



4141 Douglas Drive North • Crystal, Minnesota 55422-1696

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Posted: June 13, 2014

**CRYSTAL CITY COUNCIL
FIRST WORK SESSION AGENDA**

**Tuesday, June 17, 2014
6:15 p.m.
Conference Room A**

Pursuant to due call and notice given in the manner prescribed by Section 3.01 of the City Charter, the first work session of the Crystal City Council was held at _____ p.m. on Tuesday, June 17, 2014 in Conference Room A located at 4141 Douglas Drive, Crystal, Minnesota.

I. Attendance

<u>Council members</u>	<u>Staff</u>
____ Adams	____ Norris
____ Budziszewski	____ Therres
____ Deshler	____ Mathisen
____ Hoffmann	____ Hansen
____ Libby	____ Revering
____ Peak	____ Norton
____ Selton	____ Serres

II. Agenda

The purpose of the work session is to discuss the following agenda items:

- Meeting time for canvassing of the primary election results on August 15
- Continue discussion of financing for Winnetka Hills Mill and Overlay Project No. 2014-21

III. Adjournment

The work session adjourned at _____ p.m.

Auxiliary aids are available upon request to individuals with disabilities by calling the City Clerk at (763) 531-1145 at least 96 hours in advance. TTY users may call Minnesota Relay at 711 or 1-800-627-3529.



Memorandum

DATE: June 12, 2014
TO: Mayor and City Council
FROM: City Manager Anne Norris
CC: City Clerk Chrissy Serres
SUBJECT: Special City Council meeting needed to canvass the results of the
Municipal Primary Election

The City Council is required to canvass the vote and declare the results of the Municipal Primary Election for the offices of:

- Councilmember Section II
- Councilmember Ward 1
- Councilmember Ward 2

M.S. §205.065, subd. 5, requires the canvass to be conducted on the third day after the Primary, which is Friday, August 15. Since only four Councilmembers are required to attend the meeting to make a quorum, staff suggests conducting the meeting at 5:00 p.m. We believe this time to be most cost-effective and efficient to meet the canvass requirements.

The Council should discuss a time to meet on Friday, August 15 to canvass the results of the Municipal Primary Election.



Memorandum

DATE: June 11, 2014

TO: Mayor and City Council

FROM: Anne Norris, City Manager *alw*
Tom Mathisen, Public Works Director

SUBJECT: Financing Mill and Overlay Projects

Phase 1 (Winnetka Hills neighborhood) of the Street Reconstruction Program was completed in 1997. Milling and overlays are required to maintain the reconstructed streets in good condition as long as possible. Council Resolution #2010-48 outlines a policy of specially assessing mill and overlay projects.

At recent work sessions, the Council discussed increasing the tax levy to pay for mill and overlay projects rather than using special assessments. The cost of the Phase 1 mill and overlay project is approximately \$1 million.

In order to help the Council determine options for financing mill and overlay projects, Finance Director Charlie Hansen has prepared 3 schedules showing mill and overlay projects financing in the following ways:

- Special assessments for 100% of the project (Schedule A);
- Tax levy (Schedule B); and
- Combination of 60% special assessments and 40% tax levy (Schedule C).

Schedule A – Assessing 100% of the mill and overlay projects

The assessment for Phase 1 is estimated to be \$2,000 per single family home. Assessments will pay off over 10 years at 5% interest. First year payment will be \$200 toward principal and \$100 for interest. Interest costs will decline by \$10 each year as the outstanding principal is reduced. Five percent is the interest rate we have used on Phase 12 and 13 reconstruction assessments.

It has been our experience with the street reconstruction assessments that 20% to 25% of property owners will prepay their special assessments. This scenario assumes that 20% will prepay.

This scenario assumes that all property will be assessed at the rate for a property on a non-MSA street. A MSA street costs more to mill and overlay than a residential street. All eligible MSA street costs will be submitted to the Department of Transportation for reimbursement.

