



Brainerd City Council Agenda Request

Requested Meeting Date:

Title of Item:

<input type="checkbox"/> INFORMATION ONLY <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> P&F COMMITTEE <input type="checkbox"/> SPW COMMITTEE <input type="checkbox"/> MAIN AGENDA	Action Requested: <input type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft) <i>*provide copy of published hearing notice</i> <input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing* <input type="checkbox"/> Ordinance 1 st Reading
Submitted by:	Department:
Presenter (Name & Title):	Estimated Time Needed:
Summary of Issue:	
Alternatives, Options, Effects on Others/Comments:	
Recommended Action/Motion:	
Financial Impact: Is there a cost associated with this request: <input type="checkbox"/> Yes <input type="checkbox"/> No What is the total cost, with tax and shipping \$ _____ Is this budgeted? <input type="checkbox"/> Yes <input type="checkbox"/> No <u>Please Explain:</u>	

February 23, 2021

Mayor Badeaux
and Brainerd City Council Members



RE: City Improvement 19-19 – Jackson Street and NW 3rd Street Improvements Feasibility Report www.ci.brainerd.mn.us

Jackson Street – NW 4th Street to NW 3rd Street
NW 3rd Street – James Street to Jackson Street

Dear Mayor Badeaux and City Council Members,

I am pleased to present this report for improvements as listed above. As you may recall from our previous conversations at a Council level, these improvements to Jackson Street and NW 3rd Street are being done in conglomeration with the NW 4th Street project in which will include a roundabout at the intersection of Jackson Street and NW 4th Street along with a full concrete median from Washington Street to Jackson Street. There is also lane configuration changes on NW 4th Street to include one southbound and one northbound lane from Beaver Dam Road to Washington Street. The southbound Washington Street intersection will include 2-dedicated left turn lanes and a 1-through-right to assist with stacking issues with see at peak times at NW 4th Street. The median through James Street at NW 4th Street is to restrict left turn movements at this intersection that have caused many accidents in recent years. All these changes to NW 4th Street will ultimately affect the neighborhood that lies between NW 4th Street and NW 2nd Street from Jackson Street to James Street, including the Tyrol Hills area, thus, the Council elected to improve Jackson Street and NW 3rd Street in this area to provide for efficient traffic flow in this neighborhood and access to the roundabout at Jackson Street and NW 4th Street.

Existing Project Conditions

The existing roadway conditions on Jackson Street and NW 3rd Street consist of gravel surfacing with no improved drainage systems or curb and gutter. Full water and sanitary sewer utilities already exist in the road right-of-way and will be brought to grade with any improvement project. There is no surface rating incorporated with these streets, as surface ratings only are attributable to bituminous paved surfaces. These roadway surfaces are graded multiple times per year after rain events, and the City spends a lot of maintenance time and man-hours repairing washouts in the gravel surfacing on these streets due to the grade of NW 3rd Street and no improved drainage systems or structures. These streets are one of a few remaining gravel surfaced streets in the City that also include Greenwood Street, South Ridge Drive, and a small portion of Maple Street.

Proposed Project Conditions

The improvements to NW 4th Street are anticipated to change traffic patterns in this area, thus the need to consider roadway improvements to the existing streets of NW 3rd Street and Jackson Street. The City's typical standard for a residential street such as this is a 32-foot-wide paved surface with curb and gutter and storm sewer. This allows for a 35-foot face-of-curb to face-of-curb surface (with curb included). This allows for on-street parking on both sides of the street along with 2-10 ½ foot wide travel lanes. Storm sewer is being proposed to bring stormwater from the street surface to the stormwater pond located at the end of NW 2nd Street. Other minor improvements to the sanitary sewer and watermain include bringing the structures to the new surface elevations proposed by adding or removing rings or sections of the enclosure infrastructure. No right-of-way impacts are

anticipated as all the streets identified are platted and un-improved. The improvements to the roadway surface are anticipated to be 100% assessed for per the City's assessment policy. Utility placements and upgrades will be funded through respective utility funds.

Project Estimated Costs

A total estimated cost for the specific roadway improvements can be seen below. The costs are based on estimated quantities and costs from like projects in the past and are subject to change based on bid unit prices submitted by contractors.

