

2025 NEIGHBORHOOD INFRASTRUCTURE IMPROVEMENTS ASSESSMENT HEARING



April 7, 2025

2025 Neighborhood Infrastructure Improvements



2025 Proposed Neighborhood Improvements


Project Map


Reconstruct

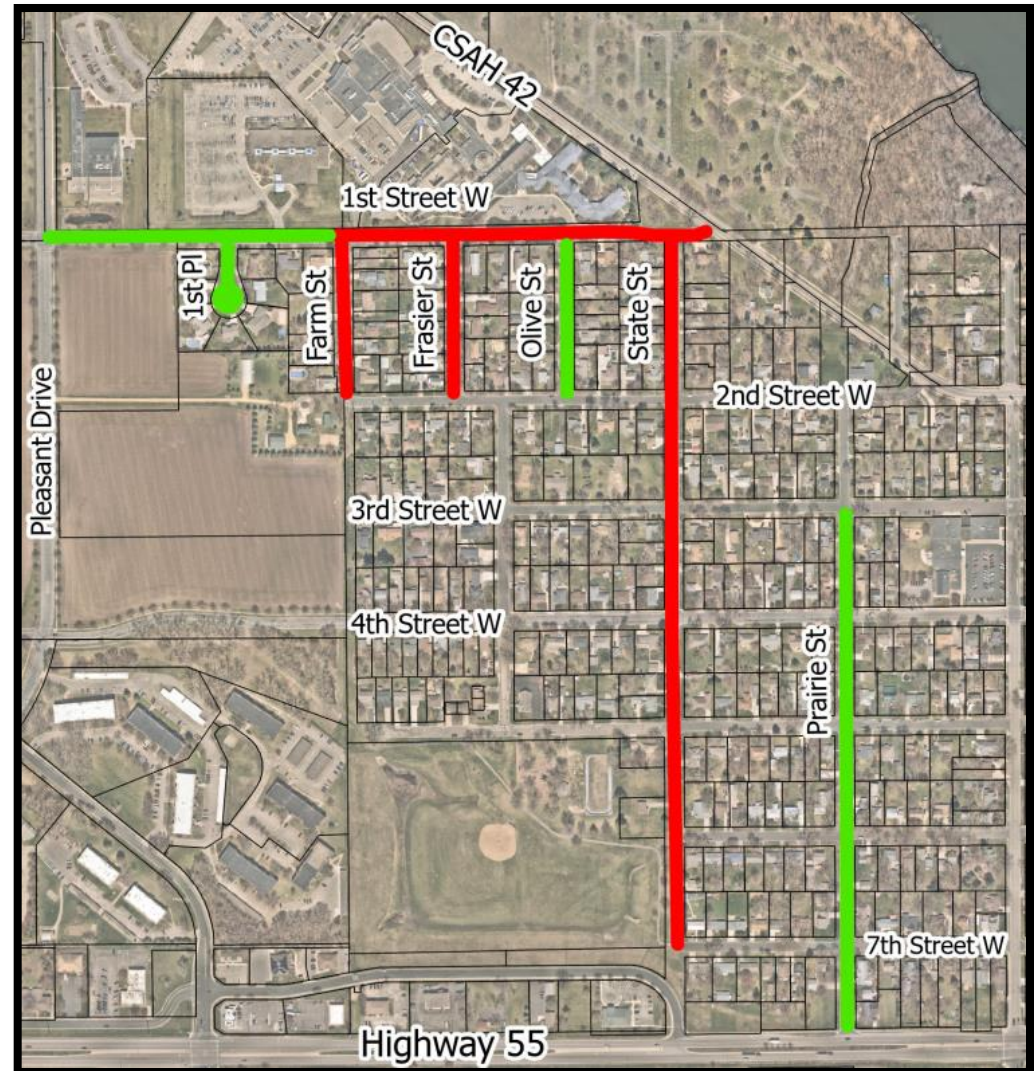
- 1st Street – East of Farm
- Farm and Frasier Street
- State Street

