



## STAFF REPORT

DATE: September 19, 2023

### **CONSENT**

**AGENDA ITEM:** Parkview Estates, Cardinal View, and 15<sup>th</sup> Street Neighborhood Street and Utility Improvements – Resolution Declaring Costs to be Assessed and Calling for Hearing on Proposed Assessment

**SUBMITTED BY:** Chad Isakson, Assistant City Engineer

**REVIEWED BY:** Kristina Handt, City Administrator  
Sarah Sonsalla, City Attorney  
Clarissa Hadler, Finance Director  
Marty Powers, Public Works Director  
Jack Griffin, City Engineer

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**ISSUE BEFORE COUNCIL:** Should the City Council call a final assessment hearing for the portion of the Parkview Estates, Cardinal View, and 15<sup>th</sup> Street Neighborhood Street and Utility Improvements (substantially completed in 2022) to be held on October 17, 2023?

**BACKGROUND:** The City of Lake Elmo was approved to receive grant funding from the Minnesota Pollution Control Agency (MPCA) under the 2018 3M Settlement Agreement as an expedited project to extend municipal water and connect each of the 62 properties. The grant is in the amount of \$5,645,000 and includes the public and private water system improvements, and the street and drainage improvements. The terms of the grant are outlined in the Grant Agreement between the City of Lake Elmo and the MPCA dated April 2, 2021 and as formally amended.

As part of the Grant Agreement with the MPCA, all households in the development, regardless of Health Based Values (HBVs), are eligible to connect to municipal water and all households that connect to city water must have the private wells properly sealed and abandoned as part of the project and within the timeframe of the grant agreement. To implement these requirements for the project the city adopted preliminary assessments for the public watermain, and the street and storm sewer improvements in accordance with the city's Special Assessment Policy and current practices. Each property that connects to city water must abandon all private wells, unless exempted by the MPCA, within one year after water service is made available and following written notice from the City to connect. Once the private water service connection improvements and well abandonment are completed the public watermain assessments, and the street and drainage improvement assessments levied for the project will be considered paid in full and removed from the property.

Formal mailed notice, dated November 11, 2022 was sent to each property indicating that the public watermain was available for connection and that the property owner had one year to complete the water service connection and well abandonment work. The allocated one-year timeframe to meet this eligibility and to abate the public improvement assessments will expire on November 4, 2023. A reminder notice was also sent on September 5, 2023.

Due to private utility conflicts the Cardinal Ridge portion of the project (Ivy Avenue) was not completed until summer 2023. The 17 properties impacted by this delay in construction did not receive formal notice that water connection was available until August 11, 2023. These properties are NOT included in this final

assessment roll as they will have until August 11, 2024 to connect to water and have their assessments considered paid in full. A final assessment hearing will be held in the fall of 2024 for these properties.

**PROPOSAL DETAILS/ANALYSIS:** Pursuant to Minnesota Statutes, Section 429, the Council must declare the amount to be assessed against the benefitting properties and Call the Hearing on the Proposed Assessment for the Parkview Estates, Cardinal View, and 15<sup>th</sup> Street Neighborhood Street and Utility Improvements. The Final Assessment Hearing is proposed for October 17, 2023. The Final Assessment Roll must be certified to the County Auditor by November 17, 2023. *Properties that provide proof of connection and sealing of the well by November 17, 2023 will be removed from the assessment roll prior to certifying the assessments to Washington County.*

Staff has enclosed a proposed Final Assessment Roll which has been calculated in accordance with the approved Feasibility Report and the City's Special Assessment Policy. There are 7 properties to date that have completed the connection to city water and abandoned their well (or received MPCA exemption to keep their well). These properties have been removed from the final assessment roll leaving 38 remaining properties that have not connected. Additionally, the feasibility report did not include 4 parcels (which have the equivalent of 8 residential units) in the calculation for the watermain assessment. The assessments have been recalculated to include these parcels:

- PID 2802921420005 – 4 Residential Units
- PID 2802921410002 – 2 Residential Units
- 8940 15<sup>th</sup> Street North – 1 Residential Unit
- PID 2802921130002 – 1 Residential Unit

The four parcels listed above have been reviewed and are in compliance with the terms of the grant agreement and have been removed from the assessment roll.

Thirty-five (35) additional properties have obtained quotes that have been reviewed by the City, but the work is not yet completed or reimbursement paperwork has not been submitted.

Based on the Estimated Final Project Cost at completion, the public watermain assessment is reduced from \$36,600 down to \$32,400 per residential property, and the public street and storm sewer assessment is the same as the feasibility report at \$8,600 per residential property.

The street and drainage improvements will be levied over a 15-year period and the watermain assessments will be levied over a 20-year period. Assessments would be charged an interest rate of 4.75%.

