



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

**Date:** January 20, 2015

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

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

**Subject:** **Project Approval and Assessment Public Hearings for 24<sup>th</sup> St E & Snelling Av Reconstruction Project No 2298 and Amend Resolution No 2014R-511 by deleting the Street Lighting portion of the 24<sup>th</sup> St E & Snelling Av Reconstruction Project**

### Recommendation:

- A. Pass a Resolution ordering the City Engineer to proceed and do the work and adopt special assessments in the amount of \$552,648.20 for the 24<sup>th</sup> St E & Snelling Av Reconstruction Project No 2298.
- B. Rescind Resolution 2014R- 512 and accompanying committee report, passed December 5, 2014 for the 24<sup>th</sup> St E and Snelling Av Street Lighting Project, due to sufficient properties petitioning out of the project.
- C. Pass a Resolution requesting the Board of Estimate and Taxation to authorize the City to issue and sell assessment bonds in the amount of \$552,650 for the 24<sup>th</sup> St E and Snelling Av Reconstruction Project with the bonds to be paid from special assessments.
- D. Pass a resolution ordering the City Engineer to abandon and remove the areaways located in the public right-of-way that are in conflict with the 24<sup>th</sup> St E and Snelling Av Reconstruction Project.

These Resolutions may be authorized for summary publication.

### Previous Directives:

January 25, 2013 - accepted \$1,100,000 in LCDA grant funds for street improvements

December 5, 2014 – appropriate capital funds, designate for street and street lighting improvement and set public hearings.

### Department Information:

Prepared by: Suzette Hjernstad, Supervisor, PW Special Assessment Office 673-2401  
Robert Carlson, P.E., 673-3614

Approved by: \_\_\_\_\_  
Steven A. Kotke, P.E., Director of Public Works

Presenters in Committee: Suzette Hjernstad, Supervisor, PW Special Assessment Office

## **Financial Impact**

- Special assessments against benefitted properties.

## **Community Impact**

- Neighborhood- Notification: Stakeholder meetings began in 2013. A pre-assessment public meeting was held January 13, 2015 to address questions regarding assessments and the project in general.
- City Goals – A hub of economic activity and innovation: Businesses, big and small, start, move stay and grow here.

## **Supporting Information**

### Background

On December 5, 2014, the City Council designated the locations and streets and improvements proposed to be made in the 24<sup>th</sup> St E and Snelling Av area. The cost estimate for this project is \$1,515,000. This is a joint project with CPED and Public Works. The street reconstruction and street lighting project was initiated to support the development in the area. The Metropolitan Council LCDA Grant application was submitted by CPED and awarded and accepted by the City. As noted above, more than 51% of the abutting properties have petitioned out the street lighting portion of the project.

### Scope

The project limits are 24<sup>th</sup> St E from Minnehaha Ave to the dead end westerly of Snelling Ave. and Snelling Ave from 24<sup>th</sup> St E northerly approximately 580 feet. The project will include new pavement, curb, gutter, sidewalks, storm drain with infiltration features, signing, striping and related items.

### Schedule and Funding

The project is scheduled for construction to start in 2015 with completion by Fall of 2015. The project will be constructed by private contractor. The project will be funded by \$1,100,000 of LCDA grant funds and \$552,648.20 in special assessments.

### Street Reconstruction Assessments

The proposed street reconstruction special assessments were determined by applying the 2015 Uniform Assessment Rates to the land area of benefitted parcels located within the street influence zone along the improved streets. The 2015 reconstruction assessment rates are as follows:

\$2.46/sq ft – Non-Residential

\$0.82/sq ft - Residential

The proposed total assessment amount for the 24<sup>th</sup> St. E & Snelling Av Reconstruction Project is \$552,648.20. Individual assessments over \$150 beginning on 2016 real estate tax statements and assessments of \$150 or less would be collected in their entirety on 2016 real estate tax statements, with interest charged at the rate determined by the City Council for the appropriate assessment collection period.

Information has been provided in the notices as to how property owners may prepay the special assessments in full without interest if they so choose.

