



## STAFF REPORT

DATE: October 2, 2018  
**REGULAR/PUBLIC HEARING**  
ITEM #: 7

**AGENDA ITEM:** Old Village Phase 3 Street and Utility Improvements – Assessment Hearing on Improvements and Adopting the Final Assessment Roll

**SUBMITTED BY:** Jack Griffin, City Engineer  
**REVIEWED BY:** Kristina Handt, City Administrator  
Sue Iverson, Finance Director  
Sarah Sonsalla, City Attorney  
Chad Isakson, Project Engineer

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**ISSUE BEFORE COUNCIL:** Should the City Council hold the final assessment hearing for the Old Village Phase 3 Street and Utility Improvements and, after closing the hearing, adopt the final assessment roll?

**BACKGROUND:** The City of Lake Elmo is extending sanitary sewer to serve the existing properties in the Old Village area to replace the use of private on-site sewage treatment systems. The projects also include regional drainage improvements to address historic flooding issues in the Downtown area, the replacement of aged watermain pipes and reconstructing the public streets that are disturbed during the work. The Improvements are being constructed in phases and through separate projects. The Old Village Phase 3 Street and Utility Improvements project was constructed in 2017 and 2018 and the work is now complete.

On September 4, 2018, the City Council approved a Resolution declaring the costs to be assessed, ordering the preparation of the proposed assessment, and calling for the hearing on proposed assessment for the Old Village Phase 3 Street and Utility Improvements. Mailed notice has been provided to each assessed property and notice of the public hearing has been published in the local paper.

**PROPOSAL DETAILS/ANALYSIS:** Pursuant to Minnesota Statutes, Section 429 the Council must declare the amount to be assessed against the benefitting properties and the Hearing on the proposed assessment for these improvements must be conducted. Staff has attached a Final Assessment Roll which must be certified to the County Auditor by November 30, 2018.

The Final Assessment Rolls have been calculated based on the final project costs and in accordance with the City's Special Assessment Policy. The total project cost, at completion, is \$2,052,500; down from the feasibility report cost of \$2,498,100. The table below summarizes the preliminary unit assessment from the feasibility report and the proposed final unit assessment.

For the Laverne Avenue commercial area, the final street and drainage unit assessment has been calculated using 100% of the total Street and Drainage Improvement project costs, assessed per lineal front foot. However, this portion of the project cost exceeded the feasibility report estimate and the unit assessment is not allowed to be increased. Therefore, the feasibility report unit assessment for the commercial properties was held at the preliminary assessment amount of \$205 / linear foot or 93% of the total project costs.

<b>Laverne Avenue Area, North of CSAH14</b>	<b>Feasibility Report Assessment Rate</b>	<b>Final Assessment Rate</b>	<b>Difference</b>
Street and Storm Sewer Improvements	\$205 / Linear Foot	\$205 / Linear Foot	\$0
Sanitary Sewer Improvements	\$11,300 / SAC	\$11,300 / SAC	\$0
Watermain Assessment Rate	\$0	\$34,837*	\$34,837

*\*The owner of 3825 Lake Elmo Avenue North requested water service be extended to their property and signed a waiver of assessment to complete the work.*

For the 31st Street neighborhood, the street and drainage improvements were assessed at 30% of the total project costs, assessed per unit (or residential household). In accordance with the City assessment policy, one property is being assessed 50% of the unit assessment because they have a driveway access to two different streets and will be assessed for improvements to each street project.

<b>31st Street Neighborhood</b>	<b>Feasibility Report Assessment Rate</b>	<b>Final Assessment Rate</b>	<b>Difference</b>
Street and Storm Sewer Improvements	\$8,700	\$6,900	(\$1,800)
Sanitary Sewer Improvements	\$11,300 / SAC	\$11,300 / SAC	\$0

**FISCAL IMPACT:** The total project cost is \$2,052,500 with the City cost share at \$890,838, including \$447,075 for the street and drainage improvements and \$418,063 for watermain improvements. The remaining costs are proposed to be assessed against the benefitting properties consistent with the City’s Special Assessment Policy including proposed assessments in the amount of \$567,225 for the street and drainage improvements, \$983,100 for the sanitary sewer improvements, and \$34,837 for watermain improvements. The remainder of watermain improvements will be funded through the water enterprise fund and the trail improvements will be funded through the park funds.

