

FEASIBILITY REPORT

STIEGER LAKE LANE (WEST) PHASE 1 IMPROVEMENTS



JUNE, 2022

CITY OF VICTORIA, MN
Project No. 2021.225

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CERTIFICATION

FEASIBILITY REPORT **STIEGER LAKE LANE (WEST) PHASE 1 IMPROVEMENTS**

CITY OF VICTORIA, MINNESOTA

June 8, 2022
Project No: 2021.225

I hereby certify that this plan, specification, or report was prepared by me, or under my direct supervision, and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.



Cara L. Geheren | License No. **41616** | June 8, 2022
651.300.4261

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**CITY OF VICTORIA
PROJECT NO. 2021.225**

SUMMARY

Project No.:	2021.225 – Stieger Lake Lane (West) Phase 1 Improvements
Locations:	The street to be improved includes Stieger Lake Lane from 500 feet east of Hwy 5 to 1,400 feet east of Hwy 5 as shown on the exhibit in the appendix.
Improvements:	The proposed improvements consist of reconstructing the street and storm sewer system, improvements to the sanitary and water systems, installation of required stormwater management facilities, and construction of sidewalk, streetscape amenities, lighting and 25 parking stalls along the northside of the street.
Initiation:	This is a City Council initiated this project, and affects approximately 900 feet of roadway.
Parcels Abutting:	7 potentially assessable
Right of Way:	The project will be constructed within the existing rights of way.
Feasibility:	This project is feasible, necessary, and cost effective, and will result in benefits to the properties served.
Completion:	Fall of 2022

FUNDING SUMMARY:

1.) ESTIMATED TOTAL PROJECT COSTS:	\$1,797,000
(Includes Contingencies, Engineering & Project Management, Legal, Project Administration)	
2.) FUNDING SOURCES:	
Special Assessments*	\$102,000
TIF Pooling, Sanitary Sewer, Water Funds, Long Term Street Maintenance	\$1,695,000

**This amount may be reduced pending conclusion of the review of the assessment against the properties owned by Three Rivers Park District.*

I. SPECIAL ASSESSMENTS

This project is to be financed with TIF funds, general City funds, utility funds and by imposing special assessments against the properties benefiting from the improvements. Special assessments are levied in accordance with Minnesota Statutes Chapter 429 and the City of Victoria Special Assessment for Public Improvements (Policy No. 2.2.10) dated February 24, 2020. The policy notes that street reconstruction improvements in commercial, industrial, and CBD shall be assessed 100 percent of the total costs or determined on a project-by-project basis. The remaining portion of the project costs of the street and storm improvements along with parking, lighting, and streetscaping improvements are generally paid through the City General Fund and TIF funds. Sanitary sewer and water improvements are typically paid using utility funds.

There are 7 properties adjacent to the improvement area including residential, commercial, city-owned and Three Rivers Park District Property. Preliminary assessments for this project were first calculated based on the City's adopted assessment policy using the same methodology as was applied for the first two phases of Downtown improvements in 2003 and 2009. For those projects, 75% of the street, storm sewer costs and sidewalk costs were assessed to parcels abutting the improvement on a front foot basis. The cost for parking bays, lighting and streetscape amenities were excluded from the calculation as had been done in the previous projects. The resulting calculated assessments ranged from \$69,000 to \$197,000 per parcel. Per the policy, the amount of the assessment must not exceed the special benefit. Using the previous method results in assessments in excess of the benefit. The policy outlines that there may be exceptions to the policy or unique circumstances or situations that may require consideration and discretion by city staff the city council. For this particular corridor, staff has determined that while these properties are guided for central business district, the existing use along the corridor is primarily residential and open space resulting in a recommendation that the unit method be used for determining assessments for this project and that the cost per unit be calculated based upon the unit assessment amount determined in a previous street reconstruction project – 78th and Kochia Lane Street and Drainage Improvements with a minor adjustment to \$12,000 per unit in 2022.

Based on this methodology a preliminary assessment roll was prepared and can be found in the appendix. The preliminary roll includes the assessment of Three Rivers Park District Property for 3.50 units. Three Rivers Park District staff has stated that Three Rivers does not pay for special assessments for road and utility projects. Staff and the City attorney will conduct additional review and investigation

about this conclusion prior to providing any recommendations for the adoption of special assessments by the City Council. The portion of the city owned 13.5 acres that abuts the project is not included in the preliminary assessment roll as this assessment would be included in the balance of the project funded by the City. The Stieger Lake Condominium building is also excluded from the proposed assessments. The portion of the street adjacent to their building was reconstructed and the sidewalk was constructed as part of the building construction.

It is recommended that the street improvements be levied over a 15-year period. The City may use fund reserves or bonds for the improvements to pay the up-front project costs and to cover City cost participation. Special assessments would be levied against the benefiting properties with payment terms structured so that the City receives funds to meet debt obligations. If bonds are sold to finance the improvements, the interest rate on the assessment would be charged at the coupon rate plus 2%. If no bonds are sold the interest rate would be set at the rate allowed by state law.

PROJECT SCHEDULE

The following schedule is proposed to accommodate construction of the improvements in 2022.

