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# Pavement Management Plan

## City of Lester Prairie

October 10, 2017

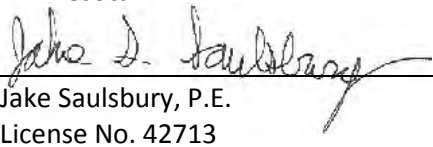
**Submitted by:**

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# Certification

## City of Lester Prairie Pavement Management Plan October 10, 2017

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.

By:  \_\_\_\_\_  
Jake Saulsbury, P.E.  
License No. 42713

Date: October 10, 2017

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## I. INTRODUCTION

### A. IMPETUS

The City of Lester Prairie recognizes the importance of maintaining quality streets. Proper maintenance and repair of City streets keeps the streets in good working order for residents and visitors, enhances the life of residents, and adds significant appeal to visitors, potential residents, and potential investors in the City. This Pavement Management Plan, as authorized by the City Council, covers the proposed street improvements for the City of Lester Prairie over the next several years. The plan was authorized due to concerns with the City's aging infrastructure and the need to have a plan in place to maintain this infrastructure in a fiscally responsible manner.

The purpose of this Pavement Management Plan is to set forth a system for determining pavement condition and act as a starting point and reference for planning and executing annual maintenance and repairs to the City's streets. The ultimate goal is to construct a planning document that maintains a safe and useable local transportation system for the traveling public. This plan is intended to be a flexible document that serves as a guide to improve the efficiency of the decision making process and to ensure consistency of the decisions pertaining to the project scope and the funding approach for future infrastructure improvement projects.

### B. REPORT ORGANIZATION

To address the various projects in an orderly manner, the report is organized into 6 sections as follows:

- Section 1: Introduction
- Section 2: Existing Conditions
- Section 3: Improvement Methods
- Section 4: Improvement Plan
- Section 5: Financing & Funding
- Section 6: Next Steps

### C. SCOPE

The scope and content of this report is the result of many factors and many items, including but



not limited to, the following:

- Meetings and discussions with City staff
- Street evaluations
- Sidewalk / trail evaluations
- Record drawing and as-built information
- Existing identified maintenance concerns
- Staff provided condition appraisals

Since the street system was considered to be the highest priority, the goal of the plan was to upgrade structurally deficient streets and maintain structurally adequate streets to a serviceable and reliable condition while incorporating utility improvements as needed. The municipal utilities (sanitary sewer, watermain, and storm sewer) were not televised or evaluated as part of the scope of work of this project. However, known utility issues were a factor in determining project needs and project recommendations.

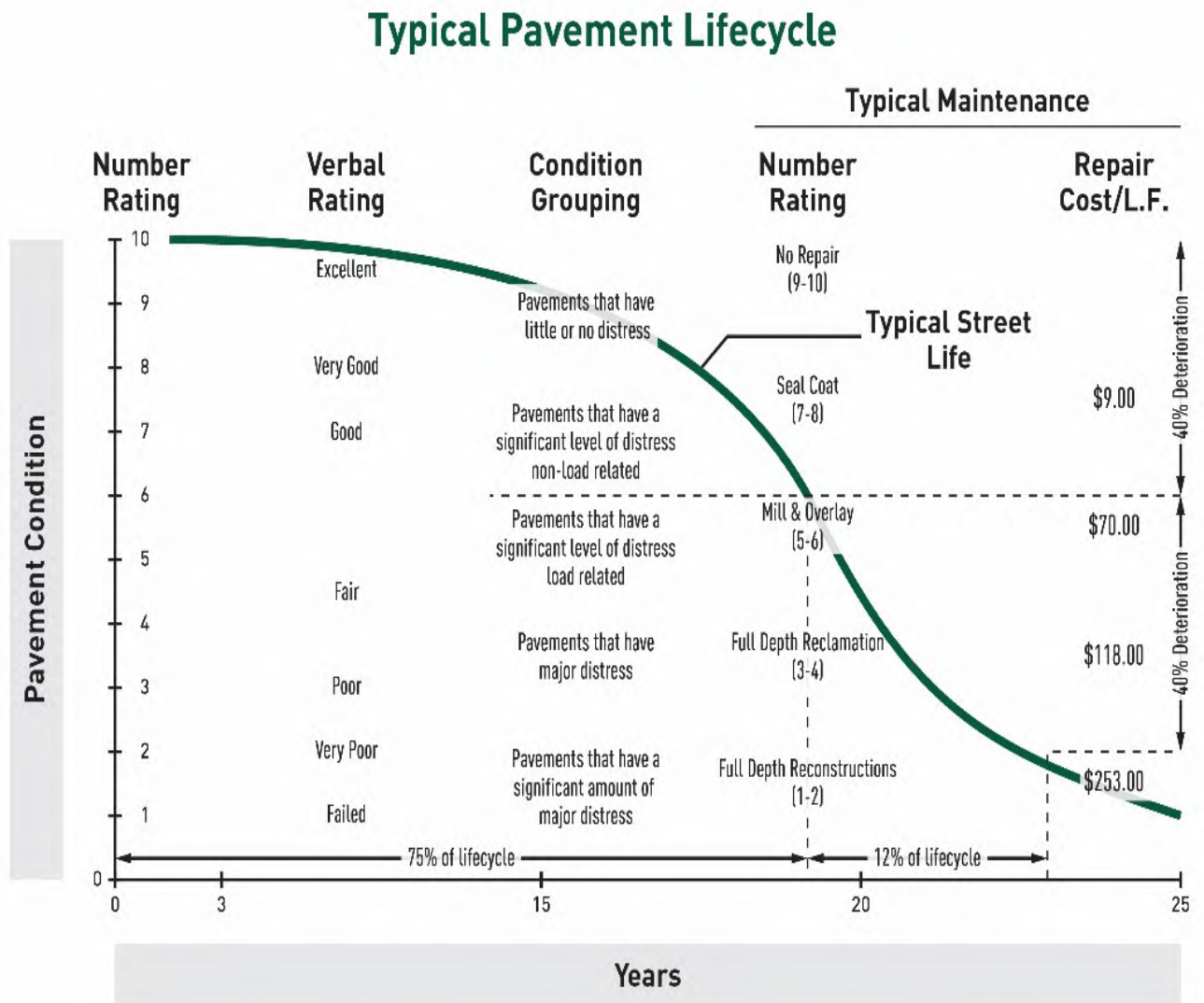
#### D. SUMMARY

This Pavement Management Plan acts as a guide, ensuring that City streets are kept in good working condition for residents, businesses, and visitors. The plan ensures that allocating City funding is done in an efficient, fair, and cost effective manner and that it serves the streets in the most need of repair. Reevaluating the condition of the streets approximately every 5 years is recommended to allow for the City to make adjustments to the plan and keep the plan as a fluid document capable of change. Every project carried out as a part of this plan must still be approved by City Council, allowing for changes to be made on an annual basis as well.

## II. EXISTING CONDITIONS

### A. PAVEMENT LIFECYCLE

Newly constructed bituminous streets can be expected to last 20 to 40 years if the City is performing little to no maintenance. Selecting the proper pavement maintenance or replacement procedure at the appropriate time can increase this life expectancy to beyond 50 years. The illustration below shows a graphical representation of the bituminous pavement life cycle. As seen in the figure, the condition of the pavement will decrease over time as repeated freeze and thaw cycles, traffic loading, water, sun, etc. begin to wear on the pavement structure. Also, the older the pavement becomes the more costly the appropriate maintenance becomes.



## B. STREET AGE

Lester Prairie's street system has developed over time. The original town was constructed along the railroad and grew outward from there. The rail lines were abandoned 15 to 20 years ago leaving the street system as the only significant transportation method serving the City of Lester Prairie. The older "grid" portion of town is assumed to have all been paved at the same time 50 to 60 years ago. Streets connecting to the original local roads, primarily to the southwest, were then constructed over the last 20 to 40 years. More recently, the East Park Estates neighborhood and the Prairie Ridge neighborhood were constructed to the east and southeast of town after the turn of the century. Additionally, McLeod County has 4 county highways that are within or adjacent to the City limits. These highways are CSAH 1 (Babcock Avenue), CSAH 9, CSAH 23 (2nd Avenue South and Pine Street South), and CR 109 (Central Avenue). Located in Appendix A is Figure No. 2.1 showing these approximate street ages along with the approximate timing of local mill and overlay projects. Below is a table summarizing the street ages that are shown on Figure No. 2.1.

Age (Years)	Length (Ft)	Length (Mi)	% of Total
0-10	1,150	0.2	2.4%
11-20	12,040	2.3	25.6%
21-30	3,385	0.6	7.2%
31-40	1,575	0.3	3.4%
41-50	4,335	0.8	9.2%
51+	24,460	4.6	52.1%
Totals:	46,945	8.9	100.0%

At present time, the City maintains nearly 9 miles of local roads. Over half of these roads are over 50 years old and over 70% of these roads are over 20 years old. Figure No. 2.2 in Appendix A shows the existing street ages 10 years from now (year 2027) if no pavement management strategies are implemented. In year 2027, these numbers increase to over 61% of the current roads being over 50 years old and over 97% being over 20 years old.

## C. STREET CLASSIFICATIONS

There are no state highways or principal arterial roadways in or adjacent to Lester Prairie. The

highest classification of roadway within City limits are county highways. These roadways also function as the City's truck routes and are shown in Figure No. 2.3. The City also has roadways that carry a higher volume of traffic and are more likely to see extensive truck or bus use. These roadways are shown as "Collector Streets" on Figure No. 2.3. These roadways are currently constructed with the same typical section as the lower volume roadways. However, as improvements are made these roadways are recommended to be constructed with a heavier typical section to accommodate the anticipated volume and type of traffic they will continue to carry.

#### D. STREET RATINGS

Every local street section in town was visually evaluated for pavement failures, pavement cracking, curb and gutter condition, and drainage concerns. Pavement evaluation forms were completed for each street. Each Street was assigned a Pavement Condition Index (PCI) from 0 to 10. In general, these rankings refer to the following general condition of the road and the likely recommended repair/replacement measure.

Rating	General Condition	Recommended Repair or Replacement Measure
0	Non-Existent Road or Gravel Road	Construction
1	Complete Failure	Reconstruction
2	Severe Deterioration w/ Base Failure	Reconstruction
3	Major Deterioration w/ Adequate Base	Reclamation
4	Significant Aging	Reclamation
5	Surface Aging	Mill & Overlay
6	Raveling / Cracking	Mill & Overlay
7	Slight Raveling / Cracking	Maintenance (Seal Coat)
8	Recent Overlay	Maintenance (Crack Seal)
9	Recent Construction	None
10	New Construction	None

A rating of 0 is a roadway or planned roadway that has not yet been paved and is essentially excluded from this evaluation. A rating of 1 is a street that has completely failed and requires the complete removal and replacement of the entire roadway section, including the curb and gutter. Conversely, a rating of 10 is a newly constructed or reconstructed road that requires no

maintenance in the near term. The ratings assigned to each street section are located on Figure No. 2.4 in Appendix A. These ratings, along with the dimensions of each street, are located on Table 2.1 in Appendix B.

#### E. SIDEWALKS / TRAILS

The City's current policy is that the maintenance and repair of sidewalks is the responsibility of the property owner. Sidewalk improvements / replacements will be required when an adjacent street project is being completed. Sidewalk improvements / repairs will also be required when the condition of the existing sidewalk becomes a safety and liability issue. Additionally, the City is responsible for maintenance and repair of a few sidewalk sections. These are as follows:

- Central Avenue from Pine Street to CSAH 9
- Pine Street South from 2<sup>nd</sup> Avenue South to Central Avenue
- Along City owned property (City Hall, Police Station, Public Works, & parks)

There is only one trail segment in the City. This is located along County Road 9 and the City is also responsible for the maintenance and repair of this section.