**RECOMMENDATION:** Staff is recommending that the City Council approve a resolution adopting the Final Assessment Roll for the Old Village Phase 3 Street and Utility Improvements. The recommended motion for this action is as follows:

*“Move to approve Resolution No. 2018-111, Adopting the Final Assessment Roll for the Old Village Phase 3 Street and Utility Improvements.”*

**ATTACHMENTS:**

1. Resolution Adopting the Final Assessment Roll on Street Improvements.
2. Notice of Hearing on Proposed Assessment.
3. Final Assessment Roll.

**CITY OF LAKE ELMO  
WASHINGTON COUNTY  
STATE OF MINNESOTA**

**RESOLUTION NO. 2018-111  
A RESOLUTION ADOPTING THE FINAL ASSESSMENT ROLL FOR  
OLD VILLAGE PHASE 3 STREET AND UTILITY IMPROVEMENTS**

**WHEREAS**, pursuant to proper notice duly given as required by law, the Council has met and heard and passed upon all objections to the proposed assessment for the Old Village Phase 3 Street, Drainage, and Utility Improvements including street, drainage, watermain and sanitary sewer improvements along 31st Street North, Laverne Court, Layton Court, and Laverne Avenue North.

**NOW, THEREFORE, BE IT RESOLVED,**

1. Such proposed assessment, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein included is hereby found to be benefited by the proposed improvement in the amount of the assessment levied against it.
2. Such assessment shall be payable in equal annual installments extending over 15 years for street and drainage improvements and 20 years for watermain and sanitary sewer improvements, 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 3.26% percent per annum from the adoption date of this assessment resolution for the street and drainage improvements and sanitary sewer improvements, and shall bear interest at the rate of 3.30% percent per annum from the adoption date of this assessment resolution for the watermain improvements. 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.
3. The owner of any property so assessed may, at any time prior to the certification of the assessment to the county auditor, pay the whole of the assessment on such property, with the interest accrued to the date of payment, to the City Clerk, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of this resolution; and he/she may, at any time thereafter, pay to the City Clerk the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before October 31 or interest will be charged through December 31 of the next succeeding year.
4. The City Clerk shall forthwith transmit a certified duplicate of this assessment to the County Auditor to be extended on the property tax lists of the county. Such assessments shall be collected and paid over in the same manner as other municipal taxes.

**ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE SECOND DAY OF OCTOBER,  
2018.**

**CITY OF LAKE ELMO**

(Seal)  
ATTEST:

By: \_\_\_\_\_  
Mike Pearson  
Mayor

\_\_\_\_\_  
Julie Johnson  
City Clerk

**CITY OF LAKE ELMO**  
**NOTICE OF HEARING ON PROPOSED ASSESSMENT**  
**OLD VILLAGE PHASE 3 STREET AND UTILITY IMPROVEMENTS**

Notice is hereby given that the City Council of Lake Elmo will meet in the Council Chambers of the City Hall at or approximately after 7:00 P.M. on Tuesday, October 2, 2018, to consider, and possibly adopt, the proposed assessment against abutting property for the Old Village Phase 3 Street and Utility Improvements. Adoption by the Council of the proposed assessment may occur at the hearing. The following describes the area proposed to be assessed:

- Street, drainage, and sidewalk improvements along Laverne Avenue, from 39<sup>th</sup> Street North to CSAH 14.
- Street and drainage improvements along 31st Street North, from CSAH 17 to the east end; Laverne Court North, from 31st Street North to south cul-de-sac; and Layton Court North, from 31st Street North to south cul-de-sac.
- Sanitary sewer improvements to the Lake Elmo Elementary School, City Hall and the Westbrook Building (3825 Lake Elmo Avenue) as well as extending sanitary sewer along Laverne Avenue, from 39<sup>th</sup> Street North to CSAH 14; 31st Street North, from CSAH 17 to the east end; Laverne Court North, from 31st Street North to south cul-de-sac; and Layton Court North, from 31st Street North to south cul-de-sac.
- Watermain improvements to the Westbrook Building (3825 Lake Elmo Avenue).

You may at any time prior to certification of the assessment to the county auditor on November 15, 2018, pay the entire assessment on such property to the City Clerk with interest accrued to the date of payment. No interest shall be charged if the entire assessment is paid to the City Clerk within 30 days from the adoption of this assessment. You may at any time thereafter, pay to the City Clerk the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before October 31 (date assessment certified to County Auditor) or interest will be charged through December 31 of the succeeding year. If you decide not to prepay the assessment before the date given above the rate of interest that will apply is 3.26 percent per year.

