



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

**Date:** May 5, 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 – 26<sup>th</sup> St E & 28<sup>th</sup> St E**

### Recommendation:

- A. Pass a Resolution ordering the City Engineer to proceed and do the work and adopt special assessments in the amount of \$671,170.32 for the 26<sup>th</sup> St E and 28<sup>th</sup> St E Project No 5277 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 \$671,175 for the 26<sup>th</sup> St E and 28<sup>th</sup> St E Street Resurfacing project with the bonds to be paid from special assessments.

### Previous Directives:

- April 3, 2015 - Council resolution 2015R-147 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 Hjermsstad, 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 April 17, 2015.

Neighborhood Meetings: Pre-public hearing meeting held on April 28, 2015.

City Goals: Great Places: Natural and built spaces work together and our environment is protected.

## **Supporting Information**

### Background

On April 3, 2015, the City Council designated the locations, streets and improvements proposed to be made in the 26<sup>th</sup> St E and 28<sup>th</sup> St E neighborhood. The cost estimate for this project is \$1,077,685 and is financed by net debt bonds and special assessments (for finance purposes identified as CPV156126TH).

The locations of the streets that are included in the resurfacing project are described as:

- 26<sup>th</sup> St E from I-35W Bridge approach panel to Hiawatha Av. This street is MSA Route No. 239 and segments of this length of 26<sup>th</sup> St E were last paved in 1962, 1963 and 1967.
- 28<sup>th</sup> St E from I-35W Bridge approach panel to Hiawatha Av. This street is MSA Route No. 241 and segments of this length of 26<sup>th</sup> St E were last paved in 1960 through 1967.

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 early June with curb and gutter work starting at the same time and will be constructed by the City's workforce. This project will include protected bike lanes.

### Special Assessments

**26<sup>th</sup> St E:** 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

### **28<sup>th</sup> St E Project Assessment Modifications:**

A unique situation exists on 28<sup>th</sup> St E. Xcel Energy performed an upgrade of their underground transmission system in 2013. As a result of this work, 22% of the pavement on 28<sup>th</sup> St E was replaced. Public Works recommends that property owners be assessed at a different Uniform Assessment Rate that is equal to the percentage of the roadway surface that will be resurfaced. The result is a revised project cost for this segment of \$525,432, reduced from \$673,630. The corresponding rates recommended to be applied to 28<sup>th</sup> St E assessment influence areas are:

\$0.48/sq. ft. - Non-Residential

\$0.16/sq. ft. - Residential

The proposed total assessment amount is \$671,170.32 for the 26<sup>th</sup> St E and 28<sup>th</sup> St E 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 Abdi Warsame, Ward 6  
Council Member Alondra Cano, Ward 9  
Council Member Lisa Bender, Ward 10  
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, 26<sup>th</sup> St E and 28 St E Street Resurfacing Project, Special Improvement of Existing Street No. 5277.
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 26<sup>th</sup> St E and 28 St E Street Resurfacing Project.

Reich

**2015 STREET RESURFACING PROGRAM**

**26<sup>th</sup> ST E and 28<sup>TH</sup> ST E STREET RESURFACING PROJECT  
SPECIAL IMPROVEMENT OF EXISTING STREET NO 5277**

**Ordering the work to proceed and adopting the special assessments for the 26<sup>th</sup> St E and 28<sup>th</sup> St E Street Resurfacing Project.**

Whereas, a public hearing was held on May 5, 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-147, passed April 3, 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-147, passed April 3, 2015.

Be It Further Resolved that the proposed special assessments in the total amount of \$671,170.32 for the 26<sup>th</sup> St E and 28<sup>th</sup> St E Street Resurfacing Project No 5277 as on file in the office of the City Clerk are hereby 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 \$671,175 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 26<sup>th</sup> St E and 28<sup>th</sup> St E Street Resurfacing Project, Special Improvement of Existing Street No 5277, 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.