Reclaim

- 1st Street - West of Farm
- 1st Place
- Olive Street
- Prairie Street – 3rd to TH-55

 Full Reconstruction

 Reclaim

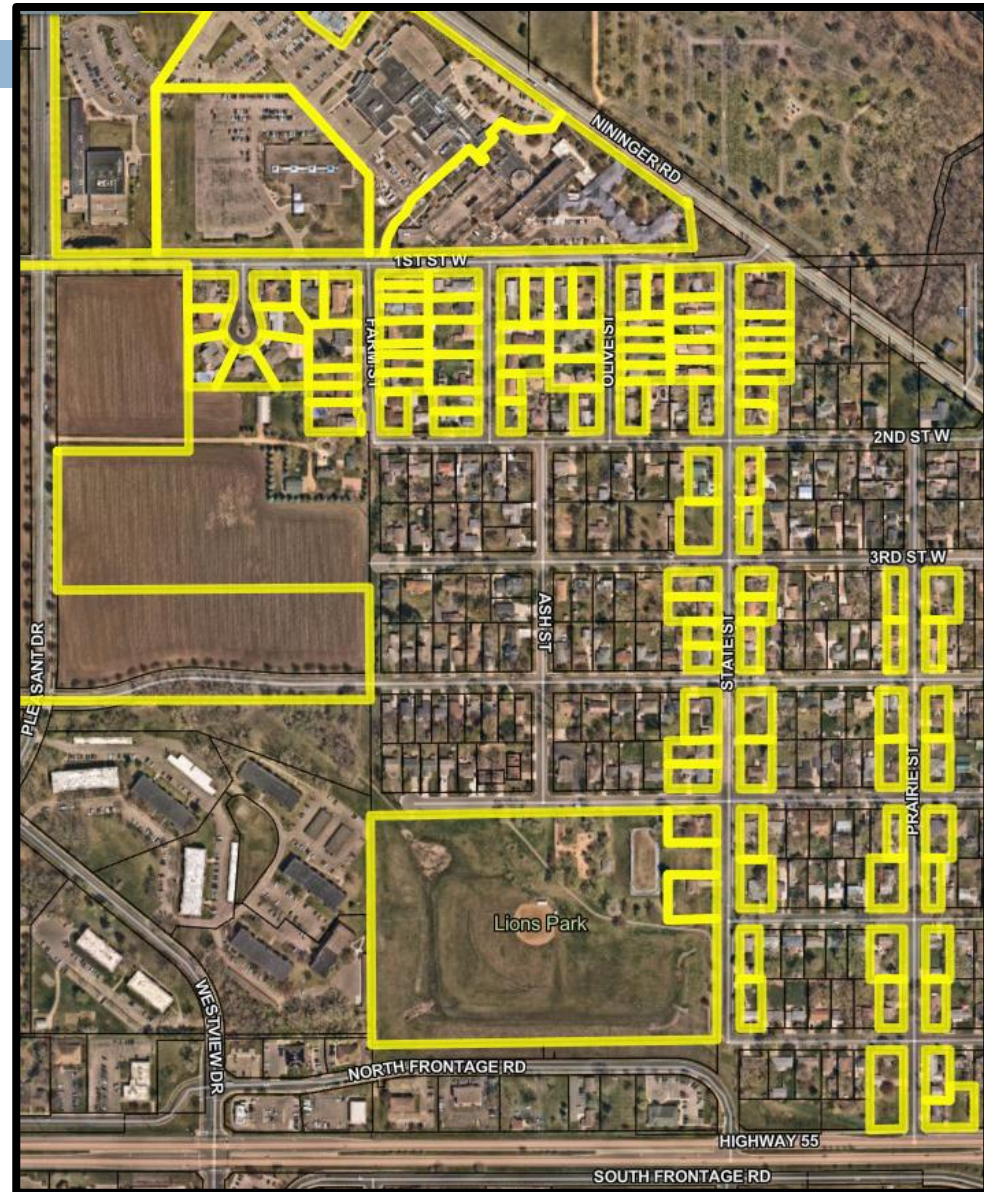


Assessment Methodology

- **Special benefit analysis conducted by 3rd party** (Valbridge) to determine anticipated benefit per property
 - Provided recommendations by lot/improvement type
- Staff takes recommendation, established **per lot rates at 90% of anticipated special benefit**
- **Corner lots** - 100% of short side & 25% of long side
- Per lot methodology consistent with 2023-2024, supported by ordinance and discussions with operations committee

2025 Lots Analysis

- **Lot Breakdown – 103 total**
 - ▣ **90 Single Family Residential**
 - 0.2 – 0.4 acres on average
 - ▣ **5 Institutional**
 - Hospital, YMCA, Senior Living
