



June 11, 2024

Jon Pratt, PE  
City Engineer

Assessment Hearing for:  
West Downtown  
Street & Utility Reconstruction  
City of Detroit Lakes, MN



Apex  
Engineering Group

# Purpose & Overview

## ■ Purpose

- Requirement of State Statute 429
- Overview of assessment policy, calculations, and procedures

## ■ Presentation

- Project background & schedule
- Review of Improvements
- Summary of Costs
- Financing, Assessments, and Cost Distribution

## ■ Questions & comments

# Project Background

- Project has been on the City's CIP for several years
- Public Hearing in December 2023
- Bid/Awarded construction contract in April 2024
- Construction to commence in June of 2024



# Existing Conditions

# Existing Conditions - Sewer

- Conditions Vary from location to location
- Frazee Street, Front Street and Lake Avenue
  - 8" VCP Pipe
  - Age unknown, but believed to be 70+ years old
- Holmes Street
  - 10" PVC Pipe – Good Condition
  - Replaced in the 1980's



# Existing Conditions - Water

- Conditions vary from location to location
- Frazee Street
  - Oak Grove to Summit & Lake to Washington
    - ▶ 6" to 8" CIP Pipe
    - ▶ Past Reliable Service Life
    - ▶ Undersized for transmission from tower
  - Summit to Lake
    - ▶ 12" PVC pipe – Good condition
    - ▶ Replaced in the 1980's

# Existing Conditions - Water

- **Holmes Street**
  - Lake to Washington
    - 12" PVC pipe – Good condition
    - Replaced in the mid 1980's
- **Front Street**
  - Summit to Lake
    - 6" CIP pipe
    - Past reliable service life (70+ years)
  - Lake to Washington
    - 12" PVC pipe
    - Replaced in the mid 1980's



# Existing Conditions - Water

- Lake Avenue
  - Front to State
    - ▶ 6" CIP pipe
    - ▶ Past reliable service life (70+ years)



# Existing Conditions - Stormwater

- Lake Ave/Front (except eastern block) – VCP pipe
  - 70+ years old
  - Past reliable service life
- Remaining Areas – 12” to 36” RC pipe
  - Good condition
- No significant hydraulic/capacity issues
  - Limited number of inlets

# Existing Conditions - Street

- Poor surface condition and significant deficiencies
  - Excessive cracking, potholes, etc.
  - Age varies and is unknown in some locations
- Sidewalks – Both sides
  - Significant pedestrian traffic during events/activities
  - Does not meet current ADA standards

# Proposed Improvements



# Proposed Utility Improvements

- **Sanitary Sewer Replacement**
  - Replace existing VCP mains with 8" PVC mains and precast concrete manholes
  - Existing PVC mains in good condition to stay in place
- **Watermain Replacement**
  - Replace existing CIP mains with 6" to 16" PVC mains
  - Existing PVC mains to stay in place
  - New hydrants
  - New isolation valves

# Proposed Utility Improvements

- **Service Lateral Replacement**
  - Generally, 1" water and 4" sewer with new curb stop and cleanout
  - Will not be replaced in all locations
    - ▶ Some have been replaced in previous projects
  - Replaced to the edge of the Right-of-way/Property Line
    - ▶ Property owner responsibility to replace from property line to house/building (not required)

# Proposed Utility Improvements

- Storm Sewer and Drainage
  - Replace VCP pipe on Lake Ave./Front St.
  - Replace as needed in other areas to facilitate other utility improvements
  - Expand collection and inlet capacity to meet current requirements
  - Install storm sewer within alley to facilitate drainage

# Proposed Street & Sidewalk Improvements

- Replace with similar width bituminous surfaced streets
- Replace sidewalk with 6' wide sidewalk on both sides
  - 4' colored, textured boulevard in commercial areas
  - 10' sidewalk/trail on one side of Frazee Street from Minnesota Street to Washington Avenue
  - No sidewalk on Frazee Street from Oak Grove to Summit

# Proposed Streetscape Improvements

- Boulevard Trees
  - Includes grates/guards or mulch beds
  - Irrigation
- Colored/textured concrete boulevard
- Power provisions on Holmes Street for events



