

PUBLIC HEARING, AND A RESOLUTION ADOPTING THE PROPOSED ASSESSMENT

**STREET IMPROVEMENT PROJECT
NO. ST-2022-01**

JULY 24, 2023



SPECIAL ASSESSMENTS

- **Minnesota Statute § 429.021 and City Charter § 8.03 authorize the City Council (Council) to finance certain public improvements through special assessments.**
 - Special assessments are generally considered a form of tax levied by a local government against benefiting properties.
- **Consistent with City Code, Chapter 7 and other policies, the City of Fridley (City) typically levies special assessments as part of most street improvement projects.**

SPECIAL ASSESSMENT PROCESS

- **Minnesota Statute § 429 outlines a specific process for a local government to levy a special assessment.**
- **Consistent with this process, the Council completed the following steps:**
 - Ordered a preliminary report, plans and specifications;
 - Conducted a project workshop (not required);
 - Accepted a preliminary report, called for public hearing;
 - Conducted the public hearing;
 - Accepted the feasibility study, ordered improvements and called for bids;
 - Received bids and awarded a contract;
 - Declared the costs to be assessed, order the proposed assessment roll and scheduled a public hearing;
 - Mailed notices of this public hearing to impacted households;
 - Published notice for the public hearing in City's Official Publication and
 - Conducted the public/assessment hearing (this evening).

SPECIAL ASSESSMENT PROCESS, CONTINUED

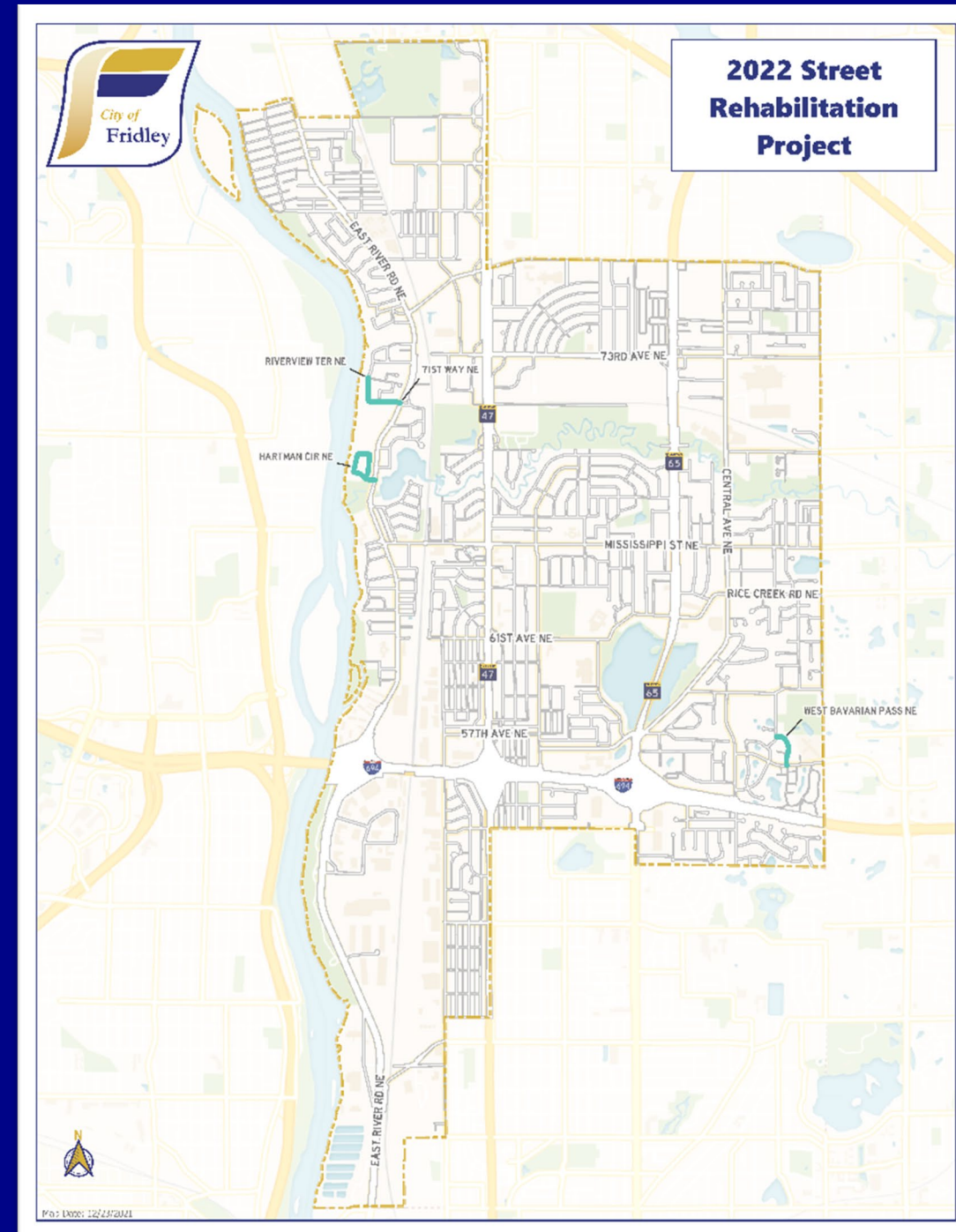
- **With substantial completion of the project, the City may now proceed with the final portions of the assessment process:**
 1. Conducting the public/assessment hearing; and
 2. Adopting the proposed assessment as final.
- **During the public/assessment hearing, the Council may receive public comment on the proposed assessment; and may approve the assessment roll after its closure.**