The locations of the existing sidewalks and trails are shown on Figure No. 2.5 in Appendix A. The sidewalks and trails along with their approximate dimensions and their current deficiencies are tabulated on Table 2.2 in Appendix B.

### III. IMPROVEMENT METHODS

#### A. STREET RECONSTRUCTION

The life cycle of bituminous pavement is partially dependent on a series of maintenance strategies. At a certain level of deterioration, pavement can be protected with a seal coat or renewed with an overlay. These operations represent the two most widely used maintenance activities. However, if the level of pavement deterioration or structural condition of the street is past a certain point, an overlay or seal coat represents a costly cosmetic response or delaying tactic with a devastating budgetary impact. In these cases the most cost effective measure is complete street reconstruction. The proposed street reconstruction method consists of the removal of the entire existing pavement section and the construction of a new pavement structure including bituminous surfacing, aggregate base, geotextile fabric and curb where necessary. Additional evaluation of streets identified to require reconstruction will be completed on a per project basis with respect to new sidewalk and trail needs. Recommendations from the City staff or City Council will be used in conjunction with existing topographic information to evaluate the need or feasibility of constructing new sidewalks or trails within a given project area.

Two different pavement sections are required to reconstruct the streets in the proposed plan due to the variation in traffic volumes, truck use, and design functional class with each street. The first is the Standard Section which consists of 4.5 inches of bituminous pavement, 9 inches of aggregate base, and geotextile fabric. The second recommended section is the Collector Street Section. This section consists of 6.5 inches of bituminous pavement, 14 inches of aggregate base, and geotextile fabric. The details of each section can be seen on Figure No. 3.1 in Appendix A. In addition to these recommended sections, poor soils encountered during the design or construction phase of a project may result in the need to increase the pavement or aggregate section, add a layer of select granular borrow, add draitile, or a combination of these items.

When a street is designated for reconstruction there is also a need to evaluate the utility infrastructure under the roadway for deficiencies. Based on a general evaluation of the City's sanitary sewer, watermain, and storm sewer infrastructure the following utility replacement guidelines have been set:

*Sanitary Sewer:*

- Evaluate all mainline pipe, manholes, and services on a per project basis
- Replace all adjusting rings and castings

*Watermain:*

- Replace all cast-iron pipe within project area
- Upsize all dead end 4-inch watermain to 6-inch or larger
- Upsize all trunk, looped 4-inch and 6-inch watermain to 8-inch or larger
- Replace all watermain in locations that experience a high number of breaks
- Evaluate hydrant and gate valve locations and add / relocate as necessary

*Storm Sewer:*

- Evaluate all mainline pipe, manholes, and catch basins on a per project basis
- Replace all adjusting rings and castings
- Evaluate the need to add sump pump service connections

In general, all street segments with a pavement rating of 1 or 2, or street segments where significant utility improvements are needed, are deemed in need of a reconstruction. There are no streets that were rated as 1 or 2.

## B. RECLAMATION

Full depth reclamation is a pavement rehabilitation technique in which the full pavement section and a predetermined portion of the underlying aggregate materials are uniformly pulverized and blended together to produce a homogeneous stabilized based course that meets the specification for aggregate base material. This material is then modified to the correct thickness and elevation, compacted, and paved over. This process is typically used when the pavement failure is not due to subgrade deficiencies, when there are minimal utility replacement needs, and when there are no significant drainage or vertical elevation concerns. Communities that are able to utilize reclamation must either have geotextile fabric under their existing street section or they must have aggregate or sandy soils under their street sections. Based on the known soil conditions in the City of Lester Prairie, this technique is able to be considered for street improvements for any of the roads located to the north of the Crow River. This rehabilitation method is likely not recommended for the Prairie Ridge Development.

Streets were designated for reclamation based on designated pavement condition ratings. In general, street segments with a rating of 3 or 4 were recommended for a reclamation project.

Please note that reclamation project recommendations are based on assumed subgrade soil conditions and existing aggregate base conditions. The visual evaluations completed for this report will need to be supplemented with pavement borings to confirm the assumed subsurface geotechnical properties of each roadway. Figure No. 3.2 illustrates the streets proposed to be reclaimed.

### C. MILL & OVERLAY

Various streets within the City have been designated to be milled and overlaid. The purpose of a bituminous overlay is to repair / replace the pavement surface, provide some structural integrity, and to prolong the life of the street. The proposed bituminous overlay method consists of the milling along existing curbs, installation of leveling course (if necessary) to remove surface irregularities and restore crown, spot curb repair, and finally the application of a bituminous overlay. Depending on the condition of the roadway, a full width and/or full depth mill may be needed rather than just an edge mill.

Streets were designated for mill and overlay based on designated pavement condition ratings. In general, street segments with a rating of 5 or 6 were deemed in need of a mill and overlay. Figure No. 3.2 illustrates the streets proposed to be milled and overlaid.

### D. MAINTENANCE

#### a. Seal Coat

A seal coat consists of the application of emulsified asphalt and loose aggregate to the existing surface. After the specified “curing” time, the excess aggregate is swept up and removed. This rehabilitation method is typically used several times throughout the life of a pavement. Seal coats are most effective when used on pavements in relatively good condition. This method is used to provide a new driving surface and to re-seal the pavement surface to provide some protection from weathering. The useful life of a sealcoat is generally 4 to 7 years depending on the type of materials that are used and the condition of the pavement to which it is applied.

In order to maximize the life of the City’s pavements, it is recommended that the City streets are seal coated on a 4 to 7 year cycle. It is also recommended that seal coats not be applied to the streets that are scheduled for reconstruction or reclamation until after



the reconstruction or reclamation project occurs. All remaining City streets are recommended to be seal coated on a regular basis.

b. Crack Seal

Cracking is the first and most common type of deterioration in pavements. Cracks are inevitable, and neglect leads to accelerated cracking and potholing, further reducing pavement serviceability. To prevent water infiltration and to protect the pavement surfaces, cracks should be sealed or filled on a routine basis on all roadways not planned for major rehabilitation. To complete crack sealing the cracks are cleaned or routed and specialized material is placed into and/or above the cracks to prevent water intrusion and to reinforce the adjacent pavement. Similarly to seal coating, crack sealing is recommended to occur on a regular basis to all streets not planned to be reconstructed or reclaimed.

## IV. IMPROVEMENT PLAN

Figure No. 3.3 outlines the proposed street improvement projects over the next several years. A construction year has not been assigned to these projects. Rather, a priority has been determined based on pavement condition, utility reconstruction needs, and geographic proximity. Below are estimated costs for these recommended street and utility improvements based on approximate project areas and recent bid prices. The estimated street costs for these as well as all of the remaining street segments are also shown on Table 2.1 in Appendix B. The estimated utility costs are assumed based on known utility issues at this time. Please note that all costs are based on 2017 prices and will need to be adjusted for projects completed in future years. A cost summary of all of the proposed projects is included on Table 2.3 in Appendix B.

### A. PROJECT NO. 1 – LINCOLN AVE., CEDAR STREET N., & CENTRAL AVE.

This project consists of replacing these streets that have a rating of 4 or 5. There is also an existing drainage issue requiring the addition of storm sewer. There are known utility issues that require spot repairs or partial replacements. Also, gate valves need to be added and hydrants need to be replaced. Due to the large amount of storm sewer and utility work, the street improvements needed are assumed to be a combination of a reclamation and a reconstruction project. The estimated costs for this project are as follows:

- Street Cost = \$761,139
- Storm Sewer Cost = \$101,858
- Utility Cost = \$277,223
- Total Estimated Project Cost = \$1,140,219

### B. PROJECT NO. 2 – KENNEDY AVE. & CEDAR STREET S.

This project consists of replacing streets with a rating of 4 via reclamation. This area has received numerous complaints about the condition of the pavements. There are no known drainage issues. However, the storm sewer appears to be lacking so an extension of 400 feet to the storm sewer system is assumed. It is also assumed that utility work would only include hydrant replacements, addition of gate valves, and structure ring and casting replacements. The estimated costs for this project are as follows:

- Street Cost = \$521,583
- Storm Sewer Cost = \$51,638
- Utility Cost = \$77,423
- Total Estimated Project Cost = \$650,643

C. PROJECT NO. 3 – FIRST AVE. N., PINE STREET N., & HI-MAE CIR

This project consists of a mill and overlay of several streets with a rating of 5 or 6. These streets are many of the City's collector streets. The intent of completing this project, rather than another reconstruction or reclamation project, is to preserve these higher volume roadways and delay the need for reconstruction for as long as possible. There are no known drainage or utility issues at this time. It is assumed that utility work would only include casting and gate valve adjustments along with a few structure ring and casting replacements. The estimated costs for this project are as follows:

- Street Cost = \$427,556
- Storm Sewer Cost = \$15,188
- Utility Cost = \$15,120
- Total Estimated Project Cost = \$457,863

D. PROJECT NO. 4 – SECOND AVE. N. & FIR STREET N.

This project consists of replacing streets with a current rating of 4 via reclamation. This area receives higher traffic volumes, particularly bus traffic, due to the proximity of the school. The timing of this project should be so that it occurs after school building and access upgrades that have previously been discussed. The westerly portion of this drainage area was discussed as part of the scoping of the Second Avenue North Storm Sewer project which was constructed in 2016. It was decided that 1 to 2 blocks of storm sewer would be rerouted in the future in order for the remaining in-place storm sewer system to meet the standard 10-year storm design. Therefore, approximately 400 feet of storm sewer replacement is included in this project. It is assumed that utility work would include two manhole replacements, two hydrant replacements, and structure ring and casting replacements. The estimated costs for this project are as follows:

- Street Cost = \$529,045 (includes \$151,156 to increase to a collector street section)
- Storm Sewer Cost = \$94,905
- Utility Cost = \$62,573

- Total Estimated Project Cost = \$686,522

E. PROJECT NO. 5 – FIRST AVE. S. & ELM STREET S.

This project consists of replacing streets with a current rating of 3. The proposed project area contains lower street ratings than previously listed projects. However, due to the lower traffic volumes and the surrounding land use, the deterioration of these roadways are anticipated to be less than other higher traffic roadways. There are no known significant drainage or utility issues. Storm sewer work includes minor spot repairs and replacement of four catchbasins. It is assumed that utility work would only include hydrant replacements, gate valve additions / replacements, and structure ring and casting replacements. Based on the current pavement and utility conditions a reclamation project is feasible at this time. However, the need to increase the project scope to a full reconstruction should be evaluated once this project becomes a higher priority. The estimated costs for this project are as follows:

- Street Cost = \$437,333
- Storm Sewer Cost = \$46,305
- Utility Cost = \$44,334
- Total Estimated Project Cost = \$527,972

## V. FINANCING & FUNDING

### A. FINANCING

Based on the costs associated with the multiple proposed projects, it is recommended that the City bond to pay for the improvements. Bond terms for street projects generally have a term of 10, 15, or 20 years. The bonds that are typically utilized for projects consisting primarily of street improvements are Chapter 429 Improvement Bonds or Chapter 475 Street Reconstruction Bonds.

#### a. Chapter 429 Improvement Bonds

Chapter 429 Bonds allow for a city to assess a portion of the improvements to benefitting property owners. The main requirement for this to occur is that you follow the process as outlined in the State Statute and that you assess a minimum of 20% of the total project cost.

- Pros = Able to assess properties that are not taxed, able to reduce the city's portion of the project cost, not subject to debt limits (better for on-going improvement plans).
- Cons = Subject to appeals by property owners, detailed process and legal requirements, requires a 4/5's City Council vote.

This approach is the most common for small cities and is the recommended approach. If this approach is preferred, the City should formally adopt an assessment policy in conjunction with or prior to adopting this Pavement Management Plan.

#### b. Chapter 475 Street Reconstruction Bonds

Chapter 475 Bonds allow for a city to finance street improvements without having to assess for a minimum of 20% of the total project cost.

