

CITY OF KANDIYOHI
FINAL SPECIAL ASSESSMENT HEARING
May 19, 2026
7:00 p.m.

The Kandiyohi City Council held a Final Special Assessment Hearing on Tuesday, May 19, 2026, at the City Hall/Civic Center located at 432 Atlantic Avenue Kandiyohi, MN 56251. Present were: Mayor Jon Lindstrand; Council Members Toby Giese, Spencer Hunt, and Jeff Clark; City Maintenance, Brandon Huls; and City Clerk/Treasurer, Julie Woltjer. Absent were: Council Member Scott McGillivray; and Fire Chief Jamie Swanson.

Public Hearing Guests: Ryan Odden, and Amber Muir from Moore Engineering, Mike Erickson, Steve Erickson, Joeseeph Vlaminc, Doug Gratz, Nate Luft, James Nelson, Craig Aurand, Jan VanEps, Doug Strand, Steven Lueders from Home Agency/MN CHARM, Lori Fluck, Fabiola Alarcon, Ben & Kristen Egge, Maury & Beth Erickson and Peder Erickson.

The Special Assessment Hearing was called to order and opened at 7:01 p.m. by Mayor Lindstrand

SPECIAL ASSESSMENT HEARING

Mayor Lindstrand and Ryan Odden explained purpose of this Final Special Assessment Hearing was to consider the proposed final special assessments for the Phase I Street & Utility Improvement Project, including improvements located on the following streets and roadway segments:

- McDermott Avenue between 4th Street and 7th Street
- Pacific Avenue
- McLaughlin Avenue from 2nd Street to the mid-block areas of 3rd and 4th Streets
- 7th Street south of US Highway 12
- 6th Street south of US Highway 12
- 5th Street south of US Highway 12
- 4th Street south of US Highway 12
- 3rd Street between McLaughlin Avenue and Atlantic Avenue

Moore Engineering reported that, in accordance with Minnesota Statute Chapter 429, notice of the hearing was mailed to all property owners included on the proposed assessment roll. The notice informed property owners of the proposed assessment, the date, time, and location of the hearing, and their rights to object to the proposed assessment. Notice of the hearing was also published and posted as required by law.

Moore Engineering explained that the City utilized multiple funding sources, including federal and state grants and loans, to reduce the overall project cost. Pursuant to Minnesota Statute Chapter 429, the City proposes to assess a portion of the remaining eligible project costs to benefiting properties.

The proposed assessment methodology includes:

- Street improvements assessed based on abutting frontage.
- Corner lots assessed at one-half of the frontage on each side where the improvement abuts both sides.
- Water service improvements assessed at a uniform rate per benefited property.
- Sanitary sewer service improvements assessed at a uniform rate per benefited property.

The total proposed assessable amount for the project is \$464,445.01.

Property owners were advised that:

- Assessments may be paid in full without interest within the time period established by the assessment resolution.
- Unpaid assessments will be payable in annual installments over 20 years at an interest rate of 5.65%.

- Property owners may submit written objections to the proposed assessments before or at the hearing.
- Any person aggrieved by the assessment may appeal pursuant to Minnesota Statutes Chapter 429.

Public Comment and Objections:

The Mayor invited comments, questions, and objections concerning the proposed assessment roll. All comments and objections received were entered into the record and considered by the Council. The following property owners provided comments and/or objections:

James Nelson inquired about the proposed water service assessment for his property, noting that his water service connection is located on the alley side of the property and that he was previously assessed for a water connection as part of an earlier City improvement project. Following review of the project maps, Public Works and the City Engineer determined that there were seven properties with similarly situated water service connections that are not being replaced as part of the current project. As a result, staff recommended that the proposed special assessments for the seven affected properties be adjusted to remove the water service connection charge. The proposed assessment roll will be revised accordingly and presented to the City Council for consideration at a future meeting.

Steve Lueders, representing MN CHARM and Home Agency Insurance, commented on a discrepancy in the April 20, 2026, official meeting minutes regarding the interest rate associated with the proposed special assessments. Staff acknowledged that the meeting minutes incorrectly listed the interest rate as 4.65%. However, Resolution 202605 correctly reflected the approved assessment interest rate of 5.65%, which was established based on the recommendation of the City's municipal advisor, Mike Bubany of David Drown Associates, at one percent above the bond interest rate to help cover incidentals. It was noted that the April 20, 2026, meeting minutes would be amended and presented for correction and approval at the June 1, 2026, City Council meeting.

Steve Erickson and Mike Erickson inquired about the proposed water and sanitary sewer service assessments. Representatives from Moore Engineering explained that the assessment methodology includes a uniform water service and sanitary sewer service assessment for each benefited lot within the project area. Moore Engineering stated that the assessments are based upon the benefit received from the availability of the public utility improvements and are not solely dependent upon whether a lot is currently developed or connected to the utility system. Mr. Erickson also had questions regarding the proposed curbing on 4th Street South.

Doug Gratz expressed concerns regarding drainage and stormwater pooling within the project area. City Engineer Ryan Odden stated that the project design includes measures intended to address these drainage concerns and noted that the engineering team was made aware of issues resulting from a previous project designed by the City's former engineer. It was further noted that correcting the prior drainage deficiencies has been a longstanding concern for the City and was a key consideration during the development of the current project plans.

Nate Luft inquired about the anticipated timeline for placement of the first layer of asphalt. Staff responded that, under the current project schedule, the initial lift of asphalt is required to be completed by November 2026, with final paving anticipated as part of the project's final completion phase. Mr. Luft also asked when driveway access would be restored along 3rd Street North. Staff indicated that driveway access would depend on the completion of curb installation and the contractor's progress beyond the curb work, with access being restored as construction conditions allow.

The Council acknowledged all comments and objections received and indicated that the proposed assessment roll would be revised to reflect the recommended adjustments identified during the hearing. The revised assessment roll and proposed assessment resolution will be presented to the City Council for consideration at a future meeting.

Written objections were received from Doug Bombeck, Steve Lueders on behalf of the MN C.H.A.R.M. property, and James Anderson. The written objections were accepted and entered into the record. The objections will be considered by the City Council when reviewing the revised assessment roll and proposed assessment resolution at a future meeting.

ADJOURNMENT

The Mayor provided a final opportunity for comments or objections regarding the proposed assessments. No additional comments were received. Council Member Hunt motioned to Close and adjourn the Special Assessment Hearing at 7:31 p.m., Council Member Clark seconded the motion. No objections were made, and the special assessment hearing adjourned.

Respectfully submitted,

Julie Woltjer
City Clerk/Treasurer

OFFICIAL