**FISCAL IMPACT:** The estimated total project cost for the public improvements \$4,557,600; including \$2,197,100 for the street, drainage and storm sewer improvements and \$2,360,500 for the water system improvements. Of these costs, \$326,800 will be specially assessed for street and drainage improvements and \$1,231,200 will be specially assessed for watermain improvements. The remaining costs will be covered by grant funds from the 3M Settlement Grant Agreement for the project.

**RECOMMENDATION:** Staff is recommending that the City Council approve, *as part of the consent agenda*, a Resolution Declaring Costs to be Assessed and Calling for the Hearing on the Proposed Assessment. If removed from the *consent agenda*, the suggested motion to approve this action is as follows:

*“Move to approve Resolution No. 2023-092; Declaring Costs to be Assessed and Calling for the Hearing on the Proposed Assessment for the Parkview Estates, Cardinal View, and 15<sup>th</sup> Street Neighborhood Street and Utility Improvements.”*

**ATTACHMENTS:**

1. Resolution Declaring Cost to be Assessed and Calling for Hearing on Proposed Assessment.

2. Notice of Hearing on Proposed Assessment.
3. Estimated Total Project Cost Summary.
4. Final Assessment Roll.

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

**RESOLUTION NO. 2023-092**

**A RESOLUTION DECLARING COST TO BE ASSESSED AND CALLING  
HEARING ON PROPOSED ASSESSMENT FOR THE  
PARKVIEW ESTATES, CARDINAL VIEW, AND 15<sup>TH</sup> STREET  
NEIGHBORHOOD STREET AND UTILITY IMPROVEMENTS**

**WHEREAS**, estimated total project costs have been calculated for the Parkview Estates, Cardinal View, and 15<sup>th</sup> Street Neighborhood Street and Utility Improvements including street and watermain improvements; and

**WHEREAS**, the total cost of the public improvements will be \$4,557,600.

**WHEREAS**, the City Clerk and City Engineer have prepared the proposed assessment roll and will maintain said assessment roll on file in the City offices for public inspection.

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

1. The portion of the cost of such street and drainage improvements to be covered by the City is hereby declared to be \$1,870,300 and the portion of the cost to be assessed against benefited property owners is declared to be \$326,800.
2. The portion of the cost of such watermain improvements to be covered by the City is hereby declared to be \$1,129,300 and the portion of the cost to be assessed against benefited property owners is declared to be \$1,231,200.
3. The City Clerk, with the assistance of the City Engineer, has calculated the proper amount to be specially assessed for such improvements against every assessable lot, piece or parcel of land to be benefited by the improvements, and the Clerk has filed a copy of such proposed assessment in the City offices for public inspection.
4. Assessments shall be payable in equal annual installments extending over 15 years for street and drainage improvements and 20 years for watermain improvements, the first of the installments to be payable on or before the first Monday in January, 2024 and shall bear interest at the rate of 4.75 percent per annum from the date of the adoption of the assessment resolution.
5. A public hearing shall be held on the 17th day of October, 2023, in the Council Chambers of the City Hall at or approximately after 7:00 P.M. to pass upon such proposed assessment. All persons owning property affected by such improvement will be given an opportunity to be heard with reference to such assessment.
6. The City Clerk is hereby directed to cause a notice of the hearing on the proposed assessment to be published once in the official newspaper at least two weeks prior to the hearing, and she shall state in the notice the total cost of the improvement. She shall also cause mailed notice to be given to the owner of each parcel described in the assessment roll not less than two weeks prior to the hearings.

7. The owner of any property so assessed may, at any time prior to certification of the assessment to the county auditor, pay the entire assessment on such property, with interest accrued to the date of payment, to the City Clerk. No interest shall be charged if the entire assessment is paid within 30 days from the adoption of this assessment. A property owner 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 November 15 or interest will be charged through December 31 of the succeeding year.

**ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE NINETEENTH DAY OF SEPTEMBER, 2023.**

**CITY OF LAKE ELMO**

By: \_\_\_\_\_  
Charles Cadenhead  
Mayor

(Seal)  
ATTEST:

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

## **CITY OF LAKE ELMO**

### **NOTICE OF HEARING ON PROPOSED ASSESSMENT PARKVIEW ESTATES, CARDINAL VIEW, AND 15<sup>TH</sup> STREET NEIGHBORHOOD STREET AND UTILITY IMPROVEMENTS**

Notice is hereby given that the City Council of Lake Elmo will conduct a public hearing on **Tuesday October 17, 2023** at, or approximately after, 7:00 P.M. at Lake Elmo City Hall to consider, and possibly adopt, the proposed assessment against abutting properties for the Parkview Estates, Cardinal View, and 15<sup>th</sup> Street Neighborhood Street and Utility Improvements. Adoption by the Council of the proposed assessment may occur at the hearing. The following describes the proposed improvements and area(s) to be assessed:

The extension of municipal water into the Parkview Estates, Cardinal View and 15th Street North neighborhood area to replace individual private wells and to provide clean drinking water to 45 properties adjacent to the new watermain, including a water service stub to the public right-of-way. Following the watermain installation, street and drainage improvements will be completed along the following public streets:

- Ivory Avenue North.
- Ivory Court North.
- 16th Street North.
- 15th Street Court North.
- 15th Street North, from Inwood Avenue to the east cul-de-sac.

