

City of Columbus  
Regular City Special Meeting - Special Assessment Projects  
Alternative Meeting Format  
MN Statute, Section 13D.021  
10-27-2022

The 10-27-2022 special meeting of the City of Columbus City Council was called to order at 6:35 p.m. by Mayor Jesse Preiner at City Hall. Present were Councilmembers Janet Hegland, Shelly Logren and Sue Wagamon; City Administrator Elizabeth Mursko, City Attorney Bill Griffith and Public Communication Coordinator Connor Keith

Also in attendance: Richard Swanson, Chad Lemmons

Absent: Councilmember Robert Busch

1. Call to Order – 6:35 p.m.
2. Pledge of Allegiance
3. Approval of Agenda

**Motion by Wagamon to approve the agenda. Seconded by Logren. Roll call vote: Logren – aye; Wagamon – aye; Preiner – aye. Motion carries.**

4. Presentation Special Assessment Projects

Preiner opened the discussion and asked Griffith and Mursko to start to the presentation for the public hearing.

Mursko said 2018-01 is an improvement of Sanitary Sewer and Water Main extensions from W. Freeway Drive, starting 600 feet north of I-35W to approximately 1,000 feet south of I-35W, serving Bituminous Roadways. Mursko said 2018-02 is an improvement to the NE Quadrant of I-35 and TH 97 regarding site grading, stormwater drainage and ponding requirements, and incorporating preliminary grades for the Hornsby Street alignment. Mursko said 2018-03 also improved the NE Quadrant of I-35 and TH 97, improving subgrade excavation, sanitary sewer gravity pipe and water main pipe installation.

Griffith said special assessments are based upon developable land and not right-of-way, wetlands or other otherwise undevelopable lands. Griffith said special assessments have three distinct characteristics: (1) they are a levy a city uses to finance, or partially finance, a particular public improvement program; (2) the city levies the charge only against those parcels of property that receive some benefit from the project; and (3) the amount of the charge bears a direct relationship to the value of the benefits the property receives. Special assessments are presumptively valid if: the land receives a special benefit from the improvement; the assessment does not exceed the special benefit measured by the increase in market value due to the improvement; and the assessment is uniform as applied to the same class of property, in the assessed area. Special assessments are appealable to district court, so it is important that the City Council members consider the special benefit to the property as a result of the specific improvement.

The City conducted a special benefit study to determine the value of these projects to affected properties by comparing sales in this area to sales of similar commercial properties without the added services. Looking at the price per square foot of the sites sold with City services, the study indicates a unit value of around \$3.70 per square foot of usable area while sites without services indicated a unit value of approximately \$1.25 per square foot – a difference of \$2.45 per square foot of usable area. Further restricting the comparison to only industrial properties, the study found that properties with City services were valued \$1.25 per square foot of usable area more than those without.

Mursko detailed the formulas used to determine assessed costs to each impacted property, and shared that one property owner has already paid their assessed costs from an escrow account.

Preiner opened the Public Hearing for all projects at 6:54 p.m.

Swanson, owner of Green Value Nursery at 8301 20<sup>th</sup> Ave. N. in Hugo, Minn. and owner of two of the three properties listed to be assessed costs from Project 2018-01, presented to Council, stating that he doesn't feel the assessment should be an even split since he thinks his is in the Light Industrial District inside the I-35 triangle and a commercial/outdoor storage district on the west side of I-35W. Swanson said he doesn't understand why the City is trying to assess his property when it has denied buyers willing to pay the assessment.

Lemmons, Swanson and Kenya Cleary's attorney, referenced PIN 36-32-22-33-0001 and said the City is over-assessing at \$118,195.03 when taking the appraised value at the condemnation, and that benefitted area is overstated. Lemmons felt the value of the benefitted area is \$325,904 compared to the City's assessment. Turning to PIN 36-32-22-33-0003, Lemmons said the City is assessing the parcel \$256,933.36, based on the City's valuation of the property at \$907,000. Lemmons felt the appropriate assessment should be approximately \$70,000 for the PIN ending in -0001 and \$200,000 for the PIN ending in -0003.

Griffith said the appraisal Lemmons is referencing is the appraisal the City put forward during the condemnation case during which the condemnation officials accepted Lemmons' appraisal, which was 3-4 times greater than the City's and caused the City to pay higher costs during easement acquisition. Griffith continued, saying that the value of 50 cents per square foot for improvements was on the low end of the range determined by the appraisal, as the appraiser valued the improvements between \$0.50 and \$1 per square foot of added value.

Preiner closed the Public Hearing for all projects at 7:03 p.m.

➤ Project 2018-01

**Motion by Preiner to adopt Resolution 22-30 A as presented for Project 2018-01. Seconded by Wagamon.**

Mursko clarified that this resolution is for 2018-01.

**Roll call vote: Logren – aye; Wagamon – aye; Hegland – aye; Preiner – aye. Motion carries.**

➤ Project 2018-02

**Motion by Wagamon to adopt Resolution 22-31 for assessment for Improvement No. 2018-02. Seconded by Hegland. Roll call vote: Logren – aye; Wagamon – aye; Hegland – aye; Preiner – aye. Motion carries.**

➤ Project 2018-03

**Motion by Preiner to adopt Resolution 22-32 for assessment for Improvement No. 2018-03. Seconded by Wagamon. Roll call vote: Logren – aye; Wagamon – aye; Hegland – aye; Preiner – aye. Motion carries.**

Griffith said that the resolutions will be sent to the County to be assessed to the property owner's taxes and any appeals would need to be made to district court.

5. Adjournment

**Motion by Logren to adjourn. Seconded by Wagamon. Roll call vote: Logren – aye; Wagamon – aye; Hegland – aye; Preiner – aye. Motion carries.**

The meeting was adjourned at 7:10 p.m.

Respectfully submitted:

Connor Keith, Public Communications Coordinator