Once assessments are certified to the County, the assessments are payable in equal annual installments extending over a period of 15 years for street and drainage improvements and 20 years for sanitary sewer improvements, the first of the installments to be payable on or before the first Monday in January 2019 and will bear interest at the rate of 3.26 percent per annum from the date of adoption of the assessment resolution. To the first installment shall be added interest on the entire assessment from the date of the assessment resolution until December 31, 2018. To each subsequent installment when due shall be added interest for one year on all unpaid installments.

The proposed assessment roll is on file for public inspection at the City Clerk's office. The total amount of the proposed street improvement assessment is \$567,225. The total

amount of the proposed sanitary sewer improvement assessment is \$983,100. The total amount of the proposed watermain improvement assessment is \$34,837. The City contribution for the overall improvement project is \$890,838. Written or oral objections will be considered at the meeting. No appeal may be taken as to the amount of an assessment unless a written objection signed by the affected property owner is filed with the municipal clerk prior to the assessment hearing or presented to the presiding officer at the hearing. The Council may upon such notice consider any objection to the amount of a proposed individual assessment at an adjourned meeting upon such further notice to the affected property owners as it deems advisable.

An owner may appeal an assessment to district court pursuant to Minnesota Statutes, Section 429.081 by serving notice of the appeal upon the Mayor or Clerk within 30 days after the adoption of the assessment and filing such notice with the district court within ten days after service upon the Mayor or Clerk.

The City Council is authorized in its discretion to defer the payment of an assessment for any homestead property owned by a person for whom it would be a hardship to make payment if the owner is 65 years of age or older and/or the owner is a person retired by virtue of a permanent and total disability or by a person who is a member of the Minnesota National Guard or other military reserves who is ordered into active military service, as defined in section 190.05 subdivision 5b or 5c, as stated in the person's military orders, for whom it would be a hardship to make the payments. The owner must request a deferment of the assessment at or before the public hearing at which the assessment is adopted and make application on forms prescribed by the City Clerk within 30 days after the adoption.

Notwithstanding the standards and guidelines established by the City for determining a hardship, a deferment of an assessment may be obtained pursuant to Minnesota Statutes Section 435.193.

**DATED:** September 4, 2018

**BY ORDER OF THE LAKE ELMO CITY COUNCIL**

**Mike Pearson, Mayor**

*(Published in the Oakdale-Lake Elmo Review on September 12, 2018)*

OLD VILLAGE PHASE 3: STREET AND UTILITY IMPROVEMENTS  
 31ST STREET NEIGHBORHOOD  
 FINAL ASSESSMENT ROLL  
 STREET AND DRAINAGE AND SANITARY SEWER ASSESSMENT ROLL

