



MEMORANDUM

DATE: October 21, 2003 **Agenda Item 8.C**

TO: Mayor and Council
Michelle Wolfe, City Administrator

FROM: Aaron Parrish, Director of Community Development / Asst. City Admin. (AP)

SUBJECT: Karth Lake Pumping Project Financing

ENCLOSURES: 1. Parcel Specific Estimate

Overview

Based on discussion at the October 21, 2003 Work Session, the following option for financing the Karth Lake Pumping Project is being brought forth for Council consideration and approval:

Construction Contract Expense Only; Equal Percentage Distribution

	1 Year Average		3 Year Average	3 Year Range
<i>Resident Cost</i>	\$49,350	\$358	\$1,073	\$465 to \$1603
<i>City Share Cost</i>	\$49,350	N/A	N/A	N/A
<i>City Total Cost</i>	\$67,636			

Key Assumptions and Figures

1. Project Cost Used: Construction Contract Only \$98,700
2. City Percentage Cost Allocation 50%
3. Improvement District Cost Allocation 50%
4. Indirect expenses such as reduced interest earnings, ongoing maintenance of the district, and staff time are not included in the project cost
5. Direct expenses for design engineering, construction engineering, and legal expenses are not included in the total project cost

This option maintains the equal split between the City and Lake Improvement District, but only takes into account the expense associated with the construction contract. A spreadsheet outlining parcel specific impacts is attached for your review. The project is proposed to be funded out of the surface water management fund.

Requested Action

1. Consider approval of the following:
 - a. That the \$98,700 construction contract cost be split equally (50/50) between the City and Lake Improvement District.
 - b. That taxes be levied against the Lake Improvement District for a period of three years in an amount not to exceed \$49,350 beginning with taxes payable in 2005.
 - c. That the City portion of the overall project cost be funded out of the surface water management fund.