This scenario has the most severe cash flow problems. Phase 1 will incur estimated costs of \$962,228 in 2014. We will receive reimbursements from other cities for \$46,938 in 2014. Special assessment prepayments estimated at 20% times the amount assessed (962,228 minus \$46,938) or \$183,058 will also be received in 2014. The remaining \$732,232 will be received over the ten years from 2015 through 2024. So there is a large immediate outflow of cash, but most of the cash inflows happen later.

Cash flow problems can be addressed through means such as an inter-fund loan.

Schedule B – Tax Levy

The first four Phases are planned to take place in 2014-2017. Then phase 5 will be done in 2020 and phase 6 in 2025. This results in substantial cash outflows in the first four years, followed by seven years with only one project. From 2025 onward, projects will be needed almost every year.

All eligible MSA street costs will be submitted to the Department of Transportation for reimbursement. However, the MSA reimbursements may not come in until several years after the project is done.

This scenario has the same cash flow problems, but not as severe as the 100% assessed scenario. The main problem is that the property tax levy will need to be \$1,000,000 or more the first three years. Then it can drop down to \$250,000 for about nine years, but then will need to increase sharply again.

It may be possible to smooth out the size of the property tax levy in the early years by using an inter-fund loan to deal with cash flow problems.

At the last work session, there was discussion of some sort of “rebate” to property owners who are still paying street reconstruction assessments. This would be rather challenging to administer and the City Attorney is researching whether it is possible.

Schedule C – Combination of 60% assessment and 40% tax levy

The assessment for Phase 1 is estimated to be \$1,200 per single family home. Assessments will pay off over 10 years at 5% interest. First year payment will be \$120 toward principal and \$60 for interest. Interest costs will decline by \$6 each year as the outstanding principal is reduced. Five percent is the interest rate we have used on Phase 12 and 13 reconstruction assessments.

The first four Phases are planned to take place in 2014-2017. Then phase 5 will be done in 2020 and phase 6 in 2025. This results in substantial cash outflows in the first four years, followed by seven years with only one project. From 2025 onward, projects will be needed almost every year.

All eligible MSA street costs will be submitted to the Department of Transportation for reimbursement. However, the MSA reimbursements may not come in until several years after the project is done.

This scenario has no cash flow problems. The main problem is that the property tax levy will need to be \$600,000 to \$800,000 for the first three years. Then it can be eliminated as MSA reimbursements start to be received and sealcoat special assessments from both phases 2 and 3 are received.

In Schedule A with the project 100% assessed, it is assumed the first sealcoat after a mill and overlay is paid for by the city. In Schedules B and C, it is assumed the sealcoats after the mill and overlay will be 100% assessed to property owners.

Finance Director Hansen will be at the June 17 work session to explain the schedules in more detail.

At the last work session, there was discussion regarding some sort of "rebate" for property owners still paying special assessments for a street reconstruction project if mill and overlays are paid for with a general tax levy. This would be very challenging to administer and the City Attorney is researching whether it is possible.

If this year's mill and overlay project is to proceed this year, the Council needs to either reaffirm the policy outlined in Resolution #2010-48 or establish a different form of financing at its June 17 meeting. The June 17 public hearing on the Phase 1 mill and overlay project assumes the use of special assessments. A typical assessment would be approximately \$2,000 paid over 10 years.

Attach: Schedules and Resolution #2010-48

SCHEDULE A

CITY OF CRYSTAL STREET MAINTENANCE FUND ANALYSIS Assess 100% of mill & overlay costs to benefited properties

assessments will pay off over 10 years and 5% interest will be charged. Street Maintenance fund will pay for the third seal coat since there will still be 3 years to pay on the mill & overlay assessment. Assumes 20% of properties prepay special assessments.

