2025 Street and Utility Improvement Project

Assessment Public Hearing, 6:00 P.M. Monday, October 20, 2025

SEH

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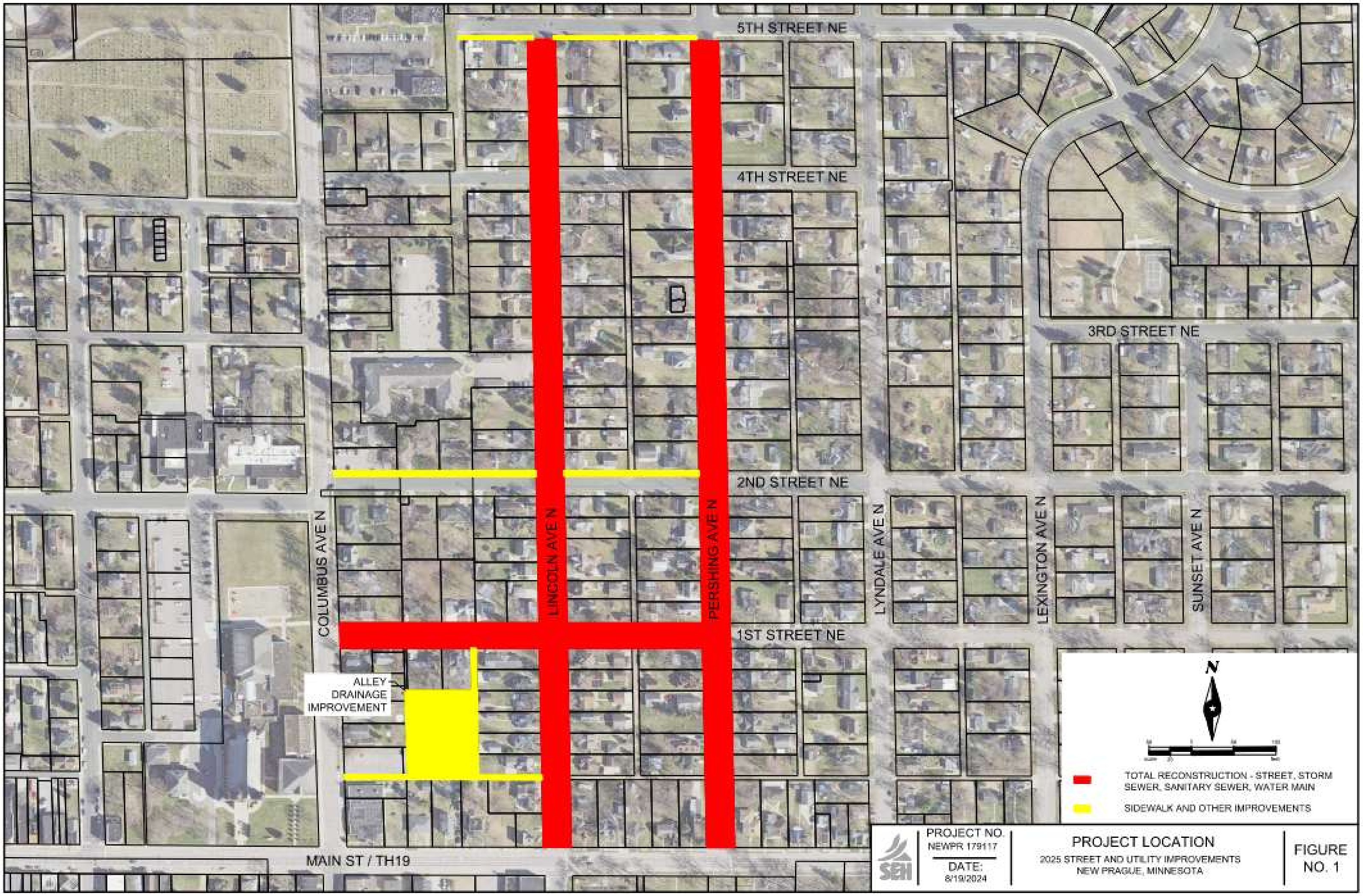

