



**City of Newport
City Council Workshop Meeting Minutes
March 14, 2013**

1. ROLL CALL -

Council Present – Tim Geraghty, Tom Ingemann, Bill Sumner, Steven Gallagher, Tracy Rahm

Council Absent –

Staff Present – Deb Hill, City Administrator; Bruce Hanson, Superintendent of Public Works; Renee Helm, Executive Analyst; Fritz Knaak, City Attorney; John Stewart, City Engineer

Staff Absent - Curt Montgomery, Police Chief; Mark Mailand, Fire Chief;

2. DISCUSSION REGARDING THE FEASIBILITY REPORT AND SPECIAL BENEFIT APPRAISAL FOR THE 2013-2015 STREET IMPROVEMENT PROJECTS

John Stewart, City Engineer, presented on this item as outlined in the March 14, 2013 City Council workshop packet. Below are the items that were addressed.

Local Improvement Guide

- **General statement that “new Construction” is paid for up to 100% by developer.**

A **new street** would be treated like **Class B** assessments. (**100%** of cost of the new street on a **front foot basis**). A **new utility** (Sewer and/or Water) would be treated like **Class B** assessments. (**100%** of the cost of the new utility would be treated like **Class B** assessments.)

Council agreed this was to be included.

- **General Statement**

It is important to recognize that the actual cost of extending an improvement past a particular parcel is not the controlling factor in determining the amount to be assessed. However, in most cases the method for assigning the value of the benefit received by the improvement, and therefore the amount to be assessed, is the cost of providing the improvement. This shall be true provided the cost does not demonstrably exceed the increase in the market value of the property being assessed. The entire project shall be considered as a whole for the purpose of calculating and computing an assessment rate. In the event City staff has doubt as to whether or not the costs of the project may exceed the special benefits to the property, the City Council may obtain such appraisals as may be necessary to support the proposed assessment.

- **Review concept of UNIT ASSESSMENT for residential properties.**

The Special Benefit Valuation was reviewed and discussion occurred as to the extent construction types and pertinent unit assessments.

- **Review making a preliminary determination of assessment amounts per construction type; Full Street Reconstruction (FSR), Full Depth Reclamation (FDR) with Curb, FDR only, Overlay only, Overlay with Curb, Mill and Overlay, Mill and Overlay with Curb.**

Council agreed this was to be included.

- **How do we handle sewer service line replacements; all properties newer than 1993; or all services; or a property owner may opt out by providing a video showing good condition of sewer service between wye and property line?**

Based on discussion and input from City staff, it was concluded that the City would provide matching funds of 50% up to \$100 to the property owner for televising the service line to determine deficiencies. From this video provided by the property owner, the City would make a determination as to whether the service lateral requires replacement. Televising shall be completed in all cases unless inspected and verified by City staff within the last five years.

The Appraiser does not evaluate any “benefit” for either new service or new main. Do we spell out a policy that home owner can have City pay cost of service replacement and add this cost to County tax bill 2 times per year?

Council agreed this was to be included. Service replacements to occur as a part of a street reconstruction would only be completed up to the property line (street right-of-way). Additional work beyond that point would be above and beyond the requirements of this policy and left up to the property owner.

- **Extra ordinary maintenance; do we assess?**

Class E. Class E improvements include extraordinary maintenance activities which, in some part, benefit the property abutting or in the area of the improvement, including, overlay or partial reconstruction and patching of thoroughfares or alleys and sidewalks, where said facilities are in a distressed condition such that extraordinary maintenance such as seal coating, patching, or overlaying with a new bituminous mat or concrete side walk, or slip lining sewer and water mains will extend the usable life of the Utility by more than 10 years, as certified by the City Engineer.

Council asked that this section be deleted.

- **What if Public works has been having “problems” with main line sewer or water do we make a statement the costs incurred with repair or replacement may include assessments, enterprise funds or GO taxes?**

Any such improvements shall be financed from general City Enterprise Funds and not from special assessments.

- **Then there are the same issues for COMMERCIAL Industrial and Multi-family Properties. Other cities have made multi-family units equal to a portion of an Equivalent Residential Unit (ERU) say .33, or .5, or .75 e.g.**

Subd. 11. Multi-Family Unit. A multi-family unit shall be each separate dwelling unit or apartment having discrete floor areas dedicated to cooking and toilet facilities which are located on a multi-family property.

Each multi-family unit shall be equivalent to 50% of an existing residential unit.

- **Commercial & industrial properties we could make equal to a ERU based on frontage:**

Equivalent Residential Unit. An equivalent residential unit shall mean any residential building lot, or in the instance of non-residential property which consisting of 120 linear feet or less of frontage on a Class D, or E improvement project. In the instance where the frontage of nonresidential property exceeds multiples of 120 foot of frontage, additional or multiple thereof, a graduation equivalent residential unit shall be assigned as follows; for footage in excess of 120 feet or multiples thereof .25 of an Equivalent Residential Unit if the exceedance is 15 feet or greater but less than 51 feet; .50 of an Equivalent Residential Unit if the exceedance is 51 feet or greater but less than 86 feet; .75 of an Equivalent Residential Unit if the exceedance is 86 feet or greater but less than 120 feet . .

Council determined that commercial/industrial properties shall be assessed by 2 times the residential ERU or the determination above statement, whichever is greater.

- **Corner lots. How many ERU's e.g.**

Corner lots with side yards abutting local, collector, or arterial streets shall be assessed one hundred percent (100%) of the per unit cost of local, non-collector or non-arterial street reconstruction as determined on a per unit basis. If only one side of the corner lot is improved the side improved shall be assessed 100% of the per unit charge. If the second side of the corner lot is improved within the greater of 15 years from certification of the assessment roll or within the payment period of the assessment the second side shall be assessed 0% of the per unit charge as calculated for the latter project. In the event that an unimproved abutting side of the corner lot is improved after 15 year of certification of the assessment or after the payment period of the assessment has expired on the improved side the City Council may elect to reassess the lot.

Council agreed this was to be included.

- **Discuss SECTION 11 DEFERMENTS OF SPECIAL ASSESSMENTS.**

State Law covers deferments for certain property owners such as active duty, people of a certain age and people on social security.

Benefits Analysis

The Council reviewed the Special Benefit Valuation report completed by BRKW. Based on the discussion regarding the assessment rates, the following are recommended. These assessment rates provide an approximate total assessment cost of 23% for the three projects considered.

Assessment Rate Structure (Council Consideration)		
Improvement Category	Per Unit Assessments	Notes
Street - Overlay Only	\$2,200	No aprons or curb
Street - Overlay With Curb	\$2,700	No aprons
Street - Mill & Overlay	\$2,200	No aprons or curb
Street - Mill & Overlay With Curb	\$2,700	No aprons
Street - Full Depth Reclamation	\$4,000	No aprons or curb
Street - Full Street Reconstruction	\$5,200	Includes concrete curb/gutter, concrete aprons, includes utilities

3. ADJOURNMENT

Signed: _____
Tim Geraghty, Mayor

Respectfully Submitted,

Renee Helm
Executive Analyst