

November 27, 2007

Country Club Residents

RE: Proposed Special Assessment Questions and Answers for:
Country Club Area Sewer, Water, and Street Reconstruction
City Improvement No. A-213 and A-214

Dear Resident:

Many questions have recently been asked by residents regarding the proposed special assessment for the reconstruction of your sanitary sewer service pipe between the City's trunk pipe and the right-of-way line (service pipe), streetlights, and roadways in your neighborhood. As you will recall the proposed assessment in 2005 for this work was \$12,600 for all properties within the Country Club Neighborhood. Now the proposed assessments are \$22,900 for the west half of the neighborhood and \$18,210 for the east half of the neighborhood. Below are the most recent frequently asked assessment questions by residents and our answers:

Why the large increase from 2005?

Your assessment is directly tied to the cost of energy, labor, and materials that are all part of this project. All of these costs have increased dramatically since 2005 or around the time of Hurricane Katrina.

Engineering costs have also increased based on other similar type projects since 2005 and due to the complexity of this project.

Keep in mind that this is an estimate and more will be known when the project is bid. Staff typically takes a conservative approach to estimating these projects. State law does require another public hearing if the costs increase over ten percent of what is adopted by the City Council at the project public hearing.

Why separate the neighborhood into two assessment areas?

At the last public hearing in 2005 residents requested that we analyze the neighborhood and possibly split the assessment areas. There is a logical border between the larger and smaller lots along the rear lot lines between Drexel Avenue and Wooddale Avenue. This is also the split between the two plats that make up the neighborhood: the Country Club Brown Section and the Country Club Fairway Section.

Why does the City assess the way it is does?

The cost of service pipe, street lighting, and roadway reconstruction projects are not included in general taxes; therefore the service pipe, street lighting, and roadway portions for these types of reconstruction projects are assessed to adjacent property owners. In 2005, the City Council analyzed different ways of assessing projects and decided to keep the existing methodology for assessing the service pipe, street lighting, and roadway portions of reconstruction projects in the City. This policy can be viewed online at: http://www.ci.edina.mn.us/Departments/L4_SpecialAssessments.htm.

A final assessment hearing will be held after the project is complete; this will occur in 2010. The final numbers will not be known until that time. The owner of the property being assessed may pay the assessment by either paying the entire amount, partial paying the assessment (excess of 25%), or let the entire amount or the remaining partial amount be payable with real estate taxes spread over 10-years with interest being paid on the unpaid principal. The assessment can also be deferred on any homestead property owned by a person 65 years of age or older for whom it would be a hardship to make the payments.

What cost is the City covering?

The overall project cost is \$19,639,000. The City of Edina, through its utility funds and general fund is funding \$9,982,000 or 50.8% of the total project cost. The cost of curb and gutter reconstruction caused by sewer and water reconstruction is paid for through the utility funds. The special assessment to the neighborhood is funding 49.2% of the total project cost.

Can we reduce the costs by reducing the scope of project?

Staff does not see an advantage in delaying any of the components to this project; since all of the items identified for upgrade or replacement are at the end of their useful life. Since the initial planning in 2005, we have seen an additional 32 water main breaks and 9 sanitary sewer blockages. This indicates that there is a substantial risk of more breaks and blockages in the future and any delay could increase the cost in future years.

How can my costs be reduced?

A portion of the assessment can be reduced if you upgrade or have upgraded your sanitary sewer line prior to reconstruction. You must have upgraded within the last 15 years using a PVC pipe. This will reduce your assessment by \$6,400 or \$6,000, depending on the improvement area in which your property is located.

If you have any additional questions or need additional information please contact me at 952-826-0443 or at whoule@ci.edina.mn.us.

Sincerely,

Wayne D. Houle, PE
Director of Public Works / City Engineer

C: Paul J. Pasko III, SEH Inc.