



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

Date: February 17, 2015

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

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

Subject: **Public Hearing: 2015 Resurfacing Program – Penn, Penn E and McKinley areas, Girard and Humboldt Avs N**

Recommendation:

- A. Pass a Resolution ordering the City Engineer to proceed and do the work and adopt special assessments in the amount of \$2,381,933.91 for the Penn, Penn E and McKinley areas, Girard and Humboldt Avs N, Project No 5272 Street Resurfacing project.
- B. Pass a Resolution requesting the Board of Estimate and Taxation to authorize the City to issue and sell assessment bonds in the amount of \$2,381,935 for the Penn, Penn E and McKinley areas, Girard and Humboldt Avs N Street Resurfacing project with the bonds to be paid from special assessments.

Previous Directives:

- January 16, 2015 - Council resolution 2015R-008 designating the locations and streets to be improved.
- December 5, 2014 - Council resolution 2014R-503 establishing the 2015 Uniform Assessment Rates.

Department Information:

Prepared by: Suzette Hjerstad, Supervisor, PW Special Assessment Office 643-2401
Michael D. Kennedy, P.E. Director, Transportation, Maintenance & Repair

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

Presenter in Committee: Michael D. Kennedy, P.E. Director, Transportation, Maintenance & Repair

Financial Impact

Special assessments against benefited properties.

Community Impact

Neighborhood Notification: Public hearing notices mailed to benefited property owners January 30th, 2015.

Neighborhood Meetings: Pre-public hearing meeting held on February 10, 2015.
City Goals: Great Places: Natural and built spaces work together and our environment is protected.

Supporting Information

Background

On January 16, 2015, the City Council designated the locations, streets and improvements proposed to be made in the Penn, Penn E and McKinley areas, Girard and Humboldt Aves N neighborhoods. The cost estimate for this project is \$3,170,078 and is financed by net debt bonds and special assessments (for finance purposes identified as CPV1556PENHUM).

The locations of the streets that are included in the Penn, Penn E and McKinley areas, Girard and Humboldt Aves N area resurfacing project are described as:

- Penn, Penn E and McKinley areas are bounded by Dowling Av N on the north, Lyndale Av N on the east, Lowry Av N on the south and Penn Av N on the west. The streets in these areas are local city streets and were last paved in 1978 and 1981. Note that the streets that are identified as part of the proposed North Minneapolis Greenway, as shown on the attached map, are excluded from this project, will not be resurfaced, and the respected parcels will not be subject to assessments for this Street Resurfacing Project No 5272. The cost estimates and recommendations reflect this.
- Girard and Humboldt Aves N are from 26th Av N to Lowry Av N in addition to what is included in the Penn E area. Girard and Humboldt Aves N at this location are local city streets and were last paved in 1969.

The street resurfacing would be a mill and overlay of the street surface with plant mix asphalt and other paving related improvements as needed. This paving project is scheduled to begin in spring 2015 and will be constructed by the City's workforce.

At the neighborhood pre-public hearing meeting on February 10th, a few property owners on the 3700 block of Oliver Av N asked why their block was included in the street resurfacing project when it had been reconstructed in 2011.

On further review, Public Works determined that the street reconstruction on Oliver Av N was necessitated by a flood area/storm sewer project (600D 4350) known as the 37th Av N greenway. Oliver Av N was reconstructed from 37th Av N to the properties addressed at 3738/3739 Oliver Av N (approximately 400 feet north from the 37th Av N north right-of-way line).

Public Works staff recommends this part of Oliver Av N be removed from the Penn, Penn E, McKinley area street resurfacing project and the proposed assessments for those properties abutting the reconstructed street, be removed from the proposed special assessment roll. These property owners will not be assessed for this project. This will reduce the total proposed assessments by \$18,925.90 from \$2,400,859.81 to \$2,381,933.91. The remaining segment of Oliver Av N to Dowling Av N will be resurfaced.

Special Assessments

The street resurfacing special assessments were determined by applying the 2015 Uniform Assessment Rates to the land area of benefited parcels located within the street influence zone along the improved streets. The approved 2015 resurfacing rates are:

\$0.62/sq. ft. – Non-Residential

\$0.21/sq. ft. – Residential

The proposed reduced total assessment amount is \$2,381,933.91 for the Penn, Penn E and McKinley areas, Girard and Humboldt Avs N project. Individual assessments of more than \$150 would be collected over 5 years beginning on the 2016 real estate tax statements and assessments of \$150 or less would be collected in their entirety on the 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 persons 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.

Attachment – Map

cc: Council Member Barbara Johnson, Ward 4
Council Member Blong Yang, Ward 5
Jack Qvale, Secretary, Board of Estimate and Taxation
Mike Abeln, Director of Capital & Debt Management

Sandy Christensen, Deputy Finance Officer

T&PW – Your Committee recommends passage and summary publication of the accompanying Resolutions:

1. Ordering the work to proceed and adopting the special assessments for the 2015 Resurfacing Program, Penn, Penn E and McKinley areas, Girard and Humboldt Avs N Street Resurfacing Project, Special Improvement of Existing Street No. 5272.

2. Requesting the Board of Estimate and Taxation to authorize the City to issue and sell City of Minneapolis bonds for the purpose of paying the assessed cost of street improvements in the Penn, Penn E and McKinley areas, Girard and Humboldt Avs N Street Resurfacing Project.

Reich

2015 STREET RESURFACING PROGRAM

**PENN, PENN E AND MCKINLEY RESIDENTIAL AREAS
GIRARD AV N AND HUMBOLDT AV N STREET RESURFACING PROJECT
SPECIAL IMPROVEMENT OF EXISTING STREET NO 5272**

Ordering the work to proceed and adopting the special assessments for the Penn, Penn E and McKinley residential areas and Girard and Humboldt Aves N Street Resurfacing Project.

Whereas, a public hearing was held on February 17, 2015 in accordance with Article IX, Section 9.6 (c) of the Minneapolis City Charter and Section 24.110 of the Minneapolis Code of Ordinances to consider the proposed improvements as designated in Resolution 2015R-008, passed January 16, 2015 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 2015R-008, passed January 16, 2015.

Be It Further Resolved that Oliver Av N from 37th Ave N north right-of-way, north approximately 400 feet be removed from the Penn, Penn E, McKinley area Resurfacing Project.

Be It Further Resolved that the properties addressed 3700 to 3739 Oliver Av N be removed from the proposed assessment roll for said street resurfacing project.

Be It Further Resolved that the proposed special assessments in the total amount of \$2,400,859.81 be reduced by \$18,925.90 to \$2,381,933.91 due to the removal of above said properties for the Penn, Penn E and McKinley areas and Girard and Humboldt Aves N Street Resurfacing Project No 5272 as on file in the office of the City Clerk 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 five (5) 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 assessments of \$150 or less may be paid shall be fixed at one (1) 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 be on the 2016 real estate tax statements.

Reich and Quincy

Requesting the Board of Estimate and Taxation to authorize the City to issue and sell City of Minneapolis bonds in the amount of \$2,381,935 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 costs of street improvements in the Penn, Penn E and McKinley areas and Girard and Humboldt Aves N Street Resurfacing Project, Special Improvement of Existing Street No 5272, to be assessed against benefited properties as estimated by the City Council, which assessments shall be collected in five (5) successive annual installments, payable in the same manner as real estate taxes.