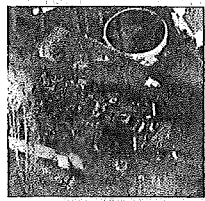


Doesn't think Israel is decided on an attack yet. A4

Last ends custody case



Had apparently kills himself, sons in saga that began with an's wife mysteriously vanishing. A3

Local news

Storm chaser dies in Oklahoma Minnesota man's dangerous career ended not in a tornado, but a crash. A7

Services set for ship's victims



White Bear Lake residents Gerald and Barbara Heil are among those hit when the Costa Concordia sank. A9

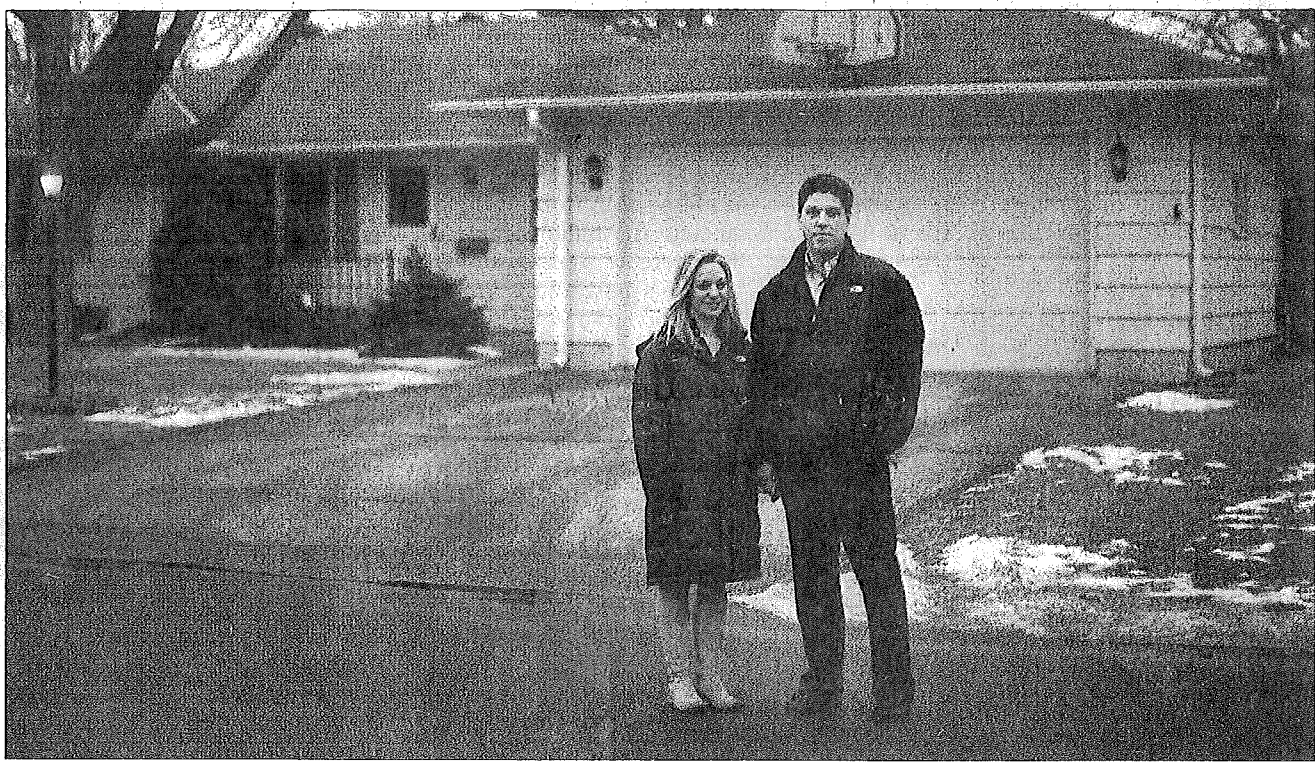
Business

Companies fight ironic problem as companies pushing envelope on wound re say it's often hard to get paid. D1

Online



# FOR RESIDENTS, STREET WORK A FINANCIAL POTTHOLE



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Soon after Scott Strand and KK Thomson bought a starter home in Edina, they were handed a \$16,800 bill for street reconstruction.

● Edina homeowners cover 100% of the tab, a policy the city's rethinking amid huge bills.

By MARY JANE SMETANKA smetan@startribune.com

Newlyweds Scott Strand and KK Thomson were delighted to close last fall on a modest rambler in Edina, where they both grew up and wanted to live after they got married.

At the end of the year, though, the young couple got what Strand calls "a New Year's surprise" — a notice that they faced a \$16,800 bill for street reconstruction. "We were shocked," he said,

"If that assessment was known to us prior to buying the house, I don't know that we would have bought it."

After the couple and other upset Richmond Hills neighbors swarmed a City Council meeting last month, the city is

**« THIS JUST FEELS LIKE A GAME CHANGER. »**

Edina homeowner Scott Strand

considering revisiting its longstanding street-assessment policy. The policy, which even the mayor calls "brutal," has left some homeowners stuck with bills as high as \$22,900. "It's a thorny problem," Mayor Jim Hovland said, debating the fairness of changing the policy when so many have already paid full price. "I just can't see where the 100 percent assessment policy is sustainable over time. Things are not going to get cheaper."

Assess continues on A12 ►

# 'Brutal' policy puts onus on residents

◀ ASSESS FROM A1

Edina's policy of billing residents for the entire cost of street reconstruction is unusual among metro cities, but it's not the only city considering a change.

