

**TO: Honorable Mayor and City Council**

**FROM: City Administrator Ron Johnson**

**SUBJECT: Approve Concept of Separate Assessment Agreement**

**DATE: May 13, 2016**

**BACKGROUND**

There is a potential that the contractor completing the construction of the Westside II Improvement Project will find that some residents will have lead water service lines. This would be a good time for residents to replace the lead service line from the curb stop into their homes. The homeowner would arrange for their own contractor and this would be at their own expense. However, to facilitate the replacement of these lead lines, the City Council could provide the opportunity for the homeowner to have the city pay for the improvement and assess the amount back to the homeowner through a separate Public Improvement and Special Assessment Agreement. This agreement would be in addition to the applicable special assessments applied through the regular 429 special assessment process.

At the May 5 neighborhood meeting, interest was expressed in having this option available. Some thought they may also need to consider replacement of the sanitary sewer service line. These expenses could both be included in the aforementioned Agreement.

I have included a draft agreement for your review. It is only a draft at this time as we will need to determine the length of the assessment and the interest rate once we know the results of the June 7 bond sale. If directed, we will provide a more complete agreement with those items included at the June 7 meeting.

The residents wanted to know if the City Council will consider allowing this option to affected residents so I'm bringing this forward for your consideration and approval.

**REQUESTED COUNCIL ACTION**

Approve the concept of a Public Improvement and Special Assessment Agreement for residents requesting to replace their water and/or sanitary sewer service lines during the construction of the Westside II Improvement Project, and direct staff to provide a final draft of said agreement to the June 7 Council meeting for approval.

Attachment(s): Draft Agreement

**PUBLIC IMPROVEMENT  
AND  
SPECIAL ASSESSMENT AGREEMENT**

**AGREEMENT** made this \_\_\_\_ day of \_\_\_\_\_, 2016, by and between the **CITY OF CANNON FALLS**, a Minnesota municipal corporation (“City”) and \_\_\_\_\_ (the “Property Owner”).

**RECITALS**

A. Property Owner is the owner of Lot \_\_\_\_, Block \_\_\_\_, \_\_\_\_\_ Goodhue County, Minnesota, having a street address of \_\_\_\_\_, Cannon Falls, Minnesota (the “Subject Property”).

B. The City has requested that Property Owner replace the existing \_\_\_\_\_ from \_\_\_\_\_ to the right-of-way line on the Subject Property (“Public Improvement”) in conjunction with City Project No. CANNO 129637 (2016 Public Improvements).

C. Property Owner has received a quote for the public improvement and has requested that the City assess the cost of the Public Improvement against the Subject Property.

**NOW, THEREFORE, IN CONSIDERATION OF THEIR MUTUAL COVENANTS, THE PARTIES AGREE AS FOLLOWS:**

**1. PUBLIC IMPROVEMENT.** The Owner received a quote of \$\_\_\_\_\_ (the “Project Cost”) from \_\_\_\_\_ (the “Contractor”) to construct the Public Improvement. Property Owner will enter into a contract with the Contractor to construct the Public Improvement. After the work has been completed and City receives the invoice and a lien waiver for the work performed, the City will pay the Contractor \$\_\_\_\_\_.

**2. SPECIAL ASSESSMENT.** The City will assess the Project Cost in the amount of \$\_\_\_\_\_ against the Subject Property. The Project Cost will be assessed under the same terms as City Project No. CANNO 129637. The Property Owner waives any and all procedural and substantive objections to the special assessments and to the Public Improvement and to City Project No. CANNO 129637, including but not limited to hearing requirements and any claim that the assessment exceeds the benefit to the Subject Property. The Property Owner waives any appeal rights otherwise available pursuant to Minn. Stat. § 429.081.

**3. BINDING EFFECT; RECORDING.** This Agreement shall be binding upon the Property Owner and the Property Owner’s successors and assigns. This Agreement may be recorded against the title to the Subject Property.

CITY OF CANNON FALLS

BY: \_\_\_\_\_

Lyman M. Robinson, Mayor

AND: \_\_\_\_\_

Ronald S. Johnson, City Administrator

STATE OF MINNESOTA    )  
  )ss.  
COUNTY OF GOODHUE    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2016, by Lyman M. Robinson and by Ronald S. Johnson, respectively the Mayor and City Administrator of the City of Cannon Falls, a Minnesota municipal corporation, on behalf of the corporation pursuant to the authority granted by its City Council.

\_\_\_\_\_  
Notary Public

PROPERTY OWNER:

\_\_\_\_\_  
\_\_\_\_\_

STATE OF MINNESOTA    )  
  )ss.  
COUNTY OF GOODHUE    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2016, by \_\_\_\_\_ and \_\_\_\_\_, husband and wife.

\_\_\_\_\_  
Notary Public

DRAFTED BY:  
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