# Financing, Assessments, & Cost Distribution

# As Bid Project Costs

Item	Total
Street	\$1,315,370
Streetscapes	\$535,092
Sidewalk	\$459,372
Lake Ave Alley	\$79,372
Stormwater	\$520,279
Sanitary Sewer	\$188,913
Sewer Services	\$199,980
Watermain	\$729,020
Water Services	\$113,147
<b>Total:</b>	<b>\$4,140,545</b>



# Funding Sources

- **Funded/Financed by:**
  - City Utility Funds & General Tax Levy
  - Municipal State Aid Funds
  - Special Assessments to adjacent property owners
- **Assessable costs are determined in accordance with the City's special assessment policy**

# Cost Distribution

- Sewer and Water
  - City assumes 100% of sanitary sewer main and watermain replacement costs
- Service Laterals – 100% assessable

# Cost Distribution

- Street Reconstruction – Assess 50% of standard street costs (including alleys)
  - Standard Residential Street; 36-foot, 5-ton design, bituminous surface
    - ▶ City assumes remaining percentage and oversizing
  - Standard Commercial Street; full width, 10-ton design, bituminous surface
- Sidewalk – assess 25% to residential properties and 50% to commercial properties
- City pays 100% of costs related to:
  - Storm Sewer
  - Streetscapes

# Cost Distribution

Item	City Share	Assessable	Total
Street	\$884,484	\$430,887	\$1,315,371
Streetscapes	\$535,092	\$0	\$535,092
Sidewalk	\$295,899	\$163,473	\$459,372
Lake Ave Alley	\$56,549	\$22,823	\$79,372
Stormwater	\$520,279	\$0	\$520,279
Sanitary Sewer	\$188,913	\$0	\$188,913
Sewer Services	\$52,936	\$147,044	\$199,980
Watermain	\$729,020	\$0	\$729,020
Water Services	\$5,782	\$107,365	\$113,147
<b>Total:</b>	<b>\$3,268,954</b>	<b>\$871,592</b>	<b>\$4,140,546</b>
	<b>78.9%</b>	<b>21.1%</b>	



# Allocation of Assessable Costs

- Distributed to benefitting properties in accordance with the City's Special Assessment Policy and past practices
- Costs are divided by assessable units (frontage or each) to determine a rate

# Assessable Units – Street/Alley

- **Rectangular Interior Lots**
  - Dimension of the side abutting the improvement
  - Includes street and/or alleys
- **Rectangular Corner Lots**
  - Dimension of the smaller side, plus;
  - $\frac{1}{2}$  the dimension of the longer side, up to 150', plus any distance beyond 150', plus;
  - Dimension of side abutting alley (if applicable)
  - Assessed only for side(s) abutting improvements
- **Irregular Shaped Lots**
  - Average dimension is assigned



# Assessable Units – Service Laterals

- Service Laterals are assessed on an 'Each' basis

# Assessment Rates

Item	Assessment Rate/Unit	Assessment Unit
Street - Residential	\$86.87	Front Footage
Street - Commercial	\$121.07	Front Footage
Sidewalk - Residential	\$24.81	Front Footage
Sidewalk - Commercial	\$49.62	Front Footage
Sewer Service	\$5,881.75	Each
Water Service	\$5,650.77	Each
Alley	\$86.45	Front Footage
Estimated Typical Assessments		
50-Foot Residential Lot:		\$17,117
75-Foot Residential Lot:		\$19,909
50-Foot Commercial Lot:		\$20,067
100-Foot Commercial Lot:		\$28,602



# Assessment Terms & Conditions

- Assessments will be levied against developed and benefitting properties (starting in 2025)
  - Assessments are typically applied to property taxes for a 20-year term
  - Prepayment for all/portion of assessment eliminates/reduces interest charges

# Assessment Deferral Policy

- Qualifying properties/Owners can apply for deferral
  - 65 years of age or older, permanently disabled, and/or military personnel on active duty meeting following criteria:
    - ▶ Fee simple ownership
    - ▶ Must be homestead
    - ▶ Meet income requirements
- Deferred w/o interest until:
  - Sale
  - Death of Owner
  - Non-Homestead
  - No Hardship
- Applications available at City Hall
- Application must be filed prior to November 15th every year
  - \$10 application fee





Questions?

# Questions

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