Wayzata, another affluent suburb, has the opposite problem. It has always borne the cost of street reconstructions, but is reconsidering, said public works Director Dave Durdinsky. "We just can't afford it anymore," he said.

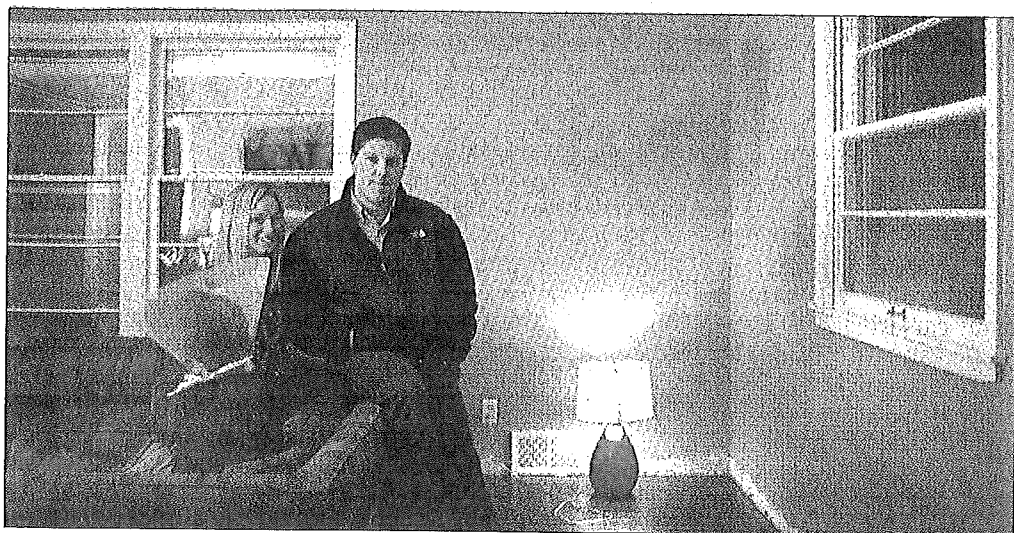
In Minnetonka and St. Louis Park, the cities pay all of the cost of residential street reconstruction, building the cost into their levy or fees. Homeowners in Bloomington pay 25 percent, in Golden Valley, 20 to 25 percent, and in Hopkins, 70 percent. But in Hopkins, costs to homeowners are capped and linked to the cost of previous projects to protect them from sudden price jumps. This year, Hopkins homeowners are paying \$4,100 to \$5,100 — 40 percent of project cost.

## 'A game changer'

Since 1998, 17 percent of Edina's 199 miles of local streets — streets where benefiting properties would have to pay for road work — have been redone. The highest street assessment was in 2008 in the Country Club neighborhood, where the cost reached nearly \$23,000 per household. As in Richmond Hills, that cost included new sanitary sewer connections to the city's main line.

But unlike Country Club, Richmond Hills is not filled with million-dollar homes. Residents include teachers and retirees, and the smaller homes are catnip to young couples who are just starting out — a demographic the aging city has tried hard to attract.

Strand and Thomson paid \$262,500 for their 1952 ram-



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Scott Strand and KK Thomson, shown with their dog, Ike, aren't sure they would have purchased their home in Edina if they'd know a \$16,800 bill for street repairs would soon follow. "Ideally, we'd like to save for retirement," Scott said, "and what about having kids?"

bler that in tax records is valued at half as much as the lot it sits on. Strand works in the financial field; his wife is an assistant at a clinic.

"This is our first home, a starter home," Thomson told the council. "We might as well have rented. ... This financially will put us in such a pinch, I don't know what we're going to do."

Strand later said the home was purchased from an estate. "We are putting a lot of work into this home," he said. "Ideally, we'd like to save for retirement, and what about having kids? This just feels like a game changer."

Martha Dover, who with her husband, Larry, is saving to send two teenage boys to college, said she was in shock over the assessment.

"I've lived in Edina since fifth grade," she said. "This is a hardship for our family. ... I don't know why they can't assess everyone in the city [for street reconstruction]."

In 2005, the city of Edina assumed responsibility for curb and gutter costs but backed

away from bigger road assessment changes for fear of being unfair to homeowners who had already paid. Now, with many streets still needing work and project costs soaring, Hovland said the policy seems "brutal."

## Weighing options

At last month's council meeting, several council members wondered if the payback period for homeowners who choose to add the cost to their property taxes could be stretched from 10 to 15 years or even more. The city plans to notify homeowners of pending street work three years ahead of time, instead of two. But the council hasn't yet had a chance to talk more deeply about a new approach to paying for street reconstruction.

Hovland thought it might be good to set up a citizen task force led by people with "financial acumen" who could investigate new methods for street funding.

Among the questions to be answered: Could a new system be phased in over time?

What about capping the amount paid by residents? And could people who have already paid for their streets be exempted from any new payment system?

Susan Arenson is getting hit with a double-whammy. She and her husband moved to Richmond Hills when they downsized in 2009. Their last home was in Edina, too, and Arenson said they paid about \$7,000 a dozen years ago for street reconstruction in their old neighborhood. Before they moved, they checked at City Hall and thought streets in their new neighborhood weren't due for work until 2017.

"This threw us for a loop because we researched it and knew we needed to spend money on this fixer-upper," she said. "We're perplexed."

After paying twice for street reconstruction, Arenson isn't too excited about seeing the policy change.

"I'd hate to see us have this huge bill and then start paying for everyone else's," she said.



SEE A MAP of upcoming street projects in Edina at [startribune.com/a1014](http://startribune.com/a1014)

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