

City of Montgomery 2021 Street & Utility Improvement Project Public Hearing 7:00 P.M., Monday, July 20, 2020



Public Hearing: So Why are we all here?

- City Council adopted a capital improvements plan (CIP) in 2020 based on recommendation from City Staff and the Public Works Advisory Board.
- Circle Drive Area was identified for a project in 2021.
- Why?; Numerous water main breaks, drainage issues, poor streets, Inflow/Infiltration into the sanitary sewer.

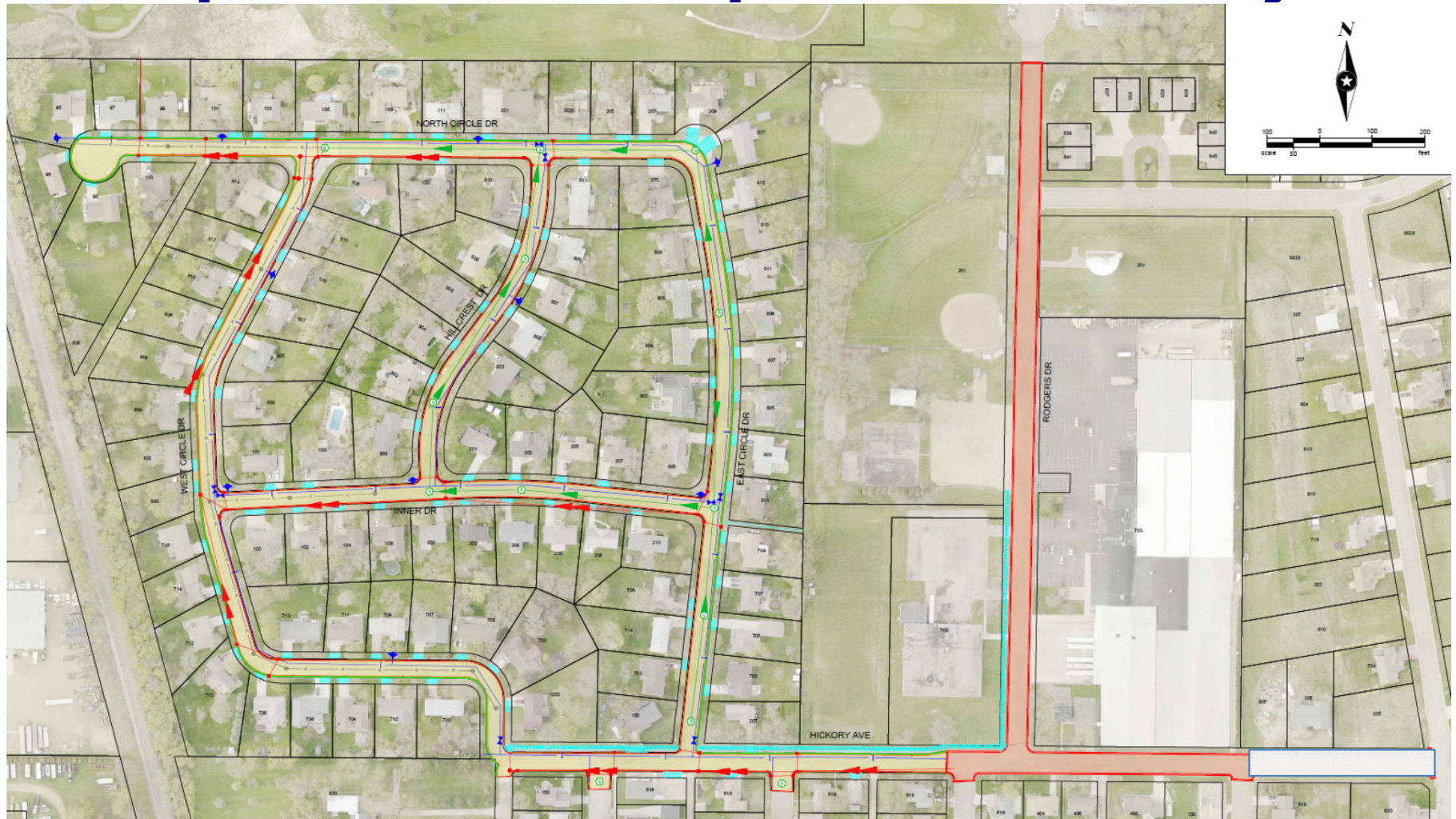
Public Hearing: So Why are we all here?

