

Capital Bonding Proposals for 2014 Legislative Session City of Minneapolis Intergovernmental Relations

June 13, 2013

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Request for City Council Committee Action From the Department of Intergovernmental Relations

Date: June 13, 2013

To: Councilmember Elizabeth Glidden and the Intergovernmental Relations Subcommittee of the Committee of the Whole

Subject: 2014 Capital Bonding Projects

Recommendation:

- Adopt 2014 state capital bonding proposals as part of the legislative program.
- Amend the state legislative agenda, Capital Investment Section, to include the following statement of support: “Minneapolis supports Hennepin County’s state bonding request of \$13.0 million in funding for the 35W BRT Lake Street Transit Access Project.” Delete the reference to this project in the existing item.

Department Information

Prepared By: Melissa Lesch, Senior Government Relations Representative

Approved By: Gene Ranieri, Director, IGR _____

Presenters before City Council: IGR Staff, Department Staff

Introduction

During the 2014 legislative session, Governor Dayton will propose a capital budget (bonding bill). The process to develop the proposed budget begins in June, 2013. State agencies and local governments are requested by the Minnesota Management and Budget to submit requests for capital projects by June, 21 2013.

The Department publishes on its website a list of all projects. The list serves as the source for site visits (tours) by state officials and House and Senate Capital Investment Committees. The City of Minneapolis site visits usually occur in the fall or winter months, and they include projects submitted by not only the City but also the Minneapolis Park and Recreation Board and Hennepin County.

IGR staff requested City departments to submit projects for possible submission to the Commissioner of Management and Budget. The deadline for submissions was Friday, May 17.

Local government requests are to be accompanied by a city council resolution that approves the submission and ranks the projects in order of priority.

Projects

The City's legislative agenda includes three projects that were submitted for capital funding in 2013. The following table identifies the projects and provides a brief summary of the status of each project. In 2013, the Governor and the House released bonding bills early in the legislative session. The Senate did not produce their own bonding bill until the final evening of the session, and it did not include any local projects.

2013 Project/\$ Requested	Status
Nicollet Mall (\$25 million)	Project included in House and Governor's bonding bills. Project heard in relevant Senate division. Not included in final bill.
I-35W North and South Storm Tunnels Asset Preservation (\$4.5 million)	Project heard in relevant House and Senate divisions. Not included in House or Governor's bonding bills
Pioneers and Soldiers Cemetery Fence Rehabilitation (\$1.9 million)	Project heard in relevant House and Senate divisions. Not included in House or Governor's bonding bills

New Projects

No new projects were proposed this year.

To: Mayor Rybak
City Council Members
Department and Division Heads
City Coordinator

From: Gene Ranieri, Director of Intergovernmental Relations

Date: April 29, 2013

Re: Capital Bonding Requests – State of Minnesota

Introduction

In the even year sessions (2014), the Governor and the Legislature develop and usually pass a capital budget. To prepare a capital budget Governor Dayton has requested state departments and local governments submit requests to the Department of Minnesota Management & Budget (MMB) for possible inclusion in the Governor’s proposed budget. Local governments are encouraged to submit proposals by no later than July 15 to the Commissioner of MMB. However, in prior years the MMB has set a deadline of late June.

Criteria

In 2010, the state law concerning capital bonding (MS 16A.86) was amended to remove specific qualifying criteria for proposed projects. However, the state has generally funded local projects that have a regional or statewide impact. If your project could be part of an on-going state funding program, you do not need to submit a bonding request such as projects in line for bridge replacement funds and flood mitigation funding.

Schedule

IGR developed the following schedule in order for the proposals to be presented to the Committee of the Whole June 13 and approved by the City Council by June 14.

April 29, 2013	Request for projects sent to departments and City Council members
May 17, 2013	Proposals sent to IGR Office
June 13, 2013	List presented to Committee of the Whole (possible presentations); plan to pass without recommendation to Council.
June 14, 2013	City Council Action
June 21, 2013	Submission to the Commissioner of Minnesota Management and Budget (MMB)

Request Format

The request could be in the form of a memorandum or letter. The request should answer the following questions:

1. Project title.
2. Project location.
3. Total project cost (all funding sources – all years – for all capital costs).
4. Request for state funds in 2014.
5. Additional state funds to be requested for subsequent project costs/phases in 2016.
6. Additional state funds to be requested for subsequent project costs/phases in 2018.
7. Non-state funds available or to be contributed to the project (list the dollar amount and sources – federal, city, private, or other).
8. Project description and rationale (limit to one page maximum). The very first sentence of this narrative should identify what is being requested. Example: “This request is for \$ [x] in state funding to acquire land, predesign, design, construct, furnish, and equip a new [such and such] facility for [such and such] purposes to be located [where].” Explain whether the project has local, regional, or statewide significance – and why.
9. Identify total project costs for each of the following categories: land acquisition, predesign, design, construction, furniture/fixtures/equipment, and relocation costs.
10. For new construction project: identify the new square footage requested. For remodeling, renovation, or expansion projects: identify the total square footage of current facilities and new square footage requested.
11. Project schedule: identify the date (month/year) when construction will be completed with a certificate of occupancy, detailing plans for encumbrance (state bond funds must be spent or encumbered within four years of receipt).
12. Project contact person, title, address, phone number, fax, and e-mail address (a project spokesperson who is knowledgeable about the project and can answer detailed questions).
13. If you are re-submitting a project that is currently in the City’s bonding agenda, you only need to update your project sheet.

This memorandum or letter should be emailed to Melissa Lesch at melissa.lesch@minneapolismn.gov. If you have any questions or need additional information, please contact me by either e-mail or phone at 673-2051.

Thank you,

Gene Ranieri

2 Attachments

Nicollet Mall Revitalization

I. Project Basics

Requesting Government Subdivision:	City of Minneapolis
Project Title:	Nicollet Mall Revitalization
Project Location:	The entire road and sidewalk right of way of Nicollet Mall from Washington Avenue to Grant Street, City of Minneapolis, Hennepin County.
Facility Owner:	City of Minneapolis
Project Contact Person	Steve Kotke Director of Public Works and City Engineer City of Minneapolis Steve.Kotke@minneapolismn.gov And/or Richard Forschler Partner, Faegre Baker Daniels Minneapolis Downtown Improvement District Richard.Forschler@faegrebd.com

II. Project Description

This request is for a total of \$25 million in state bond funding to re-envision and completely rebuild Nicollet Mall while redefining the Mall's role in supporting the next generation of Downtown Minneapolis' economic growth and vibrancy for the health of the city and state.

Redesigned and rebuilt in the late 1980s, the Nicollet Mall's design and use needs to be reinvented to meet the changing needs of a more internationally attuned business market. After 20+ years of high traffic use, the aging infrastructure is at the end of its useful life, with ongoing maintenance and repairs accelerating beyond prudent investment capacity. Now is the time to update the vision and materials for this major piece of unique public infrastructure to ensure the economic vibrancy of Downtown Minneapolis for the next generation.

The public and private sector have partnered on this key pedestrian connection since the early 1960s when the Nicollet Mall was created via statute. The public and private sectors both contributed to the original Mall as well as its full reconstruction in 1989. In keeping with this history, it is now time for both sectors to again partner in rejuvenating this key regional asset.

III. Project Financing

The City of Minneapolis, in partnership with the business community and the Downtown Council, requests \$25.0 million in state bonding to completely reconstruct Nicollet Mall. State funding will leverage up to \$25 million in private and public investment through the self-assessments of the downtown businesses that will benefit substantially from a redesigned Mall.

City budget impact:

The project would have a positive budget impact by improving a vital spine that draws economic activity to the region thereby increasing property values and driving economic growth in sales tax, payroll tax and property tax for the City of Minneapolis, Hennepin County and the State.

Additionally, the current Nicollet Mall infrastructure has aged beyond its useful life and is requiring repairs that are growing exponentially. This redesign will enable repair decisions to be made within the context of long term solutions and ultimately sets a course for replacement of the infrastructure that will enable annual maintenance and repair investments to be sustainable. The annual maintenance and repair of this street has been, and will continue to be, achieved through special assessment funds invested by the business community.

The project has available use of matching funds:

Yes. In addition to the funding match described above, the public and private sectors have committed to contribute in-kind staffing and resources to complete the planning.

The project has opportunities for joint planning and funding with others:

Yes, the City of Minneapolis will work closely with both public and private groups, including the Minneapolis Downtown Improvement District, Minneapolis Downtown Council, Minneapolis BOMA, Metro Transit, and downtown neighborhood groups on planning the Nicollet Mall and identifying funding streams for implementation of the plan.

The project integrates infrastructure and deployment planning:

Yes.

The Project contributes to City Goals:

The project maintains infrastructure, integrates infrastructure with economic development opportunities, connects and builds communities, assists with multi-modal transportation goals, is an asset enjoyed by many people, and achieves an eco-friendly, greener City.

