



CITY OF MARSHALL AGENDA ITEM REPORT

Presenter:	Jason Anderson												
Meeting Date:	Tuesday, April 25, 2023												
Category:	NEW BUSINESS												
Type:	ACTION												
Subject:	Project ST-004: Halbur Road Reconstruction Project – 1) Resolution Declaring Cost to Be Assessed and Ordering Preparation of Proposed Assessment; 2) Resolution for Hearing on Proposed Assessment												
Background Information:	This project consisted of: reconstruction and utility replacement on Halbur Road from Michigan Street to Erie Road (CR 33); sanitary sewer and storm sewer will be replaced with a concrete paved surfacing. This project also included new curb & gutter, driveway aprons, and sewer services to the right-of-way.												
Fiscal Impact:	<p>Attached please find a “Resolution Declaring Cost to be Assessed and Ordering the Preparation of the Proposed Assessment” for the project. The following is a breakdown of the proposed project funding. The costs shown below include 16% for engineering and administrative costs, for a total project cost of \$1,302,340. The following is a proposed breakdown of the project funding:</p> <table style="margin-left: 40px; border-collapse: collapse;"> <tr> <td style="padding-right: 20px;">Wastewater Fund</td> <td style="text-align: right;">\$275,407</td> </tr> <tr> <td>MMU</td> <td style="text-align: right;">\$20,181</td> </tr> <tr> <td>Surface Water Management Utility</td> <td style="text-align: right;">\$291,210</td> </tr> <tr> <td>City Participation (Ad Valorem)</td> <td style="text-align: right;">\$356,769</td> </tr> <tr> <td>Assessed to Property Owners</td> <td style="text-align: right;"><u>\$358,773</u></td> </tr> <tr> <td>Total Project Amount</td> <td style="text-align: right;"><u>\$1,302,340</u></td> </tr> </table> <p>Attached please find the “Resolution for Hearing on Proposed Assessment,” setting the hearing date for the proposed assessments on May 23, 2023, for the above-referenced project.</p> <p>Per the current Fee Schedule, the assessment interest rate is calculated using the most recent bond interest rate and adding 2% for administrative costs. Per Finance, the 2022A Bonding has a Net Interest Cost of 2.1% for the Street Improvements, plus 2%, results in a 4.1% interest rate for Special Assessments.</p> <p>The term of the assessment repayment is proposed by staff to be 8 years. The City has no formal written policy on the term but has followed an administrative past practice to generally match the assessment repayment to the bond repayment term. If the assessment is substantially higher in cases such as commercial assessments, it may be appropriate to increase the assessment repayment term. Alternatively, on smaller assessment projects consideration could be made to shorten the assessment term. One other item to note is that if additional principal is paid each year the interest is recalculated annually to address the payments. Therefore, there is no penalty for individuals to repay on a more accelerated schedule if they choose.</p>	Wastewater Fund	\$275,407	MMU	\$20,181	Surface Water Management Utility	\$291,210	City Participation (Ad Valorem)	\$356,769	Assessed to Property Owners	<u>\$358,773</u>	Total Project Amount	<u>\$1,302,340</u>
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Alternative/ Variations:	No alternative actions recommended.
Recommendations:	<p>that the Council adopt RESOLUTION NUMBER 23-034, which provides for the “Resolution Declaring Cost to be Assessed and Ordering the Preparation of the Proposed Assessment” for Project ST-004: Halbur Road Reconstruction Project.</p> <p>that the Council adopt RESOLUTION NUMBER 23-035, which provides for the “Resolution for Hearing on Proposed Assessment” for Project ST-004: Halbur Road Reconstruction Project setting the hearing date on the proposed assessments for May 23, 2023.</p>