- Feasibility Study ordered back in February.
- Engineering Feasibility Study identified the proposed scope of project, probable cost and proposed funding.
- Feasibility Study and Public Hearing are a requirement of Mn Statute 429, Public Improvement process.
- Council will consider ordering the improvement tonight.

Public Improvement Process, MN Statutes 429

- Most effective financing tool for municipalities to finance local improvements
- Minnesota State Statutes, Chapter 429, grants cities the authority to use special assessments as a mechanism to finance public improvements. The special assessment exist to assign as much cost as reasonable to these properties receiving a direct benefit from a public improvement project, thereby reducing the reliance on the general tax levy.

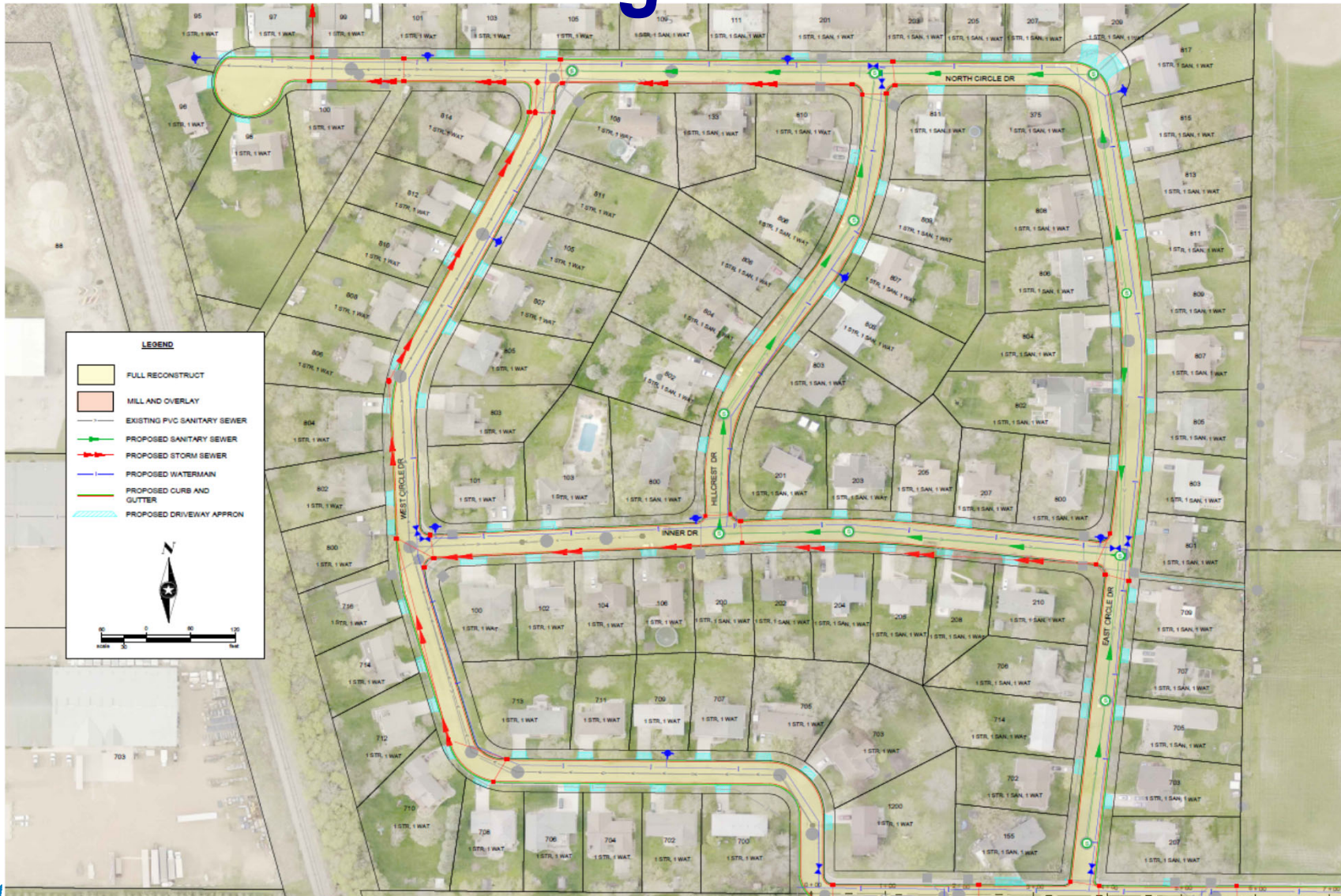
Proposed 2021 Improvement Project



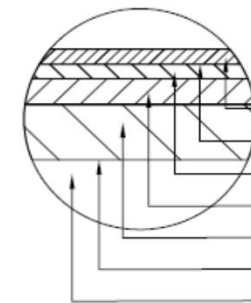
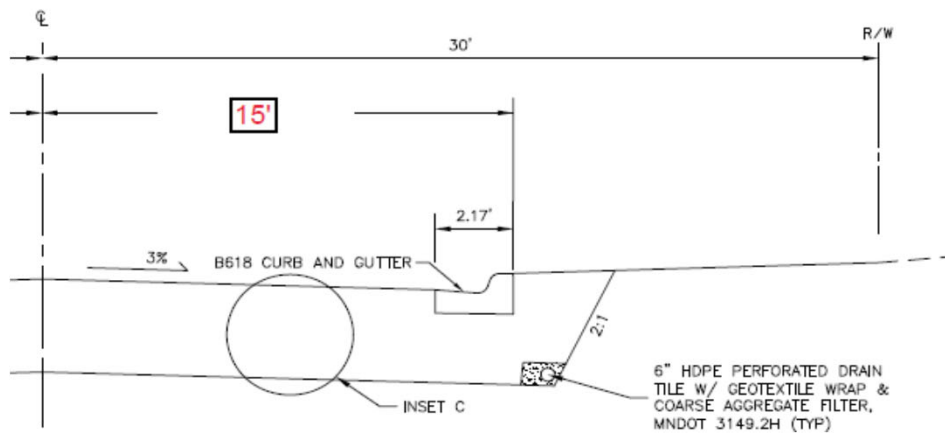
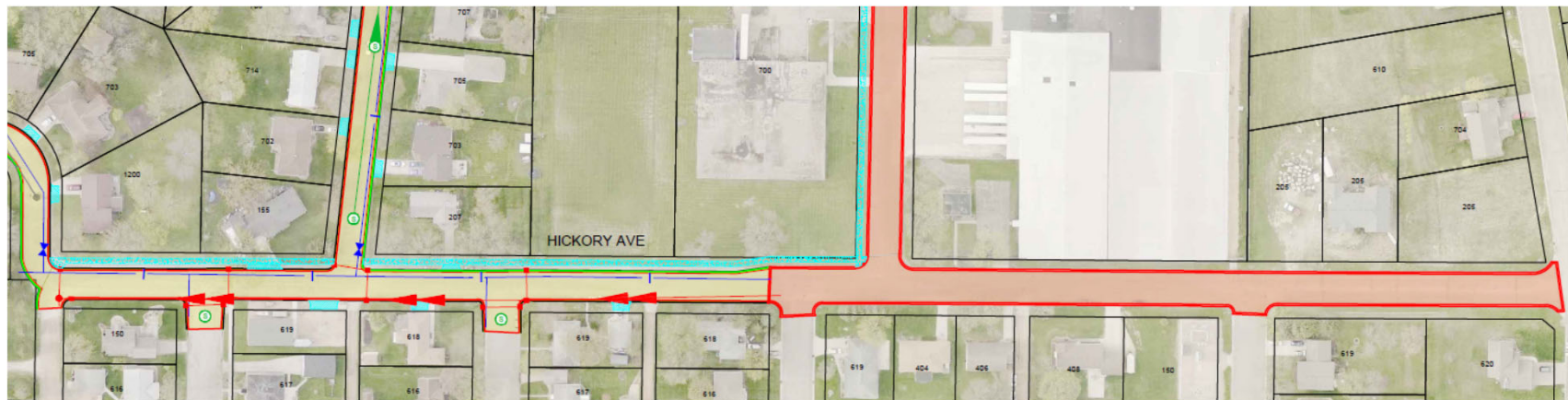
Proposed Improvements

