



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

Date: February 15, 2005
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Barbara Johnson, Chair Ways & Means/Budget Committee

**Subject: Project Approval and Assessment Public Hearing - Reconstruction of Lake St E (5th Avenue S to Hiawatha Avenue S)
(City Project No. 6707, County Project No. 9758)**

Recommendation:

- 1(a). Passage of a Resolution ordering the City Engineer to proceed with and do the work and adopting special assessments in the amount of \$775,939.73 for the Lake St E Reconstruction Project.
- 1(b). Passage of a Resolution requesting the Board of Estimation and Taxation to issue and sell assessment bonds in the amount of \$775,940 for the Lake St E Reconstruction Project with the bonds to be paid for from special assessments.
- 2(a). Passage of a Resolution ordering the City Engineer to proceed with and do the work and adopting special assessments in the amount of \$3,819,293.00 for the Lake St E Streetscape and Street Lighting Revitalization Project.
- 2(b). Passage of a Resolution requesting the Board of Estimation and Taxation to issue and sell assessment bonds in the amount of \$3,819,300 for the Lake St E Streetscape and Street Lighting Revitalization Project with the bonds to be paid for from special assessments.
3. Adoption of a Committee Report giving preliminary approval to establish the street lighting project area as Street Lighting District Number 1312.
4. Approval of City/County Cooperative Agreement (County Agreement No. PW 01-20-05) pending satisfactory review by the Department of Public Works and City Attorney's Office.
5. Increase the appropriation for the PW-Traffic and Parking Capital Agency in the Permanent Improvement Fund revenue source 3220 (4100-943-9440) by \$1,029,608.60 for County requested Force Account Work to be performed by the City's Traffic Division. 100% of the cost to be reimbursed by County.
6. Increase the appropriation for the PW-Traffic and Parking Capital Agency in the Permanent Improvement Fund revenue source 3215 (4100-943-9440) by \$17,827.40 for the City's share of County requested Force Account Work to be performed by the City's Traffic Division. 100% of the cost to be funded with City Net Debt Bonds.
7. Approval of the proposed enhancements at the Chicago/Lake and Bloomington/Cedar/Lake streetscape districts.

8. Passage of a Resolution ordering the City Engineer to abandon and remove the areaways located in the public right-of-way that are in conflict with the Lake St E Reconstruction and Streetscape Projects.

Previous Directives:

- November 5, 2004 Council Action – (a) Accepting the Enhanced Level Streetscape Petitions and the proposed assessments against the list of benefited properties (b) Directing the City Engineer to proceed with the design and construction of enhanced streetscape projects (c) Approving 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 Resolution 2004R-339 – Approving Hennepin County Transportation Department’s Layout.
- August 6, 2004 Council Resolution 2004R-340 – Encouraging a Strong Pedestrian Realm and 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: Jack Yuzna, P.E., Engineering Services Division, 673.2415
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., Principal Prof. Engineer, Engineering Services
Suzette R. Hjermstad, Public Works, Special Assessments Dept.

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 against benefited properties.
- Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

In 1999, Hennepin County began discussion with Minneapolis Public Works regarding its plans to reconstruct Lake Street between Lyndale Avenue South and West River Road. During the discussions, the concept of expanding the project scope to include streetscape improvements came forward.

In 2000, County and City elect officials met with their staff to initiate a framework for developing a greater Lake Street vision. It was determined that the rebuilt Lake Street should be a balance of multi-modal transportation (pedestrians, transit, bicyclists and vehicles) and “place making” to reaffirm its long history as a destination. Community involvement was recognized as essential to project success. The vision for Lake Street included that it should incorporate unifying elements while still providing opportunities to recognize and celebrate the diversity of its neighborhoods. To facilitate community involvement, the County proposed the formation of a Project Advisory Committee (PAC) committee made up of representatives of the surrounding neighborhoods, businesses, property owners and wards.

A Technical Advisory Committee (TAC) was formed to work on developing the project design and assist the PAC. The TAC membership consists of stakeholder representatives from the County, City, Metropolitan Transit Commission (MTC) and professional service consultants. The PAC began by establishing the goals and vision for Lake Street. In considering the balance of multi-modal transportation and “place making” along Lake Street, the PAC weighed many variables. Among these were the right-of-way (R/W) width, pedestrian realm, bicyclists, present and future transit needs, on-street parking, and vehicular traffic.

The PAC began meeting in January of 2003. Over the ensuing months, the PAC met on a monthly basis (and on occasion, more frequently) investigating multiple street cross-section alternatives. The project and the alternatives were then presented at several Public Open Houses, neighborhood, and business association meetings where comments were solicited.

Due to the length of the proposed street reconstruction, the County divided the work on Lake Street into three projects. The two projects east of I-35W are anticipated to take two construction seasons to complete. The west project is anticipated to be completed in one construction year. The County schedule has the projects beginning in consecutive years starting in 2005. It became clear that the middle project would need to be built first (5th Avenue S to 21st Avenue S) given the importance Midtown Exchange Redevelopment project schedule. After further discussions with the PAC and affected communities, it was decided that the east segment (27th Avenue S to West River Parkway) would be built next. The east segment design will begin in 2005 with reconstruction to start in 2006. The west segment (Dupont Avenue S to Blaisdell Avenue S) design will follow in 2006 with reconstruction scheduled to begin in 2007.