- Pros = Less detailed process that requires only 1 Public Hearing.
- Cons = Subject to a reverse referendum, subject to debt limits.

If this approach is preferred, the City should complete and adopt a 5-Year Street Reconstruction Plan prior to completing the first project. This 5-year Street Reconstruction Plan is a requirement of the state statute, but it would largely just be a reformatting of this Pavement Management Plan.

Please note that the previous discussion on bond options is very general. The bonds listed, along with other bond types, are able to be combined to creatively finance specific projects. It is also possible to assess property owners without obtaining a Chapter 429 bond, but the process is still required to be followed. The City should discuss all individual projects with their financial consultant to determine the most appropriate financing method on a per project basis.

## B. FUNDING

Funding for the proposed Pavement Management Plan is proposed to be derived from the following sources:

- Property Tax Revenue
- Sewer Revenues
- Water Revenues
- Special Assessments (if desired)

Table 2.3 located in Appendix B shows the cost apportionment of the street projects that are outlined as the highest priority projects in the plan. Two bonding options are included. The first option is for a plan entirely paid for by the City. The second option assumes a portion of the projects will be assessed. For comparison and evaluation purposes, the bond options shown include both a 10-year term at a 4.0% interest rate and a 20-year term at a 5.0% interest rate. For the assessment option the following items were included:

1. Street reconstructions and reclamations are assessable. Mill & overlays (Project No. 3) are not assessable.
2. Utility work is not assessable. If a future scope of work included a complete mainline replacement of sewer or water lines, this work would become assessable.
3. 30% of the estimated total project cost for the reconstruction or reclamation projects will be assessed to benefitting property owners (assumed total to be 20% when deducting corner lots and other non-assessable frontage).
4. City pays 100% of the oversizing for the collector streets.

### C. OTHER FUNDS

The availability for grant funds or other funds for the proposed projects will be evaluated for each project. Depending on project location, project scope, future legislation, project partners, etc., these potential funding sources include, but are not limited to:

- McLeod County Highway Department
- McLeod County Soil & Water Conservation District
- MN Department of Transportation
- MN Department of Natural Resources
- Public Facilities Authority
- USDA Rural Development
- Clean Water Legacy Act
- Crow River Organization of Water

## VI. NEXT STEPS

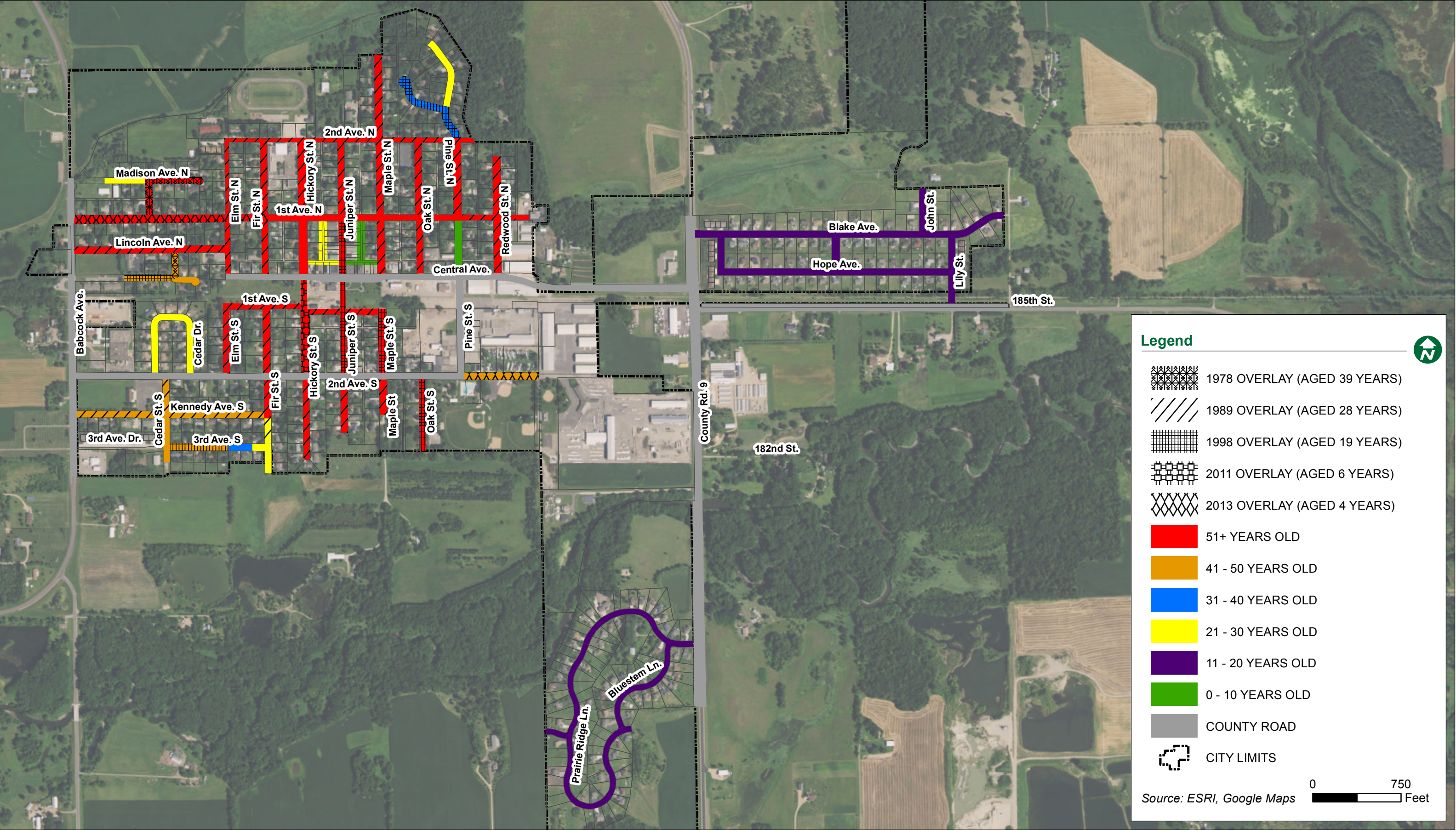
The following next steps are recommended to be completed by the City Council:

1. Review this Plan and revise as necessary.
2. Complete an Assessment Policy and/or a 5-Year Street Reconstruction Plan.
3. Update the financing tables / projections and adopt the Pavement Management Plan.
4. Implement the plan / proceed with Project No. 1.
5. Reevaluate the streets, update project priorities, review estimated costs, and update / modify the plan (approximately every 5 years).
6. Continue with street maintenance and monitor the underlying utilities (ongoing).

