

Glyndon City Council

10/15/2018

2nd Public Hearing 6:00 p.m.

Proposed Assessments for Southview Addition Phase 1 & 2
Glyndon City Hall Council Chambers

1. **Call to Order:** Mayor Cecil Johnson called the meeting to order at 6:00 p.m.
2. **Roll Call:** Council Members Present: Dave Owings, Justin Schreiber, Joe Olson and Kimberly Savageau; Public Works Supervisor Scott Lofgren, City Clerk Wendy Affield, Susan Dayley Administrative Assistant, and City Engineer Kris Carlson.

As Per Sign in Sheet: Jim & Leslie Sullivan, Shaun Erickson, Barbara Hoffman and Bryant DeVries.

3. Notice of Hearing on Proposed Assessments for Southview Addition Phase 1 & 2 – Introduction Read by Mayor Johnson:

- In accordance with Minnesota State Statute 429 the City is required to hold a Public Assessment Hearing to correct any errors or inequities in the assessments.
- A Public Hearing was held on March 22, 2017 to discuss the proposed improvements.
- The property owners will be handled on an individual basis in order of the sign-in sheet. If you have any questions on your assessment, please sign the sheet.
- The City's Engineer, Kris Carlson, will give a brief presentation on the project costs and assessment rates.
- City Clerk, Wendy Affield, will review the payment procedures for the assessments and the terms, interest rate and other applicable information.
- After the presentations, we will call your name in the order of the sign-in sheet, to present your question on your individual assessment to the City Engineer and the City Council.

Kris Carlson gave a brief summary of the project, the methodology for the assessments, and Affield will go through payment procedures. Questions will be taken after the summary.

Project Summary:

- Watermain Improvements – 6 & 8-inch PVC watermain was installed throughout Southview Addition – Phase 1. In addition, an 8-inch PVC stub was installed for future hookup of Southview Addition Phase 2 (Charleswood Addition).
- Sanitary Sewer Improvements – 8-inch PVC sanitary sewer mains were installed throughout Southview Addition – Phase 1. In addition, an 8-inch PVC stub was installed for future hookup of Southview Addition Phase 2 (Charleswood Addition).
- Sanitary Lift Station and Force Main – A sanitary lift station and force main was installed to provide sanitary sewer service to both Southview Addition – Phase 1 and Southview Addition – Phase 2 (Charleswood Addition).

- Storm Sewer Improvements – HDPE and RCP storm sewer mains were installed throughout Southview Addition – Phase I. An RCP stub was installed for future hookup of Southview Addition – Phase 2 (Charleswood Addition).
- Regional Stormwater Pond and Pumping Station – A regional stormwater treatment pond and stormwater lift station were installed to provide stormwater treatment to both Southview Addition – Phase 1 and Southview Addition – Phase 2 (Charleswood Addition).
- 8' Concrete Trail – An 8-foot-wide concrete trail was constructed around the stormwater treatment pond.
- Street Improvements – A 38-foot-wide bituminous urban street section with concrete curb and gutter was installed to provide access for Southview Addition – Phase 1.

Project Costs:

Table No. 1 – Total Project Costs

Item	Cost
Construction Cost	\$2,485,060.28
Engineering	\$ 507,626.50
Administration, Legal, Bonding & Other	<u>\$ 361,008.75</u>
Total Project Cost	\$3,353,695.53

Cost Splits:

- Watermain Improvements – 100% Assessed to each benefitting property.
- Sanitary Sewer Improvements – 100% Assessed to each benefitting property.
- Sanitary Lift Station and Force Main - Costs for the shared improvements are assessed on percentage (%) based on the number of proposed connections.

Southview Addition – Phase 1 83 Lots (60.58%)

Southview Addition – Phase 2 (Charleswood Addition) 54 Lots (39.42%) *

*Number of lots include the 3 Lots from Centennial Addition

- Storm Sewer Improvements – 100% Assessed to each benefitting property.
- Regional Stormwater Pond and Pumping Station – Costs for the shared improvements are assessed on percentage (%) based on area served.

