

City of Shakopee
MEMORANDUM

TO: Mayor and City Council
William H. Reynolds, City Administrator

FROM: Steve Lillehaug, City Engineer/Public Works Director

SUBJECT: Wood Duck Trail Feasibility Amendment

DATE: June 26, 2019

At the June 4, 2019, City Council meeting, you received the Feasibility Report for the Wood Duck Trail Reconstruction Project dated May 2019. Subsequently, a neighborhood open house was held on June 20, 2019, and the benefit appraisal analysis was completed. This memo provides updates and revisions to the Feasibility Report as follows:

Open House

An open house was held on June 20, 2019, for the Wood Duck Trail Reconstruction project. Three property owners attended the meeting. The property owners were in general agreement with the need for the project and proposed improvements. However, comments also included a discussion about the equitableness of the project pertaining to the higher than typical assessment amount. These comments were under the pretense that the roadway was not originally constructed adequately and that the thickness of the bituminous pavement was not constructed to the correct thickness in spots.

I offer the following discussion in response: While the roadway's pavement section indeed does not meet the current city standard, the roadway was built to the standard "at the time". There are many streets in the city that were built to a lesser standard as compared to the current standard. It has been city practice when upgrading and reconstructing roadways as well as in new developments, to build to today's standard which includes a more robust pavement section (e.g. add a 2-ft sand section). It has also not been the practice for the city to give a "credit" or reduction to the assessment amount to residents as a result of this scenario.

The bituminous asphalt pavement section was prescribed to be 3.5-in thick. While there is a certain variation and tolerance during construction, it can be assumed that indeed there were/are some sections that were not quite the 3.5-in thickness. In any case, again, the city has not given consideration for this type of variation in original construction as part of a reconstruction project. While indeed some projects prematurely fail, this street was constructed approximately 25-years ago, and it is not uncommon (based on the design of the time) for this to be the expected life of the roadway, especially for a rural section of roadway without concrete curb and gutter.

Benefit Appraisal Consultation

A Special Benefit Consultation report dated June 14, 2019 was completed for the Wood Duck Trail Improvements. The purpose of the consultation was to provide an anticipated range of special benefit for the seven residential properties in the proposed project area. The analysis provides a quantifiable probable special benefit as a result of the project for the typical properties within the project (e.g. the value of the properties increases by this benefitted value). Based on the data and analysis from this report, the consultation indicates that the expected enhanced value per assessable unit/lot should range from \$11,000 to \$12,000 (and possibly greater based on several comparable projects).

The reason to perform this analysis relates to Minnesota Statute 429 pertaining to special assessments. Generally, when special assessments are used to pay for a project or a portion thereof, the benefit must be equal to or greater than the assessed amount. With that said, the city must ensure that the proposed assessment amount is reasonable, and it is good practice to ensure that the potential for appeals are minimized.

Based on the benefit appraisal consultation, I am recommending the assessment be revised and capped at \$12,000 per unit/lot (vs. \$13,750 as estimated in Section 8 of the Feasibility Study). Other revisions to the Feasibility Report include a revised Preliminary Assessment Roll (see attached) and revised funding amounts (see Table 1 below).

Table 1 - Estimated Cost & Funding Source
Wood Duck Trail

	Streets	Storm Sewer	Estimated Total
Estimated Expenditures			
Estimated Construction Cost Street & Utility	\$265,000.00	\$35,000.00	\$300,000.00
Contingencies (~10%)	\$26,500.00	\$3,500.00	\$30,000.00
Administration, Engineering, Legal (~10%)	\$29,200.00	\$3,900.00	\$33,100.00
Total Estimated Project Costs (Feasibility)	\$320,700.00	\$42,400.00	\$363,100.00
Estimated Revenue			
Special Assessments	\$66,000.00		\$66,000.00
Capital Improvements Fund	\$254,700.00		\$254,700.00
Storm Sewer Fund		\$42,400.00	\$42,400.00
Total Estimated Revenue (Feasibility)	\$320,700.00	\$42,400.00	\$363,100.00

PRELIMINARY-ASSESSMENT ROLL					
2019 Wood Duck Trail Reconstruction - CIF19-008					
PID	PROPERTY OWNER	PROPERTY ADDRESS	LEGAL DESCRIPTION	PER LOT BASIS	STREET ASSESSMENT
271750050	LEE MICHAEL A 1815 WOOD DUCK TRL SHAKOPEE, MN 55379	1815 WOOD DUCK TRL SHAKOPEE, MN 55379	SubdivisionName MAPLE TRAIL ESTATES 1ST ADDN Lot 005 Block 001 SubdivisionCd 27175	1	\$ 12,000.00
271750060	SYBRANT JOSEPH L & LISA A 1915 WOOD DUCK TRL SHAKOPEE, MN 55379	1915 WOOD DUCK TRL SHAKOPEE, MN 55379	SubdivisionName MAPLE TRAIL ESTATES 1ST ADDN Lot 006 Block 001 SubdivisionCd 27175	1	\$ 12,000.00
271750070	MAHOWALD BARRY L 2015 WOOD DUCK TRL SHAKOPEE, MN 55379	2015 WOOD DUCK TRL SHAKOPEE, MN 55379	SubdivisionName MAPLE TRAIL ESTATES 1ST ADDN Lot 007 Block 001 SubdivisionCd 27175	1	\$ 12,000.00
271750080	SCHANHAAR STEPHEN J & DIANNE S 2115 WOOD DUCK TRL SHAKOPEE, MN 55379	2115 WOOD DUCK TRL SHAKOPEE, MN 55379	SubdivisionName MAPLE TRAIL ESTATES 1ST ADDN Lot 008 Block 001 SubdivisionCd 27175	0.5	\$ 6,000.00
271750100	DOTY ERIC C & BONNIE J 1818 WOOD DUCK TRL E SHAKOPEE, MN 55379	1818 WOOD DUCK TRL SHAKOPEE, MN 55379	SubdivisionName MAPLE TRAIL ESTATES 1ST ADDN Lot 001 Block 003 SubdivisionCd 27175	0.5	\$ 6,000.00
271750110	SIDES DARRELL W & LUANN 1938 WOOD DUCK TRL E SHAKOPEE, MN 55379	1938 WOOD DUCK TRL SHAKOPEE, MN 55379	SubdivisionName MAPLE TRAIL ESTATES 1ST ADDN Lot 002 Block 003 SubdivisionCd 27175	1	\$ 12,000.00
271750120	JENNY JOSEPH E & PATRICIA P 2118 WOOD DUCK TRL E SHAKOPEE, MN 55379	2118 WOOD DUCK TRL SHAKOPEE, MN 55379	SubdivisionName MAPLE TRAIL ESTATES 1ST ADDN Lot 003 Block 003 SubdivisionCd 27175	0.5	\$ 6,000.00

Subtotal \$ 66,000.00

TOTAL ASSESSMENTS \$ 66,000.00