

MEETING DATE: October 12, 2017

TITLE: Authorization of Payment to the City of Minnetrista for an Assessment Related to the Halstead Drive Street Improvement Project

RESOLUTION NUMBER: 17-064

PREPARED BY: Tiffany Schaufler

E-MAIL: tschaufler@minnehahacreek.org

TELEPHONE: (952) 641-4513

REVIEWED BY: Administrator Counsel Program Mgr.
 Board Committee Engineer Other

WORKSHOP ACTION:

<input type="checkbox"/> Advance to Board mtg. Consent Agenda.	<input type="checkbox"/> Advance to Board meeting for discussion prior to action.
<input type="checkbox"/> Refer to a future workshop (date): _____	<input type="checkbox"/> Refer to taskforce or committee (date): _____
<input type="checkbox"/> Return to staff for additional work.	<input type="checkbox"/> No further action requested.
<input checked="" type="checkbox"/> Other (specify): Not reviewed at Board Workshop. Seeking final approval on October 12, 2017.	

PURPOSE or ACTION REQUESTED: Authorize payment to the City of Minnetrista for the City’s assessment against the District’s properties at 7901 and 8015 Halstead Drive for the Halstead Drive Street Improvement Project.

PROJECT/PROGRAM LOCATION: Minnehaha Creek Watershed District parcels at 7701 and 8015 Halstead Drive, Minnetrista at the Six Mile Marsh Prairie Restoration.

PROJECT TIMELINE:

- September 18, 2017: City of Minnetrista City Council adopted the final assessment for the Halstead Drive Street Improvement Project
- October 19, 2017: 30 days from the City’s adoption of assessment; full payments received by this date will result in no interest costs

PROJECT/PROGRAM COST:

Fund name and number: Project Maintenance & Land Management, 2003
Current budget: \$683,310
Expenditures to date: \$241,663
Requested amount of funding: \$29,636.98

PAST BOARD ACTIONS:

- On May 26, 2011, the District held a public hearing and authorized a) the purchase of the Halverson’s property and b) the request of funds pursuant to its loan agreement with Hennepin County

- September 22, 2011, the Board of Managers approved Resolution 11-090 authorizing the adoption of a concept plan for conservation and residential development of 7901 and 8015 Halstead Drive, Minnetrista
- May 10, 2012, the Board of Managers approved Resolution 12-043 authorizing the purchase of 7701 Halstead Drive; and approved Resolution 12-044 to request funds pursuant to its loan agreement with Hennepin County
- August 23, 2012, the Board approved Resolution 12-076 to modify the concept plan to delete the residential component for 7901 and 8015 Halsted Drive, Minnetrista
- January 24, 2013, the Board approved Resolution 13-009 to approve the final design for the Six Mile Marsh Prairie Restoration Project located at 7901 and 8015 Halstead Drive and authorized staff to solicit bids for construction bids
- March 28, 2013, the Board approved Resolution 13-027 to award a construction contract for the Six Mile Marsh Prairie Restoration Project
- May 11, 2017, the Board approved Resolution 17-034 to Grant a Temporary Easement to the City of Minnetrista on the District's property at 7701 and 8015 Halstead Drive in order to complete improvements to Halstead Drive in Minnetrista

SUMMARY:

The City of Minnetrista is implementing the Halstead Drive Street Improvement Project (“Project”). The Project includes reconstructing Halstead Drive from Highland Road to just west of Lakeside Drive to a 32-wide bituminous rural section roadway. On September 18, 2017 the Minnetrista City Council adopted the final assessment for the Project pursuant to Minnesota Statutes, Chapter 429. The total amount to be assessed by the City is \$692,765. The area to be assessed consists of every lot, piece or parcel of land benefitted by said Project and is as follows: those parcels adjacent to and with access via Halstead Drive from Highland Road to approximately 200 feet west of Lakeside Drive, Farmhill Drive South of Halstead Drive and west of Farmhill Circle (see attached Assessment Map).