The area proposed to be assessed for the watermain improvements include 38 properties located along the proposed watermain alignment that will be receiving access to connect to city water; and the area proposed to be assessed for the street and storm sewer improvements include each of the 38 properties that gain, or could gain direct driveway access from the above referenced streets to be improved as part of this project.

You may at any time prior to certification of the assessment to the county auditor on November 17, 2023, 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 prior to November 17, 2023. 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 November 15 (for the assessment to be 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 4.75 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 watermain improvements, the first of the installments to be payable on or before the first Monday in January 2024 and will bear interest at the rate of 4.75

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, 2023. 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 street improvement amount to be assessed is \$326,800. The total watermain amount to be assessed is \$1,231,200. The total project costs for the public watermain and street reconstruction is \$4,557,600. 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 19, 2023

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

**Charles Cadenhead, Mayor**

*(Published in the Stillwater Gazette on September 22, 2023)*

**CITY OF LAKE ELMO**  
**PARKVIEW-CARDINAL NEIGHBORHOOD**  
**PROJECT NO. 2020.121**

	Feasibility Report Estimate of Cost	Final Project (Estimate at Completion)
<b>Total Project Cost</b>	<b>\$5,329,000</b>	<b>\$5,647,600</b>
Street Improvements	\$2,050,000	\$2,197,100
<i>Assessed Residential Parcels</i>	64	65
<i>Assesseable Residential Equivalent Units (REU)</i>	68	68
<i>Assessment Amount per REU</i>	\$8,600	\$8,600
Watermain Improvements	\$2,265,000	\$2,360,500
<i>Assessable Cost</i>	\$2,265,000	\$2,265,000
<i>Assessed Parcels</i>	62	70
<i>Assessment Amount</i>	\$36,600	\$32,400
Private Water Service Connections	\$1,014,000	\$1,090,000
*MPCA Grant Amount is \$5,651,120		



