

# Orchard Lane East Improvements

## Public Hearing on Special Assessments



City Council Meeting, December 11, 2023

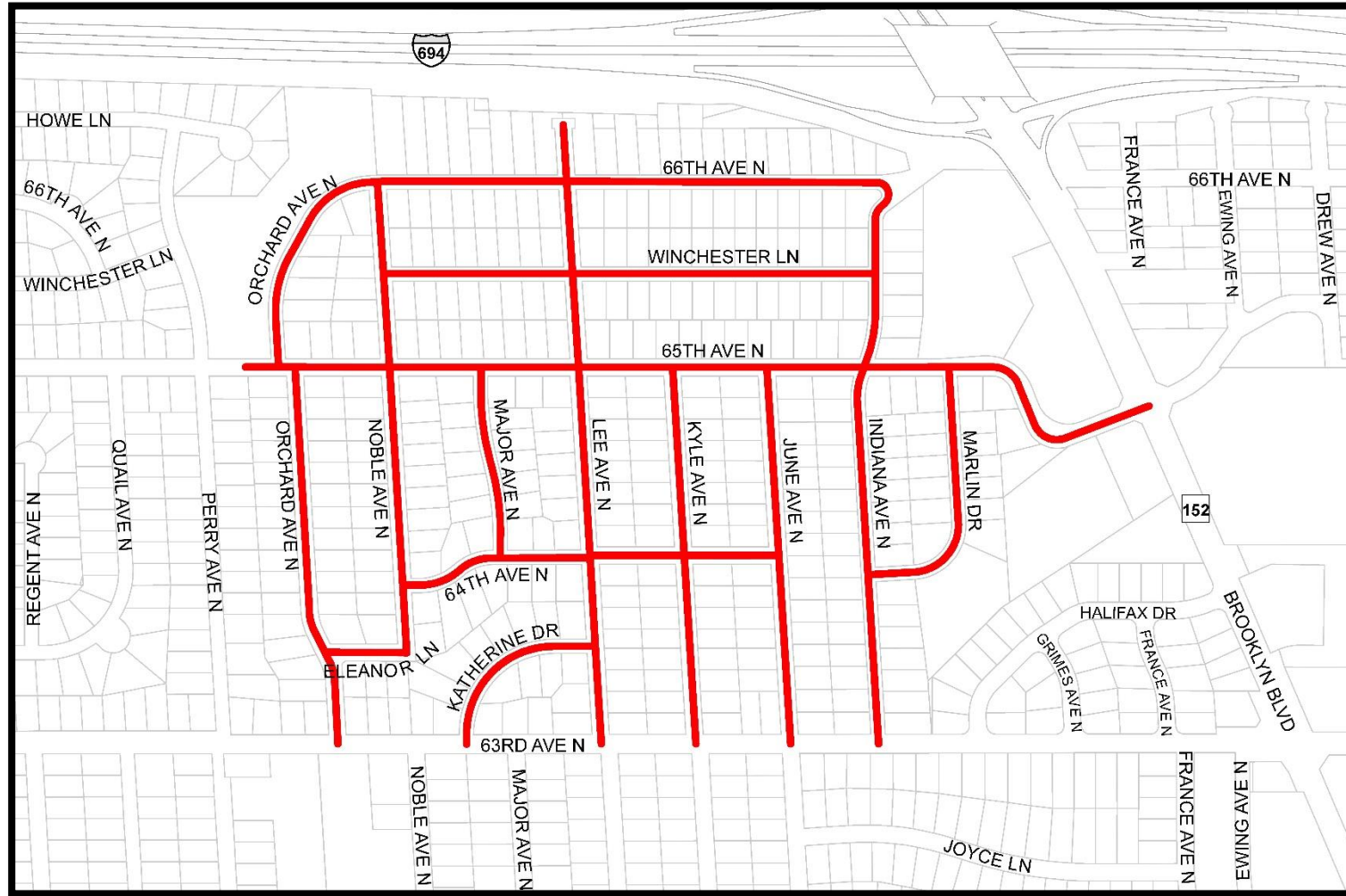
Lydia Ener, Ahmed Omer, Elizabeth Heyman, Public Works

# Schedule

- Neighborhood Informational Meeting August 3, 2023
- City Council Receives Feasibility Report September 25, 2023
- Second Neighborhood Meeting October 19, 2023
- Improvement Public Hearing October 23, 2023
- Establish Assessment Rates and Declare Costs November 13, 2023
- **Assessment Public Hearing/Certify Assessment Roll December 11, 2023**
- Approve Plans/Advertise for Bids Early 2024
- Bidding and Project Award Spring 2024
- Begin Construction Spring/Summer 2024
- Substantial Completion Fall 2025