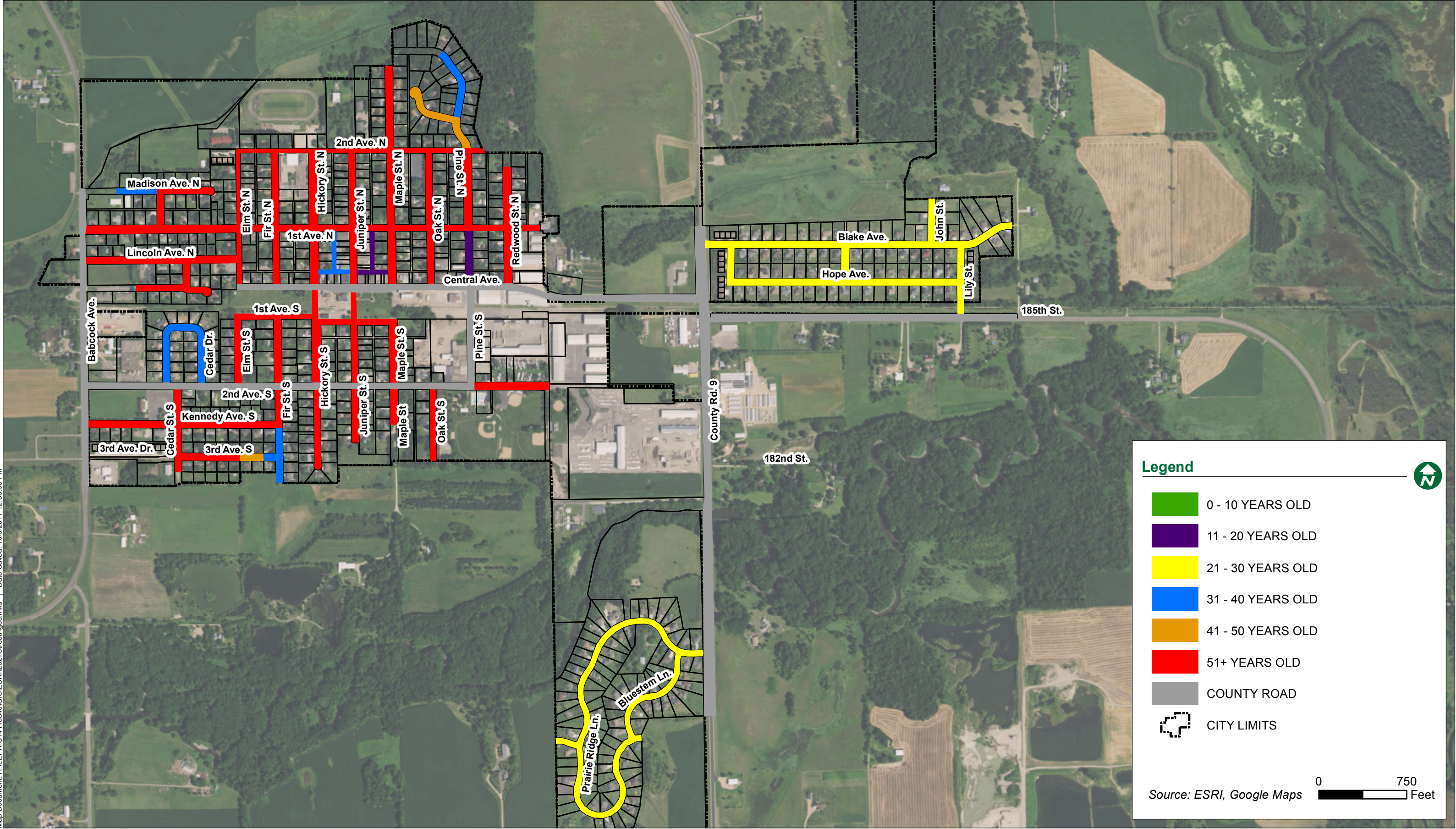


## Appendix A: Figures

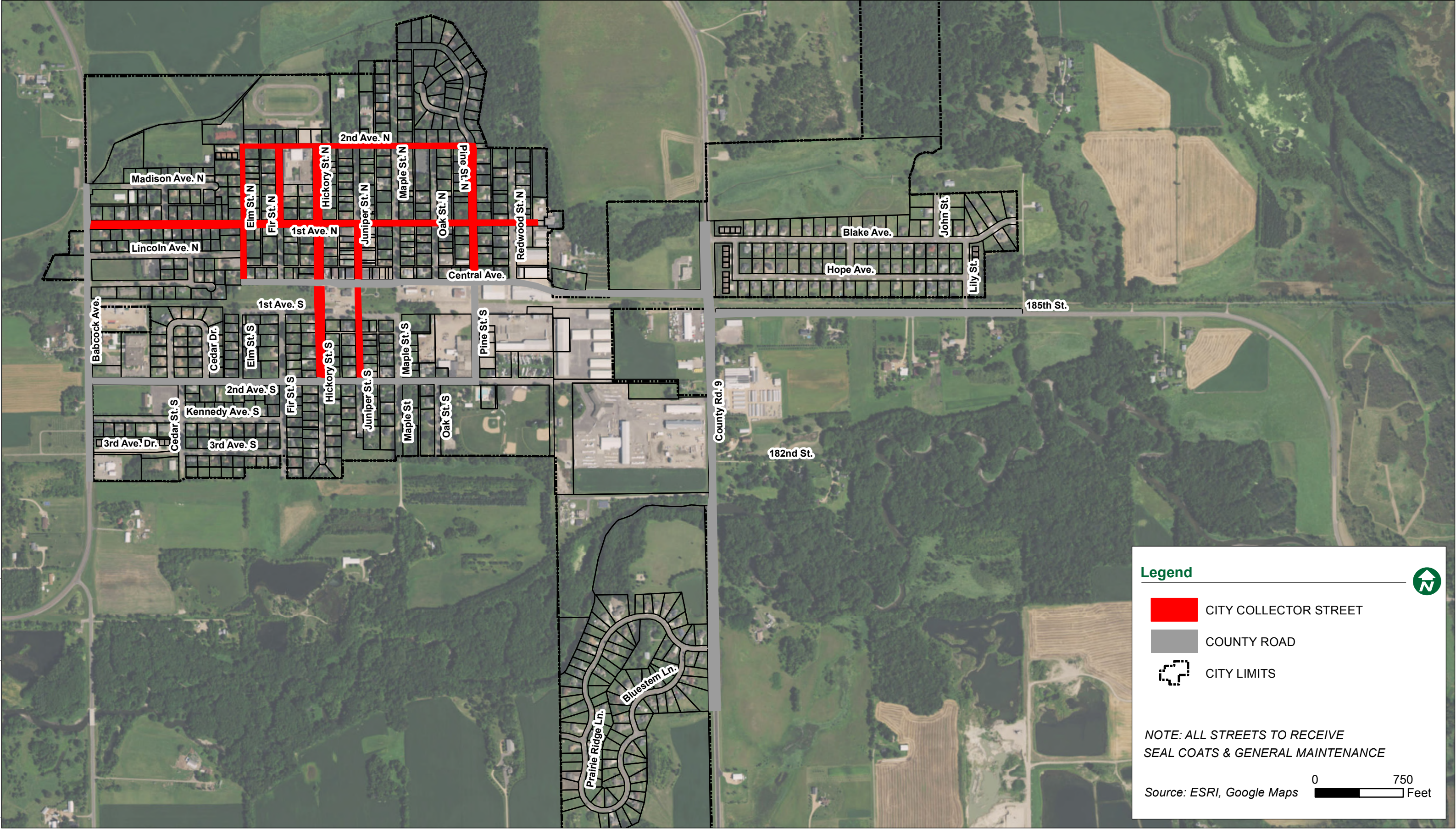




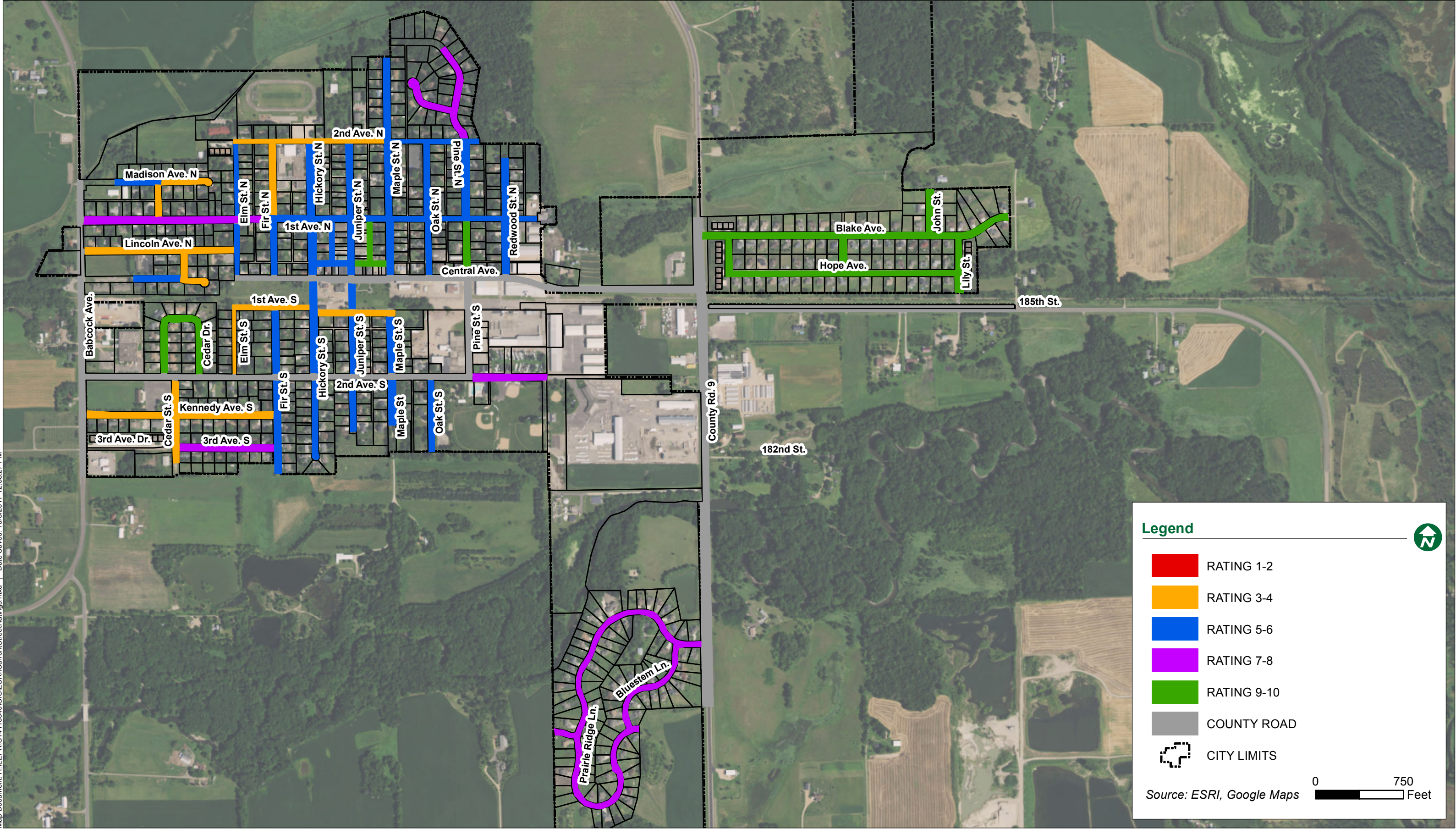




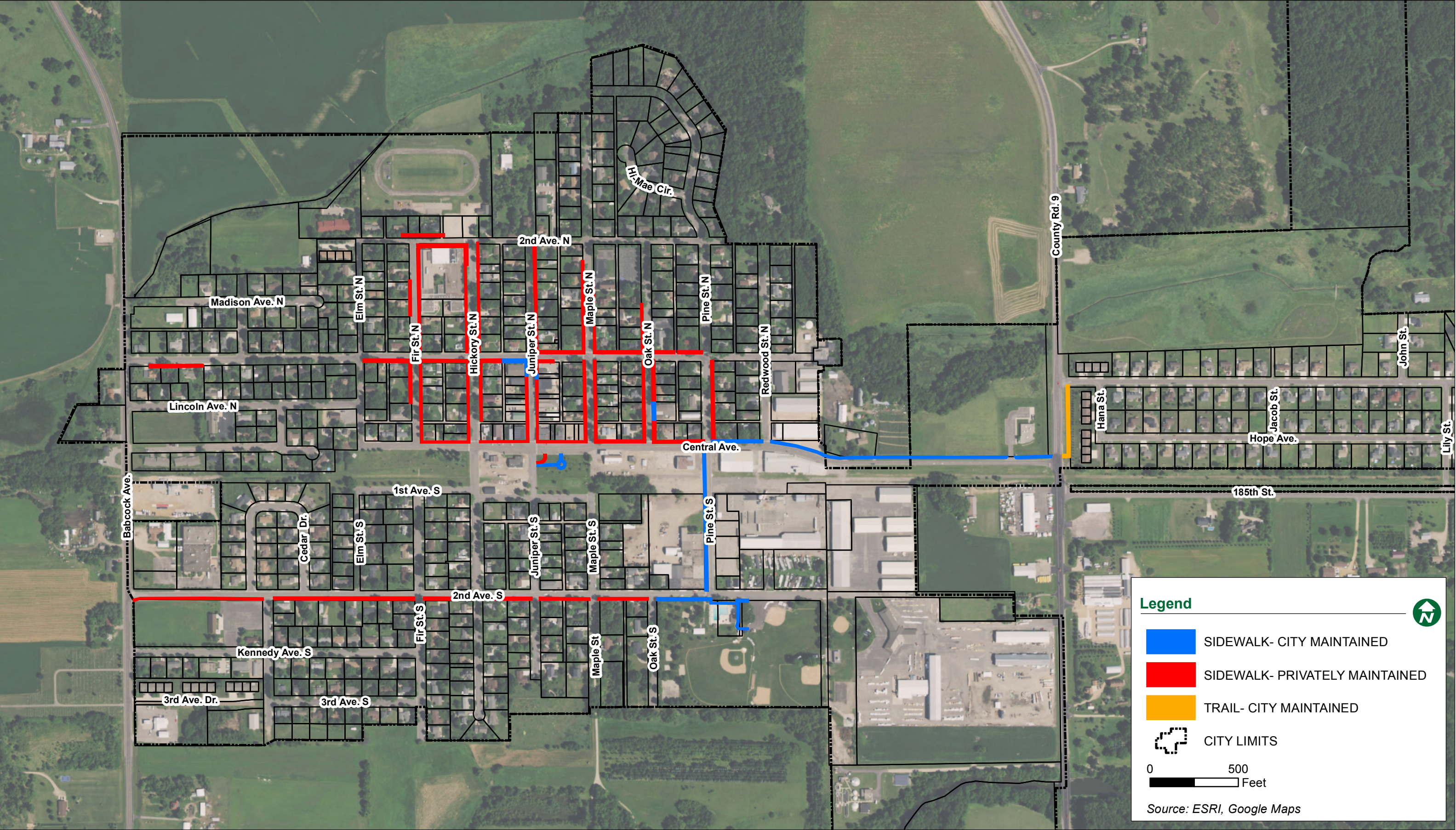




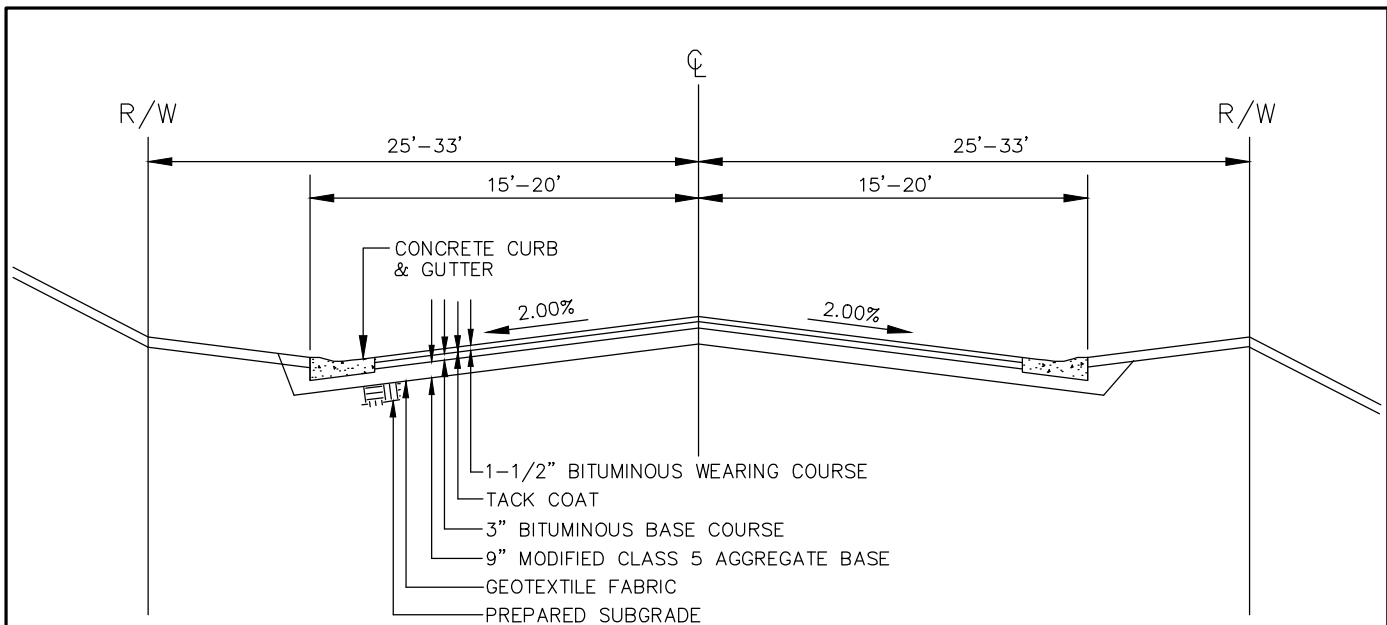






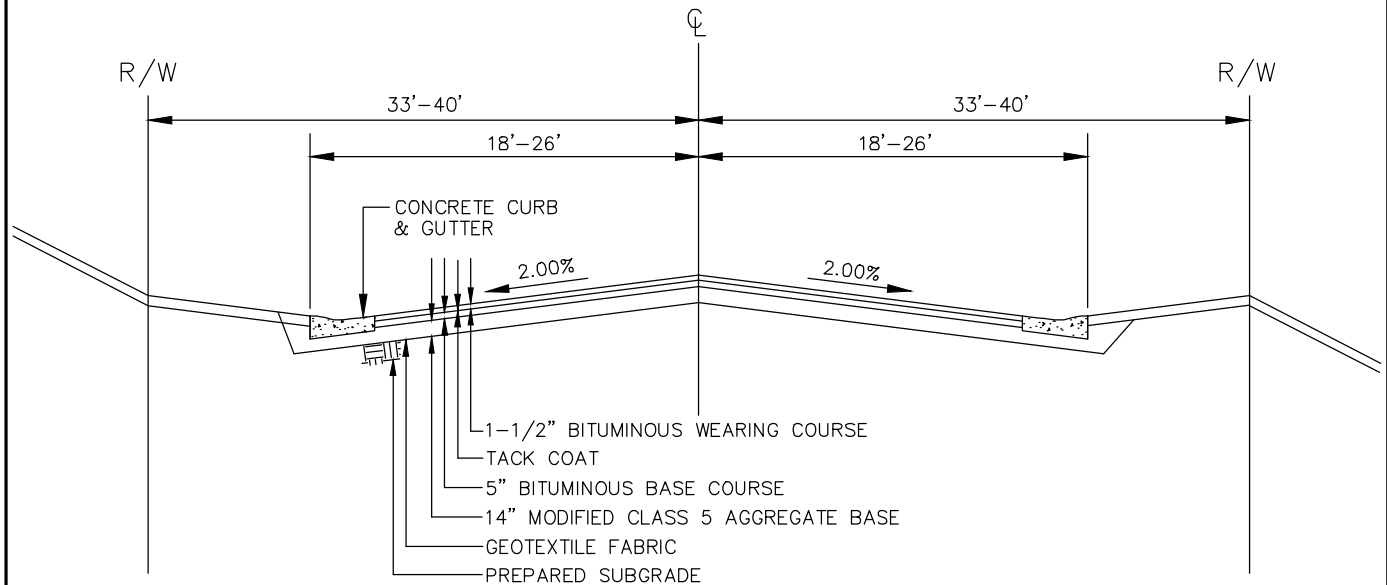






NOTE: ALLEYS TO BE 12'-14' WIDE WITH NO CURB & GUTTER