Year	Gen FD Contrib.	Overlay Special Assmt.	Sealcoat Special Assmt.	M.S.A.	Other City Reimb.	Invest Earnings	Business Unit 5865						5867	Business Unit 5866		Ending Fund Balance
							First Sealcoat		Second Sealcoat		Third Sealcoat		Patch	Mill & Overlay		
							Phase	Costs	Phase	Costs	Phase	Costs	Ph 1 - 3	Phase	Costs	
2010	65,300	53,460			272,773	55,419										1,989,992
2011	167,250	34,992			9,425	47,107						8,738	36th Ave	752,012		1,908,638
2012	69,300	37,387				23,159	6	158,450				7,025	36th Ave	41,862		1,872,925
2013	71,400	45,904			20,726	3,815	7	114,355				45,626		84		1,854,710
2014	72,800	213,422	0		46,938	18,547	8	156,389	4	120,717		40,000	1	962,228		927,083
2015	74,300	404,362	0		116,837	9,271						40,000	2	1,269,680		222,172
2016	76,529	340,406	18,590			3,333	9	158,042	5	92,948		20,000	3	1,365,526		-975,486
2017	78,825	485,632	45,359			-19,510	10	226,399					4	903,402		-1,514,982
2018	81,190	416,717	35,469	528,000		-37,875										-491,481
2019	83,625	371,558	39,039	97,788		-14,744	11	124,064	6	195,193						-233,473
2020	86,134	481,794	119,176	304,178		-7,004	12	184,011	7	119,607				5	760,000	-312,814
2021	88,718	412,736	171,322	361,025		-9,384			8	192,339	1	336,945				182,318
2022	91,380	364,360	139,504	318,428	151,127	5,470	13	195,940			2	409,956				646,689
2023	94,121	319,255	112,271	61,937		19,401			9	194,371	3	456,512				602,791
2024	96,945	274,310	150,542			18,084	14	191,381	10	278,443	4	324,466				348,381
2025	99,853	515,156	210,052	221,992	8,122	10,451							6	1,597,257		-183,251
2026	102,849	539,395	136,770	337,400	153,364	-5,498	15	202,223	11	152,582			7	978,740		-252,515
2027	105,934	753,624	119,722	287,208	109,139	-7,575			12	226,310	5	513,808	8	1,573,902		-1,198,483
2028	109,112	608,262	168,665			-35,954	16	242,596								-590,995
2029	112,385	840,372	134,556	164,538	97,504	-17,730			13	240,982			9	1,590,531		-1,090,883
2030	115,757	1,125,405	117,599	527,252	235,380	-32,727			14	235,375			10	2,278,482		-1,280,698
2031	119,230	934,102	139,034			-38,421										-362,128
2032	122,807	1,065,502	114,863	0	76,579	-10,864					6	571,838	11	1,248,575		-813,655
2033	126,491	1,259,958		596,719	168,042	-24,410			15	248,708	7	323,771	12	1,851,887		-1,111,221
2034	130,285	1,463,205		480,393	21,194	-33,337					8	545,327	13	1,914,508		-1,509,315
2035	134,194	1,583,407		338,359	170,999	-45,279			16	298,363			14	1,815,497		-1,441,496
2036	138,220	1,306,215				-43,245					9	553,383				-593,689
2037	142,366	1,501,242		358,965		-17,811					10	775,563	15	1,918,341		-1,302,831
2038	146,637	1,661,166		270,343	99,391	-39,085							16	2,234,308		-1,398,686
2039	151,037	1,424,613				-41,961					11	434,402				-299,399
2040		1,192,139				-8,982					12	634,532				249,227
2041		969,675				7,477					13	683,362				543,017
	5,154,852	22,999,731	1,972,531	5,254,525	1,762,826	412,101		2,244,562		2,986,833		6,563,865	161,389		25,056,901	

SCHEDULE B

CITY OF CRYSTAL STREET MAINTENANCE FUND ANALYSIS Levy 100% of the mill & overlay costs to the property tax

3

second and third seal coat assessments will pay off over 3 years and 5% interest will be charged. Assumes 20% of properties will prepay special assessments.

