



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

Date: January 4, 2005
To: Honorable Sandra Colvin Roy, Chair Transportation and Public Works Committee
Subject: **Lake Street (5th Av to Hiawatha Av) Reconstruction and Streetscape Project No 6707: Designation, Cost Estimate, and Set Public Hearings**

Recommendation: 1(a). Passage of a Resolution designating the location, streets and improvements proposed to be made in the Lake Street (5th Av to Hiawatha Av) Reconstruction Project.

1(b) Adoption of a Committee Report receiving the cost estimate of \$11,449,250, of which the City's estimated portion is \$2,325,795, and the list of benefited properties, directing the City Engineer to prepare a proposed Street Reconstruction Special Improvement Assessment against the list of benefited properties by applying the 2005 Uniform Assessment Rates and directing the City Clerk to give notice of a Project Approval and Assessment Public Hearing to be held on February 15, 2005 before the Transportation and Public Works Committee.

2(a) Passage of a Resolution designating the location, streets and improvements proposed to be made in the Lake Street (5th Av to Hiawatha Av) Streetscape Revitalization Project.

2(b) Adoption of a Committee Report receiving the cost estimate of \$1,100,000, of which the City's estimated portion is \$608,000, for streetscape improvements and the list of benefited properties, directing the City Engineer to prepare a proposed Streetscape Special Improvement Assessment against the list of benefited properties and directing the City Clerk to give notice of a Project Approval and Public hearing to be held on February 15, 2005 before the Transportation and Public Works Committee.

3. Adoption of a Committee Report designating the streetscape project area as Street Lighting District Number 1312 and directing the City Clerk to give notice of a public hearing to be held on February 15, 2005 before the Transportation and Public Works Committee.

4. Setting a public hearing to be held on February 15, 2005 before the Transportation and Public Works Committee to consider the abandonment and removal of areaways in conflict with the street and streetscape construction projects and directing staff to give notice in accordance with the provisions of Section 95.90 of the Minneapolis Code of Ordinances.

5. Setting a public hearing to be held on February 15, 2005 before the Transportation and Public Works Committee to consider an Ordinance that would establish a Lake Street (5th Av to Hiawatha Av) Special Service District.

These Resolutions may be authorized for summary publication.

Previous Directives:

- November 5, 2004 Council Action – (a) Accept the Enhanced Level Streetscape Petitions and the proposed assessments against the list of benefited properties (b) Direct the City Engineer to proceed with the design and construction of enhanced streetscape projects (c) Approve the

establishment of Special Service Districts and authorizing the appropriate City Officers to develop the enabling ordinances.

- November 5, 2004 Council Resolution 2004R-516 – Amending the 2004 Capital Appropriations Resolution, increasing the appropriation in PW - Paving Construction Capital (4100-937-9372 – STS01) by \$1,745,545 to be reimbursed by special assessments.
- November 5, 2004 Council Resolution 2004R-517 - Amending the 2004 General Appropriations Resolution, PW - Engineering Design Cost Center (4100 - 600 – 6025) by \$262,000 and increasing revenue source (4100-600-6025-3455) by \$262,000 for payment of contractual service cost.
- September 3, 2004 Council Action – Accepting the base level streetscape petition and directing the City’s Department of Public Works to assist in developing bid documents and the construction of said streetscape improvements.
- August 6, 2004 Council Action – Resolution approving Hennepin County Transportation Department’s Layout.
- August 6, 2004 Council Action – Resolution Supporting Hennepin County’s variance requests to the Minnesota Department of Transportation.
- June 21, 2002 Council Action – Authorization to execute a Lake Street reconstruction and streetscape project City/County cooperative agreement for professional services.

Prepared by: Suzette R. Hjermstad, Public Works, Special Assessments Dept., 673-2401

Approved by:

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

Presenters: Jack Yuzna, P.E., Engineering Services Division

Financial Impact (Check those that apply)

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): Special assessment against benefited property owners

Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

Lake Street (5th Av to Hiawatha Av) Reconstruction Project

The purpose of this letter is to designate the location, streets and improvements and establish the special assessment improvement proceedings for street reconstruction.

The location of the street reconstruction project is Lake Street from 5th Avenue to Hiawatha Avenue. Lake Street at this location is Minnesota State Aid Project No.141-020-95. The proposed assessable street improvements are from 5th Av to 21st Av with non-assessable structural improvements extending to Hiawatha Av.

As provided in Chapter 10, Section 6 of the City Charter, submitted herewith is a list of parcels with owner’s names, as nearly as can be readily ascertained, which would be benefited by and assessed for the Lake Street Reconstruction Project.

Also submitted is a cost estimate of \$11,449,250 for the Lake Street Reconstruction Project. The City's estimated portion of this project is \$2,325,795. The remainder will be funded from a combination of Federal (TEA-21) and Hennepin County funds.

The street reconstruction special assessments would be determined by applying the 2005 Uniform Assessment Rates to the land area of benefited parcels located within the street influence zone along the improved streets. The proposed 2005 reconstruction assessment rates are as follows:

\$1.30/sq ft – Local – Non-Residential

\$1.30/sq ft – Other – Non-Residential

\$0.50/sq ft – Local – Residential

\$0.40/sq ft – Other – Residential

Lake Street Streetscape Revitalization Project

The proposed streetscape plan includes pedestrian level street lighting, trash receptacles, landscape elements, ornamental fencing, trees and tree grates and related items and work.

As provided in Chapter 10, Section 6, of the city Charter, submitted herewith is a list of parcels with owner's names, as nearly as can be readily ascertained, which would be benefited by and assessed for the Lake Street (5th Av to Hiawatha Av) Streetscape Revitalization Project.

Also submitted is a base cost estimate of \$1,100,000 (the base level streetscape construction as referenced in the T&PW Committee Report adopted September 3, 2004 for the Lake Street (5th Av to 21st Av) Streetscape Petition). Certain business nodes within the project area, namely, South Chicago, Chicago-Lake and Bloomington-Lake are considering additional streetscape amenities and the benefited properties would be assessed the additional costs based on the enhanced level streetscape.

The proposed assessment method consists of two parts: (1) land area located within the street influence zone along the streets receiving improvements for the street lighting portion of the costs, consistent with other lighting assessments throughout the City, and (2) a lineal method along the streets receiving improvements for the costs of the other streetscape elements.

Street Lighting District Number 1312

As provided in Chapter 431 (Street Lighting) of the Minneapolis Code of Ordinances, the streetscape project area is proposed to be designated as Street Lighting District Number 1312. An assessment is recommended for the portion of the street lighting system maintenance and operation costs which are in excess of the standard costs paid for by the City. The amount to be assessed is \$14,000 per year, estimated. A final assessment amount will be calculated based on the lighting installation. Chapter 431 provides for a lineal frontage method of assessing these costs.

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 Lake Street (5th Av to Hiawatha Av)

Reconstruction Project 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.

Lake Street (5th Av to Hiawatha Av) Special Service District

The City Council adopted a policy on July 15, 1988 that requires a means to maintain new streetscape improvements. A special service district is a common and effective vehicle to implement that City Council Policy.

We anticipate the subject matter of an Ordinance to establish such a district for the area to be introduced at the City Council Meeting of April 5, 2005 for its first reading and referral to the Transportation and Public Works Committee for a public hearing.

Attachment 1 – Enhanced Streetscape Project Map

Attachment 2 – Project Map

Cc: Jack Qvale, Secretary, Board of Estimate and Taxation