The District owns in fee two parcels, 7901 and 8015 Halstead Drive (noted as parcels 50 & 51 on the attached Assessment Map), which each have been assessed by the City of Minnetrista for the Project (see attached City of Minnetrista letters). Although these District parcels are tax exempt the City of Minnetrista can assess them pursuant to Minnesota Statutes, Chapter 435.19 which states that a City may “levy special assessment against the property of a governmental unit benefitted by an improvement to the same extent as if such a property were privately owned”. The amount specifically assessed against each District parcel is \$14,818.49, which totals \$29,636.98 for both parcels.

On September 25, 2017 the District received a letter from City of Minnetrista notifying property owners that they must make full or partial payments by October 19, 2017 (30 days from the adoption of the assessment). The City of Minnetrista has offered a financing option in which the \$14,818.49 assessment for each parcel can be paid over 20 years at a 4.60% annual interest rate. District staff recommends paying the assessment in full prior to October 19, 2017 to avoid paying any interest.

ATTACHMENT:

- Assessment Map – Halstead Drive Street Improvement Project
- 7901 & 8015 Halstead Drive Assessment Letters

RESOLUTION

RESOLUTION NUMBER: 17-064

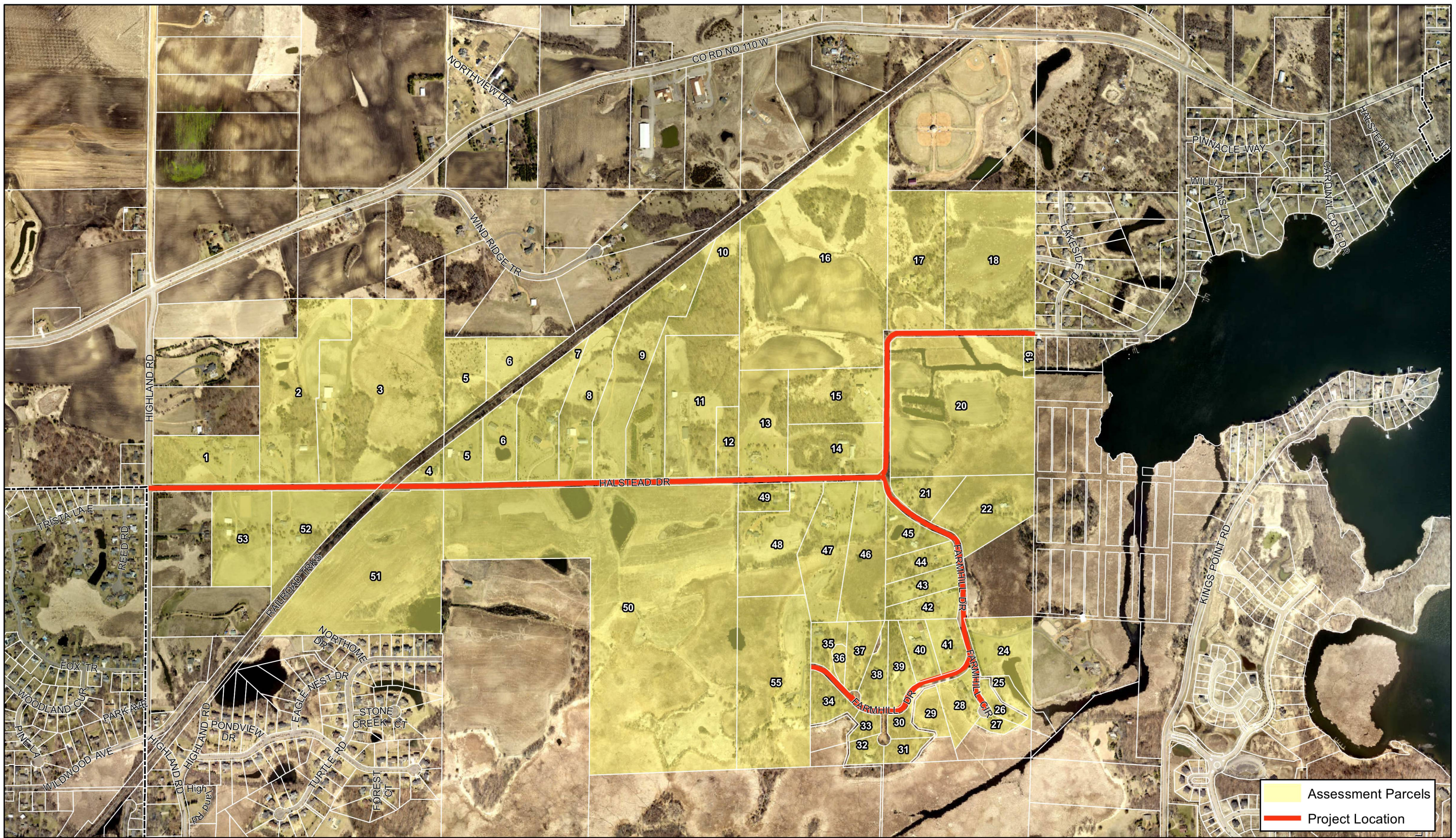
TITLE: Authorization of Payment to the City of Minnetrista for an Assessment Related to the Halstead Drive Street Improvement Project