5TH STREET NE
4TH STREET NE
3RD STREET NE
2ND STREET NE
1ST STREET NE
MAIN ST / TH19
COLUMBUS AVE N
LINCOLN AVE N
PERSHING AVE N
LYNDALE AVE N
LEXINGTON AVE N
SUNSET AVE N
ALLEY
DRAINAGE
IMPROVEMENT
N
TOTAL RECONSTRUCTION - STREET, STORM
SEWER, SANITARY SEWER, WATER MAIN
SIDEWALK AND OTHER IMPROVEMENTS
PROJECT NO.
NEWPR 179117
DATE:
8/19/2024
PROJECT LOCATION
2025 STREET AND UTILITY IMPROVEMENTS
NEW PRAGUE, MINNESOTA
FIGURE
NO. 1

Completed Improvements

Lincoln Ave N, Pershing Ave N, 1st Street NE

Reconstructed streets

- New sidewalk construction
- Reconstructed water main and services
- Reconstructed sanitary sewer main and services
- Storm sewer improvements

2nd Street NE, 5th Street NE, 12th Avenue SE

- Sidewalk construction only with restoration

Alley Improvements

- Drain tile and pavement surface reconstruction

Assessment Hearing Notice

NOTICE OF HEARING ON PROPOSED ASSESSMENT

[redacted]

Notice is hereby given that the New Prague City Council will meet at **6:00 p.m. on Monday, October 20, 2025**, at New Prague City Hall, 118 Central Avenue North, to consider, and possibly adopt, the proposed assessment for the **2025 Street and Utility Improvement Project,** which includes improvements on the following streets:

- Lincoln Avenue N from Main Street to 4th Street NE
- Pershing Avenue N from Main Street to 5th Street NE
- First Street NE from Columbus Avenue N to Pershing Avenue N
- Second Street NE Columbus Avenue N to Lyndale Avenue N
- Lincoln Avenue NE from 4th Street NE to 5th Street NE
- Alley north of Main Street E (TH19) between Columbus Avenue N and Lincoln Avenue NE
- Alley west of Lincoln Avenue NE between Main Street E (TH19) and 1st Street NE

by construction of pavement replacement, complete street reconstruction; sanitary sewer, water main, storm sewer, concrete curb and gutter, aggregate base, bituminous street surfacing, concrete walk, turf restoration, and miscellaneous items required to complete the improvements. Adoption by the council of the proposed assessment may occur at the hearing. The area proposed to be assessed for such improvements includes properties abutting such improvements.

The amount to be specially assessed against your particular lot, piece, or parcel of land, described as:

[redacted]

has been calculated as follows:

Residential Water Service	1.0 Unit @	$3,350.00	=	$3,350.00
Sanitary Sewer Service	1.0 Unit @	$2,490.00	=	$2,490.00
SF Residential Reconstructed Street	0.5 Unit @	$9,190.00	=	$4,595.00
Commercial-Institutional Reconstructed Street	0.0 L.F. @	$159.30	=	$0.00
Alley Improvements	0.0 L.F. @	$31.00	=	$0.00
TOTAL ASSESSMENT				**$10,435.00**

Such assessment is proposed to be payable in equal annual installments extending over a period of 15 years, the first of the installments to be payable on or before the first Monday in January 2026, and will bear interest at a rate of 5.2704 percent per annum from the date of the adoption of the assessment resolution. To the first installment shall be added interest on the entire assessment from the date of the assessment resolution until December 31, 2026. To each subsequent installment when due shall be added interest for one year on all unpaid installments.

You may at any time prior to certification of the assessment to the county auditor, pay the entire assessment on such property to the office of the city administrator. No interest shall be charged if the entire assessment is paid within 30 days from the adoption of this assessment. You may at any time thereafter, pay to the county auditor the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before November 15 or interest will be charged through December 31 of the succeeding year. If you decide not to prepay the assessment before the date given above the rate of interest that will apply is 5.2704 percent per year. The right to partially prepay the assessment has not been authorized by ordinance.

