



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

Date: August 29, 2002

To: Transportation and Public Works Committee

Referral to: Ways & Means/Budget Committee

Subject: 43rd Avenue North Sanitary Sewer including Sewer Service Lines for 4300 Emerson Avenue North and 1112 43rd Avenue North, Sewer Project Number 4339.

Recommendation:

1. Passage of a Resolution designating the sanitary sewer installation including two sewer service lines, receiving the total cost estimate of \$52,120, approving the property owners' petition, approving special assessments in the amount of \$23,496, approving City funding of \$28,624 from an existing appropriation in the Sewer Enterprise Fund Public Works Sewer Construction (7300-932-9322-PS01c) and ordering the City Engineer to proceed and do the work.
2. Passage of a Resolution increasing the Sewer Enterprise Fund Public Works Sewer Construction appropriation by \$23,496 (7300-932-9322-PS01c) for the 43rd Avenue North Sewer Project to be reimbursed by assessment bonds.
3. Passage of a Resolution requesting the Board of Estimate and Taxation to issue and sell assessment bonds in the amount of \$23,500 for the 43rd Avenue North Sewer Project with the bonds to be paid for from special assessments.

These Resolutions may be authorized for summary publication.

Previous Directives: N/A

Prepared or Submitted by: Harvey C. Olson, Real Estate Investigator Aide II, 673-3606;
Paul Chellsen, Engineering Tech Supervisor, 673-2406

Approved: David J. Sonnenberg, P. E., City Engineer, Director of Public Works

By: Paul W. Ogren _____

Presenters in Committee: Patrick Wrase, Engineer III & Harvey C. Olson, Real Estate Investigator Aide II

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 assessments to benefited properties.

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

Background/Supporting Information Attached

Enclosed are petitions and a letter from the property owners of 4300 Emerson Avenue North and 1112 43rd Avenue North describing their situation regarding sanitary waste disposal.

The cost estimate for the public sanitary sewer in 43rd Avenue North is \$34,570.

Policy for assessing sanitary sewers is to assess 100% of the costs. However, there are two provisions in the Minneapolis City Charter that provide for adjustments. Practice has been to include these adjustments in the assessment calculations with the City paying the costs resulting from these adjustments. The assessment plan prepared by the Public Works Department included the adjustments as follows:

1. City Charter, Chapter 9, Section 4:
Portion of sewer construction across streets:
(30 feet times 2 sides equals 60 feet) \$10,733.99

2. City Charter, Chapter 10, Section 9:
Corner property remission for second sewer on second side:
(2 corner properties (4300 Emerson Avenue North & 1119
43rd Avenue North) times 50 feet equals 100 feet) 17,889.97

3. TOTAL CITY FUNDING FOR SANITARY SEWER \$28,623.96

The remainder of the costs of the public sanitary sewer is \$5,946.04, which is the amount to be assessed. The remaining lineal frontage abutting the sewer is 33.22 feet (16.61 feet times 2 sides). The properties that could be assessed are 4300 Emerson Avenue North and 1112 43rd Avenue North, both of which are along the northerly side of 43rd Avenue North, plus an assessment against 1119 43rd Avenue North which is along the southerly side of 43rd Avenue North. The petitioners have requested that the assessed costs of \$5,946.04 be allocated to their properties along the northerly side of 43rd Avenue North on an "equal shares" basis (\$2,973.02 each). This means no assessment to the property at 1119 43rd Avenue North since the petitioners are assuming that assessment amount.

The estimated cost for the private sewer service lines is \$17,550 (\$7,680 for 4300 Emerson Avenue North plus \$9,870 for 1112 43rd Avenue North).

Policy for assessing private sewer service lines is to assess 100% of the costs. The petitioners have agreed to that in their petitions.

A summary of the project funding rounded to whole dollars is as follows:

1. Special assessments \$23,496
2. City portion 28,624
3. TOTAL PROJECT COST \$52,120

Funds are available in the Sewer Enterprise Fund Public Works Sewer Construction (7300-932-9322-PS01c) to pay for the City portion of \$28,624.

An appropriation increase of \$23,496 in the Sewer Enterprise Fund Public Works Sewer Construction (7300-932-9322-PS01c) to front-end the assessed costs are recommended.

Bids for the construction of this project were published November 29 and December 6 2001 in Finance and Commerce. Public works elected to bid this project for construction by a private contractor rather than city forces due to the coordination issues with the private lateral connection. Pete's Sewer and Water's bid was accepted as the low bid for the project and can commence construction during September of this year. Although Pete's bid was accepted, actual construction contracts have not been signed pending the resolution.

Typically bids for projects of this nature are not published and accepted prior to Council resolutions being passed for the allocation of funds. In this case, one of the residents involved in the assessment declined to sign the petition after initially agreeing to sign. At that time the bid process continued forward while the council action was delayed. This matter is now brought before the Council after the bid has been awarded and agreement has been reached by all affected residents.

If approved, the special assessments would be collected over 20 years beginning on the 2003 real estate tax statements with interest charged at the same rate as other assessed construction.

Cc: Council Member Barbara Johnson
Jack Qvale, Secretary, Board of Estimate and Taxation
Dan & Ardys Sabin, petitioners for 4300 Emerson Av. N
Carolyn Carter, petitioner for 1112 43rd Av. N