4141 Douglas Drive North • Crystal, Minnesota 55422-1696

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Posted: May 2, 2014

CRYSTAL CITY COUNCIL
FIRST WORK SESSION AGENDA

Tuesday, May 6, 2014
6:30 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, May 6, 2014 in Conference Room A located at 4141 Douglas Drive, Crystal, Minnesota.

I. Attendance

Council members	Staff
____ Libby	____ Norris
____ Peak	____ Therres
____ Selton	____ Revering
____ Adams	____ Mathisen
____ Budziszewski	____ Norton
____ Deshler	____ Serres
____ Hoffmann	

II. Agenda

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

- Mill and Overlay Assessment Policy

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.

COUNCIL STAFF REPORT
Proposed Winnetka Hills Mill and Overlay

FROM: Tom Mathisen, Public Works Director & City Engineer

TO: Anne Norris, City Manager (for May 6 City Council Work Session)

DATE: April 30, 2014

RE: Project #2014-21 Phase 1Mill and Overlay (M & O) Work Session

The purpose of this work session is to discuss the proposed and budgeted mill and overlay project for the Phase 1 Street Reconstruction Project area. Being the first of its kind, it's very appropriate to review the assessment policy set by the Council in 2010

If the project is to be built in 2014, it would be important for the Council to order the Feasibility Study at the May 6 Council meeting. Because it is proposed that the project be assessed, there are meetings and hearings that must happen before the project can be ordered and levied. Ordering the study at this time will assure enough time to advertise, award, and construct prior to the end of the 2014 paving season.

Ordering the feasibility study at this time does not commit the Council to building the project in 2014 and/or funding it with the proposed 100% assessed method. The attached preliminary schedule details the subsequent actions that have to be taken prior to awarding a contract.

In 2013, the Council included the asphalt road mill and overlay (M & O) project in the Winnetka Hills neighborhood in the 2014 Street Maintenance Fund Budget. This Fund is for cash flow purposes and there are no funds programed in the budget to directly subsidize the project costs. The project area is the Phase 1 Street Reconstruction Project area (attached map) which was rebuilt in 1995.

The street projects are designed for an initial 20 year life with a replacement of the top 2.5 inches of asphalt in the 20th year to extend the life of the street an additional 10 years. Subsequent M & O's would be done based on overall condition of the pavement. Based on 20 years, 2014 would be the time to replace the pavement surface in the Phase 1 area.

In 2010, as part of the 36th Avenue M & O Project, the Council developed a policy for using the special assessment authority of the City to fund future similar projects. The adopting resolution and resulting policy are attached.

This 2014 project will be the first assessed local street M & O project in the City. While the 2010 36th Avenue M & O project was also special assessed, it was somewhat different from a local street project in that 36th Avenue is a State Aid Street and as a consequence is wider and has a much thicker asphalt pavement section. In addition, while 36th Avenue had been rebuilt in the past, it was not part of the Street Reconstruction Program assessed projects.

The policy adopted in 2010 is for local streets previously rebuilt and assessed as part of the Street Reconstruction Program. The policy specifies that the full cost of the M & O projects would be special assessed to the benefiting property owners. For this year's Phase 1 project, there are 489 properties that would receive a full assessment, and 11 corner properties with one side fronting on a street that is not part of the project, that would receive a one half assessment.

While a feasibility study has not been conducted, an approximate cost estimate indicates that a full assessment would be approximately $1,975 to be assessed over a yet to be determined 10 or 15 year period. Sample amortization schedules for these two timeframes are attached. They show the impact on a single family home property tax statement. There are no commercial/industrial/non-profit properties in the project area.

Respectfully submitted,

Thomas A. Mathisen
City Engineer

i:/pubworks/projects/2014/2014-21 Winnetka Hills Phase 1 Mill Overlay/milloverlayworksessmem

2014 WINNETKA HILLS PHASE 1 MILL & OVERLAY
PROJECT 2014-21

SCHEDULE
4/15/14

MAY

May 6	Work session with Council prior to meeting on assessments
May 6	Order feasibility study
May 15	Send hearing notice to Sun Post for May 22 publication
May 20	Receive feasibility study, order public improvement hearing
May 21	Mail public notice, neighborhood meeting and hearing
May 29	Neighborhood meeting

JUNE

June 3	Conduct hearing, order project and prep of Plans & Specs
June 17	Approve Plans & Specs, order ad for bids
June 19	Ad for bids to Sun Post, Journal, QuestCDN

JULY

July 8	Open bids
July 15	Consider bids, award contract

SEPTEMBER

September 16	Order assessment hearing for October 21
September 18	Send hearing notice to Sun Post for October 2 publication

