



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

Date: April 29, 2014

To: Honorable Kevin Reich, Chair Transportation and Public Works Committee

Referral to: Honorable John Quincy, Chair Ways and Means Committee

Subject: **4th St Ramp / I35W On Ramp and Auxiliary Lane Project, Amendment to Cooperative Agreement with Hennepin County and Capital Appropriation Adjustment.**

Recommendation:

- A. Authorize the proper City officials to execute Amendment No. 1 to the Cooperative Agreement with Hennepin County to increase the City's cost share by \$860,000. The City's total cost share is \$2,960,000.
- B. Amend resolution 2013R-082 and 2011R-512 that appropriated funds for 4th St/I35W On Ramp project, and authorize the proper City officials to adjust capital appropriations by increasing the appropriation for 04100-9010937-CPV077 by \$860,000 from 04100 Permanent Improvement Fund Balance.
- C. Direct Public Works and Finance staff to identify, through the normal 2014 project close-out process anticipated to take place in October 2014, a revenue source for the 4th St/I35W On Ramp project to restore the Permanent Improvement Fund 04100 advance. It is anticipated that bond proceeds from projects being closed will be sufficient to address this advance.
- D. Pass a resolution declaring the City's intent to pay for the expenditures with tax-exempt bond proceeds.

Previous Directives:

February 12, 2013: Passage of Resolution closing capital projects and reallocating excess resources of \$100,000 to the 4th Street / I-35W On-Ramp project.

November 18, 2011: Passage of Resolution approving the 4th Street / I-35W On-Ramp and Auxiliary Lane project layout submitted by Hennepin County

October 21, 2011: Set a Municipal Consent public hearing to be held on November 15, 2011 to receive public comment on the proposed construction of a new access to northbound I-35W from 4th St S and adding an auxiliary lane north of 4th St SE to the Johnson St exit.

September 27, 2011: a) Authorize negotiation and execution of a Cooperative Agreement with Hennepin County for the City to participate in the project, including cost sharing; and b) Passage of Resolution decreasing appropriation for the University Research Park Project from Municipal State Aid (MSA) Funds, allocating unappropriated excess MSA funds available due to adjusted appropriations from closed projects, and Increasing the project appropriation by \$2,000,000.

Department Information

Prepared by: Steve Kotke, City Engineer and Director Public Works

Approved by:

Presenters in Committee: Steve Kotke, City Engineer & Public Works Director

Reviews

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

Financial Impact *(delete all lines not applicable to your request)*

- Action requires an appropriation increase to the Capital Budget
Dept Name: Public Works
Fund Name: 04100 Permanent Improvement Fund
Project Name & Number (if capital budget): 4th St/I35W On Ramp- CPV077
Amount: \$ 860,000
- Action provides increased revenue for appropriation increase
Dept Name: Public Works
Fund Name: 04100 Permanent Improvement Fund
Project Name & Number (if capital budget): 4th St/I35W On Ramp- CPV077
Amount: \$ 860,000
- Action is within the Business Plan
- Request provided to the Finance Department

Community Impact

- Great Places: Natural and built spaces work together and our environment is protected. We manage and improve the city's infrastructure for current and future needs.

Supporting Information

MNDOT, Hennepin County, and the City of Minneapolis are cooperating on a project to build a new entrance ramp to northbound Interstate 35W at Fourth Street South and an auxiliary lane on northbound 35W from University Ave SE to Stinson Boulevard. The project will reduce congestion and create a more direct route from downtown Minneapolis to northbound I-35W. Hennepin County and MnDOT are the joint projects leads, with support from the City of Minneapolis.

The initial total project cost estimate was \$16.4 million. The recent construction bids received were about \$5 million higher than initially estimated. To adequately fund this project the agencies will absorb the additional costs as follows: MNDOT: \$3 million, Hennepin County: \$1.5 million, City of Minneapolis: \$860,000. The City of Minneapolis portion will be paid with an advance from Fund 04100. It is anticipated that bond proceeds from projects being closed will be sufficient to address this advance. The City hereby declares its intent to cover the expenditures with tax exempt bond proceeds.

The demand to access northbound 1-35W from Downtown Minneapolis exceeds the capacity of existing direct and indirect routes (Washington Avenue, and Hennepin or 3rd Ave Bridge to University/4th St, respectively.) This is especially evident during afternoon peak periods when Washington Ave is routinely congested several blocks back from the left turn access to 35W north.

The ramp will enter mainline I-35W into an auxiliary lane by reducing the Trunk Highway 55 entrance to northbound I-35W from two lanes to one. The project also includes adding an auxiliary lane north of 4th St SE to the Johnson Street Exit and noise walls.

Attached: Map

Cc: Jack Qvale, Board of Estimate and Taxation

RESOLUTION 2014R-XXX

By Reich and Quincy

Declaring the City's intent to pay for the 4th St / I35W On Ramp and Auxiliary Lane Project with tax exempt bond proceeds.

Resolved by the City Council of the City of Minneapolis:

That pursuant to IRS Treasury Regulations Section 1.150-2, the City of Minneapolis hereby declares it's official intent to reimburse all expenditures not paid for by grant funds or special assessments, initially estimated at \$860,000, related to the 4th St / I35W On Ramp and Auxiliary Lane Project from the proceeds of tax exempt debt of the City. The reasonably expected source of funds to pay such original expenditures and to pay debt service on the tax exempt debt issued by the City consists of ad valorem property taxes.