PARKVIEW ESTATES-CARDINAL VIEW NEIGHBORHOOD  
STREET AND UTILITY IMPROVEMENTS  
FINAL ASSESSMENT ROLL

NO.			NAME		ADDRESS		MAILING ADDRESS				PID	TOTAL ASSESSMENT	STREET & DRAINAGE ASSESSMENT	WATERMAIN ASSESSMENT
1	VANG LEO & LOU MOUA	1873	IVORY	AVE N	1873	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120023	\$41,000	\$8,600	\$32,400
2	GRIFFIN PETER & CHRISTINE	1849	IVORY	AVE N	1849	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120022	\$41,000	\$8,600	\$32,400
3	KLOSNER MARK S & BARBARA F	1827	IVORY	AVE N	1827	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120021	\$41,000	\$8,600	\$32,400
4	WILLIAMS JAMES M & SUSAN T	1805	IVORY	AVE N	1805	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120020	\$41,000	\$8,600	\$32,400
5	HANGGE JOSEPH P & MICHELE L	1779	IVORY	AVE N	1779	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120019	\$41,000	\$8,600	\$32,400
6	NELSON DAVID F & LESLIE R	1757	IVORY	AVE N	1757	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120018	\$41,000	\$8,600	\$32,400
7	DRESSEL DAVE & JESSICA	1743	IVORY	AVE N	1743	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120017	\$41,000	\$8,600	\$32,400
8	JODI FISH TRS	1727	IVORY	AVE N	1727	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120016	\$41,000	\$8,600	\$32,400
9	AXBERG GARY T & JEANETTE L	1709	IVORY	AVE N	1709	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120015	\$41,000	\$8,600	\$32,400
10	BARTOSH PETER T & SANDRA K	1697	IVORY	AVE N	1697	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120014	\$41,000	\$8,600	\$32,400
11	YOCUM TIMOTHY C & SHANNON C S	1694	IVORY	AVE N	1694	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120009	\$41,000	\$8,600	\$32,400
12	BEARTH GREGORY A & MELISSA A	1681	IVORY	AVE N	1681	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120013	\$41,000	\$8,600	\$32,400
13	DEEB TIFFNI L & DANIEL L	1680	IVORY	AVE N	1680	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120008	\$41,000	\$8,600	\$32,400
14	WORTMAN STEPHEN D & CHERYL L	1668	IVORY	AVE N	1664	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120007	\$41,000	\$8,600	\$32,400
15	IVERSON JEFFREY S & JULI A	1663	IVORY	AVE N	1663	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120012	\$41,000	\$8,600	\$32,400
16	BATTAH ABDALLA M-A	1654	IVORY	AVE N	1654	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120006	\$41,000	\$8,600	\$32,400
17	ANDERSON DAVID M & MARIA V	1645	IVORY	AVE N	1645	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120011	\$41,000	\$8,600	\$32,400
18	SNIDER BERT W & TERRI L	1636	IVORY	AVE N	1636	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120005	\$41,000	\$8,600	\$32,400
19	ANDERSON JAMES L & KARIN L	1627	IVORY	AVE N	1627	IVORY	AVE N	LAKE ELMO	MN	55042	2802921120010	\$41,000	\$8,600	\$32,400
20	HAUGE ROBERT JR & LAIS MONICA	1615	IVORY	AVE N	1615	IVORY	AVE N	LAKE ELMO	MN	55042	2802921130018	\$41,000	\$8,600	\$32,400
21	VANG CHRISTOPHER C & MINA M	9155	16TH	ST N	9155	16TH	ST N	LAKE ELMO	MN	55042	2802921130012	\$41,000	\$8,600	\$32,400
22	HICKEY TERRANCE S & LYNDA L	9125	16TH	ST N	9125	16TH	ST N	LAKE ELMO	MN	55042	2802921130013	\$41,000	\$8,600	\$32,400
23	ROLANDO RICHARD J & JEAN M	1583	IVORY	AVE N	1583	IVORY	AVE N	LAKE ELMO	MN	55042	2802921130014	\$41,000	\$8,600	\$32,400
24	HENEHAN THOMAS A & MARY L	1570	IVORY	AVE N	1570	IVORY	AVE N	LAKE ELMO	MN	55042	2802921130016	\$41,000	\$8,600	\$32,400
25	LECUYER BRENDA & ALLEN	1567	IVORY	AVE N	1567	IVORY	AVE N	LAKE ELMO	MN	55042	2802921130015	\$41,000	\$8,600	\$32,400
26	KUMP SUZANNE & JOHN	1539	IVORY	CT N	1539	IVORY	CT N	LAKE ELMO	MN	55042	2802921130008	\$41,000	\$8,600	\$32,400
27	ADAMSKY STEVEN J & HOLLIE	1535	IVORY	CT N	1535	IVORY	CT N	LAKE ELMO	MN	55042	2802921130009	\$41,000	\$8,600	\$32,400
28	HYBBEN RICHARD & SAMANTHA	1525	IVORY	CT N	1525	IVORY	CT N	LAKE ELMO	MN	55042	2802921130011	\$41,000	\$8,600	\$32,400
29	SAUNDERS SHARON M & DAVID S	1517	IVORY	CT N	1517	IVORY	CT N	LAKE ELMO	MN	55042	2802921130007	\$41,000	\$8,600	\$32,400
30	FUNFSINN DOUG & ERICKA	1513	IVORY	CT N	1513	IVORY	CT N	LAKE ELMO	MN	55042	2802921130006	\$41,000	\$8,600	\$32,400
31	WHITE ROBERT J & BETH A	1543	15TH	ST CT N	1543	15TH	ST CT N	LAKE ELMO	MN	55042	2702921230009	\$41,000	\$8,600	\$32,400
32	MOODY TERRY B & KAREN A	1535	15TH	ST CT N	1535	15TH	ST CT N	LAKE ELMO	MN	55042	2702921230010	\$41,000	\$8,600	\$32,400
33	PAUL B MENCKE KATHLYN N MENCKE REV TRS	1532	15TH	ST CT N	1532	15TH	ST CT N	LAKE ELMO	MN	55042	2702921230002	\$41,000	\$8,600	\$32,400
34	MOYNAGH MICHAEL J & MARGARET E	1521	15TH	ST CT N	1521	15TH	ST CT N	LAKE ELMO	MN	55042	2702921230005	\$41,000	\$8,600	\$32,400
35	TROUPE DOUGLAS R	9250	15TH	ST N	9250	15TH	ST N	LAKE ELMO	MN	55042	2702921240002	\$41,000	\$8,600	\$32,400
36	RICHARDS HARRISON A & KATE MCCOY	8975	15TH	ST N	8975	15TH	ST N	LAKE ELMO	MN	55042	2802921410003	\$41,000	\$8,600	\$32,400
37	JESKE DON F & CORRYL E	8996	15TH	ST N	8996	15TH	ST N	LAKE ELMO	MN	55042	2802921140001	\$41,000	\$8,600	\$32,400
38	LINDER HENDERSON TRS	9255	15TH	ST N	9255	15TH	ST N	LAKE ELMO	MN	55042	2702921310001	\$41,000	\$8,600	\$32,400
TOTALS											\$1,558,000	\$326,800	\$1,231,200	