

MINUTES OF THE PUBLIC HEARING OF THE SALEM CITY COUNCIL HELD IN THE MCCOOK CENTRAL SCHOOL DDN ROOM IN SALEM SOUTH DAKOTA ON TUESDAY, JUNE 6, 2023, AT 5:00 P.M.

Mayor Glenda Blindert called the meeting to order with Council Members Doug Mokros, Ron Mayrose, Mitchell Rayman, Marc Harris, Janet Karel and Dnyee Schierholz present. Foreman Dustin Weber; Jacob Morris and Trent Bruce of DGR Engineering; Sheldon Jensen (SEDC); Joni Scheier, Ruth Rotert, Kim Evenson, Rodney & Teresa Streff and BJ Stiefvater were also present. Motions made were unanimous of Council members present unless roll call identifies otherwise.

Mayor Blindert opened the Public Hearing at 5:00 p.m. to discuss the Proposed Resolution of Necessity for the 2022 Street Project proposed project additions.

Trent Bruce and Jacob Morris of DGR Engineering explained the project.

- Annually the Council determines improvements using their Capital Improvements Plan (CIP). The 2022 Street Project includes areas that are not on the CIP for several years and chooses areas needing asphalt and/or curb & gutter improvements.
- Some of the additional areas are continuation of the original project. Center & Pierce were added as the streets are fully constructed, making them feasible with this project.

Scheier stated she has no issues with the assessment but would like the Council to consider a stop sign on the Pierce Street/Center Ave intersection. Speeding around the corner is excessive. Those attending the Public Hearing agreed with Scheier.

Council: They will look at this stop sign request at a future meeting.

Streff's: Questioned if the city was bearing any cost of the project. Taxpayers ultimately pay for the project. Also questioned if an ordinance existed where 50% of the abutting property owners had to file a petition for paving a street. Questioned the assessment figures, multipliers, and lot dimensions. Streff also provided an example of townships, where abutting property owners are not responsible for the road construction. Questioned if other cities handled the same way.

Morris: In this case, assessments cover approximately 60% of the costs because much of the street work was performed previously, but in other projects where the street is rebuilt the assessments cover much less of the total project costs.

Bruce: Most cities handle street & utility projects the same way, some assess the utility costs also, estimates 75% of city's assess properties for a portion of the costs as they provide a special benefit to the abutting property owner.

Heumiller stated the Resolution has estimated costs in one section and the bid costs on the chart. There is an ordinance where 50% of the property owners can petition the Council for street paving. A project can be initiated by the City without a petition.

Morris: stated the lot lengths were likely rounded up when the spreadsheet was put together for simplicity and actual figures will be used for the final special assessment.

Blindert stated the Council realizes this can be a burden and provides the availability of paying installments over ten years.

Scheier asked when the completion date would be.

Rotert: asked about accesses during construction.

DGR:

- If the council approves the addition to the project, Substantial Completion date is October 27, 2023.
- Limited access will only when the asphalt is being laid, notification will be made to the property owners.
- Bid prices on the project are very favorable and is a reason why Council chooses to add to this project.

Timeline: The final assessment hearing will take place after the project is completed. Heumiller stated the hearing will likely be late 2023 or early 2024. Assessments would be filed in 2024 payable 2025, unless the project is completed in August in 2023, which would allow for time to meet all the publication and hearing requirements.

Council member Harris asked for an explanation on "Special Benefit", and questioned if it increases property value.

DGR: General Benefit would be the street and water and sewer mains. A Special Benefit would be the access the road provides to an abutting property, as well as curb and gutter, asphalt, water, and sewer hookups. Property values are indirectly affected, the property is more attractive if it has asphalt road, curb & gutter, and water/sewer connections.

Mayor Blindert discussed the Salem Economic Development Corporation's housing development. At this point they are selling the lots abutting Center as it is a developed street. The other property will be developed in the future, as means of financing are still in the works. Lot's abutting existing streets will likely be sold first. Current laws place the cost of the development on the developer.

Streff asked why there was no housing in this area for many years.

Mayor Blindert: The previous nursing home property owners would have had to develop the land and they apparently were not interested in this. SEDC was in discussion with the previous owners to sell a portion for development. No covenant was filed on the ground specific to medical. Looking at phased development of the property. SEDC would need to show that development is possible for any large developer to be interested in developing in Salem.

Salem Economic Development Corporation was able to purchase the nursing home property using money donated to the organization.

Salem Housing & Redevelopment Corporation is a different organization, the money from the sale of the Salem HRC property is not being used on the Housing Development project.

Stiefvater asked when the 1st five lots would be for sale.

Sheldon Jensen stated they are currently being offered for pre-sale. Costs of lots are from \$40T to \$45T depending on location.

Stiefvater stated they are too expensive.

Bruce stated the average cost of a lot is \$60T when asphalt, curb & gutter and water and sewer connections are present.

Discussion was held on the helicopter pad, SEDC will meet with Stiefvater to discuss this further.

Mayor Blindert adjourned the public hearing at 5:55 p.m.

Dated this 6th day of June 2023 at Salem, South Dakota.

(SEAL)

Glenda Blindert
Mayor

ATTEST:

Lori Heumiller
Finance Officer

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