

October 26, 2020

Hand delivered to
Ramsey City Office
10/27/2020
J. Hamilton
on behalf
of Hamilton
Holasek family
landowners

Attn: Office of the Mayor
City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303

RE: Outstanding assessment of \$88,706.18 on legal description –, Anoka County, Minnesota
(principal amount of \$25,280 plus interest of \$63,426.18)

Dear Mayor LeTourneau and Ramsey City Council members,

Our families have been landowners and (in the case of the Hamiltons) citizens of the City of Ramsey over the past 50+ years. We recently sold our property Tract A, Registered Land Survey, No. 119 to Connections Church on October 20, 2020. We are excited to welcome the church to our neighborhood and feel that their presence will greatly benefit the city as a whole.

We are writing to share our concerns around the amount of the assessment for the road installation and improvements that were presented to us around the time of the closing of \$88,706.18 (principal amount of \$25,280 plus interest of \$63,426.18).

Once we were alerted to the amount of the assessment and in particular the very large amount of interest owed, we requested and received a copy of the resolution #89-09-238 (Resolution adopting assessment improvement project #87-18 and #88-9 – Improvements to Front Street NW, Tungsten Street NW, and Sunfish Lake Blvd. N.W.) from the City of Ramsey on October 16, 2020. We also received information City Attorney Joseph J. Langel including the Minnesota Department of Revenue Fact Sheet, stating, "Once an entire parcel is withdrawn from Green Acres, [the owner] will also be responsible to pay any deferred special assessments plus any interest." This per City Attorney Langel is based Minn. Stat 273.111, subd. 11.

The families have carefully reviewed and understand this information but have been unaware that interest on this assessment was accruing. We diligently researched our family records regarding this deferred road assessment. Neither the family nor our attorney from that timeframe (1988-1990) were able to locate any communication from the City of Ramsey that resolution #89-29-08 was passed and applicable to our situation. We also could not find any notification that assessment amount would accrue interest at the rate of 8.1%. At our request, Cindy Nelson, on October 20, 2020, researched city records for any communication that was sent to the families in late 1989 on the passed Resolution #89-09-238 and the implications to the family. Cindy Nelson confirmed on October 21, 2020 that she could not find any such communication.

In reviewing the resolution #89-09-238 carefully, we note the following:

- The resolution contemplated that all assessment amounts would be paid over 10 years in annual installments.
- The city must have, in some fashion, waived the requirement that annual installments should be paid in the case of our property
- The interest rate of 8.1% was set, presumably, based on prevailing interest rates at the time, contemplating a 10-year time horizon. Interest rates have of course dropped substantially since that time.

Given these facts, and the fact that the communication between the city and the landowners to memorialize any agreements cannot be located, we respectfully ask that the interest the City of Ramsey calculated on the assessment be removed or reduced substantially.

As a potential compromise and to reach a common resolution quickly, we would offer to pay 10 years worth of interest (the same number of years mentioned in the resolution) on the assessment at the 8.1% rate, or \$20,476.80 in addition to the original assessment of \$25,280. This amount seems fair and equitable given the situation. Should you agree with this, we are prepared to quickly instruct that this amount be released to the City from escrow.

We look forward to working with you for quick resolution of this matter. We would appreciate a prompt response. Thank you for your review and consideration of our request.

Respectfully,

Lora G. Hamilton
Corinne M. Holasek

Lora G. Hamilton (representing the Hamilton family landowners),
Corinne M. Holasek (representing the Holasek family landowners),

Attached:

Resolution 89-09-238

Communication with City of Ramsey regarding interest calculation

**ATTACHMENTS:
Resolution 89-09-238**

Councilmember DeLuca introduced the following resolution and moved for its adoption:

RESOLUTION #89-09-238

RESOLUTION ADOPTING ASSESSMENT (IMPROVEMENT PROJECT #87-18 AND #88-9 - IMPROVEMENTS TO FRONT STREET N.W., TUNGSTEN STREET N.W., AND SUNFISH LAKE BLVD. N.W.)