The project serves a state or regional purpose:

The Nicollet Mall is a primary asset to hundreds of businesses such as US Bank, Wells Fargo, Ameriprise Financial, Target, Macy's, Fallon Worldwide, Carmichael Lynch, Campbell Mithun, RBC Dain, and Piper Jaffray who identify the downtown public realm experience, and Nicollet Mall in particular, as central to recruiting top businesses and talent to Minnesota. As such, the Nicollet Mall anchors the economic engine of the region and state. A vibrant Nicollet Mall is a key factor in a stable (and growing) base of property, payroll, and sales taxes. Over 150,000 jobs in downtown are performed by residents from every county in the region who all likely experience the Nicollet Mall during the course of their work day. Further, Nicollet Mall is the primary green pedestrian spine connecting to the Mississippi River, the only National Park in downtown. Nicollet Mall is a recognizable name for everyone in the state, so much so that corporate interests seek to locate on or near the Nicollet Mall because it means something to their corporate branding.

The project can be begun quickly:

Yes. The City and Minneapolis DID are currently identifying four finalist design teams to compete in a Design Competition in 2013 with the intention of entering concept and schematic design in 2014 and completing construction in 2015-16.

The project does not require a state contribution for operation:

The Nicollet Mall will continue to be owned by the City of Minneapolis and maintained by a special services district (e.g., Minneapolis DID) and will not require any state contribution for operations.

The project will provide jobs both for construction and ongoing.

This planning project will employ a variety of skilled and technical consultants including architects and engineers, surveyors, financial analysts, etc. Implementation of the plans developed by this project will lead to a major rehabilitation that is anticipated to employ skilled and unskilled labor during construction as well as consulting engineers for design & bid documents preparation. Labor will include, but not be limited to carpenters, concrete and/or tile trades, landscapers, electricians, heavy equipment operators, truck drivers, laborers, and public artists.

35W North & South Storm Tunnel Asset Preservation

I. Project Basics

Requesting Government Subdivision:	City of Minneapolis
Project Title:	35W North and South Tunnel Asset Preservation
Project Location:	North: Deep storm tunnel located in the Interstate 35W corridor between Johnson Street and the Mississippi River, Minneapolis, Hennepin County.
Facility Owner:	Minnesota Department of Transportation
Facility Operator	City of Minneapolis
Project Contact Person	Kevin Danen, Principal Professional Engineer City of Minneapolis (612) 673-5627 Kevin.Danen@minneapolismn.gov Melissa Lesch Senior Government Relations Representative City of Minneapolis (612) 673-2328 Melissa.Lesch@minneapolismn.gov

II. Project Description

This request is for a total of \$4.5 million in state bond funding to design and perform asset preservation type of construction methods (rehabilitation/major maintenance) of the Interstate 35W North and South Storm Tunnel System. The storm tunnel system provides drainage for the Interstate right of way as well as portions of northeast and southwest Minneapolis. This project was determined based on identified need in a recently completed condition assessment report as well as the continued need to disconnect the storm water system from the sanitary system to reduce the likelihood of combined sewer overflows into the Mississippi River. These disconnections place additional flow into a storm water facility that is in need of repair. There are large voids, cracking, and groundwater infiltration that have appeared over time. The condition needs to be managed before it becomes a safety issue.

III. Project Financing

City budget impact:

The City budget would be positively impacted because state bonding funds would reduce the dollar amount the City would need to spend on this project.

The project has available use of matching funds:

No.

The project has opportunities for joint planning and funding with others:

MnDOT is funding the design work for both the north and south segments of the project.

The project integrates infrastructure and deployment planning:

Yes.

The Project contributes to City Goals:

This project is directly connected to the city goal of “A City that Works” and the strategic direction of “Infrastructure - streets, bridges, sidewalks, sewers, bike lanes & paths — well-managed and maintained.”

The project serves a state or regional purpose:

The 35W Storm Tunnel Systems are critical pieces of infrastructure that manage storm water during rain events to ensure safe travel on Interstate 35W through the City of Minneapolis.

The project can be begun quickly:

For the 35W North tunnel, the design will be completed 2014 to 2015. Construction will begin in 2015 and will be completed in 2016.

The project does not require a state contribution for operation:

No.

The project will provide jobs both for construction and ongoing:

Yes.

