



ARDEN HILLS
MEMORANDUM

DATE: April 12, 2021

TO: Honorable Mayor and City Councilmembers
David Perrault, City Administrator

FROM: David Swearingen, Interim Public Works Director

SUBJECT: 2021 PMP Street and Utility Improvement Project – Special Assessment Hearing

Council Should Consider

Motions to approve, table, or deny the following:

- Hold a Special Assessment Hearing for the 2021 PMP Street and Utility Improvement Project for public comment.

All items need a simple majority for action unless otherwise noted.

Background/Discussion

On January 25, 2021, the City Council adopted Resolution 2021-004 Approving the Plans and Specifications and Ordering the Advertisement for Bids. Bids were solicited during February and opened on Wednesday, February 24, 2021.

A portion of the costs for the 2021 PMP Street and Utility Improvement Project are proposed to be assessed against the benefitting properties according to the City’s Assessment Policy. In order to assess these costs, the City must follow the process outlined in State Statute 429. On March 8, 2021, after the bids were opened, the City Council adopted Resolution 2021-013 Declaring Costs to be Assessed and set today as the date for the assessment hearing. A public hearing prior to adopting the assessments is a requirement of State Statute 429. The proposed assessment area is shown on Attachment A.

The project is proposed to be assessed consistent with the City’s Assessment Policy and past practices, which states that 50% of the costs for roadway improvements will be assessed in residential areas, with the remaining portion financed by City funds. Financing for the project is consistent with City policy and past practice and is summarized in the table below. The project costs include 27% engineering and overhead costs.

The calculation of the amount to be assessed as approved by Council Resolution 2021-013 is shown below. Also, the Council established that the interest rate would be 3.15% and the term would be 10 years.

STREET RECONSTRUCTION

Item	Calculation	Result
Half of Construction Cost	\$874,637.97/2	\$437,318.98
Add 27% Overhead	\$437,318.98 x 1.27	\$555,395.11
Divide by Assessable Units	\$555,395.11/80	\$ 6,942.44

STREET RECLAMATION

Item	Calculation	Result
Half of Construction Cost	\$231,278.11/2	\$115,639.06
Add 27% Overhead	\$115,639.06 x 1.27	\$146,861.60
Divide by Assessable Units	\$146,861.60/58	\$ 2,532.10

The full detailed assessment roll is attached as Exhibit B.

To date, no formal objections have been submitted in writing to City staff. Any written objection received prior to Monday evening will be provided to the City Council at the assessment hearing.

As provided for in State Statute, no appeal may be taken as to the amount of any assessment adopted unless a written objection signed by the affected property owner is filed with the City at or prior to the assessment hearing. After the adoption of the assessment roll, property owners who have submitted an objection in writing have 30 days to serve notice of an appeal to the City, and within 10 days after serving notice to file with the District Court.

Recommendation

The Council should hold the Assessment Hearing first. After the Assessment Hearing is closed and as part of New Business, Council should consider adopting Resolution 2021-020 Adopting the Assessment Roll for the 2021 PMP Street and Utility Improvement Project with any changes they deem appropriate.

Following the assessment hearing, also under new business, staff will be recommending award of the contract to C&L Excavating as the lowest responsible bidder.

Attachments

- Attachment A: Assessment Area Map
- Attachment B: Assessment Roll
- Attachment C: PowerPoint