The proposed assessment roll is on file for public inspection at the city administrator's office. The total cost of the project is $5,055,366.04.The total amount of the proposed assessment is $1,503,489.69. Written or oral objections will be considered at the meeting. No appeal may be taken as to the amount of an assessment unless

(Over)

a written objection signed by the affected property owner is filed with the city administrator prior to the assessment hearing or presented to the presiding officer at the hearing. The council may upon such notice consider any objection to the amount of a proposed individual assessment at an adjourned meeting upon such further notice to the affected property owners as it deems advisable.

The city has adopted Resolution 12-10-22-02 pursuant to Minnesota Statutes Sections 435.193 to 435.195, wherein the council may, in its discretion, defer the payment of this special assessment for any homestead property owned by a person 65 years of age or older, one retired by virtue of a permanent and total disability, or a member of the National Guard or other reserves ordered to active military service for whom it would be a hardship to make the payments. As to a deferment based upon age or disability, the applicant must apply for the deferment not later than 14 days after the assessment is adopted by the City Council.

If an assessment is contested or there is an adjourned hearing, the following procedure may be followed:

1. The city will present its case first by calling witnesses who may testify by narrative or by examination, and by the introduction of exhibits. After each witness has testified, the contesting party will be allowed to ask questions. This procedure will be repeated with each witness until neither side has further questions.
2. After the city has presented all its evidence, the objector may call witnesses or present such testimony as the objector desires. The same procedure for questioning of the city's witnesses will be followed with the objector's witnesses.
3. The objector may be represented by counsel.
4. Minnesota rules of evidence will not be strictly applied; however, they may be considered and argued to the council as to the weight of items of evidence or testimony presented to the council.
5. At the close of presentation of evidence, the objector may make a final presentation to the council based on the evidence and the law. No new evidence may be presented at this point.
6. The council may adopt the proposed assessment at the hearing.

An owner may appeal an assessment to district court pursuant to Minnesota Statutes Section 429.081 by serving notice of the appeal upon the mayor and city administrator of the city within 30 days after the adoption of the assessment and filing such notice with the district court within ten days after service upon the mayor or administrator.

Joshua M. Tetzlaff
City Administrator

Estimated Final Project Costs

Cost	Est. Cost	Notes
Street Construction Costs	$2,504,385	Total Construction = $4,268,296
Storm Sewer Construction Costs	$497,918	
Sanitary Sewer Construction Costs	$545,587	
Water Main Construction Costs	$720,406	
Project Related Costs	$787,070	18.4% of Construction
Total Cost	$5,055,366	

SEH

Project Funding

- General Levy - (Property Taxes)
- User Fees – (sewer utility fund, water utility fund, stormwater utility fund)
- Assessments to benefitting properties
- MnDOT Municipal State Aid on Pershing Avenue N
- MnDOT Active Transportation Grant on 12th Avenue SE

Estimated Project Funding

Estimated Funding	Est. Funding	% of Project
Neighborhood Contribution	$1,503,490	29.7%
City-Wide Contribution	$3,551,876	70.3%
Total	$5,055,366	100.0%

