

**TO: MAYOR AND CITY COUNCIL**

**FROM: LANELL ENDRES, INTERIM CITY ADMIN/FINANCE DIRECTOR**

**SUBJECT: APPROVE CONCEPT OF SEPARATE ASSMT AGREEMENTS**

**MEETING DATE: AUGUST 21, 2018**

### **BACKGROUND**

The contractor completing the Eastside II Improvement Project has found that at least one property has lead water service lines. This would be a good time for the residents to replace the lead service line from the curb stop into their home. The homeowners would arrange for their own contractor to complete the work and it would be at their expense. During the 2016 improvement project, the City Council approved a separate Public Improvement and Special Assessment Agreement that allowed the City to pay for the improvement and assess the amount back to the homeowner thus providing homeowners an opportunity to replace the water and/or sewer lines during the construction project. This agreement would be in addition to the applicable special assessments applied through the regular 429 special assessment process.

### **STAFF RECOMMENDATION**

I am requesting Council approval of the concept of a Separate Assessment Agreement for residents requesting to replace their water and/or sanitary sewer service lines during the construction of the Eastside II Improvement Project with a payback period of 15 years and an interest rate of 5.25%. The individual Agreements would require Council approval and would be brought forward at that time.

### **REQUESTED COUNCIL ACTION**

Approve the concept of a Public Improvement and Special Assessment Agreement for the residents requesting to replace their water and/or sanitary sewer service lines during the construction of the Eastside II Improvement Project with a 15-year payback period and 5.25% interest rate.

Attachment:

Draft Special Assessment Agreement

**PUBLIC IMPROVEMENT  
AND  
SPECIAL ASSESSMENT AGREEMENT**

**AGREEMENT** made this \_\_\_\_ day of \_\_\_\_\_, 2018, 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 Property Owner has requested to replace the existing \_\_\_\_\_ from \_\_\_\_\_ to the right-of-way line on the Subject Property (“Public Improvement”) in conjunction with City Project No. CANNO 145390 (2018 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 Property 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 145390 (up to 15 years at 5.25% interest). 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 145390, 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: \_\_\_\_\_

Lanell Endres, Interim City Administrator

STATE OF MINNESOTA    )  
                                      )ss.  
COUNTY OF GOODHUE    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2018, by Lyman M. Robinson and by Lanell Endres, respectively the Mayor and Interim 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 \_\_\_\_\_, 2018, by \_\_\_\_\_ and \_\_\_\_\_, husband and wife.

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

DRAFTED BY:  
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