### TYPICAL STREET SECTION STANDARD SECTION



### TYPICAL STREET SECTION COLLECTOR STREET SECTION



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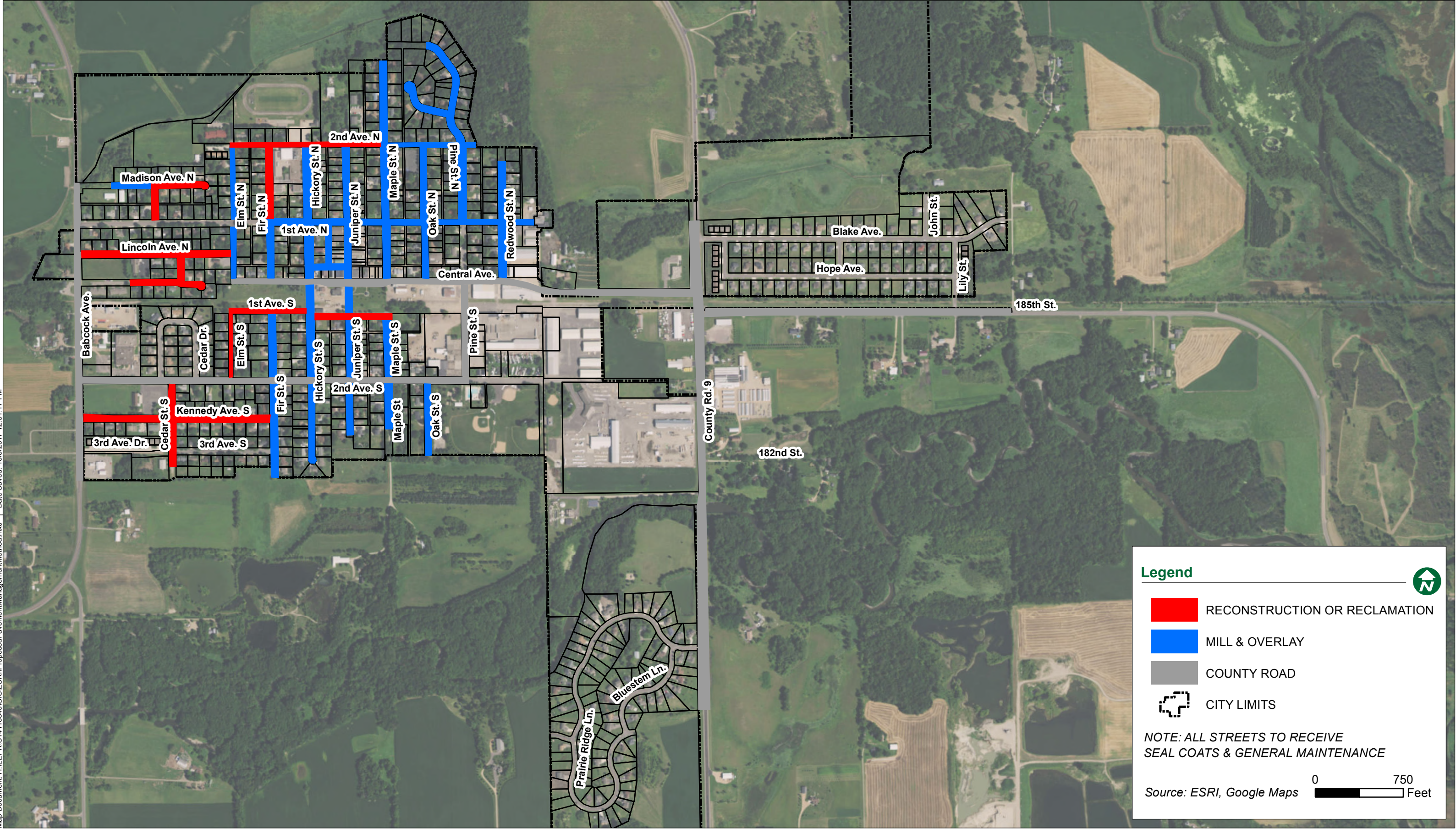
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**CITY OF LESTER PRAIRIE**  
PAVEMENT MANAGEMENT PLAN  
STREET SECTIONS