Pioneers and Soldiers Cemetery

I. Project Basics

Requesting Government Subdivision:	City of Minneapolis
Project Title:	Pioneers and Soldiers Fence Restoration Project
Project Location:	2925 Cedar Avenue South, Minneapolis, Hennepin County
Facility Owner:	City of Minneapolis
Facility Operator	City of Minneapolis
Project Contact Person	Aaron Hanauer Senior City Planner City of Minneapolis (612) 673-2494 Aaron.Hanauer@minneapolismn.gov Melissa Lesch Senior Government Relations Representative City of Minneapolis (612) 673-2328 Melissa.Lesch@minneapolismn.gov

II. Project Description

The City of Minneapolis is requesting \$1.9 million to help complete the \$3.32 million fence restoration project that will help protect the public face of this landmark significant to the State of Minnesota. To date, \$1 million has been secured, including a \$500,000 commitment by the City of Minneapolis and \$38,800 raised by the nonprofit organization, Friends of the Cemetery.

There are three parts to the project:

- Completely restore the 1,953 linear foot historic steel and limestone pillar fence that lines Pioneers and Soldiers Cemetery on Cedar Avenue and Lake Street;
- Install a new fence along 21st Avenue South to compliment the Cedar Avenue and Lake Street fence (currently there is a chain link fence);
- Install a water proofing system at the top of the historic limestone pillars to help protect the fence and pillars.

Pioneers and Soldiers, originally known as Layman’s Cemetery, was established in 1853. It is the oldest surviving cemetery in Minneapolis, the final resting place for over 20,000 individuals, and one of the few surviving features from the city’s first period of settlement. This local Minneapolis landmark is also the only cemetery in Minnesota listed as an individual landmark on the National Register of Historic Places.

Pioneers and Soldiers Cemetery is significant for its role in the social history of Minneapolis. The cemetery is ethnically diverse and contains a cross section of early Minneapolitans whose efforts contributed to the early development. In addition, the Cemetery contains the graves of soldiers from the War of 1812, Civil War, and Spanish-American War.

III. Project Financing

City budget impact:

The City budget would be positively impacted because state bonding funds would reduce the dollar amount the City would need to spend on this project.

The project has available use of matching funds:

Yes.

The project has opportunities for joint planning and funding with others:

Friends of the Cemetery, a nonprofit organization dedicated to the preservation of Pioneers and Soldiers Cemetery to seek funding and maintain the space. To date, Friends of the Cemetery has raised \$38,000 from hundreds of private donations. Additional, the organization provides volunteers to assist in maintenance, gardening, providing tours, and helps families (and others) find the plots of those buried there and they help reset markers that have fallen.

The project integrates infrastructure and deployment planning:

Yes.

The Project contributes to City Goals:

This project is directly connected to the city goal of “A City that Works” and the strategic direction of “Infrastructure - streets, bridges, sidewalks, sewers, bike lanes & paths — well-managed and maintained.”

The project serves a state or regional purpose:

Pioneers and Soldiers Cemetery, established in 1853, is the only cemetery in Minnesota listed as an individual landmark on the National Register of Historic Places. This

cemetery, which is non-sectarian and ethnically diverse, predates Minnesota statehood (1858) and is the oldest surviving cemetery in Minneapolis. In May 1927, the Minneapolis City Council voted to purchase the cemetery due to the poor conditions under private ownership, implement improvements, and rename it Minneapolis Pioneers and Soldiers Memorial Cemetery to commemorate the pioneers and soldiers buried here. As part of the commemoration an ornate steel and limestone pillar fence was built along Cedar Avenue and Lake Street. Today, the 83-year old fence is in need of substantial repair.

The project can be begun quickly:

If fully funded construction can start as early as January, 2014. The project can be completed within 12 months (January, 2015).

The project does not require a state contribution for operation:

No.

The project will provide jobs both for construction and ongoing:

Yes.

**RESOLUTION
OF THE
CITY OF MINNEAPOLIS**

By Council Member Glidden

Approving and ranking the 2014 Capital Budget requests and submitting requests to the Commissioner of Minnesota Management and Budget.

Resolved by the City Council of the City of Minneapolis:

That the following capital investment projects are submitted to the Minnesota Management and Budget office and that the projects are prioritized as follows:

1. Nicollet Mall
2. 35W South and 35W North Storm Tunnel Preservation Projects
3. Pioneers and Soldiers Cemetery Fence Restoration

Resolve that the City supports these bonding projects for the 2014 legislative session.

Be it further Resolved that Minneapolis Intergovernmental Relations Department staff is directed to properly file these requests for funding with the Minnesota Management and Budget office.