb and gutter: 30 years.*
- (3) Street surfacing including mill and overlay and reclamation projects: 15 years.*
- (4) Ornamental street lighting: 20 years.*
- (5) Water mains, sanitary sewer and storm sewer: 30 years.*

Therefore, according to the adopted assessment policy above, assessments are allowed for resurfacing projects within the 30 years of initial construction.

During the public hearing, Council received a written objection from the property owner of 915 Washington Street questioning if a mill and overlay is considered an assessable improvement. City Council consulted with the City Attorney during discussion, and were advised that a mill and overlay is an assessable improvement, which is also stated in Section 66-4 referenced above. City Council then passed on the objection, and closed the Public Hearing.

Adoption of the assessments through resolution is the final step in the assessment process for the project. The City Council has moved this project forward to this point with the actions shown in Attachment 2. The action

requested above is required by Minnesota Statutes Chapter 429, which specifies the action that must be taken to assess property owners for the cost of local improvements.

Lastly, there are currently three non-city owned tax-exempt properties on the project. These properties are located at 415 Washington Street, (All Saints Episcopal Church) 512 Washington Street, (Cannon Valley Friends Meeting) and 713 Division Street. (Moravian Church). These properties are proposed to be assessed as follows:

415 Washington Street (All Saints Episcopal Church) - Mill & Overlay Multi-Family Rate. This is due to the size of the property being larger than a single-family property and zoned residential.

512 Washington Street (Cannon Valley Friends Meeting) - Mill & Overlay Commercial Rate. This is due to the property being zoned commercial.

713 Division Street (Moravian Church) - Reconstruction Residential. This property is smaller in size and compares more to a residential property.

Staff has provided an alternative option to change 415 Washington Street and 512 Washington Street to a residential mill and overlay rate. By changing these (Alternate 2) this would be similar to how these property types were assessed with the 2015 Second Street Reconstruction, and the 2013 Maple Street Project.

Alternative Options:

1. Alternative 1

Alternative 1 (Attachment 3) would leave all properties at their current assessment rate that was adopted by City Council Resolution 2018-037 at the April 3, 2018 City Council Meeting. The amount adopted was \$391,822.

2. Alternative 2

Alternative 2 (Attachment 4) would adjust the assessment rate for 415 Washington Street from the current rate of \$59 per linear foot, which is the multi-family mill and overlay rate, to \$41 per linear foot, which is the residential mill and overlay rate. This would adjust the total assessment from \$7,788 to \$5,412. Additionally, alternative 2 would also adjust the assessment rate for 512 Washington Street from the current rate of \$69 per linear foot, which is the commercial mill and overlay rate, to \$41 per linear foot, which is the residential mill and overlay rate. This would adjust the total assessment amount from \$4,554 to \$2,706. These changes would set the total amount assessed for the project to \$387,598.

Financial Impacts:

The proposed street and utility improvements are eligible for assessments according to the City of Northfield's Assessment Policy. All abutting properties are proposed to be assessed accordingly. A benefit appraisal was prepared as part of this improvement project, and took into account zoning and land use within the project area. The assessment rates, which is a cost per linear foot of street frontage depending on the type of improvement and zoning/land use, is shown in the table below:

2018 STREET PROJECT ASSESSMENT RATES	
CONSTRUCTION METHOD	ASSESSMENT RATE
RECONSTRUCTION - RESIDENTIAL	\$70
RECONSTRUCTION - COMMERCIAL	\$158
MILL AND OVERLAY - RESIDENTIAL	\$41
MILL AND OVERLAY - MULTI-FAMILY	\$59
MILL AND OVERLAY - COMMERCIAL	\$69

The proposed assessment roll related to *Alternative 1* (Attachment 3) shows the assessment for each of the abutting properties. The assessment revenue is \$391,822.

TOTAL PROJECT FUNDING	
ALTERNATIVE #1	
FUNDING SOURCE	FUNDING
Bonding	\$1,463,787
Assessments	\$391,822
Storm Fund	\$133,388
Sanitary Fund	\$160,808
Water Fund	\$285,255
MSA	\$2,199,489
TOTAL FUNDING	\$4,634,548

The proposed assessment roll related to *Alternative 2* (Attachment 4) shows the assessment for each of the abutting properties. The assessment revenue is \$387,598.

TOTAL PROJECT FUNDING	
ALTERNATIVE #2	
FUNDING SOURCE	FUNDING
Bonding	\$1,468,011
Assessments	\$387,598
Storm Fund	\$133,388
Sanitary Fund	\$160,808
Water Fund	\$285,255
MSA	\$2,199,489
TOTAL FUNDING	\$4,634,548

Following the process required by Minnesota Statute Chapter 429 will allow the benefits of this project to be

assessed to the property owners which aids in establishing overall project funding.

Tentative Timelines:

The attached project process (Attachment 2) details the actions taken to date as well as the upcoming actions that will be requested of Council.