***Includes Engineering Costs**

Roadway	\$145,176
Storm Sewer	\$61,207
Sanitary Sewer	\$3,644
Watermain	\$652
Estimated Assessable Costs	\$145,176
TOTAL PROJECT ESTIMATE	\$210,679

This improvement is feasible, cost effective, and necessary due to the roadway not being constructed to a City standard along with the proposed future traffic changes in this area along with the projected higher use. These improvements should be constructed in conjunction with the NW 4th Street improvements to prevent un-safe driver behaviors, to avoid additional wear and tear on the gravel surfacing currently present, avoid higher maintenance costs that come with gravel surfacing and increased traffic, along with providing the travelling public a safe and improved surface with proper drainage to ingress and egress from the neighborhood and commercial areas identified.

Respectfully Submitted,



Paul G. Sandy, P.E.
City Engineer/Interim Public Works Director
City of Brainerd

NOTICE OF HEARING ON IMPROVEMENT

TO WHOM IT MAY CONCERN:

Notice is hereby given that the City Council of Brainerd, Minnesota, will meet in the Council Chambers of the City Hall at 7:30 p.m. on April 5, 2021 to consider making the improvement as described below pursuant to Minnesota Statute Sections 429.011 to 429.111:

IMPROVEMENTS 19-19

Street Reconstruction – Grading, Storm Sewer, Concrete Curb and Gutter, and Bituminous Surfacing

Jackson Street – NW 4th Street to NW 3rd Street

NW 3rd Street – James Street to Jackson Street

The area proposed to be assessed is the property abutting said streets and alleys.

The estimated cost of such improvements is \$210,679

Such persons as desire to be heard with reference to the proposed improvements will be heard at this meeting.

Any individual needing special accommodations please call 828-2307.

Dated: March 1, 2021

Jennifer Bergman
City Administrator

Publish Brainerd Dispatch March 12, 2021 and March 19, 2021

RESOLUTION
NO. _____

RESOLUTION ORDERING IMPROVEMENT, APPROVING PLANS AND SPECIFICATIONS, AND ORDERING ADVERTISEMENT FOR BIDS

WHEREAS, a motion by the City Council passed on the 1st day of March 2021, fixed a date for a Council hearing on the proposed improvement listed below; and

WHEREAS, the City Engineer has prepared plans and specifications for the improvement of the following described project:

IMPROVEMENT 19-19

Street Reconstruction

Jackson Street – NW 4th Street to NW 3rd Street
NW 3rd Street – James Street to Jackson Street

WHEREAS, such plans and specifications have been presented to the Council for approval;

WHEREAS, ten days' mailed and two weeks' published notice of the hearing was given and the hearing was held thereon on the 5th day of April 2021, at which time all persons desiring to be heard were given an opportunity to be heard thereon; and

WHEREAS, at said hearing there was available a reasonable estimate of the amount to be assessed and a description of the methodology, in the forms attached hereto as Exhibit A;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BRAINERD, MINNESOTA:

1. Said improvement is necessary, cost-effective, and feasible as detailed in the feasibility report.
2. Said improvement is hereby ordered as proposed in the Council motion on the 5th day of April 2021.
3. City Engineer Sandy is hereby designated as the engineer for this improvement. He shall prepare plans and specifications for the making of such improvement.
4. The City Council declares its official intent to reimburse itself for costs of the project from proceeds of bonds, which are expected to be issued in the maximum principal amount of \$210,679.

NOW, THEREFORE, BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF BRAINERD, MINNESOTA:

1. Such plans and specifications, a copy of which is on file at the offices of the City Administrator and the City Engineer, are hereby approved.
2. The City Administrator shall prepare and cause to be inserted in the official paper an advertisement for quotes upon the making of such improvement under such approved plans and specifications. The advertisement shall be published, shall specify the work to be done, shall state that quotes will be received by the City Administrator until 10:00 a.m. on April 23, 2021, at which time they will be publicly opened in the Council Chambers of the City Hall by the City Administrator and City Engineer, will then be tabulated, and will be considered by the Council at 7:30 p.m. on May 3, 2021, in the Council Chambers of the City Hall, Brainerd, Minnesota. Any quoter whose responsibility is questioned during consideration of the quote will be given an opportunity to address the Council on the issue of responsibility. No quotes will be considered unless sealed and filed with the City Administrator and accompanied by a

cash deposit, cashier's check, bid bond or certified check payable to the City Administrator for five (5) percent of the amount of such quote.