Year	Gen FD Contrib.	Property Tax Levy	Sealcoat Special Assmt.	M.S.A.	Other City Reimb.	Invest Earnings	Business Unit 5865						5867	Business Unit 5866		Ending Fund Balance
							First Sealcoat		Second Sealcoat		Third Sealcoat		Patch	Mill & Overlay		
							Phase	Costs	Phase	Costs	Phase	Costs	Ph 1 - 3	Phase	Costs	
2010	65,300				272,773	55,419										1,936,532
2011	167,250				9,425	47,107										1,820,186
2012	69,300					23,159	6	158,450								1,747,086
2013	71,400				20,726	3,815	7	114,355								1,682,967
2014	72,800				46,938	16,830	8	156,389	4	120,717						540,201
2015	74,300	1,000,000			116,837	5,402										427,059
2016	76,529	1,100,000	18,590			6,406	9	158,042	5	92,948						-7,932
2017	78,825	1,050,000	44,615			-159	10	226,399								35,548
2018		250,000	35,134	528,000		889										849,571
2019		250,000	39,039	97,788		25,487	11	124,064	6	195,193						942,628
2020		250,000	117,614	304,178		28,279	12	184,011	7	119,607						622,153
2021		250,000	237,051	361,025		18,665			8	192,339	1	336,945				959,610
2022		250,000	381,259	318,428	151,127	28,788	13	195,940			2	409,956				1,483,315
2023		250,000	527,025	61,937		44,499					3	456,512				1,715,893
2024		250,000	587,969			51,477	14	191,381	10	278,443	4	324,466				1,811,050
2025		250,000	535,430	221,992	8,122	54,331										1,283,667
2026		250,000	258,416	337,400	153,364	38,510	15	202,223	11	152,582						987,813
2027		750,000	118,502	287,208	109,139	29,634					5	513,808				-31,725
2028		750,000	166,305			-952	16	242,596								641,032
2029		1,000,000	133,742	164,538	97,504	19,231					13	240,982				224,533
2030		1,000,000	115,671	527,252	235,380	6,736										-168,909
2031		900,000	138,166			-5,067					14	235,375				628,815
2032		1,000,000	227,348	0	76,579	18,864					6	571,838				131,193
2033		1,200,000	339,237	596,719	168,042	3,936					7	323,771				14,760
2034		1,200,000	480,630	480,393	21,194	443					8	545,327				-262,414
2035		1,200,000	384,142	338,359	170,999	-7,872					16	298,363				-290,647
2036		1,200,000	316,810			-8,719					9	553,383				664,061
2037		1,200,000	265,624	358,965		19,922					10	775,563				-185,332
2038		1,400,000	364,291	270,343	99,391	-5,560										-291,174
2039		200,000	459,150			-8,735					11	434,402				-75,161
2040		100,000	628,582			-2,255					12	634,532				16,635
2041		100,000	605,451			499					13	683,362				39,223
								2,244,562		2,986,833		6,563,865	161,389		25,013,828	

SCHEDULE C

CITY OF CRYSTAL STREET MAINTENANCE FUND ANALYSIS

Special assess 60% of the mill and overlay costs. Levy 40% to the property tax.

Mill & overlay assessment will pay off over 5 years and 5% interest will be charged. Second and third seal coat assessments will pay off over 3 years and 5% interest will be charged. Assumes 20% of properties will prepay special assessments. MSA will pay for mill & overlay of MSA streets. The combination of a property tax levy, MSA reimbursement and other city reimbursement will cover the 40% of mill & overlay costs that are not assessed.