Southview Addition – Phase 1 40.7 Acres (73.33%)

Southview Addition – Phase 2 (Charleswood Addition) 14.8 Acres (26.67%)

- 8' Concrete Trail – 50%/50% Cost share between Southview Addition - Phase 1 and the City of Glyndon.
- Street Improvements – 100% Assessed to Southview Addition – Phase 1

Table No 2 – Overall Cost Split (Total)

Item	Cost
Southview Addition – Phase 1	\$ 2,907,719.91
Southview Addition – Phase 2 (Charleswood Addition)	\$ 388,282.14
City of Glyndon	<u>\$ 57,693.48</u>
Total Project Cost	\$ 3,353,695.53

Project Financing

City costs associated with the proposed improvements will be recovered in accordance with the City’s Assessment Policy, which follows the State of Minnesota’s Statutes for assessments.

Assessment Rates:

Assessment Rates for both Southview Addition – Phase 1 and Southview Addition – Phase 2 (Charleswood Addition) were assessed on a per each basis. See tables below.

Table No 3 – Total Assessable Costs

Item	Cost/Lot
Southview Addition – Phase 1	\$ 2,907,719.91
Southview Addition – Phase 2 (Charleswood Addition)	<u>\$ 388,282.14</u>
Total Project Cost	\$ 3,296,002.05

Table No 4 – Assessment Rates

Item	Cost/Lot
Southview Addition – Phase 1 (83 Lots)	\$ 35,032.77
Southview Addition – Phase 2 (Charleswood Addition) (54 Lots)	\$ 7,190.41

Affield read the following:

Such assessments shall be payable in equal annual installments extending over a period of 20 years, the first of the installments to be payable on or before the first Monday in January, 2019, and shall bear interest at the rate of 4% percent per annum from the date of the adoption of this Assessment Resolution. To the first installment shall be added interest on the entire assessment from the date of this Resolution until December 31, 2018. To each subsequent installment, when due, shall be added interest for one year on all unpaid installments. The owner of any property so assessed may, at any time prior to certification of the assessment to the County Auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the City Treasurer, except that no interest shall be charged if the entire assessment is paid before November 15, 2018; and he/she may, at any time thereafter, pay to the City Treasurer the entire amount of the assessment remaining unpaid, with interest accrued to December 31st of the year in which such payment is made. Such payment must be made before November 15th or interest will be charged through December 31st of the next succeeding year.

4. Open Forum - Mayor Johnson opened the floor for discussion.


Jim Sullivan asked if Council ultimately decided how the assessments were going to be separated or was it a recommendation from the City Engineer. Carlson stated at this time it is a recommendation from Ulteig Engineering. Sullivan explained, he does not agree to how the split was figured for the improvements done in the location that runs from Richards development to his development. Sullivan understands Carlson was not involved when the project started but would like to go through the project from the start to understand how the assessment break down was figured. Sullivan knows the developments should have been completed separately but due to the time strain he allowed Richards to move forward while his portion was redesigned to satisfy the residents located in the area. Sullivan discussed the closing of 14th and 15th Streets explaining how 15th Street was a controversial street vacation and during the closing on the land agreement between Richards and himself, the vacation was not an item for discussion. Sullivan pointed out on the original Centennial plat how the roads would have attached both developments together and if the roads would not have been vacated, each Developer would have had to pay for half the utilities installed in the roadway. Since the road was vacated, an easement was installed that holds the utilities to connect the future Charleswood Addition to the watermain, sanitary sewer

