



To: Mayor and City Council
From: Dylan Mulfinger, City Administrator
Subject: 6th St. NE Funding
Date: 3/9/2026

The city can improve the remaining portion of 6th St. NE that will not be affected by the water project taking place in 2026/2027. The total estimated project cost is \$445,408. This does not include a sidewalk that would help the city work toward a path to the elementary school and Wings Park.

The city has completed assessments on property owners when the road improvement is not caused by replacement of water or sewer utilities. While the city does not have a formal assessment policy, past practices of assessments can guide a new assessment.

6th St NE is classified as a minor arterial. This would place the assessment closer to 45 percent and not 50 percent. Below is the potential breakdown for the project:

- Total cost- \$445,408
- City- \$244,974
- Potential Assessment- \$200,974
- Average Cost for each of the 18 property owners - \$11,135
 - Based on frontage, so price will vary
 - Spread out over ten years at city set interest rate
 - Rate can be set at prime plus one, or lower

The city will have to complete multiple meetings with property owners. This will require public notice and letters to each property owner.

City Funding

The city currently has \$232,000 available. The city would need to upfront the total cost of the project, then collect payments over the life of the assessment.

- Total Cost- \$445,408
- Road Funding Available- \$232,000
 - Road User Tax Reserve- \$255,000
 - Local Option Sales Tax- \$100,000
 - Franchise Fees- \$100,000

While the city has enough funding to do the entire project, the city has outstanding road projects well over \$20,000,000. The need to assess projects helps continue the city's work in improving the local infrastructure.



Sidewalk Discussion

The city council will have to determine if the city should work with the engineer to determine the cost of sidewalks on the north side of this project. The sidewalk would create a connection for several parts of the neighborhood to Wings Park and the elementary school.

- The city's comprehensive plan shows the current sidewalk connectivity and condition as a weakness in the mobility SWAT analysis.
 - This analysis also discussed the lack of sidewalks to schools
 - This connection would help the city work toward a connection to the elementary school
- Sidewalks help reduce children and families from walking on the street
- Homes with sidewalks connected to local amenities are more likely to visit those amenities
- Sidewalk costs can be assessed

Previous Assessments

Wings East Addition

- Total cost- \$693,000
- City - \$368,588
- Assessment- \$324,411
 - 47 percent share

Outer Road/East Line Road

- Total cost- \$288,494,.58
- Fayette County - \$144,247
- Oelwein- \$79,336
- Assessment- \$64,911
 - 45 percent share

Q Ave/6th Ave SW

- Total cost \$98,872
- Fayette County- \$49,436
- Oelwein- \$49,436
- The cost of the assessment for this portion of road would have been more than 50 percent of the revenue from doing the assessment.