Year	Gen FD Contrib.	Property Tax Levy	Overlay Special Assmt.	Sealcoat Special Assmt.	M.S.A.	Other City Reimb.	Invest Earnings	Business Unit 5865						5867	Business Unit 5866		Ending Fund Balance	
								First Sealcoat		Second Sealcoat		Third Sealcoat		Patch	Mill & Overlay			
								Phase	Costs	Phase	Costs	Phase	Costs	Ph 1 - 3	Phase	Costs		
2010	65,300		53,460			272,773	55,419										1,936,532	
2011	167,250		34,992			9,425	47,107			1	101,366			8,738	36th Ave	752,012	1,820,186	
2012	69,300		37,387				23,159			2&3	289,528			7,025	36th Ave	84	1,747,086	
2013	71,400		45,904			20,726	3,815			7	114,355			45,626		79	1,682,967	
2014	72,800		144,731			46,938	16,830			8	156,389	4	120,717	40,000	1	1,000,000	502,429	
2015	74,300	800,000	302,967			116,837	5,024							40,000	2	1,270,000	491,557	
2016	76,529	800,000	310,698	18,590			7,373			9	158,042	5	92,948	20,000	3	1,365,000	68,757	
2017	78,825	600,000	379,710	44,615			1,375			10	226,399				4	903,000	43,882	
2018			364,415	35,134	528,000		1,097										972,529	
2019			308,673	39,039	97,788		29,176			11	124,064	6	195,193				1,127,947	
2020			198,642	117,614	304,178		33,838			12	184,011	7	119,607			5	760,000	718,601
2021			97,678	237,051	361,025		21,558					8	192,339				1,243,574	
2022			169,247	381,259	318,428	151,127	37,307			13	195,940			1	336,945		2,105,002	
2023			119,563	527,025	61,937		63,150					9	194,371	2	409,956		2,682,306	
2024			104,349	587,969			80,469			14	191,381	10	278,443	3	456,512		2,985,269	
2025			280,405	535,430	221,992	8,122	89,558							4	324,466		2,523,519	
2026			398,743	258,416	337,400	153,364	75,706			15	202,223	11	152,582			6	1,597,257	2,413,602
2027			550,661	118,502	287,208	109,139	72,408					12	226,310			7	978,740	2,751,308
2028			488,457	166,305			52,539			16	242,596			5	513,808		2,216,013	
2029			602,025	133,742	164,538	97,504	66,480					13	240,982			8	1,573,902	1,448,789
2030			813,763	115,671	527,252	235,380	43,464									9	1,590,531	905,837
2031			679,507	138,166			27,175					14	235,375			10	2,278,482	1,515,311
2032			668,661	227,348		76,579	45,459											1,284,783
2033			733,145	339,237	596,719	168,042	38,543					15	248,708	6	571,838	11	1,248,575	1,059,874
2034			917,469	480,630	480,393	21,194	31,796							7	323,771	12	1,851,887	1,076,849
2035			960,141	384,142	338,359	170,999	32,305					16	298,363	8	545,327	13	1,914,508	848,936
2036			768,518	316,810			25,468									14	1,815,497	1,959,733
2037			887,215	265,624	358,965		58,792							9	553,383			1,611,988
2038			1,012,182	364,291	270,343	99,391	48,360							10	775,563	15	1,918,341	1,172,247
2039			841,492	459,150			35,167									16	2,234,308	2,508,056
2040			599,232	628,582			75,242											3,811,112
2041			411,999	605,451			114,333											4,942,896
2,675,582		2,200,000	14,286,032	7,525,795	5,254,525	1,762,826	2,041,458				2,244,562		2,986,833		6,563,865	161,389		25,094,065

RESOLUTION NO. 2010 – 48

**ADOPTING ASSESSMENT POLICIES FOR 2010 36TH AVENUE
AND FUTURE STATE AID AND LOCAL STREET MILL
AND OVERLAY PROJECTS**

WHEREAS, due to normal wear and weather related deterioration, it has become necessary to perform a mill and overlay project on the State Aid Street 36th Avenue in the year 2010, and it is therefore necessary to develop a funding mechanism for said project, and it has been determined that a special assessment for a portion of that funding is appropriate; and

WHEREAS, the City has no previously established assessment policy for mill and overlay projects, however there are established policies for similar street related projects as shown in Exhibit A; and