 - ▣ **Other: 2 Apartments, 1 Duplex**
4 Twin Homes, 1 Agricultural
- Per lot method reflects consistency in use and lot types equitably



Proposed Assessment Rates

Reconstruction Streets

Farm St, Fraiser St, State St, and 1st St W from Farm St to CSAH 42

Unit Type	Assessed Rate
Single Family Home – Standard*	\$7,200 per Lot
Duplex	\$7,200 per Lot
Twin Home	\$4,950 per Lot
4-Unit Apartment	\$10,125 per Lot
Allina Hospital	\$86,850
Regina Senior Living	\$55,800

Reclaim Streets

1st Place, Olive St, Prairie St, and 1st St W from Pleasant Dr to Farm St

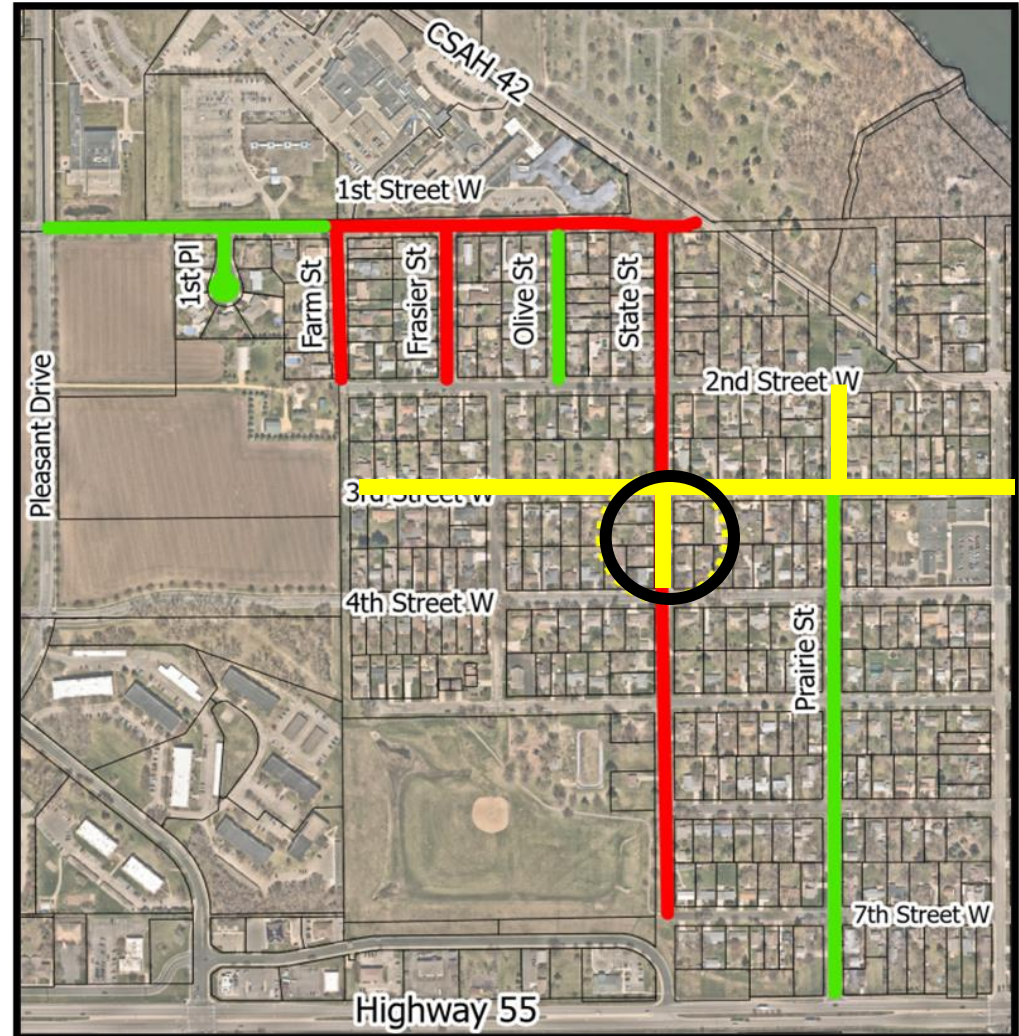
Unit Type	Assessed Rate
Single Family Home – Standard*	\$6,000 per Lot
YMCA	\$45,000
Regina Clinic	\$53,625
Conzemius Dairy Farm	\$12,000
720 Prairie Street – Machine Shop	\$3,600