WHEREAS, pursuant to proper notice duly given as required by law, the Ramsey City Council has met and heard and passed upon all objections to the proposed assessment for the following improvements:

- a) Tungsten Street N.W. between U.S. Highway #10 N.W. and Front Street N.W.
- b) Front Street N.W. and 138th Avenue N.W. between Tungsten Street N.W. and Feldspar Street N.W.
- c) Sunfish Lake Blvd. N.W. between U.S. Highway #10 N.W. and Front Street N.W.
- d) Feldspar Street N.W. between 138th Avenue N.W. and U.S. Highway #10 N.W.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA, as follows:

1) That such proposed assessment, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein included is hereby found to be benefited by the proposed in the amount of the assessment levied against it.

2) That such assessment shall be payable in variable annual installments extending over a period of ten years, the first of the installments to be payable with the first half of the property taxes for 1990 and shall bear interest at the rate of 8.1 per cent annum from the date of the adoption of this assessment resolution. To the first installment shall be added interest on the entire assessment from the date of this resolution until December 31, 1989. To each subsequent installment when due shall be added interest for one year on all unpaid installments.

3) That the owner of any property so assessed may, at any time prior to certification of the assessment to the Anoka County Auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the City Finance Department, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of this resolution; and he may, at any time thereafter, pay to the City Finance Department the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before October 10, 1989 or interest will be charged through December 31 of the next succeeding year.

4) That the City transmit a certified duplicate of this assessment to the Anoka County Auditor's office to be extended on the proper tax lists of the County, and such assessments shall be collected and paid over in the same manner as other municipal taxes.

The motion of the adoption of the foregoing resolution was duly seconded by Councilmember Pearson and upon vote being taken thereon, the following in favor thereof:

Mayor Reimann
Councilmember DeLaca
Councilmember Pearson
Councilmember Cich
Councilmember Peterson

and the following voted against the same:

None

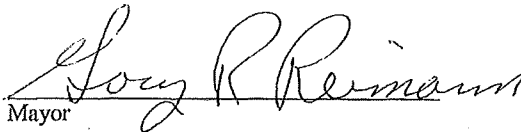
and the following abstained:

None

and the following were absent:

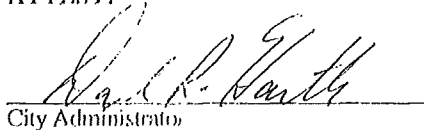
None

whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 5th day of September, 1989.



Mayor

ATTEST:



City Administrator

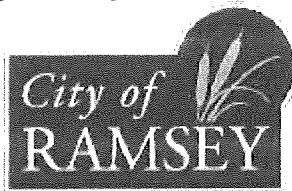
From: Cindy Nelson <cnelson@ci.ramsey.mn.us>
Date: October 21, 2020 at 10:50:40 AM CDT
To: LISA HAMILTON <liswill@msn.com>
Cc: Sharon Hastings <SLHastings@usfamily.net>
Subject: RE: scanned document (a follow-on request)

Hello Lisa and Sharon,

I have not found any additional documentation other than the resolution. I have contacted Anoka County to see when Green Acres was established for the property since that status is what allowed the requested deferral. The county is required to let us know when the Green Acres status terminates or a change in ownership occurs and at that time we can collect the principal and interest balance of the deferred assessment on the property.

Sincerely,

Cindy Nelson



Cindy Nelson, CPP
Accountant II | City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303
763-433-9822 (Direct) | 763-433-9898 (Fax)
cnelson@cityoframsey.com

*Our Mission: To work together to responsibly grow our community,
and to provide quality, cost-effective, and efficient government services*



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From: LISA HAMILTON <liswill@msn.com>
Sent: Tuesday, October 20, 2020 9:34 AM
To: Cindy Nelson <cnelson@ci.ramsey.mn.us>
Cc: Sharon Hastings <SLHastings@usfamily.net>
Subject: Re: scanned document (a follow-on request)

Hi Cindy,

Thank you for resolution document and interest information. Do you (City of Ramsey) have a copy of correspondence that was provided to Edward Hamilton and Winslow Holasek at the time the resolution was passed? We (family) understand the resolution but cannot find any

information / documentation in Edward or Winslow files regarding interest correspondence on the assessment. It would be so helpful if the city could provide copy of this correspondence.