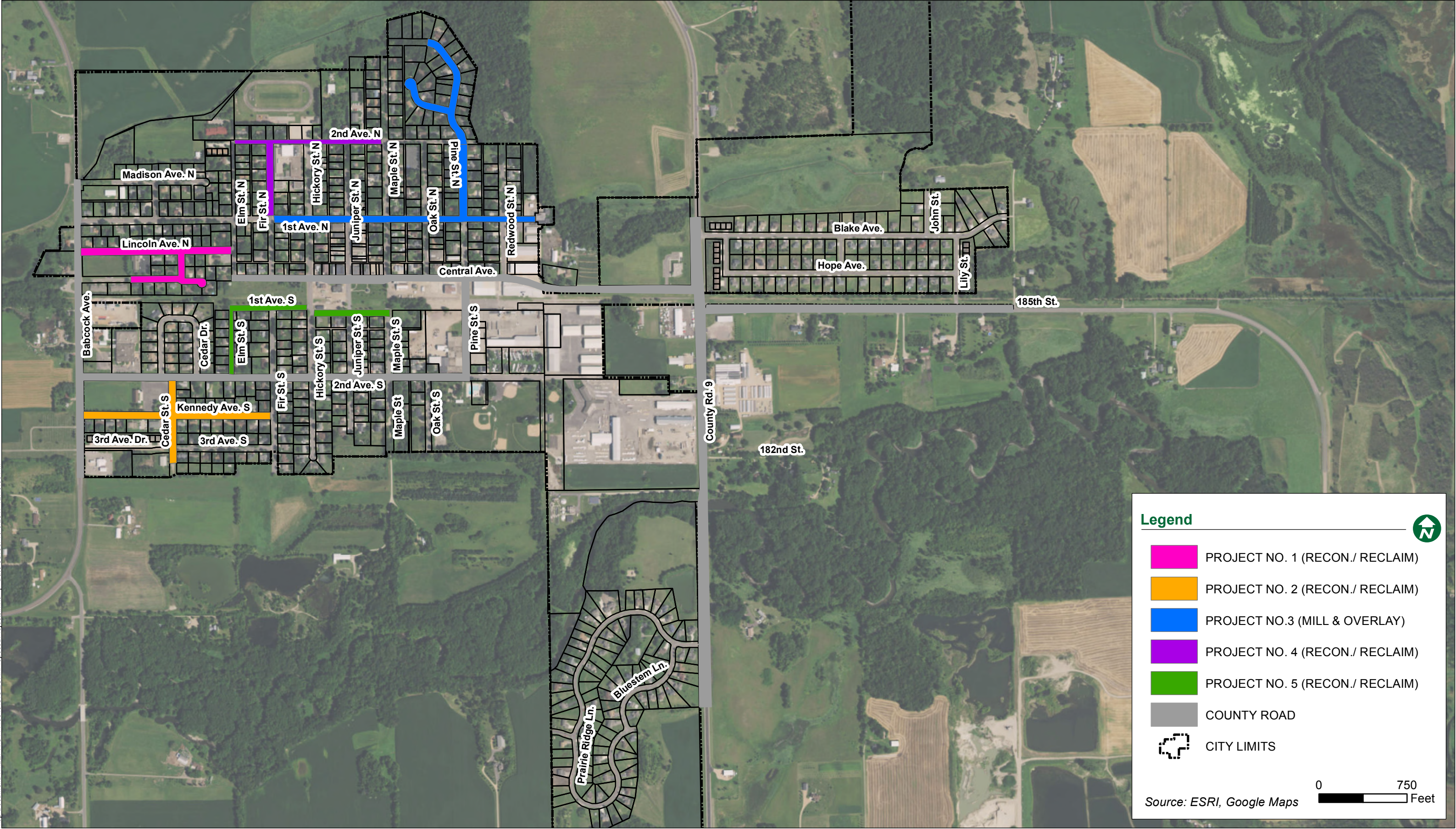
OCTOBER 2017

FIGURE NO. 3.1











## Appendix B: Tables

### TABLE 2.1 - STREET INVENTORY

STREET	FROM	TO	WIDTH (FT)	LENGTH (FT)	PCI #	RECOMMENDED REHAB. METHOD	APPROX. STREET AREA (SY)	STREET TYPE	STANDARD STREET ESTIMATED COST / SY	COLLECTOR STREET ESTIMATED COST / SY	2018 ESTIMATED TOTAL PROJECT COST	NOTES
NORTH SIDE:												
2ND AVE N	ELM ST N	MAPLE ST N	31	1,300	4	RECLAMATION	4,478	COLLECTOR	\$50	\$20	\$313,444	
2ND AVE N	MAPLE ST N	EAST OF PINE ST	31	820	5	MILL & OVERLAY	2,824	COLLECTOR	\$25	\$0	\$70,611	1
MADISON AVE	DEAD END	BIRCH ST	41	340	6	MILL & OVERLAY	1,549	STANDARD	\$25		\$38,722	
MADISON AVE	BIRCH ST	CUL-DE-SAC	41	450	4	RECLAMATION	2,050	STANDARD	\$50		\$102,500	
1ST AVE N	CSAH 1	FIR ST N	41	1,640	7	MAINTENANCE ONLY	7,471	COLLECTOR	\$0	\$0	\$0	1
1ST AVE N	FIR ST N	DEAD END EAST	41	2,200	6	MILL & OVERLAY	10,022	COLLECTOR	\$25	\$0	\$250,556	1
LINCOLN AVE	CSAH 1	ELM ST N	40	1,290	4	RECONSTRUCTION	5,733	STANDARD	\$100		\$573,333	2
CENTRAL AVE	END OF PHASE 1	CEDAR ST S	40	430	5	RECLAMATION	1,911	STANDARD	\$50		\$95,556	2
CENTRAL AVE CDS	CEDAR ST	CUL-DE-SAC	41	205	4	RECLAMATION	934	STANDARD	\$50		\$46,694	
BIRCH ST N	1ST AVE N	MADISON AVE	40	290	3	RECLAMATION	1,289	STANDARD	\$50		\$64,444	
CEDAR ST N	LINCOLN AVE	CENTRAL AVE	40	205	4	RECLAMATION	911	STANDARD	\$50		\$45,556	2
ELM ST N	2ND AVE N	CENTRAL AVE	38	1,160	6	MILL & OVERLAY	4,898	COLLECTOR	\$25	\$0	\$122,444	1
FIR ST N	2ND AVE N	1ST AVE N	42	660	4	RECLAMATION	3,080	COLLECTOR	\$50	\$20	\$215,600	
FIR ST N	1ST AVE N	CENTRAL AVE	41	510	5	MILL & OVERLAY	2,323	STANDARD	\$25		\$58,083	
HICKORY ST N	2ND AVE N	CENTRAL AVE	51	1,170	5	MILL & OVERLAY	6,630	COLLECTOR	\$25	\$0	\$165,750	1
JUNIPER ST N	2ND AVE N	1ST AVE N	42	660	5	MILL & OVERLAY	3,080	STANDARD	\$25		\$77,000	
JUNIPER ST N	1ST AVE N	CENTRAL AVE	50	510	6	MILL & OVERLAY	2,833	COLLECTOR	\$25	\$0	\$70,833	1
MAPLE ST N	DEAD END	2ND AVE N	40	715	6	MILL & OVERLAY	3,178	STANDARD	\$25		\$79,444	
MAPLE ST N	2ND AVE N	1ST AVE N	40	660	6	MILL & OVERLAY	2,933	STANDARD	\$25		\$73,333	
MAPLE ST N	1ST AVE N	CENTRAL AVE	42	510	6	MILL & OVERLAY	2,380	STANDARD	\$25		\$59,500	
OAK ST N	2ND AVE N	CENTRAL AVE	41	1,170	5	MILL & OVERLAY	5,330	STANDARD	\$25		\$133,250	
PINE ST N	SECOND AVE N	END OF PHASE 1	40	295	8	MILL & OVERLAY	1,311	STANDARD	\$25		\$32,778	2
PINE ST N	END OF PHASE 1	DEAD END	40	605	8	MILL & OVERLAY	2,689	STANDARD	\$25		\$67,222	2
PINE ST N	2ND AVE N	1ST AVE N	42	660	6	MILL & OVERLAY	3,080	COLLECTOR	\$25	\$0	\$77,000	1
PINE ST N	1ST AVE N	CENTRAL AVE	42	510	9	NONE	2,380	COLLECTOR	\$0	\$0	\$0	1
HI-MAE CIR	PINE ST	DEAD END	41	1,090	8	MILL & OVERLAY	4,966	STANDARD	\$25		\$124,139	2
REDWOOD ST N	DEAD END	CENTRAL AVE	41	1,000	6	MILL & OVERLAY	4,556	STANDARD	\$25		\$113,889	
ALLEY	HICKORY ST N	JUNIPER ST N	13	290	5	MILL & OVERLAY	419	STANDARD	\$25		\$10,472	
ALLEY	HICK.-JUN. ALLEY	1ST AVE N	13	350	5	MILL & OVERLAY	506	STANDARD	\$25		\$12,639	
ALLEY	JUNIPER ST N	MAPLE ST N	13	290	8	MAINTENANCE ONLY	419	STANDARD	\$0		\$0	
ALLEY	JUN.-MAP. ALLEY	1ST AVE N	13	350	8	MAINTENANCE ONLY	506	STANDARD	\$0		\$0	
SOUTH SIDE:												
1ST AVE S	ELM ST S	MAPLE ST	41	1,320	3	RECLAMATION	6,013	STANDARD	\$50		\$300,667	
2ND AVE S	PINE ST S	DEAD END	42	645	7	MAINTENANCE ONLY	3,010	STANDARD	\$0		\$0	
KENNEDY AVE	CSAH 1	CEDAR ST S	41	755	4	RECLAMATION	3,439	STANDARD	\$50		\$171,972	
KENNEDY AVE	CEDAR ST S	FIR ST S	40	825	4	RECLAMATION	3,667	STANDARD	\$50		\$183,333	
THIRD AVE S.	CEDAR ST S	MID BLK TO EAST	40	805	7	MAINTENANCE ONLY	3,578	STANDARD	\$0		\$0	
CEDAR DR	SECOND AVE S	SECOND AVE S	40	1,205	9	NONE	5,356	STANDARD	\$0		\$0	
CEDAR ST S	2ND AVE S	KENNEDY AVE	41	330	4	RECLAMATION	1,503	STANDARD	\$50		\$75,167	
CEDAR ST S	KENNEDY AVE	DEAD END	41	400	4	RECLAMATION	1,822	STANDARD	\$50		\$91,111	
ELM ST S	2ND AVE S	1ST AVE S	41	600	3	RECLAMATION	2,733	STANDARD	\$50		\$136,667	
FIR ST S	1ST AVE S	2ND AVE S	41	600	5	MILL & OVERLAY	2,733	STANDARD	\$25		\$68,333	
FIR ST S	2ND AVE S	KENNEDY AVE	42	330	5	MILL & OVERLAY	1,540	STANDARD	\$25		\$38,500	
FIR ST S	KENNEDY AVE	DEAD END	41	480	5	MILL & OVERLAY	2,187	STANDARD	\$25		\$54,667	
HICKORY ST S	CENTRAL AVE	2ND AVE S	51	840	6	MILL & OVERLAY	4,760	COLLECTOR	\$25	\$0	\$119,000	1
HICKORY ST S	2ND AVE S	CUL-DE-SAC	41	685	6	MILL & OVERLAY	3,121	STANDARD	\$25		\$78,014	
JUNIPER ST S	CENTRAL AVE	2ND AVE S	40	840	5	MILL & OVERLAY	3,733	COLLECTOR	\$25	\$0	\$93,333	1
JUNIPER ST S	2ND AVE S	DEAD END	40	435	6	MILL & OVERLAY	1,933	STANDARD	\$25		\$48,333	
MAPLE ST S	1ST AVE S	2ND AVE S	41	550	5	MILL & OVERLAY	2,506	STANDARD	\$25		\$62,639	
MAPLE ST S	2ND AVE S	DEAD END	40	310	5	MILL & OVERLAY	1,378	STANDARD	\$25		\$34,444	
OAK ST S	2ND AVE S	DEAD END	41	615	5	MILL & OVERLAY	2,802	STANDARD	\$25		\$70,042	

TABLE 2.1 - STREET INVENTORY

STREET	FROM	TO	WIDTH (FT)	LENGTH (FT)	PCI #	RECOMMENDED REHAB. METHOD	APPROX. STREET AREA (SY)	STREET TYPE	STANDARD STREET ESTIMATED COST / SY	COLLECTOR STREET ESTIMATED COST / SY	2018 ESTIMATED TOTAL PROJECT COST	NOTES
NEWER DEVELOPMENTS:												
BLAKE AVE	CSAH 9	GRAVEL DRWY	32	2,685	9	NONE	9,547	STANDARD	\$0		\$0	
HOPE AVE	HANA ST	LILY ST	32	2,250	9	NONE	8,000	STANDARD	\$0		\$0	
HANA ST	BLAKE AVE	HOPE AVE	32	300	9	NONE	1,067	STANDARD	\$0		\$0	
JACOB ST	BLAKE AVE	HOPE AVE	32	300	9	NONE	1,067	STANDARD	\$0		\$0	
JOHN ST	BLAKE AVE	DEAD END	32	400	9	NONE	1,422	STANDARD	\$0		\$0	
LILY ST	BLAKE AVE	CSAH 23	32	615	9	NONE	2,187	STANDARD	\$0		\$0	
PRARIE RIDGE LN	BLUESTEM LN	END OF PHASE 1	32	2,440	7	MAINTENANCE ONLY	8,676	STANDARD	\$0		\$0	
BLUESTEM LN	PRARIE RIDGE LN	END OF PHASE 1	32	1,000	7	MAINTENANCE ONLY	3,556	STANDARD	\$0		\$0	
PRARIE RIDGE LN	END OF PHASE 1	BLUESTEM LN	32	1,850	7	MAINTENANCE ONLY	6,578	STANDARD	\$0		\$0	
ASTER LN	PRARIE RIDGE LN	DEAD END	32	200	7	MAINTENANCE ONLY	711	STANDARD	\$0		\$0	
TOTALS:				46,945							\$4,721,017	

- Notes:
- 1.) Current Recommended Rehabilitation Method Does Not Allow for Construction of a Collector Street.
  - 2.) Recommended Rehabilitation Method Exceeds That Warranted By the Pavement Rating (PCI #) Due to Utility Concerns or Project Sequencing Recommendations.

