

City Council Agenda Memo

From: Charlie Richter, City Engineer

Council Meeting: April 25, 2023

Subject: Resolution 23-037: Levying Assessment of Alley Assessment Project No. 2022-04STA, between 3rd Street to 4th Street connecting 8th Avenue and 9th Avenue.

Person(s) Responsible: Charlie Richter, City Engineer

Summary:

Resolution 22-32 authorized City staff to proceed with the design, bidding, and construction of Alley Assessment Project 2022-04STA, from 3rd Street to 4th Street connecting 8th Avenue and 9th Avenue. The alley construction has been completed and requires a public hearing and resolution to levy the assessment.

Background:

The City received a petition to pave the alley between 3rd Street to 4th Street connecting 8th Avenue and 9th Avenue. The City approved Resolution 22-32 on May 10, 2022 authorizing the City to proceed with designing, bidding, and constructing the project. The project included excavation, gravel and asphalt pavement.

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. The property owners pay for the original construction of a public alley as a one-time cost and the City will perform future maintenance on the alley such as asphalt overlays and chip seals.

Item Details:

This public hearing and adoption of the resolution is the final step to assess the property owners with their portion of the construction and engineering costs. The original estimated cost in the Resolution of Necessity was \$76.00 per front foot; however, the final cost based on actual bid quantities is \$62.95 per front foot. In accordance with the Special Assessment Policy adopted on August 9, 2022, all abutting properties will be divided into five (5) equal annual installments and an interest rate of 6.78% per annum shall accrue on the unpaid balance of the assessment for property owners who wish to pay over the five-year period.

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

Legal Consideration:

None.

Strategic Plan Consideration:

Fiscal Responsibility -- Alley paving by special assessment improves alleys with little financial impact to the City. The interest rate charged will cover all lending fees and administrative costs for the City while also providing a service to residents who choose to borrow from the City.

Financial Consideration:

The assessment costs will be collected by the City and deposited in the Special Assessment Fund.

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 as presented.

Supporting Documentation:

Resolution

Assessment Roll

Special Assessment Policy