***Standard Lots are non-corner lots which front an improved street.** *Corner lots are assessed 100% of the rate for a short side fronting an improved street and 25% for the long side fronting an improved street.*

Proposed Assessment Rates

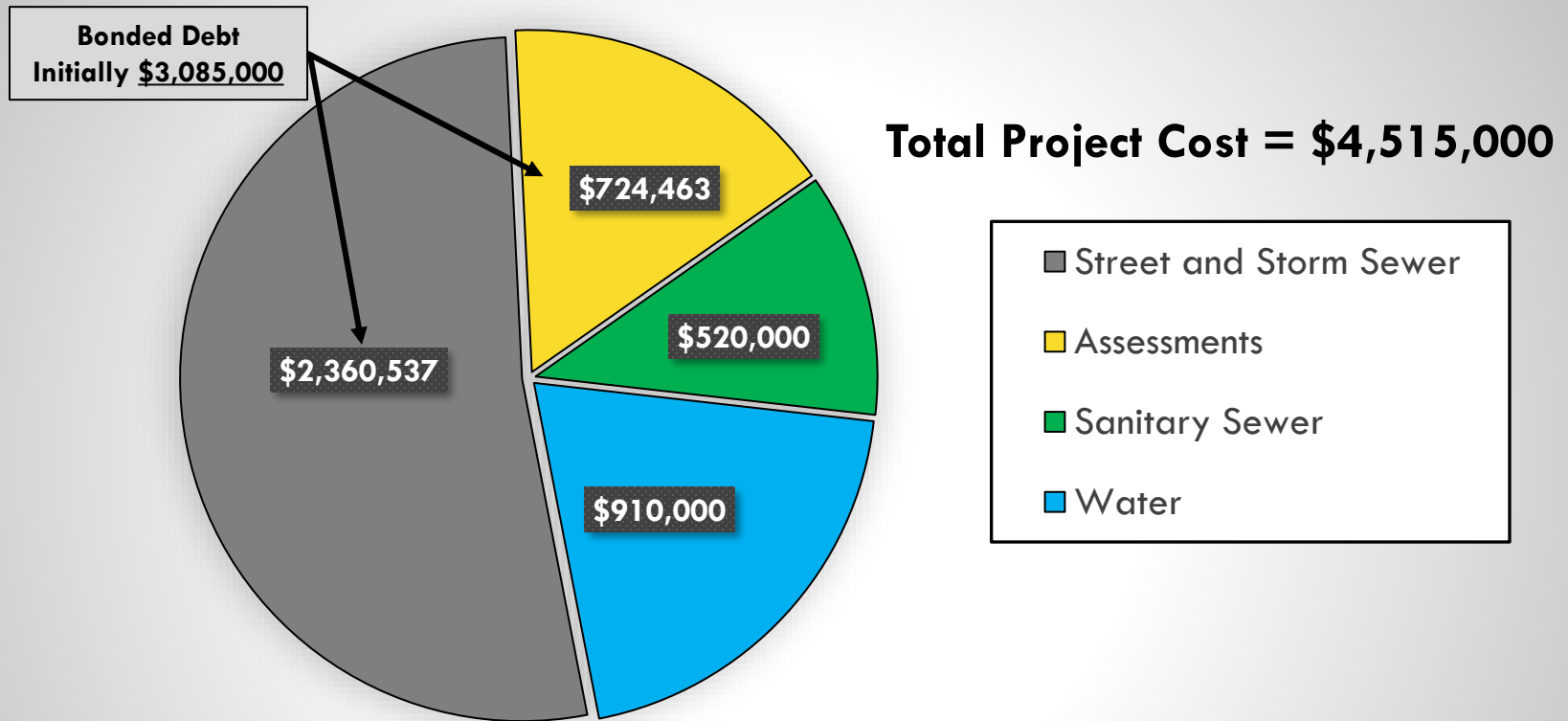
State Street 3rd to 4th Street

- ❑ Block partially reconstructed with 2006 project (yellow)
- ❑ Original 1952 water & sewer not replaced, 2 breaks since 2006
- ❑ Ops committee supported recommendation to include this block in 2025 project
- ❑ Proposing pro-rated assessment \$4,560 versus standard \$7,200
 - ▣ Reflects prior assessed project only reaching 19 of 30-year life cycle



Project Funding

Total Project Cost = \$4,515,000



Assessments and Bonded Debt cover costs of Street Improvements. Assessments are included in bonded amount initially, but will be paid back over 10 years

Assessment Totals



- **Total Project Costs = \$4,515,000**
- **Total Private Assessments = \$724,642.50**
- **Percentage of Project Paid by Assessments ~ 16%**

Payment of Assessments

- Payments accepted starting **September 1, 2025**
- No interest or fees when paid in full by October 31, 2025
- Partial Payments are accepted
- Any amounts remaining after October 31 are certified to Dakota County Property Taxes (\$60 fee)
- 10-year term payment plan at ~5% interest (rate TBD) through property taxes would begin Spring of 2026