I've cc'd Sharon Hastings (Winslow's daughter and point of contact for Holasek family) as well on this message so you can reply to all.

Best regards,
Lora and Lisa Hamilton

Sent from my iPad

On Oct 16, 2020, at 11:06 AM, Cindy Nelson <cnelson@ci.ramsey.mn.us> wrote:

Hi Lora and Lisa,

I have attached a copy of the complete resolution.

The interest was computed as straight line not compound. The first year was calculated based from September 5th, 1989 date of assessment to December 31, 1990 and that was equal to \$2,507.70. Each year after that thru 2019 was \$2,047.68 of interest (29 years at 2047.68= 59,382.72). For 2020 we calculated \$1,535.76 which equals 9 months of interest.

1989-1990 interest	\$ 2,507.70
1991-2019	\$59,382.72
2020	\$ <u>1,535.76</u>
Total Interest	\$63,426.18

Please let me know if you have any additional questions.

Sincerely,

<image001.jpg>

 Please consider the environment before printing

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From: LISA HAMILTON <liswill@msn.com>

Sent: Friday, October 16, 2020 10:32 AM

To: Cindy Nelson <cnelson@ci.ramsey.mn.us>; Joe Langel <jjl@ratwiklaw.com>

Subject: Re: scanned document (a follow-on request)

Hi Cindy,

Thank you for update and resolution document. Couple further requests:

The attached document you sent shows resolution passed on 5th date but doesn't show what month and year. Can you please share addition page(s) with remaining date information. We do not remember receiving notification that principal would accrue interest.

The family has also asked to know how interest compounded? Can you please share that calculation.

Thank you

Lora and Lisa Hamilton

Sent from my iPhone

From: Cindy Nelson <cnelson@ci.ramsey.mn.us>
Date: October 16, 2020 at 9:28:21 AM CDT
To: LISA HAMILTON <liswill@msn.com>
Cc: Joe Langel <jjl@ratwiklaw.com>
Subject: RE: scanned document (a follow-on request)

Hello Lora an Lisa Hamilton,

We confirmed with our city attorney that interest accrues from the date of assessment in 1989 until the city receives final payoff of the outstanding assessment which is proposed to be year 2020 (see paragraph below from City Attorney Langel regarding statute). The calculation of payment was based on payoff as of September 30th, 2020 assuming we would receive the payment before the end of October 2020. The total amount of the outstanding assessment is \$88,706.18 which comprises a principle amount of \$25,280 plus interest of \$63,426.18.

I have also attached a copy of the resolution from 1989 for your records.

Please let me know if you have any questions. Also, I have copied our city attorney on this.

Sincerely,

Cindy Nelson
City of Ramsey

According to a Minnesota Department of Revenue [Fact Sheet](#), "Once an entire parcel is withdrawn from Green Acres, [the owner] will also be responsible to pay any deferred special assessments plus any interest."

That is based on the statutory language in [Minn. Stat. § 273.111](#), subd. 11, which states:

“When such property no longer qualifies under subdivision 3 or 3a, all deferred special assessments **plus interest** shall be payable in equal installments spread over the time remaining until the last maturity date of the bonds issued to finance the improvement for which the assessments were levied. If the bonds have matured, the deferred special assessments **plus interest** shall be payable within 90 days. The provisions of section 429.061, subdivision 2, apply to the collection of these installments. Penalty shall not be levied on any such special assessments if timely paid.”

As for their claim that Jo only certified the principal amount, so no interest accumulated, I point to the sentence preceding to the above quote:

“If special assessments against the property have been deferred pursuant to this subdivision, the governmental unit shall file with the county recorder in the county in which the property is located a certificate containing the legal description of the affected property and of **the amount deferred.**”

I read this as requiring the actual assessment amount to be provided to the County, not an amount plus accumulated interest.

Let me know if you have any questions.

Joe

<image004.png>

Joseph J. Langel

Ratwik, Roszak & Maloney, P.A.

730 Second Ave. South, Suite 300

Minneapolis, MN 55402

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Web: www.ratwiklaw.com