

BAXTER CITY COUNCIL MINUTES
Special Meeting
October 11, 2018

1. Call Special Meeting to Order

Mayor Darrel Olson called the special meeting to order at 7:30 p.m.

2. Roll Call

Mayor Darrel Olson and Council Members Quinn Nystrom, Steve Barrows, and Todd Holman were present. Council Member Mark Cross was absent.

Administrator Brad Chapulis, Finance Director Jeremy Vacinek, Assistant City Administrator Kelly Steele, and Public Works Director Trevor Walter were present.

3. Presentation of 2018 Excelsior Road and Edgewood Drive Commercial Assessment Hearing

Chuck Rickert, consulting engineer with WSB, presented the assessment hearing presentation. The council approved the feasibility study on February 21, 2017 and held the improvement hearing on March 9, 2017. The project was bid, and the construction contract was subsequently awarded on December 19, 2017 to Pratt's Affordable Excavating, Inc. Construction on the project began on February 26, 2018 and is scheduled to be completed in November 2018. The total project cost at the improvement hearing was \$4,575,300 and now at the assessment hearing it is \$5,001,229. Project improvements include roadway, street lighting, storm water, water, sanitary sewer, pedestrian trail, and bike lanes.

Assessments west of the roundabout were calculated on a per foot basis. The total project cost for this segment is \$711,108.10. Of the total project cost, the city cost is \$468,778.97 and assessable costs are \$242,332.13.

Assessments east of the roundabout were calculated based on a full depth reclamation project at \$80 per foot. The total project cost for this segment is \$506,674.94. Of the total project cost, the city cost is \$407,554.94 and assessable costs are \$99,120.00.

Assessments north of the roundabout were calculated on an area basis. Developed properties received a 50% reduction in assessment because the Edgewood Drive roadway was an existing roadway. Undeveloped properties receive a deferred assessment. The total project cost for this segment is \$891,387.69. Of the total project cost, the city cost is \$568,767.86, assessable costs are \$212,230.66, and deferred assessments are \$110,389.69.

Assessments for the roundabout are assessed to the benefitting properties using the "Area" assessment method. The city will cover 50% of the cost, assess 25%, and area benefitting properties cover 25%. The total project cost for this segment is \$996,141.77. Of the total project cost, the development cost is \$249,035.44, the city cost is \$498,070.89, and assessed costs are \$249,035.44. Until the fourth leg of the roundabout is constructed, the city will hold \$313,761.26 in project costs.

Additional improvements were completed to Cub Foods, the strip mall, Holiday Station, Cash Wise Liquor, Brenny Funeral Home, Franzen Bank, and 1st Baptist Church to mitigate the street realignment.

Holiday Station paid for the dewatering for mitigation of the contaminated water and soil.

The city will hold 100% of the costs incurred for the south leg of the roundabout until future development is completed.

In summary, the total project cost is \$5,001,230. The assessed costs total \$848,461 and the city costs total \$4,152,769.

Assessments are amortized for a 12-year term at an estimated interest rate of 5%. Deferment of assessments are available for eligible senior citizens, disable, or military active duty.

4. Questions of City Council Members

None.

5. Open Public Hearing

Mayor Olson opened the public hearing at 7:51 p.m.

Chris Quisberg, 8638 Birchwood Hills, explained he objects to the special assessments.

Gary Fruth, 424 Union Terrace, explained he objects to the assessments.

6. Closed Public Hearing

After hearing no further public comments, Mayor Olson closed the public hearing at 7:55 p.m.

7. Next Steps

City Administrator Chapulis explained the city has received written objections to the special assessments for eight properties, represented by three property owners.

8. Adjourn

MOTION by Council Member Barrows, seconded by Council Member Holman to adjourn at 7:57p.m. Motion carried unanimously.

Approved by:

Respectfully submitted,

Darrel Olson
Mayor

Kelly Steele
Assistant City Administrator