- Water Main - *(numerous WM breaks)*
- Water Services
- Sanitary Sewer - *(Inflow/Infiltration, Clay Mains & Services)*
- Sanitary Sewer Services
- Storm Sewer
- Sump Pump drain boxes
- Street Improvements - *(Reconstruct or Mill & Overlay)*
- Curb & Gutter
- Driveway Aprons
- Some Sidewalks - *(Connection to Park & along Hickory)*

Circle Drive Neighborhood



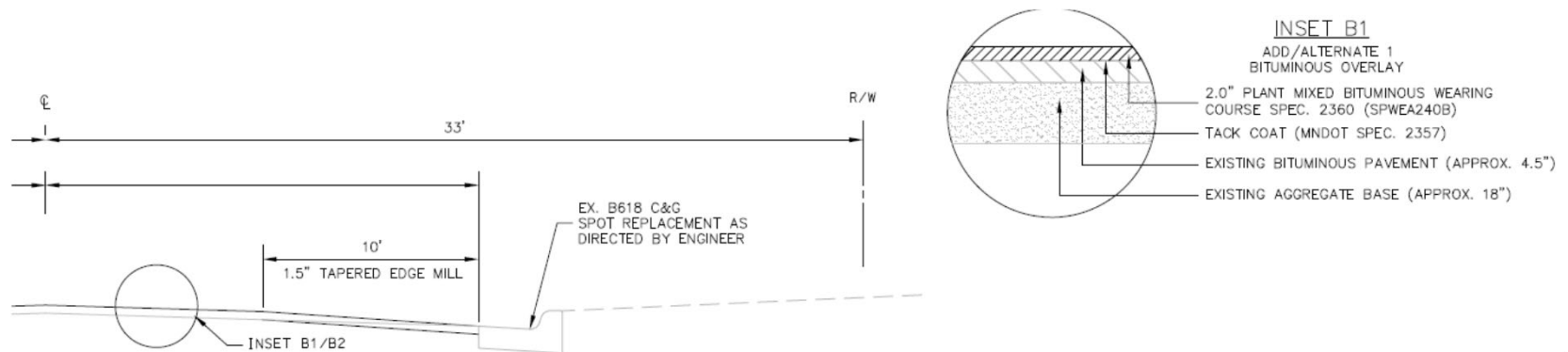
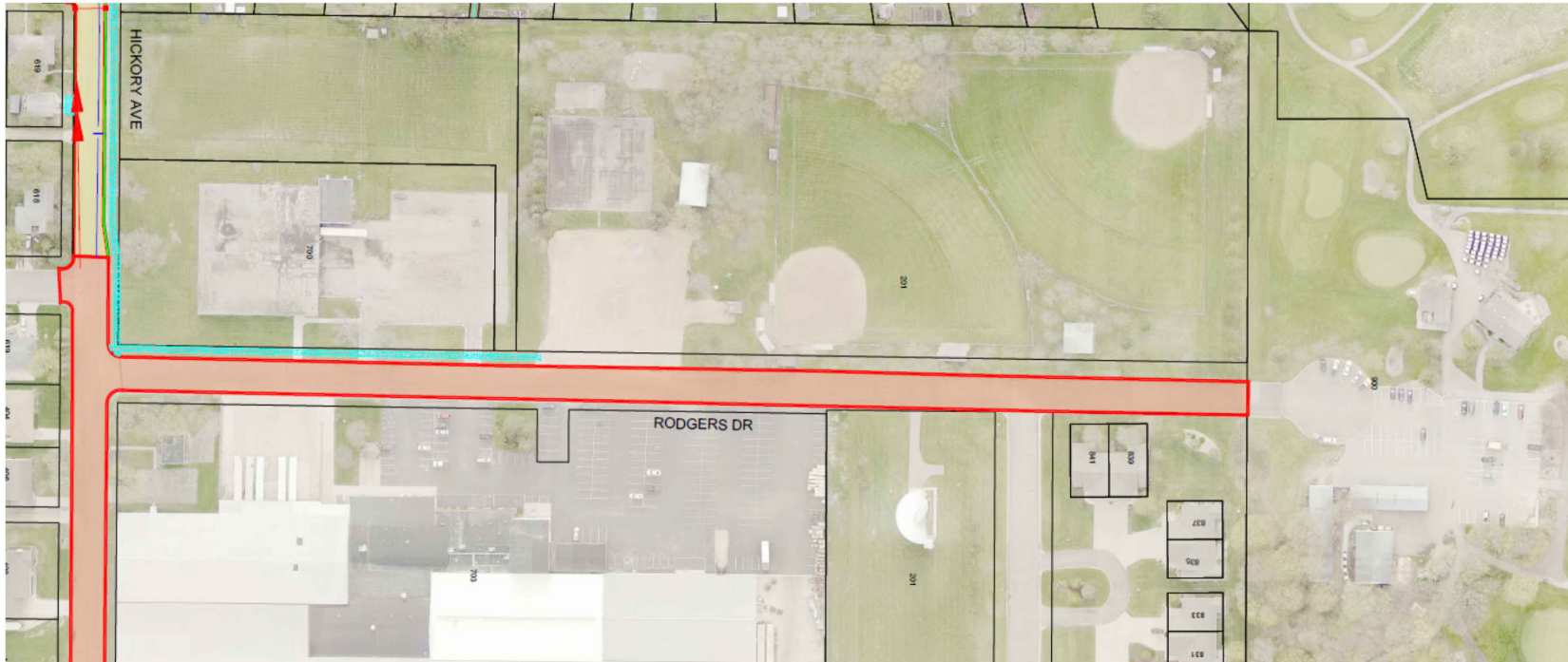
Hickory Avenue