WHEREAS, the affected properties in the 36th Avenue project have not previously been assessed for street reconstruction other than a minimal amount for curb and gutter and sidewalks in the early 1990's, yet all properties on the adjoining side streets have since been assessed for full street reconstruction, and therefore it is desirable to treat the 36th Avenue properties in a similar fashion; and

WHEREAS, in previous full street reconstruction projects, single family/duplex properties received an approximate 30% reduction in the assessment by using State Aid, Storm Drain Utility, and other funding sources, and corner lots abutting 36th Avenue have previously been assessed in the manner described in Exhibit A; and

WHEREAS, it is desirable to develop a 36th Avenue assessment policy that can be modified to apply to future State Aid and local street mill and overlay projects.

NOW, THEREFORE, BE IT RESOLVED, by the Crystal City Council:

- 1) The properties abutting 36th Avenue shall be assessed in a manner similar to a full street reconstruction project, however such assessment shall be based on the lower actual cost for said mill and overlay project.
- 2) 36th Avenue corner single family/duplex properties with driveways on 36th Avenue shall be assessed at one-half the unit assessment rate because these properties have previously been assessed one-half a unit street reconstruction rate.
- 3) Similarly, 36th Avenue corner single family/duplex properties with driveways on the side street shall not be assessed for the 36th Avenue project because these properties have previously been assessed one full unit street reconstruction rate.

- 4) Commercial and non-profit properties shall be assessed for the full cost of the project based on a per front foot unit cost for the entire front footage abutting the project area.
- 5) The assessment policy for the 36th Avenue project shall be as described in Exhibit B.
- 6) The assessment policy for future mill and overlay projects on State Aid and local streets shall be as described in Exhibit C.
- 7) In the future, when it is necessary to either mill and overlay, or reconstruct portions of 36th Avenue, assessment rates for both commercial and non-profit, and single family/duplex properties shall be determined based on the most recent large mill and overlay or reconstruct projects respectively, adjusted for inflation, as if 36th Avenue were a standard 32 foot wide State Aid Street in the City.

Adopted by the Crystal City Council this 1st day of June, 2010.


ReNae J. Bowman, Mayor

ATTEST:

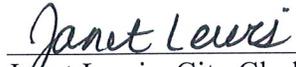

Janet Lewis, City Clerk

EXHIBIT A

CITY OF CRYSTAL SPECIAL ASSESSMENT POLICIES AS THEY RELATE TO STREET MAINTENANCE AND RECONSTRUCTION AND ALLEY RECONSTRUCTION

June 2010

Total construction cost includes contractor and material costs, plus feasibility, engineering design, legal, project management, bonding, levy, and other related costs. Front footage is measured at the property line. Front footage is a measurement based on both sides of the street, not street centerline footage.

Assessed Sealcoat

1. Non-corner single family/duplex properties are assessed on a per unit cost based on total project construction cost per front foot for the entire project. The total single family/duplex properties front footage times the cost per front foot divided by the number of net whole single family/duplex properties determines the cost per unit.
2. Single family/duplex corner properties are assessed at the same unit cost as for non-corner properties.
3. Commercial/non-profit properties (including churches) are assessed based on total project construction cost per front foot for the entire project times the number of front feet for a given parcel.
4. Commercial/non-profit corner properties are assessed based on the entire front footage of both sides of the property.

Alley Reconstruction

1. Alley reconstruction assessments are based on 60% of the total construction cost. The remaining 40% is paid by the Storm Drain Utility. This applies to single family/duplex and C/N-P properties alike.
2. Alley reconstruction is assessed in a manner similar to sealcoat. Non-corner single family/duplex properties are assessed on a per unit cost based on 60% of the total construction cost per front foot for the entire project. The total single family/duplex properties front footage times the cost per front foot divided by the number of net whole single family/duplex properties determines the cost per unit.
3. Single family/duplex corner properties are assessed at the same per unit cost.
4. C/N-P properties (including churches) are assessed based on 60% of the total project construction cost per front foot for the entire project times the number of front feet for a given parcel.
5. C/N-P corner properties are assessed based on the entire front footage of both sides of the property were there to be an alley project on two sides of a corner property.