Public Improvement Process, MN Statutes 429

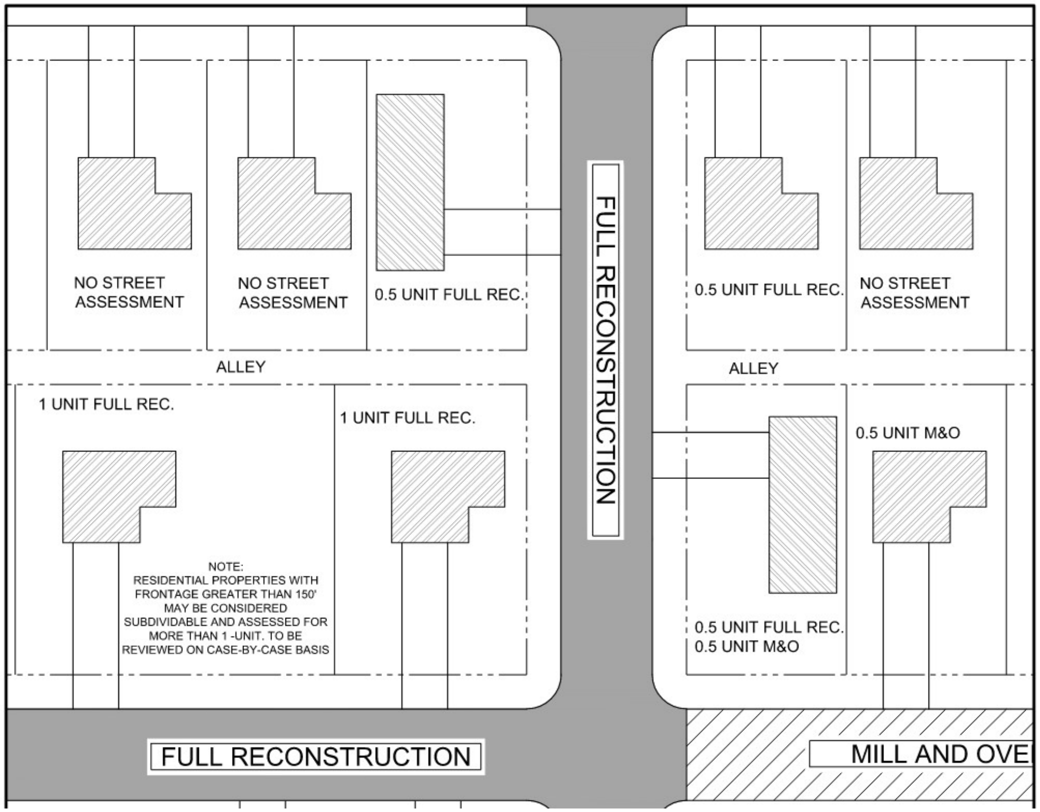
- Most effective financing tool for municipalities to finance local improvements
- Minnesota State Statues, Chapter 429, grants cities the authority to use special assessments as a mechanism to finance public improvements. The special assessment exist to assign as much cost as reasonable to these properties receiving a direct benefit from a public improvement project, thereby reducing the reliance on the general tax levy.
- Assessing the property owner for the benefit(s) received from the public improvement prevents or minimizes the possibility that a property owner will reap a financial profit from the improvement at the expense of taxpayers.
- 20% Rule for Bonding.

Assessment Policy Methodology

- **Method of Assessment**
  - "Consistent, uniform, fair and equitable treatment".
  - Treat all Single-Family residential the same (Everyone is part of a street system).
  - Independent of specific improvements including sidewalk, driveway, street width, etc.
  - Residential "UNIT" Method – BASE RATE.
  - Separate rate for Multi-Family, Institutional, Commercial and Industrial properties based on actual front footage.

- **"FIXED" Base Rate method vs. project-to-project actual cost**
  - Rate is known before project takes place.
  - Rate is consistent year-to-year / neighborhood-to-neighborhood / project-to-project.
  - Fluctuation in project costs are borne by the City as a whole.

Assessment Policy Methodology (Streets)



<u>SINGLE FAMILY RESIDENTIAL</u>

RATE ESTABLISHED FOR A PER UNIT BASIS WITH CORNER CREDITS OF 0.5 UNITS WHERE APPLICABLE

<u>INSTITUTIONAL, COMMERICAL, INSTITUTIONAL</u>

RATE ESTABLISHED FOR A PER FOOT BASIS WITH CORNER CREDITS OF 37.5' WHERE APPLICABLE

RATE IS DETERMINED BY MULTIPLYING BY 1.3 AND DIVIDING BY 75.

Proposed Assessment Rates

IMPROVEMENTS	ASSESSMENT RATES
1" WATER SERVICE SANITARY SEWER SERVICE	$3,350 / Each $2,490 / Each
FULL RECONSTRUCTION (RESIDENTIAL)	$9,190 / Unit
TYPICAL RESIDENTIAL ASSESSMENT	$15,030
RESIDENTIAL ALLEY	$0 / Lin Ft
COMMERCIAL ALLEY	$31 / Lin Ft

RATES MATCH THE 2022-2024 PROJECTS AND ARE LESS THAN PROPOSED IN THE FEASIBILITY REPORT

Assessment Process

- 30 Day Assessment Interest Free Payment Period after adoption by Council
- After 30 days, unpaid balance will be levied to Scott County, payable beginning in 2026 with property taxes over a period of 15 years.
- Interest rate 5.2704%.
- Options for deferred assessments on residential properties.

Questions?