TABLE 2.2 - SIDEWALK / TRAIL INVENTORY

STREET	FROM	TO	LOCATION	MAINTAINED BY (CITY or PRIVATE)	APPROXIMATE DIMENSIONS			MAJOR DEFICIENCIES
					WIDTH (FT)	LENGTH (FT)	AREA (SF)	
SIDEWALKS - NORTH SIDE:								
2ND AVE N	WEST DEAD END	SCHOOL PARKING LOT	NORTH SIDE	PRIVATE	4	100	400	16 FT OF HEAVING/SETTLEMENT
2ND AVE N	FIR ST N	HICKORY ST N	SOUTH SIDE	PRIVATE	6	250	1,500	GENERALLY IN POOR CONDITION
1ST AVE N	EAST OF CR 1	WEST OF BIRCH ST N	SOUTH SIDE	PRIVATE	4	295	1,180	41 FT OF HEAVING/SETTLMENT & 24 FT OF MAJOR CRACKING
1ST AVE N	ELM ST N	FIR ST N	SOUTH SIDE	PRIVATE	4	157	628	
1ST AVE N	FIR ST N	HICKORY ST N	SOUTH SIDE	PRIVATE	5	280	1,400	87 FT OF OLD PANELS WITH LARGE MIDDLE JOINT
1ST AVE N	HICKORY ST N	JUNIPER ST N	SOUTH SIDE	CITY / PRIVATE	6 & 8	270	1,890	MISSING PED RAMP ON WEST END
1ST AVE N	JUNIPER ST N	EAST TO DEAD END	SOUTH SIDE	PRIVATE	5	143	715	9 FT OF HEAVING/SETTLEMENT
1ST AVE N	JUNIPER ST N	MAPLE ST N	NORTH SIDE	PRIVATE	6 & 8	286	2,002	
1ST AVE N	MAPLE ST N	OAK ST N	NORTH SIDE	PRIVATE	5 & 6	287	1,579	13 FT OF HEAVING/SETTLEMENT
1ST AVE N	OAK ST N	PINE ST N	NORTH SIDE	PRIVATE	6 & 9	288	2,160	BITUMINOUS WALKWAY THRU ALLEY IN POOR CONDITION
CENTRAL AVE	FIR ST N	HICKORY ST N	NORTH SIDE	PRIVATE	6	282	1,692	10 FT OF HEAVING/SETTLEMENT & 45 FT OF MAJOR CRACKING
CENTRAL AVE	HICKORY ST N	JUNIPER ST N	NORTH SIDE	PRIVATE	10	278	2,780	30 FT OF HEAVING/SETTLEMENT
CENTRAL AVE	JUNIPER ST N	MAPLE ST N	NORTH SIDE	PRIVATE	6 & 8	282	1,974	55 FT OF MAJOR CRACKING
CENTRAL AVE	MAPLE ST N	OAK ST N	NORTH SIDE	PRIVATE	6	290	1,740	10 FT OF HEAVING/SETTLEMENT
CENTRAL AVE	OAK ST N	PINE ST N	NORTH SIDE	PRIVATE	6	292	1,752	
CENTRAL AVE	PINE ST N	REDWOOD ST N	NORTH SIDE	CITY	5	280	1,400	
CENTRAL AVE	REDWOOD STN	CASEY'S WEST DRIVEWAY	NORTH SIDE	CITY	5	820	4,100	
CENTRAL AVE	CASEY'S WEST DRIVEWAY	CASEY'S EAST DRIVEWAY	NORTH SIDE	CITY	5	130	650	
CENTRAL AVE	CASEY'S EAST DRIVEWAY	LESTER PRAIRIE CLINIC	NORTH SIDE	CITY	5	316	1,580	
CENTRAL AVE	LESTER PRAIRIE CLINC	CR 9	NORTH SIDE	CITY	5	215	1,075	
FIR ST N	113 FIR ST N	125 FIR ST N	WEST SIDE	PRIVATE	4	200	800	
FIR ST N	1ST AVE N	2ND AVE N	EAST SIDE	PRIVATE	4 & 10	610	4,880	8 FT OF SETTLEMENT, JOINT SEPARATIONS, & PED RAMP SETTLEMENT
FIR ST N	NORTH OF CENTRAL AVE	FIRST AVE N	WEST SIDE	PRIVATE	4	285	1,140	30 FT OF HEAVING/SETTLEMENT
FIR ST N	CENTRAL AVE	1ST AVE N	EAST SIDE	PRIVATE	4	450	1,800	91 FT OF HEAVING/SETTLEMENT
HICKORY ST N	CENTRAL AVE	1ST AVE N	WEST SIDE	PRIVATE	6	450	2,700	37 FT OF HEAVING/SETTLEMENT & 34 FT OF MAJOR CRACKING
HICKORY ST N	ALLEY N OF 10 HICKORY ST	1ST AVE N	EAST SIDE	PRIVATE	6	345	2,070	35 FT OF HEAVING/SETTLEMENT & 9 FT OF MAJOR SPALLING
HICKORY ST N	1ST AVE N	2ND AVE N	WEST SIDE	PRIVATE	6 & 20	610	5,490	42 FT OF HEAVING/SETTLEMENT & 13 FT OF MAJOR SPALLING
HICKORY ST N	1ST AVE N	2ND AVE N	EAST SIDE	PRIVATE	6	625	3,750	32 FT OF HEAVING/SETTLEMENT
JUNIPER ST N	CENTRAL AVE	1ST AVE N	WEST SIDE	CITY / PRIVATE	6 & 9	450	3,375	36 FT OF MAJOR CRACKING & 3X3 PANELS IN POOR CONDITION
JUNIPER ST N	CENTRAL AVE	1ST AVE N	EAST SIDE	CITY / PRIVATE	8	450	3,600	25 FT OF MAJOR CRACKING
JUNIPER ST N	1ST AVE N	2ND AVE N	EAST SIDE	PRIVATE	4 & 6	620	3,100	31 FT OF HEAVING/SETTLEMENT
MAPLE ST N	CENTRAL AVE	1ST AVE N	WEST SIDE	PRIVATE	5 & 6	460	2,530	
MAPLE ST N	CENTRAL AVE	1ST AVE N	EAST SIDE	PRIVATE	5	460	2,300	20 FT OF HEAVING/SETTLEMENT
MAPLE ST N	1ST AVE N	SOUTH OF 2ND AVE N	WEST SIDE	PRIVATE	4 & 6	540	2,700	50 FT OF HEAVING/SETTLEMENT & 10 FT OF MAJOR CRACKING
MAPLE ST N	1ST AVE N	SOUTH OF 2ND AVE N	EAST SIDE	PRIVATE	5 & 10	425	3,188	
OAK ST N	CENTRAL AVE	1ST AVE N	WEST SIDE	PRIVATE	4	460	1,840	18 FT OF HEAVING/SETTLEMENT
OAK ST N	CENTRAL AVE	1ST AVE N	EAST SIDE	CITY / PRIVATE	4 & 5	460	2,070	11 FT OF HEAVING/SETTLEMENT & NO PED RAMP AT NORTH END
OAK ST N	1ST AVE N	119 OAK ST N	WEST SIDE	PRIVATE	4	265	1,060	63 FT OF HEAVING/SETTLEMENT
PINE ST N	CENTRAL AVE	1ST AVE N	EAST SIDE	PRIVATE	4	456	1,824	
SIDEWALKS - SOUTH SIDE:								
CENTRAL AVE	IN DOWNTOWN SQUARE PARK			PRIVATE	8	85	0	
CENTRAL AVE	IN DOWNTOWN SQUARE PARK			CITY	5	300	0	
2ND AVE S	CR 1	CEDAR ST S	SOUTH SIDE	PRIVATE	6	740	4,440	
2ND AVE S	CEDAR ST S	FIR ST S	SOUTH SIDE	PRIVATE	6	813	4,878	
2ND AVE S	FIR ST S	HICKORY ST S	SOUTH SIDE	PRIVATE	6	285	1,710	
2ND AVE S	HICKORY ST S	JUNIPER ST S	SOUTH SIDE	PRIVATE	6	281	1,686	
2ND AVE S	JUNIPER ST S	MAPLE ST S	SOUTH SIDE	PRIVATE	6	283	1,698	
2ND AVE S	MAPLE ST S	OAK ST S	SOUTH SIDE	PRIVATE	6	288	1,728	
2ND AVE S	OAK ST S	PINE ST S	SOUTH SIDE	CITY	8	280	2,240	
PINE ST S	2ND AVE S	CENTRAL AVE	WEST SIDE	CITY	5	790	3,950	
2ND AVE S	NEAR/AROUND THE POOL	PARKING LOT	SOUTH SIDE	CITY	3 & 4	500	1,750	
TRAILS:								
County Road 9	CENTRAL AVE	BLAKE AVE	EAST SIDE	CITY	8	430	3,440	
TOTALS:						19,237	109,933	

TABLE 2.3 - COST SUMMARY

PROJECT NO.	LOCATION	PROJECT TYPE	ESTIMATED STANDARD STREET COST	ESTIMATED COLLECTOR STREET COST	ESTIMATED STORM SEWER COST	ESTIMATED SEWER/WATER COST	ESTIMATED TOTAL PROJECT COST	ANNUAL BOND PAYMENT-TOTAL PROJECT		ESTIMATED ASSESSABLE PORTION (1)	TOTAL CITY COST	ANNUAL BOND PAYMENT-CITY PORTION	
								TERM = 20 YRS RATE = 5.0%	TERM = 10 YRS RATE = 4.0%			TERM = 20 YRS RATE = 5.0%	TERM = 10 YRS RATE = 4.0%
1	LINCOLN AVE, CEDAR ST N, & CENTRAL AVE	RECONSTRUCTION	\$761,139	\$0	\$101,858	\$277,223	\$1,140,219	\$91,494	\$140,579	\$152,228	\$987,991	\$79,279	\$121,810
2	KENNEDY AVE & CEDAR ST N	RECLAMATION	\$521,583	\$0	\$51,638	\$77,423	\$650,643	\$52,209	\$80,218	\$104,317	\$546,327	\$43,839	\$67,357
3	FIRST AVE N, PINE ST N, & HI-MAE CIR	MILL & OVERLAY	\$427,556	\$0	\$15,188	\$15,120	\$457,863	\$36,740	\$56,450	\$0	\$457,863	\$36,740	\$56,450
4	SECOND AVE N & FIR ST N	RECLAMATION	\$377,889	\$151,156	\$94,905	\$62,573	\$686,522	\$55,088	\$84,642	\$75,578	\$610,944	\$49,024	\$75,324
5	FIRST AVE S & ELM ST S	RECLAMATION	\$437,333	\$0	\$46,305	\$44,334	\$527,972	\$42,366	\$65,094	\$87,467	\$440,506	\$35,347	\$54,310
		TOTALS	\$2,525,500	\$151,156	\$309,893	\$476,672	\$3,463,220	\$277,898	\$426,984	\$419,589	\$3,043,631	\$244,229	\$375,252

NOTES:

(1) Estimated Assessable Portion is 20% of Standard Street Cost for Reconstructions and Reclamations. Assessable Portion Does Not Include Any Utility Costs.

(2) Further Evaluation is Needed to Accurately Estimate Storm Sewer and Utility Costs.

## Appendix C: Assessment Policy

# Assessment Policy

## I. INTRODUCTION

The purpose of this Assessment Policy is to establish a fair and equitable manner of recovering and distributing the cost of public improvements. The procedures used by the City of Lester Prairie ("City") for levying special assessments are those specified by Minnesota Statutes § Chapter 429, which provides that "all or a part of the cost of improvements may be assessed against benefiting properties." This assessment policy is intended to serve as a guide for a systematic assessment process in the City of Lester Prairie.

A. Special Assessments must meet the following criteria:

1. The land must have received special benefit from the improvement.
2. The amount of the assessment must not exceed the special benefit.
3. The assessment must be uniform in relation to the same class of property within the assessment area.

The City must recover the expense of installing public improvements undertaken, while ensuring that each parcel pays its fair share of the project cost in accordance with these assessment guidelines. It is important that assessments be implemented in a reasonable, consistent and fair manner. There may be exceptions to the policy or unique circumstances or situations that may require special consideration and discretion by City staff and the City Council.

## II. IMPROVEMENTS ELIGIBLE FOR SPECIAL ASSESSMENT

1. Street, sidewalk and storm sewer improvements. Acquisition, opening and widening of any street and improvement of streets, sidewalks and storm sewers by constructing, reconstructing and maintaining sidewalks, pavement, gutters, curbs, and vehicle parking strips of any material or by grading, graveling, or otherwise improving them. Included are charges for beautification. .
2. Sanitary sewer systems. Acquisition, development, construction, reconstruction, and extension of sanitary sewer systems. This may include treatment plants, pumps, lift stations, mainline pipes, service connections, installation of connections to the curb and other appurtenances of a sewer system within and outside the corporate limits.
3. Waterworks systems. Construction, reconstruction, and extension of waterworks systems. This includes all appurtenances of a waterworks system, even a treatment plant, whether inside or outside the City.



4. Nuisance abatement. Includes, but is not limited to, draining and filling swamps, marshes, and ponds on public or private property.
5. Other improvements as deemed necessary by the City Council.

