



## **Request for City Council Committee Action from the Department of Public Works**

**Date:** May 13, 2014

**To:** Honorable Kevin Reich, Chair Transportation & Public Works Committee

**Referral To:** Honorable John Quincy, Chair Ways & Means Committee

**Subject:** **Project Approval and Assessment Public Hearings for LaSalle Ave (Grant St W to 12<sup>th</sup> St S) Resurfacing Project No 2228, CPV068; LaSalle Ave (12<sup>th</sup> St S to 8<sup>th</sup> St S) Reconstruction Project No 2227, CPV069; Areaway Abandonment Public Hearing**

### **Recommendation:**

- A. Pass a Resolution ordering the City Engineer to proceed and do the work and adopt special assessments in the amount of \$70,615.42 for the LaSalle Avenue Street Resurfacing project.
- B. Pass a Resolution requesting the Board of Estimate and Taxation to issue and sell assessment bonds in the amount of \$70,620 for the LaSalle Ave Street Resurfacing Project with the bonds to be paid from special assessments.
- C. Continue the project approval and hold the assessment public hearing on July 8, 2014 for the LaSalle Ave Street Reconstruction portion of the project.
- D. Pass a Resolution ordering the City Engineer to abandon and remove the areaways located in the public right-of-way that are in conflict with the LaSalle Ave Reconstruction Project.

These Resolutions may be authorized for summary publication.

### **Previous Directives:**

- March 28, 2014- City Council Resolution 2014R-104, Project Designation-Resurfacing LaSalle Ave (Grant St to 12<sup>th</sup> St S)
- March 28, 2014- City Council Resolution 2014R-103, Project Designation-Reconstruction LaSalle Ave (12<sup>th</sup> St S to 8<sup>th</sup> St S)
- March 28, 2014- Set Public Hearing for the abandonment and removal of areaways in conflict with the reconstruction project

### **Department Information:**

Prepared by: Suzette Hjermsstad, RE Investigator II, TP&E, 673-2401 Beverly Warmka, P.E., Project Engineer, TP&E, 673-3762 Don Elwood, P.E., Director, Transportation Planning & Engineering, 673-3622
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Approved by: \_\_\_\_\_

Steven A. Kotke, P.E., Director of Public Works

Presenters in Committee: Beverly Warmka, Project Engineer, TP&E

### **Financial Impact**

- Action is within the Business Plan

### **Community Impact**

- Neighborhood Notification: Stakeholder meetings began in 2014. A pre-assessment public meeting was held May 7, 2014 to address questions regarding assessments.
- City Goals: The City's infrastructure will be well-maintained, streets will be destinations.
- Comprehensive Plan: Consistent
- Zoning Code: Not Applicable

### **Supporting Information**

#### **Resurfacing**

##### Scope

The proposed project consists of resurfacing LaSalle Avenue between Grant Street and 12<sup>th</sup> Street South. LaSalle Avenue S at this location is a Municipal State Aid Roadway (MSA 159). The project will include a mill and overlay of the street surface with plant mix asphalt and other paving related improvements as needed.

##### Schedule and Cost Estimate

The project is planned to be constructed in the 2014 construction season. This portion of the project cost is estimated at \$200,000.

##### Street Resurfacing Project Assessments

The proposed street reconstruction special assessments were determined by applying the 2014 Uniform Assessment Rates to the land area of benefited parcels located within the street influence zone along the improved streets. The 2014 resurfacing assessment rates are as follows:

\$0.60/sq ft – Non-Residential

\$0.20/sq ft - Residential

The proposed total assessment amount for the LaSalle Avenue Resurfacing Project is \$70,615.42. Assessments of more than \$150 are to be collected in 5 annual principal installments on the real estate tax statements beginning in 2015 with interest charged at the same rate as the City pays in interest for selling assessment bonds. Assessments of \$150 or less are to be collected in their entirety on the 2015 real estate tax statements with interest charged at the same rate as the City pays in interest for selling assessment bonds.

Information has been provided in the notices as to how persons may prepay the special assessments in full without interest if they so choose.

## **Reconstruction**

### Scope

The proposed project consists of reconstructing LaSalle Avenue between 12<sup>th</sup> St S and 8<sup>th</sup> St S. LaSalle Avenue S at this location is a Municipal State Aid Roadway (MSA 159). The project will include new pavement, curb, gutter, storm drain, lighting, signing, striping, and related items and work.

In order for the reconstruction work to be completed in 2015, public and private utilities will be upgrading their infrastructure along the corridor beginning in 2014. This work will have impacts on traffic flow and access. Public Works is coordinating with the utilities to minimize the impacts to the adjacent properties and roadway users.

Public Works is recommending continuing the Public Hearings for the LaSalle Avenue Reconstruction Project until after the project layout has been approved. Private utility work has started along the corridor. Stakeholder meetings have started. The final layout has not been confirmed.

### Schedule and Cost Estimate

The project is planned to be constructed in the 2015 construction season. This portion of the project cost is estimated at \$4,600,000.

### Street Reconstruction Project Assessments

The proposed street reconstruction special assessments were determined by applying the 2014 Uniform Assessment Rates to the land area of benefited parcels located within the street influence zone along the improved streets. The 2014 reconstruction assessment rates are as follows:

\$2.39/sq ft – Non-Residential

\$0.80/sq ft - Residential

The proposed total assessment amount for the LaSalle Avenue Reconstruction Project is \$553,704.13. Assessments of more than \$150 are to be collected in 20 annual principal installments on the real estate tax statements beginning in 2016 with interest charged at the same rate as the City pays in interest for selling assessment bonds. Assessments of \$150 or less are to be collected in their entirety on the 2016 real estate tax statements with interest charged at the same rate as the City pays in interest for selling assessment bonds.

Information has been provided in the notices as to how persons may prepay the special assessments in full without interest if they so choose.

### **LaSalle Project Funding**

The Resurfacing and Reconstruction of LaSalle Ave are both included in the LaSalle Ave Project budget.

The City of Minneapolis 2014 Adopted Budget appropriated funding for the LaSalle Avenue project including:

- \$1,515,000 in Net Debt Bonds;
- \$1,430,000 in Municipal State Aid;
- \$1,070,000 in special assessment bonds; (this will be adjusted to \$624,319.55 to match the actual assessment amount)
- \$505,000 in stormwater revenue

Public Works has submitted a request for an additional \$805,000 of Net Debt Bonds in 2015 through the Capital Budget Request Process.

### **Abandonment and Removal of Conflicting Areaways**

Section 95.90 of the Minneapolis Code of Ordinances provides a procedure for dealing with areaway encroachments that would interfere with public improvements being made in the public right-of-way such as street construction. Before the City may abandon and remove conflicting areaways (upon the failure of the abutting property owner to resolve or agree to resolve the conflict) and then later assess the costs, a public hearing must be held. It is our recommendation that this areaway public hearing be held in conjunction with the LaSalle Avenue Project. Prior to the areaway public hearing notices being given, the City Engineer will have provided the initial notice required in Section 95.90 of the Minneapolis Code of Ordinances.

Attachment 1 – Project Map

Cc: CM Goodman, Ward 7

Jack Qvale, Secretary, Board of Estimate and Taxation

Craig Troutman, Finance

# ATTACHMENT 1 PROJECT MAP