- WHEREAS, The District's Comprehensive Water Resources Management Plan includes a Land Conservation Program; and
- WHEREAS, on August 4, 2011 the District acquired the property located at 8015 Halstead Drive, Minnetrista in fee title and on August 1, 2012, the District acquired the property located at 7701 Halstead Drive, Minnetrista in fee title; and
- WHEREAS, the District manages these tracts for water resource and conservation purposes and intends to use these properties for future outreach and education; and
- WHEREAS, the City of Minnetrista seeks to complete improvements to Halstead Drive including adjustment of grades, replacement of culverts, and installation of a bituminous surface, in addition to the construction of a small parking area adjacent to the District's property; and
- WHEREAS, the City's improvements require the temporary use of about one-quarter acre of the District's property adjacent to right of way from June 1, 2017 to November 30, 2018; and
- WHEREAS, on May 11, 2017 the Board approved granting a temporary easement to the City of Minnetrista on the District's property at 7701 and 8015 Halstead Drive in order for the City to complete improvements to Halstead Drive; and
- WHEREAS, on September 18, 2017 the City of Minnetrista City Council approved Resolution 158-17 to adopt an assessment for the Halstead Drive Street Improvement Project; and
- WHEREAS, the District owns in fee two parcels, 7901 and 8015 Halstead Drive, which have been assessed by the City of Minnetrista for the Halstead Drive Street Improvement Project; and
- WHEREAS, the City of Minnetrista has assessed each parcel \$14,818.49 for a total of \$29,636.98; and
- WHEREAS, payment is due in full to the City of Minnetrista by October 19, 2017 to avoid interest charges.

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers hereby authorizes the District administrator to pay the City of Minnetrista an assessment in the amount of \$29,636.98 for the Halstead Drive Street Improvement Project.

Resolution Number 17-064 was moved by Manager _____, seconded by Manager _____.
Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. Date: _____.

Secretary Date: _____



Assessment Map
 Halstead Drive Street Improvement Project
 City of Minnetrista



0 800
 Feet



Document Path: K:\02121-640\GIS\Maps\AssessmentMap.mxd



RECEIVED
SEP 25 2017

RECEIVED
SEP 25 2017

September 21, 2017

MINNEHAHA CREEK WTRSHD DIST
15320 MINNETONKA BLVD
MINNETONKA MN 55345

Re: 7701 HALSTEAD DR - PID 2811724310001
Halstead Drive Street Improvement Project
City of Minnetrista Project No.02-16
WSB Project No. 2121-64

Dear Property Owner(s):

This is to notify you that the final assessment for the Halstead Drive Street Improvement Project was adopted by the City Council on September 18, 2017, pursuant to Minnesota Statutes, Chapter 429. The final assessment roll is on file for inspection in the office of the city clerk. The amount to be specially assessed against your particular lot, piece, or parcel of land is \$14,818.49, payable over 20 years at a 4.60% annual interest rate.