MAY 23, 2022	Council orders preparation of Feasibility Report. Council approves Plans and Specifications and orders Advertisement for Bids.
JUNE 13, 2022	Presentation of Feasibility Report. Council accepts Report and calls for Improvement Hearing.
JUNE/JULY, 2022	Property Owner Meeting.
JUNE 30, 2022	Project Bid Date: Receive contractor bids.
JULY 11, 2022	Public Improvement Hearing. Council Orders the Improvement (4/5th Vote). Council accepts Bids and awards Contract.
JULY 25, 2022	Conduct Pre-Construction Meeting and issue Notice to Proceed. <ul style="list-style-type: none">• October 28, 2022 Substantial Completion• JUNE 30, 2023 Final Completion

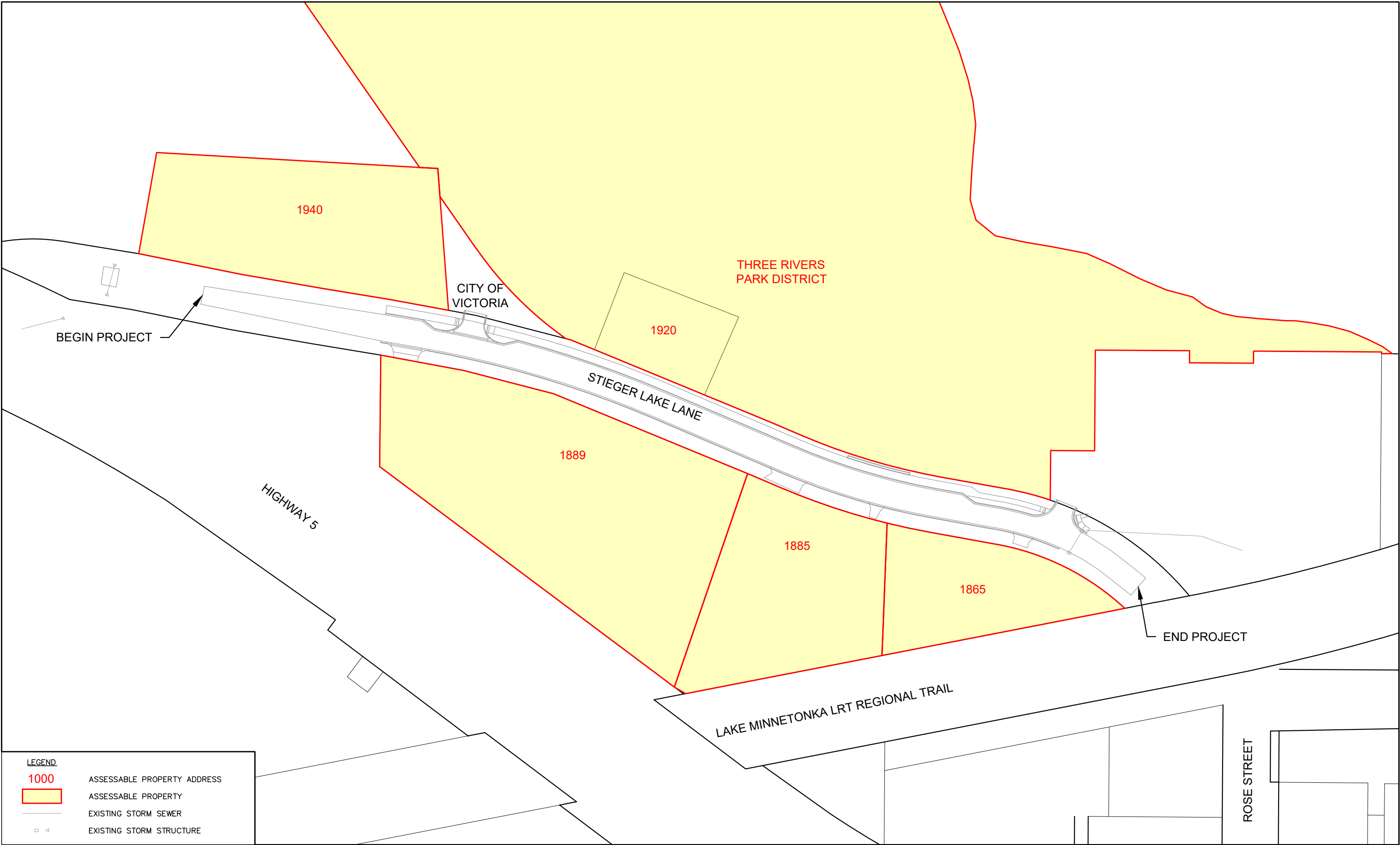
**Final Assessment Hearing Schedule TBD*

APPENDIX

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CITY OF VICTORIA

STIEGER LAKE LANE (WEST) PHASE 1 IMPROVEMENTS

Preliminary Assessment Roll



NAME	ADDRESS	PID	# OF UNITS	ASSESSMENT \$12,000 / unit
Three Rivers Park District		650140700	2.50	\$30,000.00
Three Rivers Park District	1920 Stieger Lake Lane	650141000	1.00	\$12,000.00
Peter J. Boyer Rev Trust	1940 Stieger Lake Lane	650141100	0.50	\$6,000.00
Spread Enterprises	1889 Stieger Lake Lane	650141210	2.50	\$30,000.00
Thomas M Gregory Trust	1885 Stieger Lake Lane	650141200	1.00	\$12,000.00
Richard & Katherine K Schmid	1865 Stieger Lake Lane	650141900	1.00	\$12,000.00