



# CITY COUNCIL MEETING

## AGENDA ITEM

<b>Prepared By:</b> <i>Allie Polsfuss, City Administrator</i>	<b>Meeting Date:</b> <i>January 5, 2026</i>	<b>Item Name:</b> <b>2025 Edgewater Circle Project</b>
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**BACKGROUND**

On July 7, 2025, the City Council held a public hearing regarding the Edgewater Circle Road Improvement Project. The project was initiated by Pelican Township, which approached the City about participating in the improvement. Based on the City’s street plan, Edgewater Circle had a pavement condition rating of 4, and the Council authorized the improvement.

The total cost of the project was **\$21,630.45** and was completed last summer.

On December 1, 2025, the City Council adopted the assessment roll for the full-depth reconstruction project in accordance with the City’s updated special assessment policy. The assessment was applied as follows:

**Edgewater South Condominium ..... \$10,000.00**

Typically, assessment amounts and taxable properties are reviewed and verified by the project engineer. However, because this was not a City-initiated project, it did not follow the City’s standard special assessment process.

**OVERVIEW**

Since the beginning of this project, the City anticipated assessing the full assessment amount to the Edgewater South Condominium Association, with the expectation that the cost would then be allocated among the individual condominium owners.

When staff attempted to submit the assessment roll to the County for inclusion on property tax statements, the County notified the City that the condominium association’s parcel identification number (PID) is not a taxable parcel. As a result, the assessment cannot be applied to the association as a whole.

After consulting with legal counsel, staff was advised that the assessment process completed in 2025 may be invalid because the incorrect entity was listed as the property owner. Consequently, the hearing notices and adopted assessment roll do not meet statutory requirements. Additionally, there is no legal mechanism for the City to directly assess the condominium association, as it does not own the underlying land.



There are two options for the Council to consider as it relates to the next steps:



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### **Option 1: Reassess Individual Condominium Units**

Proceed with a reassessment under Minn. Stat. § 429.071, subd. 2, which would allow the Council to redo the assessment process, including notice and public hearing. Notices would need to be sent to each individual condominium owner in the same manner required under Minn. Stat. § 429.061.

- Due to timing requirements, the reassessment would be placed on taxes in 2026, one year later than originally intended.
- The estimated assessment per individual condominium unit would be approximately \$800.00.

### **Option 2: Forgo the Assessment**

Allow the project to remain completed without assessing individual condo owners. While this would resolve the issue administratively, there are concerns about setting precedent and deviating from the City's adopted special assessment policy.

### **STAFF RECOMMENDATION**

Have a discussion on the options above and direct staff to proceed.