



Memorandum

To: Mayor Nelson and Members of the City Council
From: Daniel R. Buchholtz, MMC, Administrator, Clerk/Treasurer
Date: September 20, 2023
Subject: 2024 Street Improvement Project

The City Council, at its August 21 meeting, received the feasibility report for the 2024 Street Improvement Project, covering all of Sanburnol Drive NE, all of Elm Drive NE, and the portion of 83rd Avenue NE from University Service Drive to Terrace Road. These streets are in poor condition, resulting in significant annual maintenance costs for the City in repairing potholes.

The Council ordered a public hearing on the project be held on October 2, 2023. Notice for the hearing was published in the Blaine/SLP Life on September 22 and September 29, 2023. Mailed notice of the hearing was sent to affected residents on September 18, 2023.

Estimated project cost is \$1,115,800. The project is estimated to be broken down as follows:

City of Blaine	\$ 393,775
MSA Funding	\$ 445,800
Special Assessments	\$ 181,937
City of Spring Lake Park	<u>\$ 94,288</u>
	\$1,115,800

Special assessments are estimated to be \$2,000 per parcel for residential properties and \$59.25/front foot for all other properties. This assessment rate compares favorably to past projects.

Special assessments will be financed over a 10 year period. Interest rate on the special assessments will be 2% higher than the 10 year municipal bond rate, or 5.25%. The City will impose a levy over the next 10 years to reimburse itself for its share of the project. This way, we will be able to reimburse the Revolving Construction Fund for future street projects.

Staff recommends approval of Resolution 2023-36, which orders the improvement and directs the City Engineer to prepare plans and specifications.

If you have any questions, please do not hesitate to contact me at 763-784-6491.