OCTOBER

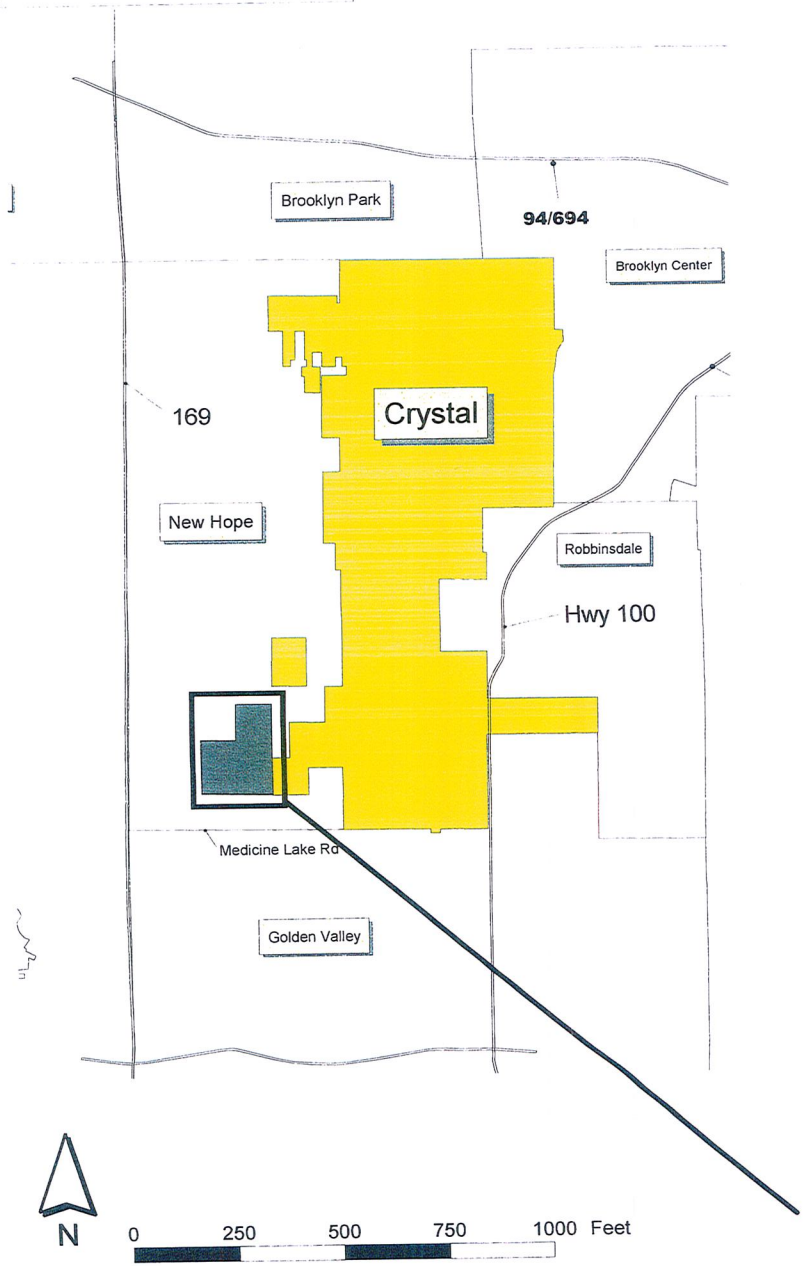
October 1	Mail public hearing notices
October 21	Conduct public hearing, certify assessment roll
October 22	Mail payment due public notices

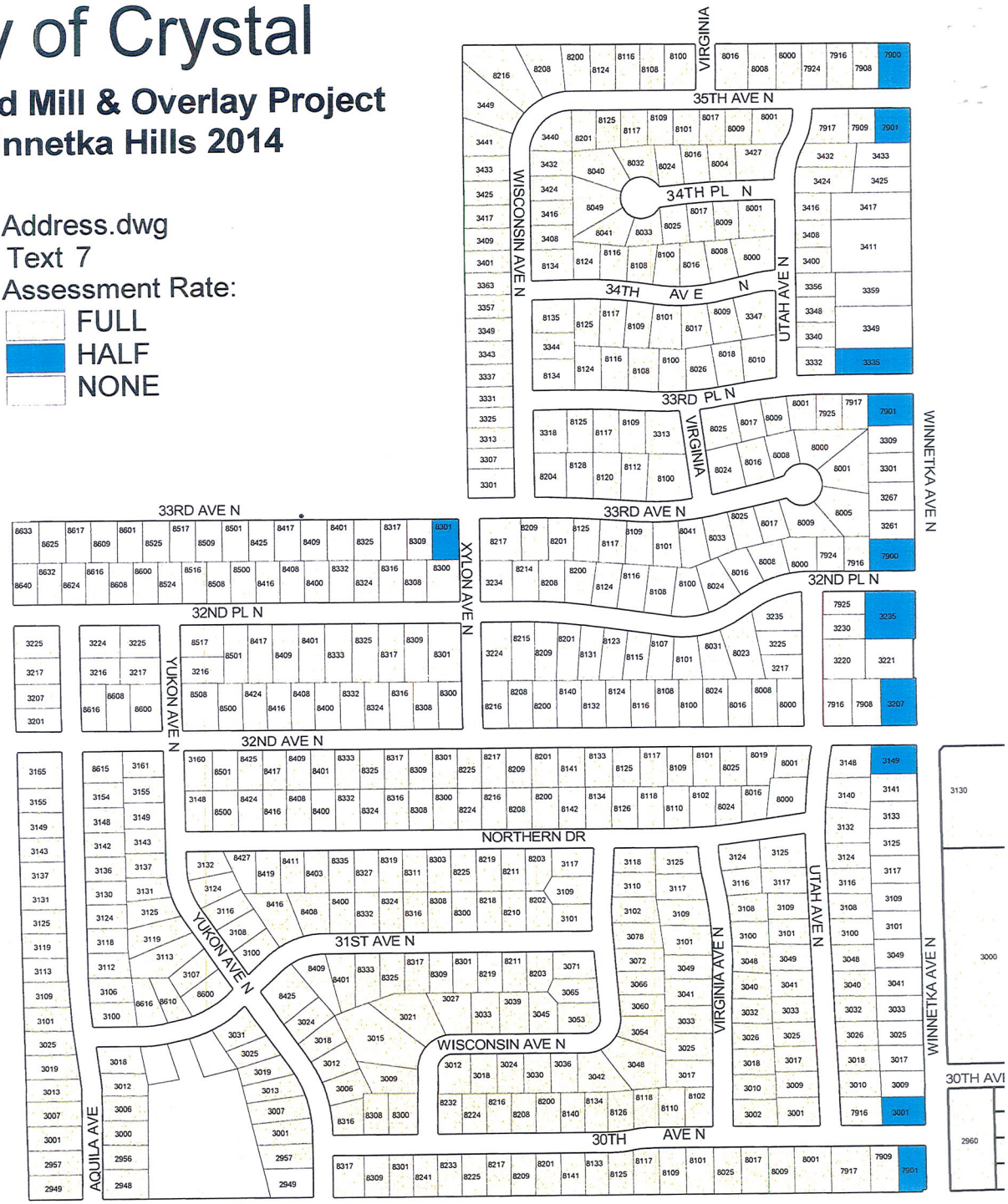
Winnetka Hills:
Crystal Phase 1
(1995 Reconstruct)
Mill/Overlay -
Proposed 2014