# Project Area



# Project Summary

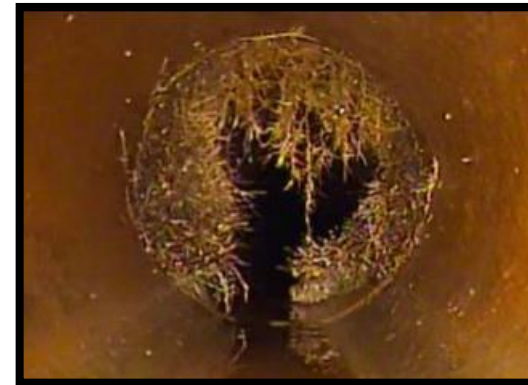
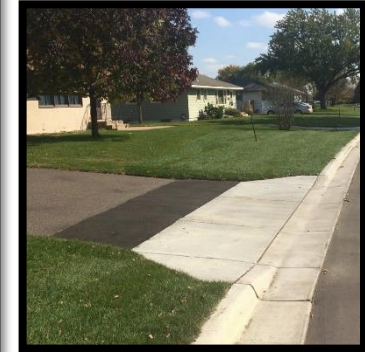
## Street and Drainage Improvements

- Pavement Reclamation and Replacement
- Spot Curb and Gutter Replacement
- Storm Sewer Spot Replacement
- Casting Replacement

## Utility Improvements

- Sanitary Sewer Lining with Spot Replacement
- Casting Replacement
- Watermain Replacement
- Hydrant and Gate Valve Replacement

## No Proposed Lighting Improvements



# Neighborhood Meetings

## August 3<sup>rd</sup> Open House

- Held at City Hall Council Chambers, approximately 9 people in attendance
- Information given on proposed improvements and schedule
- Questions and comments taken from residents
  - Overall not in favor of additional sidewalk or lighting
  - Questions on assessment process
  - Questions on construction access and timing
  - Other questions on private utilities, maintenance issues, and plowing

## October 19<sup>th</sup> Neighborhood Meeting

- Held at City Hall Council Chambers, approximately 8 people in attendance
- Information presented on proposed improvements and schedule
- Preliminary Assessment information provided
- Questions were taken from residents
  - Questions on assessment process
  - Questions on construction access, impacts, and timing



