



## CITY OF MARSHALL AGENDA ITEM REPORT

<b>Presenter:</b>	Jason Anderson												
<b>Meeting Date:</b>	Tuesday, May 23, 2023												
<b>Category:</b>	PUBLIC HEARING												
<b>Type:</b>	ACTION												
<b>Subject:</b>	Project ST-023: W. Lyon Street (College to 1st) Reconstruction Project – 1) Public Hearing on Assessment; 2) Consider Resolution Adopting Assessment												
<b>Background Information:</b>	The project included street and utility reconstruction of W. Lyon Street from College Drive to N. 1 <sup>st</sup> Street including: street, sidewalk, curb and gutter, driveways, water main, sanitary sewer, and sewer and water service lines to the right of way.												
<b>Fiscal Impact:</b>	<p>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 \$467,283. The following is a proposed breakdown of the project funding:</p> <table style="margin-left: 40px;"> <tr> <td>Wastewater Fund</td> <td style="text-align: right;">\$68,939</td> </tr> <tr> <td>MMU</td> <td style="text-align: right;">\$131,349</td> </tr> <tr> <td>Surface Water Management Utility</td> <td style="text-align: right;">\$14,7178</td> </tr> <tr> <td>City Participation (Ad Valorem)</td> <td style="text-align: right;">\$190,778</td> </tr> <tr> <td>Assessed to Property Owners</td> <td style="text-align: right;"><u>\$61,499</u></td> </tr> <tr> <td>Total Project Amount</td> <td style="text-align: right;">\$467,283</td> </tr> </table> <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	\$68,939	MMU	\$131,349	Surface Water Management Utility	\$14,7178	City Participation (Ad Valorem)	\$190,778	Assessed to Property Owners	<u>\$61,499</u>	Total Project Amount	\$467,283
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<b>Alternative/Variations:</b>	<ul style="list-style-type: none"> <li>• Modify assessments to property owners, thereby modifying the attached proposed assessment.</li> <li>• Amend the terms of the assessments.</li> </ul>												
<b>Recommendations:</b>	<p><u>Recommendation No. 1</u> that the Council close the public hearing on assessments for Project ST-023: W. Lyon Street (College to 1st) Reconstruction Project.</p> <p><u>Recommendation No. 2</u> that the Council adopt RESOLUTION NUMBER 23-043, which is the “Resolution Adopting Assessment” for Project ST-023: W. Lyon Street (College to 1st) Reconstruction Project.</p>												