and storm sewer along with an emergency vehicle path for a second access if needed. Sullivan stated if he would have known he was going to be the only one assessed for what was installed in that location, he never would have allowed the road to be vacated. Sullivan asked Carlson if the concrete was assessed to him for the emergency path in that location. Carlson reviewed the break down on the sheets and did not see the concrete for the path in the assessment section charged to Sullivan. The concrete included went for two lift station driveways. Sullivan would like to see an adjustment to the fifty-seven thousand dollars (\$57,000) he is being charged for the improvements in the easement between developments. Olson asked if this could become a 50/50 split. Carlson explained this has been a difficult situation, the thought process has gone back and forth as to whom is responsible for this section of improvements. When figuring the assessment, Carlson stated he used the same spreadsheet supplied to David Drown back when the financing was first being discussed for the Southview Project. Carlson explained the reasoning for the assessments being assessed to Southview Phase II (Charleswood) is because the line only benefits Phase II. Olson asked Mr. Sullivan if he has had a conversation with Richards concerning this issue. Sullivan informed Council, not on this specific topic, only at the beginning of the project did he have conversations with Troy Tooz and Kelly Richards. During that meeting, Sullivan stated everyone understood you were responsible for what was located on your property and what the splits were going to be. Sullivan informed Council he was told by David Drown he could not include his design charges as an assessment even though Mr. Richards was allowed to do so. Carlson informed Sullivan, he will be allowed to assess his design fees once the bond is in place for Phase II, what he believes David Drown meant was Sullivan's design fees were not a benefit for Phase I so they could not be included in that bond issuance. Olson asked if Council ultimately decides who is assessed. Schreiber asked if the road was still located at 15th Street, who would be paying for the improvements. Carlson stated each Developer would pay half. Sullivan believes the whole City benefits from the development because it helped loop the water main system. Carlson informed Sullivan the City's water main was already looped in that area. Olson would like to know what Option 2 is for who would pay the fifty-seven thousand dollars (\$57,000) if Mr. Sullivan appeals the assessment amount. Carlson stated it would need to be either distributed back to Kelly Richards portion, split between the two Developers or the City would need to be responsible for it. Sullivan believes if this discussion would have taken place with Richards, Carlson and himself it would have been agreed to split the cost of the easement (road being closed) between both parties because it also benefits Richards development by not having the through street. Mayor Johnson would like to know if a meeting should be set up with all parties involved to resolve this issue. Carlson would like the Council to close the Public Hearing and discuss this further during the Regular Council Meeting.


Shaun Erickson asked if each lot is assessed the same? Carlson stated, all the lots are assessed the same for each development. Erickson's lot is being assessed for the storm water pumping station, pond, sanitary lift station and the water main that are all stubbed and ready for Sullivan to hook to once he starts his development. Carlson explained, this is not for installing services to each lot, but having the service ready for when it will be stubbed into each lot. Leslie Sullivan showed Erickson on the plat what the assessment value of \$7190.41 are for. Schreiber figured if the amount was split 50/50 between the two Developers, that would be approximately an extra three hundred and fifty dollars (\$350.00) per lot for Southview and five hundred and thirty dollars (\$530.00) per lot for Charleswood. DeVries stated he will not be happy if he is charged more assessments because of this mistake. Erickson asked, if he did not own lot 16 would he be assessed. Carlson stated, no, at this time you are being assessed for the service that will be in front of your property once Sullivan moves forward with his development. Erickson asked if there would be a separate assessment when the services are installed in front of his lot. Erickson was informed there would be. Carlson would like to discuss the phasing with Mr. Sullivan concerning the three (3) lots owned by other residents. Carlson gave Council an example of

when Dilworth deferred assessments to future phases and understands Erickson does not have a lot of control over this situation. Carlson suggests Erickson request for deferral of the assessments until the utilities and street are installed in front of his property. Erickson is concerned about the interest being charged for his assessments and wondering what happens if the project does not move forward. Carlson discussed the 30-day window to appeal the assessments. Olson is wondering if this should be resolved tonight since Erickson is here. Carlson suggests listening to everyone's concerns, closing the Public Hearing and discussing this further during the Council Meeting.

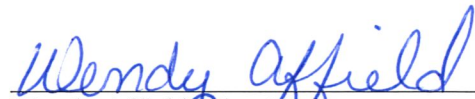
5. Adjournment - A motion to adjourn at 6:56 p.m. was made by Justin Schreiber, seconded by Kimberly Savageau. All in favor.
Motion Carried.



Cecil Johnson, Mayor



Susan Dayley, Administrative Assistant



Wendy Affield, City Clerk

October 15, 2018 Glyndon City Council Public Hearing Minutes (2nd Hearing)
Notice of Hearing on Proposed Assessments for Southview Addition Phase 1 & 2