### **III. INITIATION OF PUBLIC IMPROVEMENT PROJECTS**

Public improvement projects may be initiated in the following ways:

1. A public improvement project may be initiated by petition. This requires the signatures of the owners of at least 35% in frontage of the property bordering the proposed improvements.
2. Public improvements may also be initiated by the City Council when, in its judgment, such action is required.

### **IV. FINANCING OF PUBLIC IMPROVEMENTS**

1. It is the general policy of the City of Lester Prairie to require future development in accordance with the City Comprehensive Plan and for new areas of development in an orderly manner, typically contiguous to existing development areas. It is also the general policy of the City of Lester Prairie to require all new development areas to provide for adequate public infrastructure at the Developer's sole expense (less oversizing) and in accordance with the City Comprehensive Plans and Design Standards. No credit will be given to developers for extra depth needed to perpetuate the City's sanitary sewer or storm sewer system.
2. The use of special assessments will typically be employed by the City to finance needed public improvements (e.g. parks, sidewalks, water, sanitary sewer, and street improvements) in certain areas that have previously been developed without all needed infrastructure, or to repair and/or replace aging infrastructure.
3. The City may finance all or part of the improvement as a Special Assessment. Special Assessments are generally accepted as a means by which areas can obtain improvements or services; however, the method of financing these is a critical factor to both the City and the property owner. Full project costs spread over a very short term can cause an undue hardship on the property owner and, likewise, City costs and systems costs spread over a long period of time can produce an undue hardship on the general public of the City.
4. Financing improvements can be done with Special Assessments which are an indirect form of taxation. These assessments, for particular improvements, or services which benefit the owners of selected properties, are compulsory and benefit the particular property. There is a distinct difference between taxes and Special Assessments. Although both are billed to the property owner along with real estate taxes, the real estate tax is a function of the value of the real estate as determined by the Assessor, while Special Assessments are a direct function of the enhancement or benefit which a specific improvement gives to the property.

5. Once the City Council has determined that a certain public improvement is necessary and desirable, the general success and acceptance of the special improvement is dependent upon the most equitable and consistent method of levying the cost. The City Council also may elect to defer assessments on undeveloped lands for a specified length of time or until it develops. Terms and conditions of this deferral will be established in the resolution adopting the assessments

## **V. GENERAL ASSESSMENT POLICIES**

The cost of any improvement shall be assessed upon property benefited by the improvements, based upon the benefits received. The following general principles shall be used as a basis of the City's assessment policy:

1. The "project cost" of an improvement includes the costs of all necessary construction work required to accomplish the improvement, plus engineering (surveying, construction observation, materials testing, and other review), legal, administrative, financing, and other contingent costs, including acquisition of right-of-way and other property. The financing charges include all costs of financing the project. These costs include, but are not limited to, financial consultant's fees, bond attorney's fees, and capitalized interest. When the project is started and funds are expended prior to receiving the proceeds from a bond sale, the project may be charged interest on the funds expended from the date of expenditure to the date the bond proceeds are received. The interest rate charged will be the average interest rate earned by the City's investments during the six months preceding the receipt of the bond proceeds. The interest charged to the project shall be included as financing charges.
2. The "assessable cost" of an improvement is equal to the "project cost" minus the "City cost."
3. The City of Lester Prairie will charge interest on Special Assessments at a rate specified in the resolution. If bonds were sold to finance the improvement project, the interest rate shall be one percent (1%) more than the net effective interest rate of the bonds, rounded to the nearest quarter of a percent. If no bonds were sold, the interest rate shall be set at the rate allowed by State law.
4. Property owners may pay their assessments in full, interest free for a period of 30 days after the assessment hearing. After such period interest shall be computed from the date specified in the assessment resolution. The City will certify each year's collection (principal and interest) to the County Auditor by November 30th. Where an improvement is designed for service of an area beyond that of direct benefit, increased project costs due to such provisions for future service extensions may be paid for by the City. The City will levy assessments to cover this cost when a new improvement is installed as an extension of the existing improvement. As an alternative, the City may assess these costs to the area of future benefit immediately.
5. Where the project cost of an improvement is not entirely attributable to the need for service to the area served by said improvement, or where unusual conditions

beyond the control of the owners of the property in the area served by the improvement would result in an inequitable distribution of special assessments, the City, through the use of other funds, may pay such "City cost" which, in the opinion of the City Council, represents the excess cost not directly attributable to the area served.

6. If financial assistance is received by the City from the Federal Government, from the State of Minnesota, the McLeod County, or from any other source to defray a portion of the costs of a given improvement, such aid will be used first to reduce the "City cost" of the improvement. If the financial assistance received is greater than the normal "City cost", the remainder of the aid will be applied according to the terms of the assistance program or at the Council's discretion.
7. City-owned properties, including municipal building sites, parks and playgrounds, but not including public streets and alleys, shall be regarded as being assessable on the same basis as if such property was privately-owned.
8. Improvements specifically designed for or shown to be of direct benefit to one or more properties may be constructed by the City. The costs for these improvements will be assessed directly to such properties, and not included in the assessments for the remainder of the project. An example of this would be utility service lines running from the main lines to the property.
9. If certain streets in a basically residential area are deemed arterial streets carrying a larger or heavier volume of traffic that requires a wider and/or heavier road above a usual standard street, the additional costs above a standard street width and depth shall be paid by the City as a whole and not assessed to the individual benefited property owners.

## **VI. METHODS OF ASSESSMENT**

### **A. GENERAL STATEMENT**

There are different methods of assessment: per lot, front foot, and area. For any particular project one of these methods will more adequately reflect the true benefits received in the assessment area than the other methods. The City Engineer, in his Feasibility Study to the Council, will recommend one or a combination of these methods for each project, based upon which method would best reflect the benefit received for the area to be assessed. The City Council will select the preferred method of calculating the assessments at the time the project is ordered.

### **B. POLICY STATEMENT**

The following methods of assessment, as described and defined below, are hereby established as the official methods of assessment in the City of Lester Prairie: The general rule is to assess platted residential lots using the front footage basis however, where platted residential lots do not reflect a general similar size and shape, "unit" assessment basis may be used. Water, sewer and utilities will utilize the unit method. Commercial and industrial lots and non-platted residential lots will be assessed on the front footage basis however, consideration will be given to a "unit" assessment if the special benefit to the property in the district is essentially the same. In all cases, assessment methods may be modified based on recommendations by the City's Engineer.

1. "Unit" Method - When it has been determined to assess by the "unit" method, all lots within the benefited area shall be assessed equally for the improvements. The "cost per unit" shall be defined as a quotient of the "assessable cost" divided by the total assessable lots or parcels benefiting from the improvement. For the purpose of determining the "units" or "parcels", all parcels, including governmental agencies, shall be included in such calculations. When large lots can be subdivided into more than one lot, the number of assessable lots attributed to that parcel will be determined from the number of potential future lots that could be obtained using current subdivision regulations. When deemed appropriate by the City Engineer, "Equivalent Residential Units" or "ERU's" may be calculated for commercial, industrial, or other non-residential lots. ERU's may be calculated based off of traffic or sewer/water usage.
2. "Area" Method of Assessment - When it has been determined to assess by the "area" method, the area shall be defined as the number of square feet or acres within the boundaries of the appropriate property lines of the areas benefiting from the project. The assessment rate (i.e. cost per square foot) shall be calculated by dividing the total assessable cost by the total assessable area. On large lots, the City Engineer may determine that only a portion of the lot receives the benefit and may select a lot depth for the calculations equal to the benefit received. For the purposes of defining assessable areas, all properties included in the benefited area, including other governmental areas, churches, etc. shall be included in the assessable areas. The following items may not be included in area calculations: public right-of-ways, natural waterways, swamps and lakes or other wetlands designated by the MN/DNR. The City Engineer will make the recommendation on the benefited area in the Feasibility Report.
3. "Front Footage" Method of Assessment - When it has been determined to assess by the "Front Footage" method, the "cost per front foot" shall be defined as the quotient of the "assessable cost" divided by the total assessable frontage benefiting from the improvement. For the purpose of determining the "assessable frontage," all properties, including governmental agencies, shall have their frontages included in such calculation. The actual physical dimensions of a parcel abutting an improvement (i.e., street, sewer, water, etc.) shall NOT be construed as the frontage utilized to calculate the assessment for a particular parcel. The frontages shall be calculated based on actual property lines and right-of-way lines in the project area using plats or property deeds.
4. Multiple Fronted Parcels- Parcels with City streets on two or more sides of their property shall be considered multiple fronted parcels and shall be assessed for the long side.

Parcels bordering one City street and one or more County road or private road shall NOT be considered a multiple fronted parcel. When utilizing the "Unit" method, these properties shall be considered one unit for the construction of the

City street bordering the property. When utilizing the "Front Footage" method, these properties shall be assessed for the frontage bordering the City street.

Parcels bordering only County road or private road shall be assessed for utility costs.

## **VII. STANDARDS FOR PUBLIC IMPROVEMENT PROJECTS**

The following standards are hereby established by the City of Lester Prairie to provide a uniform guide for improvements within the City and also to be used by the City Engineer in establishing "Systems costs" as differentiated from "assessable costs" and "City costs."

## **VIII. POLICIES OF REASSESSMENT**

The City of Lester Prairie in constructing or reconstructing any public improvement shall design such improvement to last for a definite period. The life expectancy or service life shall be as stated in the policy statement of this section, or if different, shall be as stated in the Resolution ordering the improvement and preparation of plans. When such project needs renewing or replacement prematurely, the amount to be assessed against the property owner shall be limited to an amount determined by dividing the actual life of the original improvement by the expected service life of the original improvement.

### **A. POLICY STATEMENT**

The following are hereby established as the "life expectancies" or "service lives" of public improvements unless otherwise stated in the Resolution ordering improvement and preparation of plans, in which case, the life set forth in the Resolution shall govern.

1. Sidewalks - 15 years
2. Street Improvements, including surfacing and curb and gutter - 20 years
3. Water Mains - 30 years
4. Sanitary Sewers - 30 years
5. Storm Sewers - 30 years

## **IX. ASSESSMENT PRACTICE AND COMPUTATIONS**

### **A. IMPROVEMENTS**

Improvement assessments are typically levied over a 10-year or 15-Year term. Other terms may be used at the discretion of the City Council.

***New Construction*** - All new improvements for streets, storm sewer, or utilities will be assessed 100% to the benefited properties. Any necessary widening or oversizing for street construction shall also be assessed 100% to the benefited properties. Oversizing costs for utilities needed to perpetuate the system shall be paid by the City of Lester Prairie. These costs shall be determined by the increase in material cost above the size necessary to serve the development plus a 20% handling fee.

***Reconstructions & Reclamations*** - All reconstructions and reclamations shall be assessed 30% of the project cost for the construction of a standard local street based on the front footage

method or the unit method. The standard street section shall be defined as a 40-foot wide street with 4.5 inches of bituminous (placed in two lifts), 9.0 inches of aggregate base, and geotextile fabric. The City pays 70% of the cost of the standard local street and 100% the additional cost of construction for widening and extra depth. Business Districts shall be assessed 30% of the total project costs or as determined on a project-by-project basis.

***Street Maintenance – Overlays & Seal Coats*** - Bituminous overlay projects, bituminous seal coats, patching, crack sealing, and filling potholes will not be assessed when completed as part of the street system's "life cycle" maintenance activities.

***Utilities*** - All mainline sewer and water installation and service stubs to the property line shall be assessed 30% of the cost of the project based on the unit method. Stand-alone service replacements shall be assessed 100% to the property owner.

***Storm Sewer*** - All storm sewer installations or replacements (structures, mainline pipes, service lines, draintile, etc.) shall be paid 100% by the City.

***Utility Maintenance – Lining, Spot Repairs, Cleaning/Jetting, etc.*** - All utility maintenance activities shall be paid 100% by the City.