Street Reconstruction

Street reconstruction projects have two assessment categories. The first is the street construction assessment, which is assessed in a manner similar to sealcoat assessments, i.e. a per unit basis for single family/duplex, and a per front foot basis for C/N-P properties. Street construction includes all construction work associated with the project, including storm drainage work, but not including curb and gutter work. The second category is the curb and gutter assessment which is assessed on a front foot basis at a rate based on the status of the existing or non-existing curb.

Single family/duplex properties receive a credit of approximately 30% of the actual street construction cost portion (per unit cost) of the assessment based on State Aid and Storm Drain Utility Funds that are distributed equally across said properties on a per unit basis.

1. Properties with frontage on a Municipal State Aid Street are assessed in the same manner as properties on non-State Aid municipal streets. For the purposes of this document, and unless differentiated otherwise, "local street" includes both State Aid and non-State Aid municipal street frontages.
2. Single family/duplex properties are assessed for the street reconstruction portion on a per unit cost based on total street construction cost per front foot for the entire project. The total single family/duplex properties front footage times the cost per front foot divided by the number of net whole single family/duplex properties determines the per unit cost.
3. Non-corner single family/duplex properties are assessed on a per unit cost basis for the street reconstruction portion, regardless of length of front footage. Curb and gutter is assessed on a total cost per front foot basis and the 30% reduction is not applicable.
4. C/N-P properties are assessed on a front foot basis for both street and curb and gutter assessments, and the 30% reduction does not apply.
5. A single family/duplex corner property that has its driveway on a county road is assessed one half of the unit street cost for local street reconstruction and the standard amount for curb and gutter.
6. A single family/duplex corner property that has its driveway on a local street with the other side on a county road is assessed at the full unit street cost and the standard amount for curb and gutter.
7. A single family/duplex corner property with both sides on a local street and within the project area, is assessed one full unit street cost, and for curb and gutter based on the full length of the short side (regardless of which way the front door faces), and one-third of the first 135 feet and 100% of any length beyond 135 feet on the long side.
8. A single family/duplex corner property with both sides on a local street, but only one side in the project area, is assessed one-half of the unit street cost and the standard amount for curb and gutter on the reconstructed side. The balance to be assessed when the other local street side is reconstructed.

9. All properties with any frontage on a county road are not assessed for the county road portion when the county road is rebuilt.
10. Three or more properties with frontage and driveways on an unimproved street will have the street built to local street standards and are assessed at the standard rates. If only two of the three properties have driveways on the unimproved street, the two properties may petition to have the street built to local street standards as part of the larger project, and be assessed accordingly. The third property would be a corner parcel and would be assessed accordingly. If there is no petition, then the private driveways in the right of way remain the responsibility of the property owners.
11. For the two or less unimproved street parcel situation, a corner parcel with frontage on an improved street, regardless of what side the driveway is on, is assessed one full unit street cost and the standard amount for curb and gutter. If the parcel has no improved street frontage, the parcel receives no assessment, however the private driveway located in the unimproved right of way is the responsibility of the property owner and is not improved as part of the project.
12. Non-corner single family/duplex parcels with frontages on two streets (front and back yard for example) are assessed in the same manner as a corner lot, including the long and short side curb and gutter policy.
13. There are three curb and gutter assessment rates that apply equally to single family/duplex and C/N-P properties:
 - Properties with no existing curb and gutter are assessed at the full curb and gutter rate.
 - Properties with the old “D” mountable style curb are assessed at 75% of the full rate.
 - Properties with the city standard “B618” curb are assessed at a “reincorporation” rate specific to each project based on estimated removal and replacement costs. This rate is approximately 25% of the full rate.