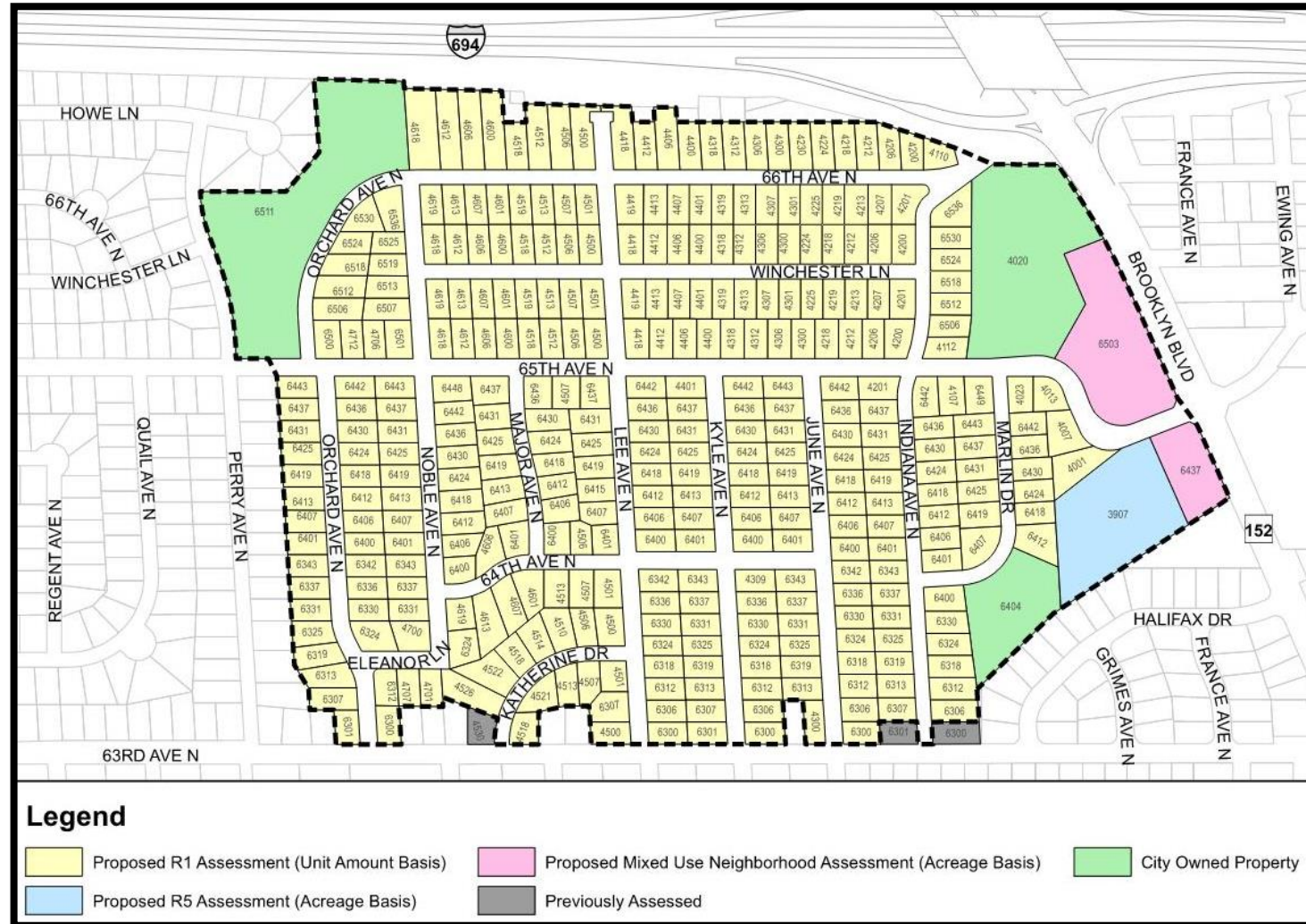
# Project Funding Breakdown

	<u>Project Amount</u>	<u>%</u>
<b>Special Assessment</b>	<b>\$ 1,438,753.37</b>	<b>12.2%</b>
Sanitary Sewer Utility	\$ 1,990,000.00	16.9%
Water Utility	\$ 3,978,000.00	33.7%
Storm Drainage Utility	\$ 884,000.00	7.5%
Street Light Utility Fund	\$ 0.00	0.0%
<u>Street Reconstruction Fund</u>	<u>\$ 3,501,246.63</u>	<u>29.7%</u>
Total	<b>\$ 11,792,000.00</b>	100%

Note: The total project cost is an estimate – these amounts will change during final design stage and bidding.



# Assessment Area



# What impacts how much I pay in assessments?

## City Council approved assessment policy

### R1 & R2

- **Type of street improvement**
  - Partial Street reconstruction
- **Assessment rate** → Set by Council on November 13<sup>th</sup>
  - Based on construction cost index
  - **R1 and typical R2: \$3,852 per property**
    - 5.5% increase from 2023 rate
    - Approximate monthly payment: \$34 - \$55
- **When you pay**
  - **Interest rate** → Set by Council on November 13<sup>th</sup>
  - **5.5% rate based on City bonding**

### R4-R7, Commercial, & Industrial

- **Project cost** → Project type
- **Property area**
- **When you pay**
  - **Interest rate** → Set by Council on November 13<sup>th</sup>
  - **5.5% interest rate based on City bonding**





# Estimated Payment Amount

Assessment Amount: \$3,852.00 Partial Street Reconstruction, R1  
 Assessment Interest Rate: 5.50% (Full Depth Pavement Replacement)  
 Assessment Term: 10 Years

Year	Annual Payment	Principle	Interest	Balance
1	\$650.03	\$385.20	\$264.83	\$3,466.80
2	\$575.87	\$385.20	\$190.67	\$3,081.60
3	\$554.69	\$385.20	\$169.49	\$2,696.40
4	\$533.50	\$385.20	\$148.30	\$2,311.20
5	\$512.32	\$385.20	\$127.12	\$1,926.00
6	\$491.13	\$385.20	\$105.93	\$1,540.80
7	\$469.94	\$385.20	\$84.74	\$1,155.60
8	\$448.76	\$385.20	\$63.56	\$770.40
9	\$427.57	\$385.20	\$42.37	\$385.20
10	\$406.39	\$385.20	\$21.19	\$0.00
<b>Totals:</b>	<b>\$5,070.20</b>	<b>\$3,852.00</b>	<b>\$1,218.20</b>	

Approximate monthly payment ranges from \$34 - \$55



# Special Assessments: Payment Options

## Payment Options:

1. Pay in full, or partial payment - No interest between April 15 & Sept. 30, 2024
  2. Pay in full, or partial payment, from Oct. 1 to Nov. 15, 2024 with interest from Oct. 1
  3. Pay in installments with property taxes over a 10-year period starting in 2025, with a 5.5% interest rate
- Partial prepayments can be accepted by the City
  - Deferral Questions: Contact Engineering at 763-569-3340



# Recommended Actions

1. Motion to open Public Hearing on Special Assessments
2. Take public input on improvements
3. Motion to close the Public Hearing
4. Motion to approve a resolution certifying special assessments for Improvement Project No. 2024-01, Orchard Lane East Area Improvements to the Hennepin County Tax Roll

