

**CITY OF SUNFISH LAKE  
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION NO. 16-\_\_\_\_\_**

**RESOLUTION APPROVING A PRELIMINARY FINANCING PLAN  
IN ORDER TO PREPARE A PUBLIC HEARING NOTICE  
FOR THE 2017-01 STREET IMPROVEMENT PROJECT (ROANOKE ROAD  
OVERLAY AND SALEM CHURCH ROAD RECONSTRUCTION)**

**WHEREAS**, the City Council has accepted the Feasibility Report for the 2017-01 Street Improvement Project (Roanoke Road Overlay and Salem Church Road Reconstruction).

**WHEREAS**, on November 1, 2016, the City Council will authorize the preparation of plans and specifications for the 2017-01 Street Improvement Project (Roanoke Road Overlay and Salem Church Road Reconstruction) (the "Project").

**WHEREAS**, the City Council has approved a schedule for the consideration of the Project.

**WHEREAS**, the City Council has called for a public hearing for consideration of ordering the Project. This public improvement hearing will be held on February 7, 2017, at 7:00 p.m.

**WHEREAS**, the City Clerk has been authorized to prepare a notice of the public hearing.

**WHEREAS**, it is appropriate for the City Council to consider the outline of proposed financing for the Project so that the proposed financing plan may be reflected in the notice of public hearing.

**NOW, THEREFORE, THE CITY COUNCIL OF SUNFISH LAKE DOES HEREBY RESOLVE AS FOLLOWS:**

1. The City Council hereby approves the preliminary financing plan and preliminary assessment policy for the Project as shown on the attached Exhibit A. This preliminary financing plan and preliminary assessment policy shall form the basis of the notice for the public improvement hearing. Notice for the public hearing shall be in accord with the outline attached as Exhibit A.
2. Final consideration of the special assessment amounts and the terms of the special assessments shall be made by the City Council at the special assessment hearing.

Passed this 1<sup>st</sup> day of November, 2016.

---

Molly Park, Mayor

---

Catherine Iago, City Clerk

**EXHIBIT A**  
**PRELIMINARY FINANCING PLAN AND**  
**PRELIMINARY ASSESSMENT POLICY**  
**FOR 2017-01 STREET IMPROVEMENT PROJECT (ROANOKE ROAD OVERLAY**  
**AND SALEM CHURCH ROAD RECONSTRUCTION)**

NO.	ITEM	POLICY AND PLAN
1.	Project No.	2017-01 Street Improvement Project (Roanoke Overlay and Salem Church Road Reconstruction)
2.	Fiscal Consultant	Steve Apfelbacher of Ehlers & Associates, Inc.
3.	Project Costs	Project Costs include construction costs and the time spent by the City Attorney, Consulting Engineer, City Treasurer, City Forester, City Clerk and City Planner relating to the Project and the costs of publishing and mailing the notices of public hearings. Project Costs also include the cost of the fiscal advisor, the cost of the bond counsel, the cost of issuance of the bonds and the bond discount amount. Project Costs also include an appropriate contingency amount for construction.
4.	Estimate of Costs	<p>The estimated cost of Project 2017-01 is \$413,980 (say \$415,000).</p> <p>The Roanoke Road portion is estimated to cost \$59,140.</p> <p>The Salem Church Road portion is estimated to cost \$341,780, plus the drainage of \$13,060 for a total of \$354,840.</p>
5.	Allocation of Project Costs	<p>The preliminary financial plan is to assess \$48,000 for Roanoke Road which would be about 81% of the cost of Roanoke Road (\$59,140).</p> <p>The preliminary financial plan is to assess \$75,000 for Salem Church Road which would be about 22% of the cost of Salem Church Road (\$341,780).</p> <p>Total assessments for the Project are \$123,000 (\$48,000 plus \$75,000). Total assessments are about 30% of total project costs (\$413,980).</p>

6.	City Participation	The City participation will equal approximately 70% of the Project costs. The City participation will come from available cash on hand as well as a general City tax levy.
7.	Amount of Bonding	The estimated original bonding amount will be approximately \$413,980 (say \$415,000) minus an amount determined by the Council that can be paid out of existing reserves in 2017.
8.	Tax Levy	<p>The tax levy will be for a period of ten (10) years. Each year the City will determine what amount is available in cash reserves and what amount of the City's participation needs to be levied in taxes.</p> <p>Per the preliminary forecast by Ehlers, the City will have to tax levy \$39,257 per year for 10 years to pay for the unassessed portion of the Project, plus interest.</p>
9.	Properties Subject To Special Assessment	The properties subject to the special assessment are the parcels identified by the City consulting engineer in the feasibility report.
10.	Assessment Methodology	<p>The special assessments will be spread on a per buildable lot basis as follows:</p> <p>Roanoke Road: \$6,000 per buildable lot on 8 lots (8 x \$6,000 = \$48,000)</p> <p>Salem Church Road: \$5,000 per buildable lot on 15 lots (15 x \$5,000 = \$75,000)</p> <p>Combined Total of Special Assessments: \$123,000 (\$48,000 + \$75,000 = \$123,000)</p>
11.	Special Assessment Installments	The special assessments will be payable in ten (10) yearly installments. The yearly installment of principal will be the same fixed amount each year; there will be an equal amortization of principal over the term. The interest amount will decline as the principal balance declines.

12.	Interest on Special Assessments	The interest on the special assessments will begin to accrue from and after the date of levy. It is anticipated that the assessments will be levied in September or October 2017. The interest rate will be approximately 1.5% to 2.0% above the bond interest rate charged the City.
13.	Pre-payment of Special Assessments	Landowners will have thirty (30) days after levy of the special assessments to pre-pay the special assessments without any interest.
14.	Initial Installment	The initial installment of special assessments will be due and payable in calendar year 2018 together with real estate taxes.
15.	Payoff of Special Assessments	In any calendar year, landowners will be able to payoff the special assessments in full by making a payment equal to the principal balance owed together with interest through December 31 of the year of payoff.
16.	Partial Payments	Partial payments of principal outstanding will not be allowed.