

# Frequently Asked Questions

## 2021 Utility Improvements Freeport, Minnesota

### Public Improvement Hearing October 20, 2020

**Q: Why does the City specially assess for street and utility improvements when I already pay my taxes?**

A: There are 2 primary reasons for special assessments. First, special assessments are required by state law if a municipality is bonding for funds to complete the work. A minimum of 20% MUST be specially assessed. Since Freeport does not have 100% of the funds required for the work, we must borrow money by issuing municipal bonds. Secondly, the Council established a special assessment policy to reduce the tax burden to the overall City. This policy asks resident's who will see an increase in property value because of the improvement to pay a portion of the cost of the improvement.

**Q: What are my options for paying this assessment?**

A: You can opt to pay the entire assessment within 30 days of assessment without interest, or you can have the entire assessment placed on your property tax statement and have it payable over the payment period. The payment period has yet to be determined, but typically the term is 10 to 20 years, with an interest rate about 1.5% higher than the City's bond rate.

**Q: If this assessment is put on my property taxes and in the future I decide to sell my home, what do I have to do?**

A: The transfer of assessments at the time of sale occasionally occurs; however, the terms of sale differ between mortgage lenders, real estate agents, and title companies. Typically, the seller is required to pay off any outstanding assessments prior to the sale being completed. Consult your mortgage banker and real estate agent about this issue if you are considering the sale of your home or business in the future.

**Q: I am concerned that my water or sewer service may be in poor condition between the street and my house. Will this be replaced with the project?**

A: The City cannot replace or repair any portion of services on private property. The City project will include new water and sewer services from the main to the right-of-way (a few feet behind the curb). You will need to contact a contractor to have the portion of the service between the sidewalk and your home replaced. Property owners are advised to replace the old services at the time of the project, as many of the existing water services are galvanized pipe and are reaching their useful life. City staff will make every effort to help in the coordination process and service availability.

**Q: Is there any hope for more grant funds or other outside financial assistance?**

A: The City applied for funds from all State and Federal sources that could potentially provide grant funds associated with the project. Given Freeport's Median Household Income, most funding sources are loan based only. We have recently been discussing a request on the State Bonding bill, but that is often a multi-year request and our infrastructure may not wait that long.

**Q: My driveway is in poor condition, can I have it replaced with the project?**

A: Often the paving subcontractor will consider doing private driveways outside of the City's project scope. This work is completed with a separate contract between the property owner and the paving contractor and is dependent upon the willingness of the contractor to complete private work.

**Q: Will you be digging in the alleys?**

A: We are not currently planning on open cut replacement of the sanitary sewer in the alley. This work will be completed via a remote surface-based lining process. It is possible the project will be bid both via traditional open cut and CIPP to determine the most cost effective.

**Q: Will there be a temporary water system in place during construction?**

A: Yes, the contractor will install an above ground temporary water distribution system connected to your home through outside faucets/spigots. There will be short disruptions in water service during the switchover, but for the majority of the time you will have water service.

**Q: I own 2 lots. Do I get a second service since I will be paying for the footage anyway?**

A: Any buildable lots will receive services to prevent future digging in the street.

**Q: Will I be assessed if I was assessed with the 2011 project?**

A: There are a few homes that do appear on both projects. What you paid in 2011 will be reviewed prior to final assessments being levied.

**Q: What if the assessment roll shows me paying for an improvement that will not be installed?**

A: Changes to the services provided often change during final design and construction. You will only be charged for what is installed, regardless of what is shown tonight.

**Q: Are you adding sidewalk?**

A: Major addition of sidewalk is not planned with this project.

**Q: Are you going to cut down all of the trees?**

A: We do anticipate having to remove a few trees located close to the streets that are being reconstructed. Removals will be minimized as much as possible.

**Q: Are we putting away money to maintain these streets once we get them replaced?**

A: The City does budget money each year for maintenance of city streets. Streets are generally crack filled on an as needed basis and seal coated after 5 -7 years.