

City Council Agenda Memo

From: Charlie Richter, City Engineer

Council Meeting: September 26, 2023

Subject: Resolution 23-089: Levying Assessment for Street Assessment Project No. 2021-02STA; 15th Street South and 7th Avenue South

Person(s) Responsible: Charlie Richter, City Engineer

Summary:

Resolution 21-047 authorized City staff to proceed with the design, bidding, and construction of Street Assessment Project 2021-02STA, for constructing collector streets with water and sanitary sewer mains and services, grading, gravel, curb & gutter, valley gutter, asphalt pavement, storm sewer, detention pond, drainage channel and wetland mitigation. The Street Assessment Project has been completed and requires a public hearing to levy the assessment.

Background:

The assessment project includes constructing 15th Street South and 7th Avenue South as collector streets with water and sanitary sewer mains and services, grading, gravel, curb & gutter, valley gutter, asphalt pavement, storm sewer, detention pond, drainage channel and wetland mitigation. The water main for the project will extend along 15th Street South and 7th Avenue South with water services to each lot. The sanitary sewer will extend along 7th Avenue South with sanitary sewer services to each lot.

On June 8, 2021 City Council approved Resolution 21-047 that authorized the City to proceed with designing, bidding, and constructing the project.

The City follows the assessment process as outlined in SDCL Chapter 9, Section 43, and this final step is a public hearing and approval of a Resolution Levying Assessment for the project.

Item Details:

Consistent with the City's policy on collector streets, these improvements are being assessed to the adjacent properties on the front foot method. The construction cost for the street work including grading, storm drainage, curb & gutter, gravel base course and asphalt surfacing to a width of 31 feet' wide is approximately \$214.75 per linear foot of frontage. This cost also includes a pro-rated share of the wetland mitigation cost based on the wetlands being filled in the right-of-way.

The construction cost for the water main work is \$39.03 per linear foot of frontage. The construction cost for the sanitary sewer main work is \$67.69 per linear foot of frontage.

The City will assume and pay for any extra width and thickness for the street construction, for the concrete valley gutter along the existing drainage channel east of Main Avenue South, for the detention pond construction on the northwest corner of 15th Street South and 7th Avenue South, channel grading south of 15th Street South, sidewalk along city-owned parcels, street signage, striping, and for a pro-rated share of the wetland mitigation cost based on the wetlands outside the right-of-way.

This public hearing and approval of the recommended resolution is the final step to assess the property owners with their portion of the construction and engineering costs.

In accordance with the Special Assessment Policy adopted on August 9, 2022, all abutting properties will be divided into ten (10) equal annual installments and carry an interest rate equal to the index "Federal Home Loan Bank of Chicago 10-year fixed Rate" + 3.5%, as published two weeks prior to the approval of Resolution 21-047. As of May 25, 2021, two weeks prior to the approval of Resolution 21-047, the published rate 1.99% +3.5% equals 5.49% per annum, which shall accrue on the unpaid balance of the assessment for property owners who elect to pay over the ten-year period.

The City published the notice of the public hearing and each property owner was mailed a copy of notice and assessment roll as required.

Legal Consideration:

None.

Strategic Plan Consideration:

Sustainability: the street construction implements the street network as planned in the 2040 Comprehensive Plan and the 2010 Brookings Area Master Transportation Plan. The streets will provide important collector streets to improve connectivity in the community.

Financial Consideration:

The assessment costs will be collected by the City and deposited in the Special Assessment Fund. The repayment from private property owners will be over a 10-year term at 5.49% interest on the owner's taxes. The City's portion of this Special Assessment is \$1,209,476.64 and will be repaid from revenues generated by Tax Increment Financial District 10.

Options and Recommendation:

The City Council has the following options:

1. Approve as presented
2. Amend
3. Deny
4. Move the item to a work session

5. Discuss / take no action / table

Staff recommends approval of the resolution.

Supporting Documentation:

Resolution

Map

Assessment Roll

Special Assessment Policy