



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

**Date:** November 7, 2013

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

**Subject:** **Alley Construction Assessment Policy and 2014 Uniform Assessment Rate**

### Recommendation:

- A. Adopt a policy to assess construction and reconstruction of alleys against all benefiting property owners, using an annual uniform alley construction rate equaling 25% of an estimated cost to reconstruct an average alley, with all costs above that to be paid for with Net Debt Bonds or other local sources.
- B. Amend the Unpaved Residential Alley Paving Program to reflect the new policy.
- C. Establish the 2014 Alley Construction Rate at \$0.26/sq. ft.

### Previous Directives:

- February 20, 2009 - Council adopted the Final Report and Recommendation for Paving of Minneapolis residential Unpaved Alleys.

### Department Information:

Prepared by: Robert Carlson, P.E., Principal Professional Engineer 673-3614

Approved by: \_\_\_\_\_

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

Presenters in Committee: Don Elwood

### Financial Impact

- No impact for 2014

## **Supporting Information**

### Background

Because the vast majority of the alleys were paved prior to 1960, many have reached the point in their life cycle where preservation strategies such as resurfacing are no longer viable, and the only option is to reconstruct them. The cost of alley construction and reconstruction has historically been recovered by assessing 100% of the cost to abutting property owners, which was typical of other locally funded projects when that practice originated. Beginning with the Residential Paving Program, the City Council has funded residential street paving with 25% property assessments with the remainder of project costs paid through Net Debt Bonds and other sources.

Public Works is currently implementing the Council-approved program to pave the alleys identified in the 2009 *Final Report and Recommendation for Paving of Minneapolis Residential Unpaved Alleys*. That report adopted the recommendation to continue the historical practice of assessing alley construction at 100%.

After further discussion with policymakers, Public Works has revisited the conclusions made in the 2009 report and recommends adjusting the assessment policy for alley construction. Staff recognizes that assessing reconstructions at the historical rate of 100% would place a significant financial burden on property owners and potentially result in fewer successful reconstruction projects. Additionally, aligning the assessment policy for alleys with our policy for streets provides consistency for residents.

### Recommended Policy Change

Public Works recommends adoption of a policy to assess construction and reconstruction of alleys against all benefiting property owners using an annual uniform alley construction rate equaling 25% of an estimated cost to reconstruct an average alley, with all costs above that to be paid for with Net Debt Bonds or other local sources. Staff further recommends that the approved program be amended to reflect the policy change.

In accordance with the above, Public Works has calculated and recommends a uniform assessment rate of \$0.26/sq. ft. for alley construction in 2014.