Adopted this ____ day of _____, 2021

Approved this ____ day of _____, 2021

KELLY BEVANS
President of the Council

DAVE BADEAUX
Mayor

ATTEST: _____
JENNIFER BERGMAN
City Administrator

EXHIBIT A
IMPACT OF ASSESSMENTS
CITY OF BRAINERD
IMPROVEMENT NO. 19-19

Available at Hearing Held April 5, 2021

The impact of the improvement is to provide necessary and desirable facilities for public use. The impact of the assessments for the improvement is to make benefited properties and their owners responsible for paying the costs of the improvement over time, not the public at large. The extent of the impact of the assessments depends upon the amount assessed.

A reasonable estimate of the total amount assessed is \$146,000. This estimate is approximately 100% of the street reconstruction costs. The City reserves the right when actually levying assessments to assess up to the full costs of the improvement, which may exceed estimates available at the time of the hearing on the improvement.

The following is a description of the methodology the City intends to use to calculate individual assessments for affected parcels on Improvement 19-19: front footage. The City reserves the right when actually levying assessments to modify or depart from this methodology to the extent the City deems appropriate.

City of Brainerd, Minnesota

Street and Sewer Assessment Policy

1. Introduction

Special assessments are a charge imposed on properties for an improvement that benefits the owners of that selected property. The authority to use special assessments originates in the state constitution which allows the state legislature to give cities and other local government units the authority “to levy and collect assessments for local improvements upon property benefitted hereby”. The legislature designates that authority to cities in Minnesota Statutes Chapter 429.

A charter city (in which Brainerd is) may choose to use either Chapter 429 or provisions of the charter to assess for local improvements, however, even the state law requires that charter cities follow state law in certain steps of the proceedings.

Special Assessments have three distinct characteristics:

- They are a levy the City uses to finance, or partially finance, a public improvement program.
- The city levies the charge only against those parcels of property that receive some special benefit from the program.
- The amount of the charge bears a direct relationship to value of the benefits the property receives.

The City of Brainerd, Minnesota finds it beneficial to fund portions or all the 5-year street and sewer capital plan using special assessments. Special assessment proceedings will follow the procedures as outlined in Minnesota Statute 429 and any modifications thereto.

2. Assessable Improvements

How Much is Being Assessed?

Developer New Construction

On projects where utilities and roadways are being constructed for the first time, the developer is responsible for installing the watermain, sanitary sewer, grading, surfacing, storm sewers, and any other incidental features it sees fit. The city requires developers to construct all facilities to city standards and be approved by the City engineering department. While it is ultimately up to the developer to decide how the development costs incurred are recouped, the developer will typically split these costs to the number of parcels developed and recoup its cost through the sale price of the lots.

Petitioned New Construction

On projects where the city is petitioned to install the new improvements, the entire project cost being constructed is assessed to the abutting properties, as either by a per lot basis or by a front-foot basis.

Petitioned or Council Authorized Reconstruction of Resurfacing

Whether the city acts upon its own authority to make an improvement or it is petitioned by property owners, the city assesses one-half (1/2) of the cost of the reconstruction or resurfacing improvement including construction and engineering of the said improvement on a front-foot or per lot basis. The other one-half (1/2) of the resurfacing or reconstruction cost is paid by the city. If utilities such as sanitary sewer, water mains, or storm sewers are being reconstructed along with the project, the cost of this work is not assessed, but rather is covered through user fees and rates set by council or public utilities commission. If a project consisting of overlaying a street is proposed, the entire project cost is assessed to abutting properties. The City does not typically assess for new sidewalks, but may from time to time, assess for the entire costs of repairs thereto.

Pursuant to Petition – Properties Abutting the City but outside City Corporate Boundaries

The City does not construct municipal utilities outside of its corporate boundaries until such time the properties are annexed and within the City of Brainerd corporate boundaries. Once annexation is completed, the utilities are installed and the entire cost of installation of said utilities are assessed to abutting property owners.

Pursuant to Council Action – Properties not Abutting the City Corporate Boundaries

The City does not construct municipal utilities outside of its corporate boundaries until such time the properties are annexed and within the City of Brainerd corporate boundaries. Once annexation is completed, the utilities are installed and the entire cost of installation of said utilities are assessed to abutting property owners.