City of Crystal

Proposed Mill & Overlay Project
Winnetka Hills 2014

Address.dwg
Text 7
Assessment Rate:
- FULL
- HALF
- NONE





PROJECT AREA

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

I:Pubworks/projects/2009/36 overlay/adoptassmntpolicyres

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 Excepetions: 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.

Report Name: Assessment Payment Calculator

Printed: 4/24/2014

City of Crystal
Assessment Payment Calculator

Original Assessment: $2,000.00

Payment Term: 10

Interest Rate: 5.0000%

1st Yr. Payable: 2015

Amortization Type: Standard

Total Assessment: $2,000.00

Partial Payments: $0.00

1st Yr. Int. Months: 14

Levied Date: 10/7/2014

Total Principal: $2,000.00

Total Interest: $566.66

Grand Total: $2,566.66

Payment #	Year	Principal Amt	Interest Amt	Payment Amt	Remaining Balance
1	2015	$200.00	$116.66	$316.66	$1,800.00
2	2016	$200.00	$90.00	$290.00	$1,600.00
3	2017	$200.00	$80.00	$280.00	$1,400.00
4	2018	$200.00	$70.00	$270.00	$1,200.00
5	2019	$200.00	$60.00	$260.00	$1,000.00
6	2020	$200.00	$50.00	$250.00	$800.00
7	2021	$200.00	$40.00	$240.00	$600.00
8	2022	$200.00	$30.00	$230.00	$400.00
9	2023	$200.00	$20.00	$220.00	$200.00
10	2024	$200.00	$10.00	$210.00	$0.00

Report Name: Assessment Payment Calculator

Printed: 4/28/2014

City of Crystal
Assessment Payment Calculator

Original Assessment: $2,000.00

Payment Term: 15

Interest Rate: 5.0000%

1st Yr. Payable: 2015

Amortization Type: Standard

Total Assessment: $2,000.00

Partial Payments: $0.00

1st Yr. Int. Months: 14

Levied Date: 10/21/14

Total Principal: $2,000.00

Total Interest: $816.68

Grand Total: $2,816.68

Payment #	Year	Principal Amt	Interest Amt	Payment Amt	Remaining Balance
1	2015	$133.33	$116.66	$249.99	$1,866.67
2	2016	$133.33	$93.33	$226.66	$1,733.34
3	2017	$133.33	$86.67	$220.00	$1,600.01
4	2018	$133.33	$80.00	$213.33	$1,466.68
5	2019	$133.33	$73.33	$206.66	$1,333.35
6	2020	$133.33	$66.67	$200.00	$1,200.02
7	2021	$133.33	$60.00	$193.33	$1,066.69
8	2022	$133.33	$53.33	$186.66	$933.36
9	2023	$133.33	$46.67	$180.00	$800.03
10	2024	$133.33	$40.00	$173.33	$666.70
11	2025	$133.33	$33.34	$166.67	$533.37
12	2026	$133.33	$26.67	$160.00	$400.04
13	2027	$133.33	$20.00	$153.33	$266.71
14	2028	$133.33	$13.34	$146.67	$133.38
15	2029	$133.38	$6.67	$140.05	$0.00