INSET C
BITUMINOUS STREET SECTION

- 1.5" PLANT MIXED BITUMINOUS WEARING COURSE SPEC. 2360 (SPWEA240B)
- TACK COAT (MNDOT SPEC. 2357)
- 2.5" PLANT MIXED BITUMINOUS NONWEARING COURSE SPEC. 2360 (SPNWB230B)
- 8" CLASS 5 AGGREGATE BASE SPEC. 2211
- 18" SELECT GRANULAR BORROW SUBBASE SPEC. 3149.2B2
- GEOTEXTILE FABRIC, TYPE 5, SPEC. 3733 (NONWOVEN)
- SUBGRADE PREPARATION - MNDOT 2112

Rogers Drive – Mill & Overlay



Estimated Total Project Cost

<u>Improvement</u>	<u>Est. Cost*</u>	<u>%</u>
Street Improvements	\$ 3,085,040	65.0%
Storm Sewer Improvements	\$ 617,380	13.0%
Sanitary Sewer Improvements	\$ 346,510	7.3%
Water System Improvements	<u>\$ 700,040</u>	<u>14.7%</u>
Total	\$ 4,749,000	100.0%
* Includes Project Related Costs: (Contingency, Engineering, Testing, Admin, Fiscal & Legal)		

Funding “Local” Infrastructure Improvements

- General Levy - (City-wide Property Taxes)
- Fees – (sewer utility fund, water utility fund, stormwater utility fund)
- Assessments to benefitting properties
- Outside funding? (ie: Fed., County, State – NA Here)
- OR SOME FAIR AND REASONABLE BALANCE OF ALL OF THE ABOVE

