

**Paul Davis**

**Aug 19**

to **Kurt, Paul**, me, Allan, Thomas, Leanne, Joe

Good morning Jim,

I figured that I would take the liberty to respond and provide some greater historical detail on the more recent Special Assessment District (SAD) gravel to pavement requests. The short answer to your inquiry is that the various requests that have been received came at different times. Since the SAD process has a number of different stages where a project can either be dropped or continue forward, we have operated with a first in, first moved forward process. Also, there are 3 different stages where petition signatures are required of residents in our current SAD program. This importance of this note will become clearer when I later review the timeline of when signatures were formally submitted to City Council and not just to DPS staff.

The first petition signature stage is to collect signatures of interest to request a public information meeting. DPS does not want to schedule and conduct a public information meeting when only one resident on a whole street wants an SAD to move forward. Thus, DPS looks for at least a majority of residents to sign a petition form to request a public information meeting to learn more about the process.

If the residents like what they hear at the initial public information meeting and want to continue with an SAD request, they are required to submit a formal set of petition signatures. Treasury prepares a formal listing of all the property owners on a street and this petition listing is used by the residents to collect signatures of support for the SAD. A copy of the Bolinger version is attached and this is what is formally submitted to City Council. City Council will be asked to formally accept the SAD petition and decide whether the design of the improvements should move forward.

The third petition signature stage is the formal petition of objection. Later in the process and after a formal public hearing on necessity, residents can submit a petition of objection to terminate a project. A majority of property owner signatures are needed to stop the project. This has not happened since I have worked with the City although there was some effort to do this option on Hickory Lawn but it was unsuccessful.

Okay, now onto the specifics of our latest SAD requests.....

The current Special Assessment District process is resident initiated and driven. In the case of Kingsview, Kevin Hamera contacted the City and collected signatures from neighbors to show support for paving Kingsview Avenue (you might remember that he also came and spoke to council about continuing with the Kingsview SAD after it was decided to not award the design phase).

Bolinger Street was the next street that contacted the City with a request to have their gravel road paved. Ron and Michele Postiff lead the effort to obtain signatures and submit them to the City. Since Kingsview and Bolinger were submitted close to the same time, DPS/Eng held a combined public information meeting to review the SAD process with interested residents. From my recollection, there was some concern from the Kingsview Avenue residents at their public information meeting that paving their road may generate more traffic on Kingsview because people on Stellma may want to avoid traveling on the gravel road. Thus, it was questioned whether Stellma residents would be interested in also having their gravel road paved.

Thus, the next street that proceeded with obtaining petition signatures was Stellma, and the street champions were Ron/Heidi Trafidlo and Ann McReynolds. Ironically, Ron Trafidlo requested to have Stellma Lane paved back in September 2002 (when Pat Somerville was Mayor) but in November 2002 he was informed that the City was not moving forward with further SAD's because of concerns for the local road funding.

Michelson Road between John R and Connors approached the City around the same time as Stellma and a combined initial public information meeting was held for Stellma and Michelson streets on February 4, 2016.

DPS then received SAD requests on Michelson east of Rochester (south of M-59), Hickory Lawn south of Auburn, and in the Dodge Auburn Park subdivision (east of Adams and south of Auburn), but by that time, it was clear that City Council wanted to review how the SAD process was setup and not being adequately

included in the budget. Thus, I told callers that DPS would not be able to consider further requests until City Council had a chance to review and decide on the SAD program future.

Okay, now a reminder on the timing from my recollection and file check.....

The Norton Lawn and Hickory Lawn contractor bids were opened on January 10, 2016. City Council awarded the construction contract to proceed with the SAD improvement on March 14, 2016 and the purchase order was approved at approximately \$910,000. Both of these items occurred after the formal adoption of the 2016 budget that was completed on September 28, 2015. It was noted by City Council that the 2016 budget did not have sufficient monies dedicated to the SAD program for Norton Lawn/Hickory Lawn and a budget amendment would be needed. Concerns of the possibility of multiple under-budgeted SAD projects moving forward from the resident initiated program were expressed. To compound the issue, It should also be noted and remembered that City Council was also struggling with a similar problem with the Fire Station reconstruction project that was significantly under-budgeted at this time!

**The initial public information meeting for Kingsview and Bolinger was held on October 7, 2016 and the formal petition signatures were submitted to Council on February 8, 2016 for acceptance.** City Council chose to formally accept the petitions via resolution but tabled the decision to award the design contract to move the project forward. Funding concerns were raised cited. City Council then chose to suspend the SAD program and to form a sub-committee and further study the SAD program at the February 22nd council meeting.

Since the initial public information meeting for Stellma and Michelson wasn't even held until February 4, 2016, they did not obtain the formal signatures in time to submit to council prior to the February 22nd meeting suspending SAD's.

I hope that the above information helps provide greater background and perspective on the recent SAD program. It would make a lot of sense to include Stellma with Kingsview but it was not initiated the same time. Our plan usually is to create larger projects for bidding and receive economies of scale from contractors. This approach would likely benefit the City more because the current resident cap of \$5,000 per buildable lot would be reached in a small or large project bid. A large project bid of four streets (Kingsview, Stellma, Bolinger and Michelson) would be expected to be less money overall than the total of bidding each street separately.

Please feel free to call or e-mail me if you would like to further discuss this matter. In the meantime, have a great weekend and I will see you Monday night at the budget meeting!

Paul

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