



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

Date: October 21, 2014

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

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

Subject: **Continuation of the Project Approval and Assessment Public Hearing for LaSalle Ave (12th St S to 8th St S) Reconstruction Project No 2227, CPV069**

Recommendation:

- A. Pass a Resolution ordering the City Engineer to proceed and do the work and adopt special assessments in the amount of \$553,704.13 for the LaSalle Avenue Street Reconstruction.
- B. Pass a Resolution requesting the Board of Estimate and Taxation to issue and sell assessment bonds in the amount of \$553,700 for the LaSalle Ave Street Reconstruction Project with the bonds to be paid from special assessments.

These Resolutions may be authorized for summary publication.

Previous Directives:

- September 19, 2014- City Council approval of Reconstruction Layout
- May 23, 2014- City Council Resolution 2014R-243, Order abandonment of Areaways LaSalle Ave (Grant St to 8th St S)
- May 23, 2014- City Council Resolution 2014R-242, Requesting issue and sale of assessment bonds LaSalle Ave (Grant St to 12th St S)
- May 23, 2014- City Council Resolution 2014R-241, Order work to proceed and adopt special assessments LaSalle Ave (Grant St to 12th St S)
- March 28, 2014- City Council Resolution 2014R-104, Project Designation-Resurfacing LaSalle Ave (Grant St to 12th St S)
- March 28, 2014- City Council Resolution 2014R-103, Project Designation-Reconstruction LaSalle Ave (12th St S to 8th St S)
- March 28, 2014- Set Public Hearing for the abandonment and removal of areaways in conflict with the reconstruction project

Department Information:

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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

- Special Assessments to Benefitted Properties

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: A hub of economic activity and innovation, great places, and a city that works.
- Comprehensive Plan: Consistent

Supporting Information

Reconstruction

Scope

The proposed project consists of reconstructing LaSalle Avenue between 12th St S and 8th St S., LaSalle Avenue S at this location is a Municipal State Aid Roadway (MSA) 159. The project will include new pavement, curb, gutter, sidewalks, 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 have begun to upgrade their infrastructure along the LaSalle Avenue corridor. This work has impacts on traffic flow and access. Public Works will continue to coordinate with the utilities to minimize the impacts to the adjacent properties and roadway users.

The Public Hearing for this project was opened on May 13, 2014 and continued to July 8, 2014 and again until October 21, 2014 in order to finalize the project layout. The project layout was approved at the September 9th, 2014 Transportation and Public Works committee meeting.

Schedule and Cost Estimate

The project is planned to be constructed in the 2015 construction season. The project cost estimate is \$4,600,000 for the reconstruction section of LaSalle Ave.

Street Reconstruction Project Assessments

The proposed street reconstruction special assessments were determined by applying the 2014 Uniform Assessment Rates to the land area of benefitted 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.

Resurfacing

Scope

LaSalle Avenue has been resurfaced between Grant Street and 12th Street South. LaSalle Avenue S at this location is a Municipal State Aid Roadway (MSA 159). The project included 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 was constructed in the late 2014 construction season. The project cost estimate for the resurfacing portion of the project is \$200,000.

The Public Hearing for this portion of the project was held May 13, 2014. This portion of the project was approved at that time.

LaSalle Project Funding

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 match the actual assessment amount)
- \$505,000 in stormwater revenue

Attachment 1 – Project Map

cc: CM Goodman, Ward 7

Jack Qvale, Secretary, Board of Estimate and Taxation

T&PW and W&M/Budget – Your Committees recommend passage and summary publication of the accompanying Resolutions:

1. Ordering the work to proceed and adopting the special assessments for the LaSalle Ave Reconstruction Project, Special Improvement of Existing Street No 2227.
2. Requesting the Board of Estimate and Taxation to issue and sell assessment bonds in the amount of \$553,700 for the project.

Reich

LaSalle Avenue Reconstruction Project, Special Improvement of Existing Street No 2227

Ordering the work to proceed and adopting the special assessments for the LaSalle Ave Reconstruction Project

Whereas, a public hearing was held beginning on May 13, 2014 and concluding on October 21, 2014, in accordance with Chapter 10, Section 8 of the Minneapolis City Charter and Section 24.180 of the Minneapolis Code of Ordinances to consider the proposed improvements as designated in Resolution 2014R-104 passed March 28, 2014, to consider the proposed 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 2014R-104 passed March 28, 2014.

Be It Further Resolved that the proposed special assessments in the total amount of \$553,704.13 as on file in the office of the City Clerk be and hereby are adopted and assessed against the benefited properties.

Be It Further Resolved that the number of successive equal annual principal installments by which the special assessments of more than \$150 may be paid shall be fixed at twenty (20) and that the interest be charged at the same rate as the City pays in interest for selling assessment bonds with collection of the special assessments to begin on the 2016 real estate tax statements.

Be It Further Resolved that the number of installments by which the special assessment of \$150 or less may be paid shall be fixed at one (1) and that interest be charged at the same rate as the City pays in interest for selling assessment bonds with collection of the special assessments to begin on the 2016 real estate tax statements.

Reich and Quincy

Requesting the Board of Estimate and Taxation to authorize the City's issuance and sale of assessment bonds in the amount of \$553,700 for the project.

Resolved by the City Council of 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 street improvements in the LaSalle Avenue Reconstruction Project, Special Improvement of Existing Street No 2227, 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.

