

CITY OF MARSHALL AGENDA ITEM REPORT

Presenter:	Jason Anderson
Meeting Date:	Tuesday, April 22, 2025
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Consider Resolution Amending the Special Assessment Policy (Alley Reconstruction Methodology and Cost Split (Special Assessment Policy - III. Specific Policies, Item T-Alleys)
Background Information:	<p>The City of Marshall has many alleys that are not paved or have pavement in very poor condition. Aside from downtown areas, most alleys that are paved are a bituminous surface. In areas where alleys exist, they are often used for driveway access and garbage/recycling pick-up. Alleys in commercial areas are oftentimes used for regular customer access to the businesses.</p> <p>City staff is often approached by property owners who desire an improvement in their alley. The current Special Assessment Policy requires costs of alley improvements to be borne entirely by benefitting property owners. The cost of covering this improvement is most often a deterrent to getting an alley project completed.</p> <p>City staff believes that there would be a benefit to the City if alleys are paved and in good condition. Gravel alleyways require more maintenance than a paved alley. Further, alleys paved with concrete have a longer lifespan with less maintenance, and concrete is much easier to install with an inversion to carry stormwater drainage to an acceptable location.</p> <p>City staff would like consideration for City cost participation with an alley improvement project, with a preference for the alley to be constructed with a concrete surface and to a minimum standard as developed and approved by the City Engineering Department.</p> <p>Attached is an excerpt of the current Special Assessment Policy (Resolution Number 4786, Second Series) identifying both existing policy and proposed redline revisions.</p> <p>This item was presented to the Public Improvement/Transportation Committee at their meeting on 10/07/2024 with the unanimous approved motion to help incentive alley pavement replacement and move this item to the Legislative & Ordinance Committee. The PI/T Committee did comment that perhaps a bituminous surface should be considered for participation as well, to help keep costs lower. The PI/T Committee further recommended a cost comparison between bituminous and concrete surfacing.</p> <p>This item was then presented to the Legislative & Ordinance Committee at their meeting on 10/22/2024 with a unanimous approved motion to have 75/25 residential owner/City cost participation, 50/50 cost participation in commercial districts and at least 65% of abutting property owners must sign a petition for improvement to initiate an alley project for special assessment purposes.</p> <p>And lastly, this item was presented to the Ways & Means Committee at their meeting on 12/10/2024 with a unanimously approved motion to amend the Special Assessment Policy and Annual Fee Schedule to allow for a 50/50 owner/City cost participation in commercial districts and 75/25 owner/City participation in residential districts of alley projects. Any petitions brought to the</p>

	<p>City for alley projects will require owners of not less than 75 percent in frontage of the real property abutting the alley(s) named in the petition and projects would happen if/when funds become available in the City CIP.</p> <p>City staff did not include a requirement for concrete surfacing in the Special Assessment Policy. Following discussion with the Council Committees, staff has decided to allow for various materials depending on the needs of a particular alley. There may be times where staff strongly recommends a concrete surface to best manage drainage along the alley.</p>
Fiscal Impact:	Dependent upon a petitioned alley improvement project in a given year and available City funding to cost participate.
Alternative/ Variations:	<p>Alternative 1: Recommend an amendment to our Special Assessment Policy to allow for up to 50% City cost participation in the cost of an alley resurfacing project in commercial (or downtown) district while maintaining 100% property owner cost in residential districts.</p> <p>Alternative 2: Maintain the Special Assessment Policy as it is, with all alley project costs being 100% property owner responsibility.</p>
Recommendations:	<p><u>Recommendation No. 1</u> that the Council adopt Resolution 25-038, which is the Resolution Amending the Special Assessment Policy as follows:</p> <ul style="list-style-type: none"> - to allow for up to 50% City cost participation in the cost of an alley resurfacing project in commercial districts. - to allow up to 25% City cost participation in residential districts. - City participation in a petitioned alley project requires a valid petition submitted by the owners of not less than 75 percent in frontage of the real property abutting the alley(s) named in the petition. <p><u>Recommendation No. 2</u> that the Council amend the 2025 Fee Schedule to reflect the Special Assessment Policy revisions.</p>

EXISTING POLICY:

III. SPECIFIC POLICIES

T. ALLEYS

Improvements to alleys will be assessed to benefited property owners for one hundred (100) percent of the cost. Exceptions will include routine maintenance as determined by the Director of Public Works/City Engineer. Improvements to be assessed include, but may not be limited to: paving, mill and overlay, overlay, drainage improvements, and major regrading efforts. Routine maintenance include, but may not be limited to, gravel alley grading, adding small quantities of gravel for maintenance, and minor pothole patching.

PROPOSED REVISIONS:

III. SPECIFIC POLICIES

T. ALLEYS ("REDLINED")

Improvements to alleys will be assessed to benefited property owners. If City funding is available, the City may participate in up to fifty (50) percent of the cost in commercial districts, and twenty-five (25) percent in residential districts. City participation in a petitioned alley project requires a valid petition submitted by the owners of not less than seventy-five (75) percent in frontage of the real property abutting the alley(s) named in the petition. Exceptions will include routine maintenance as determined by the Director of Public Works/City Engineer. Improvements to be assessed include, but may not be limited to: paving, mill and overlay, overlay, drainage improvements, and major regrading efforts. Routine maintenance include, but may not be limited to, gravel alley grading, adding small quantities of gravel for maintenance, and minor pothole patching.

T. ALLEYS ("CLEAN COPY")

Improvements to alleys will be assessed to benefited property owners. If City funding is available, the City may participate in up to 50 percent of the cost in commercial districts, and 25 percent in residential districts. City participation in a petitioned alley project requires a valid petition submitted by the owners of not less than 75 percent in frontage of the real property abutting the alley(s) named in the petition. Exceptions will include routine maintenance as determined by the Director of Public Works/City Engineer. Improvements to be assessed include, but may not be limited to: paving, mill and overlay, overlay, drainage improvements, and major regrading efforts. Routine maintenance include, but may not be limited to, gravel alley grading, adding small quantities of gravel for maintenance, and minor pothole patching.