EXHIBIT B

CITY OF CRYSTAL SPECIAL ASSESSMENT POLICY FOR THE MILL AND OVERLAY OF STATE AID STREET 36TH AVENUE

June 2010

Total mill and overlay construction cost includes contractor and material costs for asphalt and curb and gutter and sidewalk repair, plus feasibility, engineering design, legal, project management, bonding, levy, and other related costs. Front footage is measured at the property line. Total project front footage is a measurement based on both sides of the street, not street centerline footage and includes single family/duplex corner lots with driveways on the side street even though those corner lot properties will not be assessed as part of the project. Total single family/duplex properties front footage is the total of all single family/duplex front footages, including those with driveways on the local side street.

Single family/duplex properties receive a credit of approximately 30% of the actual mill and overlay cost of the assessment based on State Aid Funds that are distributed equally across said properties on a per unit basis. The credit is due to this project being treated as a reconstruction and not a maintenance project.

1. Single family/duplex properties are assessed for mill and overlay on a per unit cost based on total construction cost per front foot for the entire project less approximately 30%. The total single family/duplex properties front footage times this revised cost per front foot divided by the number of net whole parcels of single family/duplex properties (excluding corner parcels with driveways on the side local street) determines the per unit cost.
2. Non-corner single family/duplex properties are assessed on this per unit cost basis for mill and overlay regardless of length of front footage.
3. Commercial/non-profit properties (including churches) are assessed based on total project construction cost per front foot for the entire project times the number of front feet for a given parcel. The 30% reduction does not apply.
4. Single family/duplex corner properties that have driveways on 36th Avenue are assessed one half of the unit mill and overlay cost. These properties have already been assessed for a one half unit of street reconstruction on the local street.
5. Single family/duplex corner properties that have driveways on a local street with the other side on 36th Avenue, have already paid a full street assessment. These properties will not be assessed for the 36th Avenue mill and overlay project. They will receive a full unit mill and overlay assessment when their respective local street is mill and overlaid.
6. In the future when it is necessary to mill and overlay 36th Avenue again, the assessment rates for both commercial and single family/duplex properties will be determined based on the most recent large overlay project that included a combination of local and state aid streets, adjusted for inflation.

- 7. In the future when it is necessary to do a total reconstruct of 36th Avenue, the assessment rates for both commercial and single family/duplex properties will be determined based on the most recent large total reconstruct project that included a combination of local and state aid streets, adjusted for inflation.**

EXHIBIT C

CITY OF CRYSTAL SPECIAL ASSESSMENT POLICY FOR THE MILL AND OVERLAY OF STATE AID AND LOCAL STREETS (EXCLUDING THE 2010 36TH AVENUE PROJECT)

June 2010

Total mill and overlay construction cost includes contractor and material costs for asphalt and curb and gutter and sidewalk repair, plus feasibility, engineering design, legal, project management, bonding, levy, and other related costs. Front footage is measured at the property line. Front footage is a measurement based on both sides of the street, not street centerline footage.

1. Non-corner single family/duplex properties are assessed on a per unit cost based on total project construction cost per front foot for the entire project. The total single family/duplex properties front footage times the cost per front foot divided by the number of net whole single family/duplex properties determines the cost per unit. In determining the cost per unit, corner lots with only one side being overlayed are counted as one-half unit, and corner lots with both sides being overlayed are counted as a full unit.
2. Single family/duplex corner properties are assessed at the same unit cost as for non-corner properties. These properties receive a full unit assessment if both sides are being overlayed, and one-half unit if only one side is being overlayed.
3. 36th Avenue Frontage Exceptions: Corner lots with driveways fronting on 36th Avenue are assessed at one-half of the side street rate when the side street is overlayed. Corner lots with driveways fronting on the side street are assessed one full unit when the side street is overlayed.
4. Commercial/non-profit properties (including churches) are assessed based on total project construction cost per front foot for the entire project times the number of front feet for a given parcel.
5. Commercial/non-profit corner properties are assessed based on the entire front footage of both sides of the property.