In prior years, the City Council authorized the construction of utility improvements outside its corporate boundaries and not abutting the city. To pay for such costs, the council established a Water Connection Charge (WCC) and Sewer Connection Charge (SCC). This charge, as initially set by council resolution, represents the average costs of constructing such utility improvements and is payable immediately upon connection to the system. This charge is enacted if the property owner elects to divide the property in which assessments were imposed and deferred. If a lot is split and the owner elects to connect to sewer and water, the WCC and SCC are charged to the property owner, with the balance of the deferred assessment remaining on the other parcel created from the split.

The WCC and SCC set by council resolution will remain in effect until repealed by the council. Said resolution may be adjusted periodically by the city council.

3. Initiation of an Improvement

By Petition from Property Owners

Per Minnesota Statute 429, if the council chooses to proceed with an improvement based on a petition, it must have the signatures of at least 35 percent in frontage of the property bordering the proposed improvements. If the council relies upon a petition as its basis for proceeding, it cannot make substantial change the improvement from what is asked for in the petition. The council must pass a resolution determining whether the petition is legally sufficient or not.

By Council Action

Per City of Brainerd Charter Section 92, in the first instance in which the council desires to levy a special assessment for an improvement, it shall require a two-thirds (2/3) vote of the members elect except in the case of sidewalks, in which a majority is sufficient.

4. Proceedings

Minnesota Statute 429

The City of Brainerd has elected to utilize Minnesota Statute 429 for its assessment proceedings, as amended and incorporated by reference into this policy.

Interest Rates

The council determines the interest rate on the special assessments, along with any other repayment provisions. The interest rate is typically set by ensuring a reasonable relationship between the assessments interest rate and the bond interest rate if the city issued bonds for the project. If the city finances the project with funds on hand, the council will look at the interest rate the city would otherwise have earned on the funds.

5. Payments

Once the assessments have been adopted, property owners originally have numerous options for repayment:

1. Pay the total amount of the assessment within 30 days after the council adopts the assessment rolls. This this situation, the city cannot charge interest; or
2. Pay the assessments in annual installments (with interest) under the terms set by the council; or
3. Pay the entire amount at any time after the 30 days, but before any certification to the county auditor. The property owner pays only the amount of interest accrued as of the date of payment; or
4. At any time after certification to the County Auditor, the property owner may still pay the entire remaining unpaid amount to the County Treasurer. However, the property owner must pay the entire remaining unpaid amount of the assessment before November 15 of any year and must also pay all interest accrued until the end of that calendar year.

6. Deferments

The City Council has adopted policy which allows for assessment deferments for elderly person and for all other persons who fall within the economic hardship criteria. A deferred assessment is not forgiven but is postponed until such time that the property owner either elects to resume making the annual installments as certified, no longer meets the economic hardship criteria, or sells the property. Persons interested in deferring assessments must apply each year to have the following year assessment installment deferred. After 10 years, no further applications are necessary, and the deferred installments will remain permanently deferred without accrual of additional interest, until such time that the deferred assessment is voluntarily paid of the property is sold. The most current deferment criteria passed by council resolution can be requested from the City Clerk and a copy provided to the requestor.

7. Other Frequently Asked Questions

Will Improvements Affect my Property Taxes?

While it is well documented within the real estate industry that streets and utilities that are in poor condition decrease the marketability and sale prices of homes, improvements to the streets and utilities do not automatically increase the taxes on the property. Property market valuations, as determined by the County Assessor, are based on the recent sale prices of comparable properties within the neighborhood. Following improvements to streets and utilities, the marketability of properties tends to increase, and the properties can demand a higher sale price. As years pass and the history of sale prices in the neighborhood show increases, the County Assessor will adjust the market valuation of properties to more closely reflect the price the property would sell for. If the market valuations in the neighborhood are increasing at a faster rate than the City, County, and School District averages, the property taxes will tend to increase over time.

Why is There a Difference Between my Front Footage and Assessable Footage?

If you live on a corner lot, your property is subject to assessments for improvements on both streets. The City Council has adopted a side-yard deduction assessment policy to help reduce the burden for the owners of corner lots or reconstruction or resurfacing projects. Your side-yard is defined as the side of your lot with the most street frontage. Improvements made to your side-yard street result in the city paying for the cost of one-half of your side-yard footage and the property owner being assessed for one-half (1/2) of the side-yard footage. The most common assessment notices for side-yard street improvements will list the front-footage as 140 feet and the assessable front-footage as 70 feet.