NO.	NAME	ADDRESS	MAILING ADDRESS	PID	TOTAL ASSESSMENT AMOUNT	STREET & DRAINAGE ASSESSMENT AMOUNT	SANITARY SEWER ASSESSMENT AMOUNT	SAC
1	KELLY LISA M & JOHN W	11200 31ST ST N	11200 31ST ST N LAKE ELMO MN 55042	1302921330032	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
2	SACHS RICHARD J & DEBORAH J	11212 31ST ST N	11212 31ST ST N LAKE ELMO MN 55042	1302921330033	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
3	TERRELL SARA A	11230 31ST ST N	11230 31ST ST N LAKE ELMO MN 55042	1302921330034	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
4	COSTELLO PAUL T	11252 31ST ST N	11252 31ST ST N LAKE ELMO MN 55042	1302921340011	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
5	CRIEGO GAIL A	11272 31ST ST N	11272 31ST ST N LAKE ELMO MN 55042	1302921340012	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
6	KENT S TARBUTTON TRS	11292 31ST ST N	7656 BIRMINGHAM FOREST DR FRISCO TX 75034	1302921340013	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
7	BURNS AMY P	11306 31ST ST N	11306 31ST ST N LAKE ELMO MN 55042	1302921340014	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
8	WAGONER BRIAN K & ELIZABETH A FLAMO WAGONER	11334 31ST ST N	11334 31ST ST N LAKE ELMO MN 55042	1302921340015	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
9	DUPIUS LUC M & ROCHELLE M MCCUNE	3151 LAKE ELMO AVE N	PO BOX 34 LAKE ELMO MN 55042	1302921330009	\$ 3,450.00	\$ 3,450.00	\$ -	0
10	BLOOMQUIST ERIN C & LEE C	11225 31ST ST N	11225 31ST ST N LAKE ELMO MN 55042	1302921330035	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
11	PRITCHARD KENNETH L & AUDRA L	11269 31ST ST N	11269 31ST ST N LAKE ELMO MN 55042	1302921340017	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
12	SCORE BLAKE N & BRENDA K	11295 31ST ST N	11295 31ST ST N LAKE ELMO MN 55042	1302921340016	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
13	WILLIAM C HJELMGREN TRS	3153 LAYTON CT N	3153 LAYTON CT N LAKE ELMO MN 55042	1302921340020	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
14	KECK BRIAN W & SCHILTGEN MOLLY	3127 LAYTON CT N	3127 LAYTON CT N LAKE ELMO MN 55042	1302921340021	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
15	MENENDEZ ARMANDO & ELLA S	3105 LAYTON CT N	3105 LAYTON CT N LAKE ELMO MN 55042	1302921340022	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
16	MATTILA JOSHUA & JESSICA	3091 LAYTON CT N	3091 LAYTON CT N LAKE ELMO MN 55042	1302921340025	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
17	IRENE DAU TRS AGR	3081 LAYTON CT N	3081 LAYTON CT N LAKE ELMO MN 55042	1302921340030	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
18	KINDLER BRIAN T	3084 LAYTON CT N	3084 LAYTON CT N LAKE ELMO MN 55042	1302921340029	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
19	KOFOED DONALD E & CAROL A	3094 LAYTON CT N	3094 LAYTON CT N LAKE ELMO MN 55042	1302921340026	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
20	GLANZER RICHARD D & EILEEN S	3112 LAYTON CT N	3112 LAYTON CT N LAKE ELMO MN 55042	1302921340019	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
21	AUDREY L OLSEN TRS	3124 LAYTON CT N	3124 LAYTON CT N LAKE ELMO MN 55042	1302921340018	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
22	KNOLL CRAIG M & DIANE C	3127 LAVERNE CT N	3127 LAVERNE CT N LAKE ELMO MN 55042	1302921340023	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
23	MAGISTAD JOHN M & AMY T	3115 LAVERNE CT N	3115 LAVERNE CT N LAKE ELMO MN 55042	1302921340024	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
24	MADSEN STEPHEN & ANNE M SCHLOEGEL	3099 LAVERNE CT N	3099 LAVERNE CT N LAKE ELMO MN 55042	1302921340027	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
25	LUCILLE C ZIGNEGO TRS	3081 LAVERNE CT N	3081 LAVERNE CT N LAKE ELMO MN 55042	1302921340028	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
26	SNOWELL N RALEIGH REV TRS	3074 LAVERNE CT N	3074 LAVERNE CT N LAKE ELMO MN 55042	1302921340033	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
27	GEVING NANCY E	3124 LAVERNE CT N	3124 LAVERNE CT N LAKE ELMO MN 55042	1302921330036	\$ 18,200.00	\$ 6,900.00	\$ 11,300.00	1
<b>TOTAL</b>					<b>\$ 476,650.00</b>	<b>\$ 182,850.00</b>	<b>\$ 293,800.00</b>	

OLD VILLAGE PHASE 3: STREET AND UTILITY IMPROVEMENTS  
 LAVERNE AVENUE AREA  
 FINAL ASSESSMENT ROLL  
 STREET, SANITARY SEWER, AND WATERMAIN ASSESSMENT ROLL