2021 Project - Proposed Funding

<u>Funding Source</u>	<u>Est. Project Cost</u>	<u>%</u>
Sanitary Sewer Utility Fund	\$ 289,206	6.1%
Water Utility Fund	\$ 572,891	12.1%
Stormwater Utility Fund	\$ 617,380	13.0%
Assessments (street, water, sanitary)	\$ 953,072	20.1%
General Debt Service	<u>\$ 2,316,451</u>	<u>48.8%</u>
Total	\$ 4,749,000	100.0%

2021 Project - Proposed Funding

<u>Funding Source</u>	<u>Est. Project Cost</u>	<u>%</u>
City-Wide Contribution	\$ 3,795,928	79.9%
Neighborhood Contribution	\$ 953,072	20.1%
Total	\$ 4,749,000	100.0%

Assessment Policy Methodology:

- **Method of Assessment**
 - “Consistent, uniform, fair and equitable treatment”.
 - Treat all Single-Family residential the same (Everyone is part of a street system).
 - Residential “UNIT” Method – BASE RATE.
 - Separate rate for Multi-Family, Institutional, Commercial and Industrial properties.
- **“FIXED” Base Rate method vs. project-to-project actual cost**
 - Rate is known before project takes place.
 - Rate is consistent year-to-year / neighborhood-to-neighborhood / project-to-project.
 - Fluctuation in project costs are borne by the City as a whole.

Proposed Assessment Methodology

RESIDENTIAL RATE (BASE RATE) → ASSESSED ON A UNIT PARCEL BASIS



$$\text{COMMERCIAL/MULTI-FAMILY RATE} = \frac{\text{RESIDENTIAL BASE RATE (UNIT)}}{75' \text{ (AVERAGE RESIDENTIAL LOT WIDTH)}} = \text{FRONT FOOT RATE (COMMERCIAL/MULTI-FAMILY RATE)}$$

$$\text{INDUSTRIAL RATE} = \frac{\text{RESIDENTIAL BASE RATE (UNIT)}}{75' \text{ (AVERAGE RESIDENTIAL LOT WIDTH)}} \times 1.2 = \text{FRONT FOOT RATE (INDUSTRIAL RATE)}$$

Proposed Assessment Rates

<u>IMPROVEMENTS</u>	<u>PROPOSED 2021 RATES</u>
Full Street Reconstruction	\$7,027.80/Unit– SF Residential
Mill & Overlay	\$1,621.80/Unit– SF Residential \$21.62/F-F – Multi-Family/Comm \$497.26/Unit – Townhomes
Residential/Domestic Water Service Replacement	\$1,297.44/Unit
Residential/Domestic Sanitary Sewer Replacement	\$1,081.20/Unit

Assessment Process

- Consideration by City Council (February 2021)
- Payable interest free from night of adoption until October 31, 2021)
- Unpaid assessments levied to County and payable with property taxes over 15 years with first payment due in 2022.
- Interest rate on assessments TBD%
- Options for deferred assessments on homesteaded property. (see Notice).

Proposed Project Schedule

- 2/18/2020 Council Ordered Preparation of Feasibility Study
- 5/21/2020 Neighborhood Meeting
- 6/15/2020 Council Accepts Report and Ordered Hearing
- 7/20/2020 Public Hearing / Council considers Improvement
- July – Dec Preparation of Bidding Documents
- 12/21/2020 Council Approves plans and Ad for Bids
- 12/21/2020 Council Declares Cost, Orders Roll and Assess Hearing
- Jan 2021 Advertising for Bids
- Jan 2021 Notices of Assess Hearing mailed and published
- Jan 2021 Neighborhood Plan Review Open House (Virtual?)
- Feb 2021 Bid Opening
- 2/15/2021 Assessment Hearing
- 2/15/2021 Award of Bids
- 2021 Season Construction
- 10/31/2021 Interest-free deadline for Assessments
- Spring 2022 Punchlist / Warrantee Work / Final Wear Paving

Questions ?