SPECIAL ASSESSMENT PROCESS, CONTINUED

- **As part of the assessment process, those subject to the assessment may appeal it by filing a written objection with:**
 1. The City Clerk prior to the public/assessment hearing; or
 2. The presiding officer of the public/assessment Hearing on the date of the hearing.
- **Following a properly filed objection, a property owner may appeal an assessment by serving notice upon the Mayor or City Clerk within 30 days after adoption and subsequently with the district court**
 - To date, the City Clerk's Office has received 6 objections regarding the proposed assessment.

ST-2022-01, SUMMARY

- The special assessments under consideration pertain to the rehabilitation of streets identified in the Street Resurfacing Plan.
- ST-2022-01 includes the reconstruction of four different streets including curb and gutter.
 - Only the street construction portion of the project is subject to special assessments.



ST-2022-01, SUMMARY, CONTINUED



CONSTRUCTION SCHEDULE

- **Project is substantially complete**
- **Contractor working through punchlist items (main item is restoration of disturbed areas)**
- **CenterPoint Energy will have crew onsite within the next week to restore properties from work completed in 2022**

ST-2022-01, ASSESSMENT ROLL

- **Per City policy, the assessment totals approximately \$311,964 levied against 144 properties within project area.**
 - Project costs totaled \$945,030, including a construction cost of \$827,435.
 - The assessments for this project are consistent with the Roadway Major Maintenance Financing Policy.

ST-2022-01, ASSESSMENT ROLL, CONTINUED

- **Per City policy, property owners may repay the assessment over a 10-year period at an interest rate of 4.25%.**
 - Property owners may pay their assessment, interest free, until November 15th.
 - Per Chapter 7 of the Fridley City Code, any person may pay all or part of the assessment, provided that the partial payment is at least \$100.
 - Only 1 prepayment will be accepted.
 - Any remaining balance, with the interest as accrued from the date of City Council adoption, will be certified to the County for collection with property taxes.

PROPOSED ASSESSMENT SCHEDULE

Year	Beg. Balance	Principal	Interest	Payment	End. Balance
2024	3,400	340	208	548	3,060
2025	3,060	340	130	470	2,720
2026	2,720	340	116	456	2,380
2027	2,380	340	101	441	2,040
2028	2,040	340	87	427	1,700
2029	1,700	340	72	412	1,360
2030	1,360	340	58	398	1,020
2031	1,020	340	43	383	680
2032	680	340	29	369	340
2033	340	340	14	354	-
Total		3,400	858	4,258	

PROPOSED ASSESSMENT SCHEDULE

Year	Beg. Balance	Principal	Interest	Payment	End. Balance
2024	780	78	48	126	702
2025	702	78	30	108	624
2026	624	78	27	105	546
2027	546	78	23	101	468
2028	468	78	20	98	390
2029	390	78	17	95	312
2030	312	78	13	91	234
2031	234	78	10	88	156
2032	156	78	7	85	78
2033	78	78	3	81	-
Total		780	197	977	

DEFERMENT OPPORTUNITY

- **Per City policy a retired or disabled property owner may defer their special assessment under certain circumstances.**
- **The property owner must:**
 - Own the property as a qualified residential homestead;
 - Be at least 65 years of age or older; or be disabled/retired and payment would be considered a hardship;
 - Make application within 30 days of approval of the assessment roll by the Council; and
 - Meet certain income standards.
- **Interest will accrue until the assessment is paid in full.**

OBJECTION FINDINGS

- The City has received 6 written objections as of this afternoon; staff has reviewed the objections and provides the following findings.
- Objections relating to special benefit to parcels, amount of benefit and benefit of improvements: The proposed special assessments are found to be consistent with the City's Major Roadway Financing Policy.
- Objections relating to uniformity of assessments: The proposed special assessments are found to be consistent with the City's Major Roadway Financing Policy, and it is noted that the project includes multiple segments of differing roadway width and adjacent residential land uses.
- Objections relating to damage and repair: Staff is working toward resolving and remedying these items currently with the contractor.
- Objection relating to a parcel having no access to a project improvement: This objection is found valid according to the City's Major Roadway Financing Policy, and staff recommends removal of 6880 East River Road NE from the assessment roll.

RECOMMENDATION

- **Based on the process to date, staff recommend the Council open the public/assessment hearing to accept public comment regarding the assessment as proposed.**
- **Following the public/assessment hearing, staff also recommend the Council adopt Resolution No. 2023–81, to adopt the assessment for Street Rehabilitation Project No.–2022–01, while amending the assessment roll to remove 6880 East River Road NE**
 - Upon approval, the City Clerk will transmit a certified copy of the resolution to the county auditor by November 30.

THANK YOU!

QUESTIONS?