



Legislation Text

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City Council Meeting Date: April 9, 2019

To: Mayor and City Council
City Administrator

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

Subject:
2019 Street Reclamation Project - Assessment Discussion.

Action Requested:
None

Summary Report:

The City of Northfield has approved Plans and Specifications for the 2019 Street Reclamation Project, and the project is currently out for bids. The purpose of this discussion is to review the proposed assessments for the project so Council questions can be answered prior to the Assessment Hearing. Staff is recommending the following process:

April 9, 2019 - Council Discussion on proposed assessments and recommended changes from Council

April 16, 2019 - Council Declares the amount to be assessed. This is the amount noticed to the property owners (with this action staff isn't recommending any changes to the assessment roll, unless something comes up at the hearing from the property owners)

April 16, 2019 - Second Action where Council Call for the Assessment Hearing.

May 21, 2019 - Assessment Hearing and Adoption of the Assessments

The City of Northfield will be utilizing Special Assessments to defray a portion of the costs for the Reclamation Project. The current City of Northfield City Code, Chapter 66 - Special Assessments (Attachment 2) serves as a guide for the making of public improvements and the levying of special assessments within the City of Northfield. The City also follows the procedures and requirements of Minnesota Statue Chapter 429, specifically, but not by way of limitation, the cost of any public improvement may be assessed upon property benefited thereby, whether or not the property abuts on the improvement and whether or not any part of the cost is paid from the county state-aid highway fund, the municipal state-aid street fund, or the trunk highway fund.

The City of Northfield contracted with BRKW Real Estate Valuation Services to complete special benefit appraisals for the 2019 Street Reclamation Project, to assist Staff and City Council in levying in an equitable manner, special assessments to properties benefited by the improvement project. It should be noted that not

every property potentially benefiting from the improvements proposed for streets in the project area were appraised for special benefits purposes. Rather, for most properties, these appraisals reflect a preliminary benefits analysis in that it provides an approximation of likely special benefits accruing to those properties belonging to a special use group. Due to the multitude of unique properties and property types, two separate benefit appraisals were completed on the project, and are described below:

John North Park Area and Blue Stem Court (Attachment 3)

The project area contains a mix of residential uses, including single-family detached and twin home properties. There were four subject properties in this appraisal (Attachment 4):

1. Typical Standard Single-Family Lot - John North Park Area
2. Typical Twin Home Lot - John North Park Area
3. Typical Standard Single-Family Lot - Blue Stem Court
4. Typical Cul-De-Sac Single-Family Lot - Blue Stem Court

North of TH 19, South of Second Street West, West of Soo Line Corridor (Attachment 5)

The project area is mixed-use in nature, comprising a mix of residential, public/institutional and commercial/industrial properties. There were seven subject properties in this appraisal (Attachment 4):

1. Typical Single-Family Lot Property
2. Multifamily Property
3. Typical Commercial Lot Property
4. Longfellow School
5. St. John's Lutheran Church
6. Malt-O-Meal Plant
7. Odd Fellows Campus

Staff Recommended Changes

Typical Standard Lot - John North Park Area (Attachment 7)

Staff recommends deviating from Method 4 Cul-de-Sac Lots from the *Standards for Adjusting Front Footage for Special Assessment Purposes* Motion 2009-0076 (Attachment 6). This method suggests adjusting the front footage for Cul-de-sac lots by taking the front footage measurement at the midpoint of one side lot line to the midpoint of the other side lot line. Attachment 7 shows where the measurement should be taken according to the approved method. Staff recommends taking the measurement at the midpoint of the shortest side of the lot, and measuring perpendicular to the remaining side lot line as shown in Attachment 7.

Typical Twin Home Lot - John North Park Area (Attachment 8)

The Benefit Appraisal calculated a \$2,900 approximate value benefit for the Typical Twin Home Lot in the John North Park Area. Staff recommends utilizing the "Per Lot" method for all similar properties within the townhome complex, with the exception of the eight lots that have back frontage on Meldahl Lane. These eight lots were assessed as part of the 2012 Street Reconstruction Project when Meldahl Lane was improved. Staff recommends adjusting these assessment amounts to a total of \$2,900 total for the two projects combined.

Typical Cul-de-sac Single Family Lot - Blue Stem Court (Attachment 9)

The Benefit Appraisal calculated a \$6,300 approximate value benefit, or \$100/Front Foot for the Typical Cul-de-sac Single Family lot. Using Method 4 in the *Standards for Adjusting Front Footage for Special Assessment Purposes*, Cul-de-sac lots, this measurement is to be taken from midpoint to midpoint on the side lot lines.

Using this method, would increase the assessment amount well above the approximate value benefit calculated in the benefit appraisal. Staff would recommend using the “per lot method” for these parcels, and assess them all at \$6,300 as shown in Attachment 9.

Typical Single Family Lot - Third Street Area (Attachment 10)

The Benefit Appraisal calculated a \$3,800 approximate value benefit, or \$58 Front/Foot assessment cost for a Typical Single Family Lot in the Third Area of the project. There is an access road off Third Street that the properties served do not have direct frontage on Third Street. Staff recommends calculating the frontage the lots cumulatively occupy times the \$58 Front/Foot and divide the assessment amount equally to the four properties served as shown in Attachment 10. This would adjust the assessment amount from \$3,800 per parcel to \$2,900 per parcel.

The worksession is the primary added time we are dedicating to questions and discussions related to setting the proposed assessments. Our goal for the meeting is to clearly identify any areas of questions or concerns in specifics in order to prepare council action to *declare the amount to be assessed and call for the public hearing* schedule for April 16. The action to declare assessments is the stage in the process where council is setting the policy direction and proposed overall assessments. The next step then is an opportunity to hear for any appeals to reconsider the final adoption of the assessments, or not.

Alternative Options:

Staff is open to discussing additional alternatives suggested by City Council.

Financial Impacts:

A draft of the assessment roll (Attachment 11) is included for discussion. This draft assessment includes the Staff recommendations mentioned above.

Tentative Timelines:

The attached project process (Attachment 12) details the actions taken to date as well as the upcoming actions to be requested of Council. Please pay particular note that the process related to assessments on the 2nd page of the process.

April 16 - Declare amount to be assessed and set the date and time for the Assessment Hearing as required by the 429 process.

May 21st - Public Hearing. The purpose of this hearing is to *give property owners an opportunity to express concerns about the actual special assessment*. At the Assessment Hearing, the City Council shall hear and consider all objections to the proposed assessment, whether presented orally or in writing.

May 21st - Adoption of Assessments. The intention is that when the assessment roll is declared to be assessed and call for the hearing that this is the intended assessment and the purpose thereafter is to hear any individual appeals at the hearing to consider any adjustment prior to adoption of the assessments.

The City Council has some flexibility before it adopts the assessment roll and may change, or amend, the proposed assessment as to any parcel. City Council must, by resolution, adopt the same as the special assessment against the lands named in the assessment roll. Once the assessment roll is adopted the assessments are set and become liens against the properties listed.

However, we are advising that at the stage of the hearing and final assessments is really focusing on the final appeals and adjustment based on testimony or written appeals of individuals. This is not a time to be discussing the overall proposed assessment rolls (which is done on April 16) unless it directly relates to appeals at the public hearing.