Example Assessment

- Standard Reconstruction Lot (not on a corner)
- **Assessment Amount = \$7,200 per Lot**
- When Paid through County Property Taxes over 10 years:
 - Interest rate (estimated) of ~5.00%
 - **Annual Amortized Payment = \$916**
 - **Monthly = \$76.37** (i.e. if escrowed in mortgage payment)

Assessment Abatement (Financial Aid)

- Community Development Block Grant (CDBG) Program Funded by Federal Government
 - ▣ **New funding is still anticipated, likely to be reduced, TBD**
 - ▣ **Remaining past balance currently still accessible, also TBD**
- Eligibility is Income Based
- **Applications to be mailed in July** (*assuming funds are available*)
- Dakota County Community Development Agency (CDA) reviews
 - ▣ **Full Abatement** - Entirety of assessment paid in full
 - ▣ **Partial Abatement** – if funds remain after full abatement

Assessment Deferral

- **Senior citizens, disabled, or military personnel** may be eligible
- **Additional Qualification:** First-year payment must be $> 1\%$ AGI
 - Ex. \$7,200 Assessment
 - Annual Payment $\sim \$916$ (5.00% interest)
 - AGI would need to be less than $\sim \$91,600$ to qualify
- **Deferred, not forgiven;** due in full upon sale/transfer/change of status
- Available on City of Hastings Webpage, will also be mailed:
 - www.hastingsmn.gov/city-government/city-departments/finance/forms



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