The owner of any property so assessed may, at any time prior to certification of the assessment to the county auditor, pay the whole or a portion of the assessment on such property, with interest accrued to the date of payment, to the city Finance Director, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of the assessment (October 19, 2017). At any time after certification of assessments to the County, the property owner may pay to the city Finance Director the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before November 15, or interest will be charged through December 31 of the next succeeding year.

In summary, in order to avoid paying interest, property owners must make full or partial payments by October 19, 2017. Full payments received by October 19, 2017, will result in no interest costs; whereas if a partial payment is made interest will accrue on the remaining unpaid principal. In this scenario, remaining principal will be spread over the amortization schedule (20 years). After 2017, residents may pay off the principal amount of the assessment. In these subsequent years, this payment needs to be received at the City before November 15. If none of these options are exercised, the annual installments will be added to your annual property taxes each year as per the attached payback (amortization) schedule.

If you have financial questions please contact Brian Grimm, Finance Director, City of Minnetrista at 952-241-2516. If you have questions about the project in general you can contact me at 952-241-2535.

Sincerely,

Paul Hornby, P.E.
City Engineer

Enclosure: Payment schedule

kkp

**Assessment Schedule
\$14,818.49**

Year	Principal	Interest	County Service Fee	Annual payment	Remaning Principal Balance
2018	\$ 740.92	\$ 795.26	** \$ 2.50	\$ 1,538.68	\$ 14,077.57
2019	\$ 740.92	\$ 647.57	\$ 2.50	\$ 1,390.99	\$ 13,336.65
2020	\$ 740.92	\$ 613.49	\$ 2.50	\$ 1,356.91	\$ 12,595.73
2021	\$ 740.92	\$ 579.40	\$ 2.50	\$ 1,322.82	\$ 11,854.81
2022	\$ 740.92	\$ 545.32	\$ 2.50	\$ 1,288.74	\$ 11,113.89
2023	\$ 740.92	\$ 511.24	\$ 2.50	\$ 1,254.66	\$ 10,372.97
2024	\$ 740.92	\$ 477.16	\$ 2.50	\$ 1,220.58	\$ 9,632.05
2025	\$ 740.92	\$ 443.07	\$ 2.50	\$ 1,186.49	\$ 8,891.13
2026	\$ 740.92	\$ 408.99	\$ 2.50	\$ 1,152.41	\$ 8,150.21
2027	\$ 740.92	\$ 374.91	\$ 2.50	\$ 1,118.33	\$ 7,409.29
2028	\$ 740.92	\$ 340.83	\$ 2.50	\$ 1,084.25	\$ 6,668.37
2029	\$ 740.93	\$ 306.75	\$ 2.50	\$ 1,050.18	\$ 5,927.44
2030	\$ 740.93	\$ 272.66	\$ 2.50	\$ 1,016.09	\$ 5,186.51
2031	\$ 740.93	\$ 238.58	\$ 2.50	\$ 982.01	\$ 4,445.58
2032	\$ 740.93	\$ 204.50	\$ 2.50	\$ 947.93	\$ 3,704.65
2033	\$ 740.93	\$ 170.41	\$ 2.50	\$ 913.84	\$ 2,963.72
2034	\$ 740.93	\$ 136.33	\$ 2.50	\$ 879.76	\$ 2,222.79
2035	\$ 740.93	\$ 102.25	\$ 2.50	\$ 845.68	\$ 1,481.86
2036	\$ 740.93	\$ 68.17	\$ 2.50	\$ 811.60	\$ 740.93
2037	\$ 740.93	\$ 34.08	\$ 2.50	\$ 777.51	\$ (0.00)
	\$ 14,818.49	\$ 7,270.96	\$ 50.00	\$ 22,139.45	

**20 yr payback
4.60% interest rate**

**The first year's installment will include interest from first full month after the assessment roll is adopted until the end of the subsequent year



September 21, 2017

MINNEHAHA CREEK WTRSHD DIST
15320 MINNETONKA BLVD
MINNETONKA MN 55345

RECEIVED

SEP 25 2017

Re: 8015 HALSTEAD DR - PID 2911724410002
Halstead Drive Street Improvement Project
City of Minnetrista Project No.02-16
WSB Project No. 2121-64

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