NO.	NAME	ASSESSABLE PROPERTY ADDRESS	MAILING ADDRESS				PID	TOTAL	STREET, DRAINAGE, SIDEWALK	STREET	SANITARY	WATERMAIN		
								ASSESSMENT AMOUNT	ASSESSMENT AMOUNT	FRONT FOOTAGE	SEWER ASSESSMENT AMOUNT	SAC	ASSESSMENT AMOUNT	
1	ISD 834 STILLWATER		1875	GREELY ST S	STILLWATER	MN	55082	1302921220001	\$ 20,500.00	\$ 20,500.00	100	\$ -	0	
2	ISD 834 STILLWATER	11030 STILLWATER BLVD N	1875	GREELY ST S	STILLWATER	MN	55082	1302921230001	\$ 474,600.00	\$ -	0	\$ 474,600.00	42	
3	WESTBROOK ASSOCIATES	3825 LAKE ELMO AVE N	PO BOX	36	STILLWATER	MN	55082	1302921220002	\$ 80,037.00	\$ -	0	\$ 45,200.00	4	\$ 34,837.00
4	CITY OF LAKE ELMO	3800 LAVERNE AVE N	3880	LAVERNE AVE N	LAKE ELMO	MN	55042	1302921220009	\$ 44,920.00	\$ 33,620.00	164	\$ 11,300.00	1	
5	CITY OF LAKE ELMO	3880 LAVERNE AVE N	3880	LAVERNE AVE N	LAKE ELMO	MN	55042	1302921220026	\$ 46,125.00	\$ 46,125.00	225	\$ -	0	
6	CITY OF LAKE ELMO		3880	LAVERNE AVE N	LAKE ELMO	MN	55042	1302921220025	\$ 25,625.00	\$ 25,625.00	125	\$ -	0	
7	EXCEL PARTNERS LLC	11343 39TH ST N	11343	39TH ST N	LAKE ELMO	MN	55042	1302921220008	\$ 56,785.00	\$ 56,785.00	277	\$ -	0	
8	RULE 36 LMDT PARTNRSHIP DULUTH	3819 LAVERNE AVE N	600	25TH AVE S #105	ST. CLOUD	MN	56301	1302921220007	\$ 81,050.00	\$ 47,150.00	230	\$ 33,900.00	3	
9	LEONARD INVESTMENTS LLC	11144 STILLWATER BLVD N	1000	CONCORD ST S	SOUTH ST. PAUL	MN	55075	1302921230004	\$ 124,330.00	\$ 79,130.00	386	\$ 45,200.00	4	
10	THARROS LLC	11200 STILLWATER BLVD N #100	4350	MCDONALD DRIVE CT N	STILLWATER	MN	55082	1302921220016	\$ 13,667.50	\$ 9,430.00	46	\$ 4,237.50	0.375	
11	NORTHERN LIGHTS INFO SYS LLC	11200 STILLWATER BLVD N #101	11200	STILLWATER BLVD N #101	LAKE ELMO	MN	55042	1302921220017	\$ 13,667.50	\$ 9,430.00	46	\$ 4,237.50	0.375	
12	ERBAN DOROTHY DAVIDSON	11200 STILLWATER BLVD N #102	3748	OAKGREEN AVE N	STILLWATER	MN	55082	1302921220018	\$ 13,667.50	\$ 9,430.00	46	\$ 4,237.50	0.375	
13	ERBAN DOROTHY DAVIDSON	11200 STILLWATER BLVD N #103	3748	OAKGREEN AVE N	STILLWATER	MN	55082	1302921220019	\$ 13,667.50	\$ 9,430.00	46	\$ 4,237.50	0.375	
14	FLACKEY DEAN E	11200 STILLWATER BLVD N #104	532	OLD HWY 35	HUDSON	WI	54016	1302921220020	\$ 13,667.50	\$ 9,430.00	46	\$ 4,237.50	0.375	
15	STROP BRIAN A & DENISE M	11200 STILLWATER BLVD N #105	2930	30TH STREET CIRCLE N	LAKE ELMO	MN	55042	1302921220021	\$ 13,667.50	\$ 9,430.00	46	\$ 4,237.50	0.375	
16	HOBBY FARMS INC	11200 STILLWATER BLVD N #106	11550	STILLWATER BLVD N #123	LAKE ELMO	MN	55042	1302921220022	\$ 13,667.50	\$ 9,430.00	46	\$ 4,237.50	0.375	
17	SCMC PROPERTIES LLC	11200 STILLWATER BLVD N #107	11200	STILLWATER BLVD N #107	LAKE ELMO	MN	55042	1302921220023	\$ 13,667.50	\$ 9,430.00	46	\$ 4,237.50	0.375	
18	D3PL PROPERTIES LLC	11240 STILLWATER BLVD N	11240	STILLWATER BLVD N	LAKE ELMO	MN	55042	1302921210006	\$ 45,200.00	\$ -	0	\$ 45,200.00	4	
<b>TOTAL</b>								<b>\$ 1,108,512.00</b>	<b>\$ 384,375.00</b>		<b>\$ 689,300.00</b>		<b>\$ 34,837.00</b>	