Parcel Specific Estimate: Scenario #2

Owner #1	Owner #2	House #	Street	Street Type	Direction	Zip	2003 Market Value	Tax Capacity	Tax Rate	Estimated Total Annual Taxes	Estimated 3 Year Impact
223023140031	JILL L AMBLE	1225	AMBLE	RD		55112	178,700	1,787	8.67%	155	465
223023140032	LINDA K AMBLE	1219	AMBLE	RD		55112	294,500	2,945	8.67%	255	766
223023120036	GILBERT H SMITH	1178	AMBLE	DR		55112	296,900	2,969	8.67%	258	773
223023120039	BRUCE A JOHNSON	1220	KARTH LAKE	DR		55112	300,000	3,000	8.67%	260	781
223023140033	CHARLES O AMBLE	1211	AMBLE	DR		55112	306,500	3,065	8.67%	266	798
223023120035	DANIEL H CARLSON	1172	AMBLE	DR		55112	312,800	3,128	8.67%	271	814
223023120054	ELEANOR HARTMARK TRUSTEE	1280	96	DR	W	55112	313,900	3,139	8.67%	272	817
223023140034	JAMES A MIKLOS	4365	LEXINGTON	AVE	N	55126	315,000	3,150	8.67%	273	820
223023130036	JOHN C ROBICHAUD	1237	NURSERY HILL	LN		55112	317,700	3,177	8.67%	276	827
223023110008	JANET L NIENBER	1160	AMBLE	LN		55112	320,200	3,202	8.67%	278	833
223023110008	ARTHUR J BOURGEOIS	1168	AMBLE	DR		55112	321,500	3,215	8.67%	279	837
223023140022	SCOTT A HANSON	1124	AMBLE	DR		55112	324,100	3,241	8.67%	281	843
223023110067	CESAR FARELL	1144	AMBLE	DR		55112	330,000	3,300	8.67%	286	859
223023120038	WILLIAM R HILGEDICK	1212	KARTH LAKE	DR		55112	335,700	3,357	8.67%	291	874
223023120018	FRANK W STODOLA	1281	KARTH LAKE	CIR		55112	346,700	3,467	8.67%	301	902
223023120014	RICHARD F KLICK	1301	KARTH LAKE	CIR		55112	371,200	3,712	8.67%	322	966
223023120037	ARTHUR W LARSEN	1148	AMBLE	DR		55112	380,000	3,800	8.67%	330	989
223023110003	JEFFERY P WENDT	1285	KARTH LAKE	DR		55112	386,500	3,865	8.67%	335	1,006
223023120015	JOYCE A ANDERSON	1273	NURSERY HILL	CIR		55112	393,300	3,933	8.67%	341	1,024
223023120031	RALPH H LARSON	1136	AMBLE	LN		55112	397,500	3,975	8.67%	345	1,034
223023140035	ROGER A SABOT	4367	LEXINGTON	AVE	N	55126	397,800	3,978	8.67%	345	1,035
223023140005	RONALD D LINDMARK	1140	AMBLE	DR		55112	398,300	3,983	8.67%	346	1,037
223023140020	SHIH PAU YEN	1116	AMBLE	DR		55112	401,800	4,018	8.67%	349	1,048
223023140025	TRUSTEE OF THE VIOLET KERN	1132	AMBLE	DR		55112	410,300	4,103	8.67%	356	1,068
223023140004	THOMAS E HEIDEMAN	1142	AMBLE	DR		55112	412,200	4,122	8.67%	358	1,073
223023130037	WILLIAM J SWEENEY	1241	NURSERY HILL	LN		55112	418,500	4,185	8.67%	363	1,039
223023120032		1229	AMBLE	LN		55112	419,100	4,191	8.67%	364	1,091
223023140030	PAUL D AMBLE	1255	NURSERY HILL	LN		55112	425,800	4,258	8.67%	369	1,108
223023120034	WILLIAM F MCCABE	1128	AMBLE	LN		55112	445,000	4,450	8.67%	388	1,158
223023140023	PEN HSIANG LI	1164	AMBLE	DR		55112	445,100	4,451	8.67%	386	1,158
223023110007	JON E LUNDIN	1112	AMBLE	DR		55112	450,500	4,505	8.67%	391	1,172
223023140019	CARL V REYNOLDS	1128	AMBLE	DR		55112	452,600	4,526	8.67%	393	1,178
223023140024	EDMUND L FULLER JR	1132	AMBLE	DR		55112	475,300	4,753	8.67%	412	1,237
223023120016	RONALD T HAGKULL	1289	KARTH LAKE	CIR		55112	476,400	4,764	8.67%	413	1,240
223023140021	STEVEN P MARINO	1120	AMBLE	DR		55112	483,900	4,839	8.67%	420	1,259
223023120033	RICHARD A ROESSLER	1228	KARTH LAKE	LN		55112	485,700	4,857	8.67%	421	1,254
223023120040	MIKE J ENZ	1108	AMBLE	DR		55112	490,200	4,902	8.67%	425	1,276
223023140018	KELVIN W KOBERNICK	1277	NURSERY HILL	DR		55112	495,000	4,950	8.67%	429	1,288
223023120030	STANLEY D HARPSTEAD	1156	AMBLE	LN		55112	504,800	5,048	8.67%	438	1,314
223023110005	DAVID C YAUCH	1249	NURSERY HILL	DR		55112	507,600	5,076	8.67%	440	1,321
223023120058	R GARY FULCHER	1152	AMBLE	LN		55112	536,500	5,365	8.67%	485	1,396
223023110004	DAVID W STEPHENS	1250	KARTH LAKE	DR		55112	537,300	5,373	8.67%	466	1,398
223023120043	KEN A SPANGLER	1254	KARTH LAKE	DR		55112	555,000	5,550	8.67%	481	1,444
223023120042	CLAUDIA D LANDGRAF	1285	KARTH LAKE	DR		55112	585,000	5,850	8.67%	507	1,522
223023120017	JOHN R BOTTGER	1285	KARTH LAKE	CIR		55112	595,600	5,956	8.67%	517	1,550
223023120041	GARY H GERDING	1236	KARTH LAKE	DR		55112	615,800	6,158	8.67%	534	1,603

\$18,983,800 \$189,638 \$16,450 \$49,350