City Council has passed resolutions whereby a deferment of special assessments may be obtained by showing hardship for any homestead property owned by a person 65 years of age or older or retired by virtue of a permanent and total disability.

## Abandonment and Removal of Conflicting Areaways

Section 95.90 of the Minneapolis Code of Ordinances provides a procedure for dealing with areaway encroachments that would interfere with public improvements being made in the public right-of-way such as street construction. Before the City may abandon and remove conflicting areaways (upon the failure of the abutting property owner to resolve or agree to resolve the conflict) and then later assess the costs, a public hearing must be held. It is our recommendation that this areaway public hearing be held in conjunction with the 24<sup>th</sup> St. E & Snelling Av Reconstruction Project Approval and Public Hearing. Prior to the areaway public hearing notices being given, the City Engineer will have provided the initial notice required in Section 95.90 of the Minneapolis Code of Ordinances.

Attachments: Project Map

cc: Council Member Cam Gordon, Ward 2  
Council Member Abdi Warsame, Ward 6  
Rebecca Law, Finance & Property Services  
David Frank, CPED  
Jack Qvale, Secretary, Board of Estimate and Taxation  
Mike Abeln, Director, Capital & Debt Management  
Sandy Christensen, Deputy Finance Officer

**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 24<sup>th</sup> St E and Snelling Av Street Reconstruction Project, Special Improvement of Existing Street No 2298.
2. Requesting the Board of Estimate and Taxation to authorize and sell City of Minneapolis bonds for the purpose of paying the assessed cost of street improvements in the 24<sup>th</sup> St E and Snelling Av Project.

**Reich**

**24<sup>th</sup> St E and Snelling Av Street Reconstruction Project,  
Special Improvement of Existing Street No 2298**

**Ordering the work to proceed and adopting the special assessments for the  
24<sup>th</sup> St E and Snelling Av Street Reconstruction Project.**

Whereas, a public hearing was held on January 20, 2015 in accordance with Article IX, Section 9.6 (c) 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-511 passed December 5, 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-511 passed December 5, 2014.

Be It Further Resolved that the proposed special assessments in the total amount of \$552,648.20 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 rate determined by the City Council for assessments collected over the aforementioned time period 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 rate determined by the City Council for assessments collected over the aforementioned time period 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 authorize the City to issue and sell City of Minneapolis bonds in the amount of \$552,650 for certain purposes other than the purchase of public utilities.**

Resolved by the City Council of the City of Minneapolis:

That the Board of Estimate and Taxation be requested to authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds for the purpose of paying the assessed cost of street improvements in the 24<sup>th</sup> St E and Snelling Av Street Reconstruction Project, Special Improvement of Existing Street No 2298, 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.

**T&PW** – Your Committee recommends passage and summary publication of the accompanying Resolution ordering the City Engineer to abandon and remove the areaways located in the public street r/w that are in conflict with the street reconstruction in the 24<sup>th</sup> St E and Snelling Av Street Reconstruction Project area.

## Reich

**Ordering the City Engineer to abandon and remove the areaways located in the public street r/w that is in conflict with the street reconstruction project in the 24<sup>th</sup> St E and Snelling Av Street Reconstruction Project area.**

Whereas, the City of Minneapolis has scheduled the reconstruction and street lighting improvements starting in 2015 in the 24<sup>th</sup> St E and Snelling Av project area of Minneapolis; and

Whereas, there are areaways located in the public street r/w that are in conflict with said reconstruction; and

Whereas, a public hearing was held on January 20, 2015 in accordance with Article IX, Section 9.6 (c) of the Minneapolis City Charter and Sections 24.180 and 95.90 of the Minneapolis Code of Ordinances to consider the proposed abandonment and removal of the above mentioned areaways and to consider all written and oral objections and statements regarding the proposed areaway abandonment and removal;

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

That the City Engineer is hereby ordered and directed to abandon and remove the conflicting areaways located in the public street r/w adjoining the properties along both sides of Snelling Av from 24<sup>th</sup> St E northerly approximately 580 feet and 24<sup>th</sup> St E from Minnehaha Ave to the dead end westerly of Snelling Av.