



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

Date: May 14, 2013

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Betsy Hodges, Chair Ways and Means/Budget Committee

Subject: Public Hearing: 14th Av SE Sanitary Sewer Project

Recommendation:

- A. Ordering the City Engineer to proceed and do the work and adopting the special assessments in the total amount of \$91,843.69 for the 14th Av SE Sanitary Sewer Project No 4518 and approving City funding of \$37,156 from an existing appropriation in the Public Works Capital Improvement Program Fund 07100-9010932-CSA1301.
- B. Requesting the Board of Estimate and Taxation to issue and sell assessment bonds in the amount of \$91,850 for the 14th Av SE Sanitary Sewer Project with the bonds to be paid for from the special assessment revenues.

Previous Directives:

- April 12, 2013 - Council action 2013R-155. designating the locations and streets to be improved
- April 12, 2013 - Council action 2013R-156 amending PW-CIP Fund

Department Information:

Prepared by: Suzette R. Hjermsstad, R.E. Investigator II
Lisa Cerney, P.E., Director Surface Water and Sewers

Approved by: _____

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

Presenters in Committee: Lisa Cerney

Reviews

- Permanent Review Committee (PRC): Approval _____ Date _____
- Civil Rights Approval Approval _____ Date _____
- Policy Review Group (PRG): Approval _____ Date _____

Financial Impact

- Action is within the Business Plan
- Other financial impact: Special Assessments against benefited properties

Community Impact

- Neighborhood Notification: Public Hearing notice mailed to properties April 29
- City Goals: Maintain the physical infrastructure to ensure a healthy, vital and safe city
- Comprehensive Plan
- Zoning Code
- Other

Supporting Information

On April 12, 2013, the City Council designated the location and improvements proposed to be made in the 14th Av SE sanitary sewer project. The City received signed petitions from all the adjacent property owners. The City proposes to install a new public sanitary main to be owned, operated and maintained by the City of Minneapolis. The sanitary sewer installation work would be done by City forces and completed this summer (2013).

The cost estimate for the public sanitary sewer in 14th Av SE is \$129,000.

Policy for assessing sanitary sewers is to assess 100% of the costs. However, there are provisions in the Minneapolis City Charter that provide for adjustments. Practice has been to include these adjustments in the assessment calculations with the City paying the costs resulting from these adjustments. The assessment plan prepared by the Public Works Department included adjustments provided for in Chapter 9, Section 4 of the City Charter (see Attachment 1). The assessment rate is calculated on a front foot basis to benefited properties on 14th Av SE.

The total proposed assessment frontage is 348 feet. The proposed assessment primary rate is \$370.64/Fr. Ft. Properties that are corner lots or have access to sanitary sewer from another street have had their proposed assessment rate adjusted to a secondary rate of \$185.32/ Fr. Ft with the City paying the difference. (see Attachment 2)

A summary of the project funding rounded to whole dollars is as follows:

1. Special assessments portion	\$91,844
2. City portion	<u>\$37,156</u>
3. TOTAL PROJECT COST	\$129,000

The 2013 Capital Improvement appropriation was amended by increasing the amount for Public Works Capital Improvement Program Fund 07100-9010932 CSA1301 by \$129,000 and increased the revenue source 07100-9010932 source 365000 by \$91,884 and authorized the expenditure of these funds. The program has the capacity to pay for the City portion of \$37,156.

Individual assessment would be collected over 20 years beginning on the 2014 real estate tax statements with the interest charged at the same rate as the City pays 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.

Attachments – 1 Minneapolis City Charter Chapter 9, 10
2 Allocation of Costs
3 Map

Cc: Council Member Hofstede, Ward 3
Mike Abeln, Director, Capital and Debt Management
Jack Qvale, Secretary, Board of Estimate and Taxation

T&PW & W&M/Budget – Your Committees having under consideration the 14th Av SE Sanitary

Sewer Project No 4421, now recommend passage and summary publication of the accompanying Resolutions:

1. Ordering the work to proceed and adopting the special assessments for the 14th Av SE Sanitary Sewer Project No 4518.

2. Requesting the Board of Estimate and Taxation to issue and sell Cityu of Minneapolis bonds in the amount of \$91,850 for the project.

Colvin Roy

**FOURTEENTH AV SE SANITARY SEWER
PROJECT NO 4518**

**Ordering the work to proceed and adopting the special assessments
for the 14th Av SE Sanitary Sewer Project.**

Whereas, a public hearing was held on May 14, 2013, in accordance with Minnesota Statutes, Chapter 429, Chapter 9, Section 4 and Chapter 10, Section 8 of the Minneapolis City Charter to consider the proposed improvements as designated in Resolution 2013R-155, passed April 12, 2013 to consider special assessments as on file in the office of the City clerk and to consider all written and oral objections and statements regarding the proposed improvements and the proposed special assessments;

Now, Therefore, Be It Resolved by the City Council of the City of Minneapolis:

That the City Engineer is hereby ordered to proceed and do the work as designated in said Resolution 2013R-155, passed April 12, 2013.

Be It Further Resolved that the City's portion of the costs for the public sanitary sewer in the amount of \$37,156 be paid from the Public Works Capital Improvement Program Fund 07100-9010932 CSA1301.

Be It Further Resolved that for the 14th Av SE Sanitary Sewer Project, the number of successive equal annual principal installments by which the special assessments may be paid shall be fixed at twenty (20) and that the interest charged be at the same rate as the City pays in interest for selling assessment bonds with collection of the special assessments to begin on the 2014 real estate tax statements.

Colvin Roy and Hodges

Requesting the Board of Estimate and Taxation to issue and sell City of Minneapolis Bonds in the amount of \$91,850 for certain purposes other than the purchase of public utilities.

Resolved by the City of Minneapolis:

That the board of Estimate and Taxation be requested to incur indebtedness and issue and sell City of Minneapolis bonds for the purpose of paying the assessed cost of sanitary sewer improvements in the 14th Av SE Sanitary Sewer Project No 4518 to be assessed against benefited properties as estimated by the City Council, which assessments shall be collectible in twenty (20) successive annual installments, payable in the same manner as real estate taxes.