



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

Date: August 23, 2005
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Barbara Johnson, Chair Ways and Means Committee

Subject: 15th Avenue Southeast from 5th Street to Como Avenue Street Lighting
Project Public Hearing

Recommendation:

- a) Passage of a Resolution ordering the City Engineer to proceed and do the work and adopting the special assessments in the amount of \$212,000 for the 15th Avenue Southeast Residential Lighting Project.
- b) Adoption of the Committee Report giving preliminary approval to establish the street lighting project area as Street Lighting District Number 1319. (Chapter 431 of the Minneapolis Code of Ordinances provides that the City Council shall not give its final approval to the establishment of a Street Lighting District until at least two weeks after giving preliminary approval.)
- c) Passage of a Resolution increasing the Public Works Transportation Street Lighting Capital appropriation by \$212,000 (4100-943-9432) for the 15th Avenue Southeast Street Lighting Project to be reimbursed by special assessments in the amount of \$212,000 (4100-943-9432-3910).
- d) Passage of a Resolution requesting the Board of Estimate and Taxation to issue and sell assessment bonds in the amount of \$212,000 for the 15th Avenue Southeast Street Lighting Project with the bonds to be paid for from special assessments.

Previous Directives:

Resolution 2005R-422 passed July 22, 2005 designates improvements

Prepared by: Beverly Jo Warmka, P.E., 673-3762

Approved By: _____

Klara A. Fabry, P.E., City Engineer, Director of Public Works

Presenters: Beverly Warmka, Traffic and Parking Services

Financial Impact

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact

Neighborhood Notification-

Assessment notice letters were sent to each affected property owner, postmarked 2 weeks prior to public hearing. Numerous meetings were held in the neighborhood throughout the course of this project, including one held August 15, 2005.

Background/Supporting Information

1. 15th Avenue Southeast Street Lighting Project

The proposed project to install low-level pedestrian scale street lighting, and at selected locations high level lights, was initiated by the neighborhood and a petition has been received with a 70% approval from management and owners. Signatures of tenants along 15th Ave SE add an additional 8%. Low and high level lights will be installed along 15th Avenue Southeast from approximately the north ROW line of 5th Street Southeast to the south ROW line of Como Avenue Southeast.

The previously submitted cost estimate of \$212,000 has not changed. The cost figures are as follows:

Lighting (design and construction)	\$195,800
Interim Financing Cost	<u>\$ 16,200</u>
Total	\$212,000

The project will be funded primarily by special assessments in the amount of \$212,000. The University of Minnesota property is not assessable, however they have committed to a voluntary payment in lieu of the assessment. There are other funding commitments that may reduce the proposed assessment to property owners, as follows: Phase 1 NRP funds have been committed by the adjacent neighborhoods including \$,5000 from Marcy Homes and \$1,000 from Southeast Como, the Minneapolis Park and Recreation Board has committed to a contribution of \$20,000, and student groups from the University of Minnesota have also expressed interest in helping to organize fundraisers to offset the cost.

We are requesting an appropriation for the project in the amount of \$212,000.

The special assessments were determined by using the street influence zone area method with an assessment rate of approximately \$0.55 per square foot.

The special assessments of more than \$150 would be collected over 20 years beginning on the 2006 real estate tax statements with interest charged at the same rate as the assessment bonds are sold for. The special assessments of \$150 or less would be collected in their entirety on the 2006 real estate tax statements with interest charged at the same rate as the assessment bonds are sold for. Information has been provided in the Notices as to how persons may prepay the special assessments in full without interest charges if they so choose.

2. Street Lighting District Number 1319

As provided in Chapter 431 (Street Lighting) of the Minneapolis Code of Ordinances, the street lighting project area is proposed to be established as Street Lighting District Number 1319. The

lighting levels for this proposed project are classified as standard. The annual maintenance and operation costs for a standard street lighting district are paid by the City out of the General Fund which in turn is funded by real estate taxes. The exception is non-governmental properties exempt from real estate taxes, which pay for street lighting maintenance and operation costs through special assessments. Chapter 431 provides for a lineal front footage method to determine street lighting maintenance and operation assessments. The assessment rate being used in Street lighting district Number 1319 is \$0.55 per lineal foot.

Council Member Zerby has been supportive of this lighting project moving forward. Council Member Zerby and his staff have been working with the Traffic office and the neighborhood throughout the course of this project.

CC: Council Member Paul Zerby, Ward 2
Jack Qvale, Secretary, Board of Estimate and Taxation
Suzette Hjermstad, Special Assessments