After discussing the merits and challenges of the each of the street cross-section alternatives, on March 16, 2004, the PAC voted in favor of recommending a four-lane (two travel lanes in each direction) cross-section west of Hiawatha Avenue. (Lake Street west of Hiawatha Avenue has a R/W width of 80 feet.)

In June of 2004, a layout was presented to the Transportation and Public Works Committee for your consideration. Over the ensuing weeks, the council and Mayor requested clarifications and modifications to the layout. On August 6, 2004, the City Council approved the amended layout (see attached Resolution 2004R-339). The County has now completed the design and bid documents.

Using the recently completed bid documents, the County has drafted a cooperative agreement and cost estimate for City approval. The County's estimated costs to the City are based on their Cost Participation Policy. The cooperative agreement also includes force account work to be performed by the City's Department of Public Works and paid for by the County. The estimated cost of the middle segment roadway reconstruction and streetscape projects is \$ 12,245,974.86. The City estimated share of the projects is \$2,998,603.20. The City's participation is currently programmed (fund 4100-937-9372).

As noted, the estimated total payment to be made by the City to the County for the projects is \$2,998,603.20, of which \$1,184,947.82 is for roadway reconstruction and \$1,813,655.38 is for streetscape. Currently the funding for this project is as follows:

PV004 CSAH PAVING PROGRAM

Roadway Reconstruction		Funding	
Total Cost	\$9,157,373.13		
County Participation	\$1,522,236.53		
Federal Participation	\$6,450,188.78		
City Participation	\$1,184,947.82	\$775,939.73	Assessment Bonds
		\$409,008.09	Net Debt Bonds

Streetscape Construction		Funding	
Total Cost	\$3,088,601.73		
County Participation	\$ 438,762.00		
Federal Participation	\$ 836,184.35		
City Participation	\$1,813,655.38	\$1,813,655.38	Assessment Bonds

City Public Works Force Account Work		Funding	
Total Cost	\$1,047,436.00		
County Participation	\$ 892,247.38		
Federal Participation	\$ 137,361.22		
City Participation	\$ 17,827.40	\$ 17,827.40	Net Debt Bonds

Attached is the cooperative agreement's Accounts Payable/Receivable Summary (Attachment 3). The summary outlines the estimated City's share of the project cost and County payments for City Force Account Work to be performed by the City on behalf of the County.

1. Lake St E Reconstruction Project

The cost estimate for the Lake St E (5th Av to Hiawatha Av S) Reconstruction Project is \$9,157,373 of which \$1,184,948 is the City's participation. The street improvement project will include paving with concrete curb and gutter replacement, and other related work as needed.

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

- \$1.30/sq ft – Other – Non-Residential
- \$0.40/sq ft – Other – Residential

The proposed total assessment amount for Lake St E (5th Av to Hiawatha Av S) is \$775,939.73. Individual assessments of more than \$150 would be collected over 20 years beginning on the 2006 real estate tax statements with the interest charged at the same rate as assessment bonds are sold. 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 assessment bonds are sold. 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.

The 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 permanent and total disability.

2. Lake St E (5th Av to Hiawatha Av S) Streetscape and Street Lighting Revitalization Project

The streetscape plan includes street lights, trees and tree grates, trash receptacles, benches, bike racks, planters, fencing and other related items and work. It is important to note that the total streetscape assessment of \$3,819,293.00 (as noted in Recommendation No 2 of this letter) stipulates the maximum assessments agreed to by the petitioners. The total streetscape assessment includes 2165 lineal feet of frontage on Chicago Avenue, north of Lake Street. The streetscape design for this section of Chicago Avenue has not been completed and therefore could not be included with the County's project. It will be built by the City and it is anticipated that its completion will coincide with the completion of the County's project. The maximum total assessment for the streetscape on Chicago Avenue, north of Lake Street, is \$1,212,512.00. The maximum total assessment for the streetscape included in the County's project is \$2,606,781.00. The proposed assessment method consists of a lineal measure along the streets receiving improvements, consistent with other streetscape assessments throughout the City.

Assessments of more than \$150 would be collected over 15 years beginning on the 2006 (if completed and all costs reported, otherwise beginning on 2007) real estate tax statements with interest charged at the same rate as assessments bonds are sold. Assessments of \$150 or less would be collected in their entirety on the 2006 (or 2007) tax statements with interest charged at the same rate as assessment bonds are sold. Information has been provided in the Notices as to how persons may prepay the special assessments in full without interest if they so choose.

3. Street Lighting District Number 1312

As provided for in Chapter 431 of the Minneapolis Code of Ordinances, the Lake St E (5th Av to Hiawatha Av S) Streetscape and Street Lighting Revitalization project area is proposed to be designated as Street Lighting District 1312. An assessment is recommended for the portion of the street lighting system maintenance and operation costs that are in excess of the standard paid for by the City. Non-governmental properties exempt from real estate taxes 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 amount to be assessed is \$5,930.56 per year.

4. 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, streetscape or street lighting projects. Before the City may abandon and remove conflicting areaways (upon 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. In an effort to minimize delays and potential delay related costs to the project that conflicting areaways may pose, notices were given by the City Engineer that provided the initial notice required in Section 95.90 of the Minneapolis Code of Ordinances. This item is still under discussion with Hennepin County and it is recommended that this item be continued.

Attachment 1 – Project Map

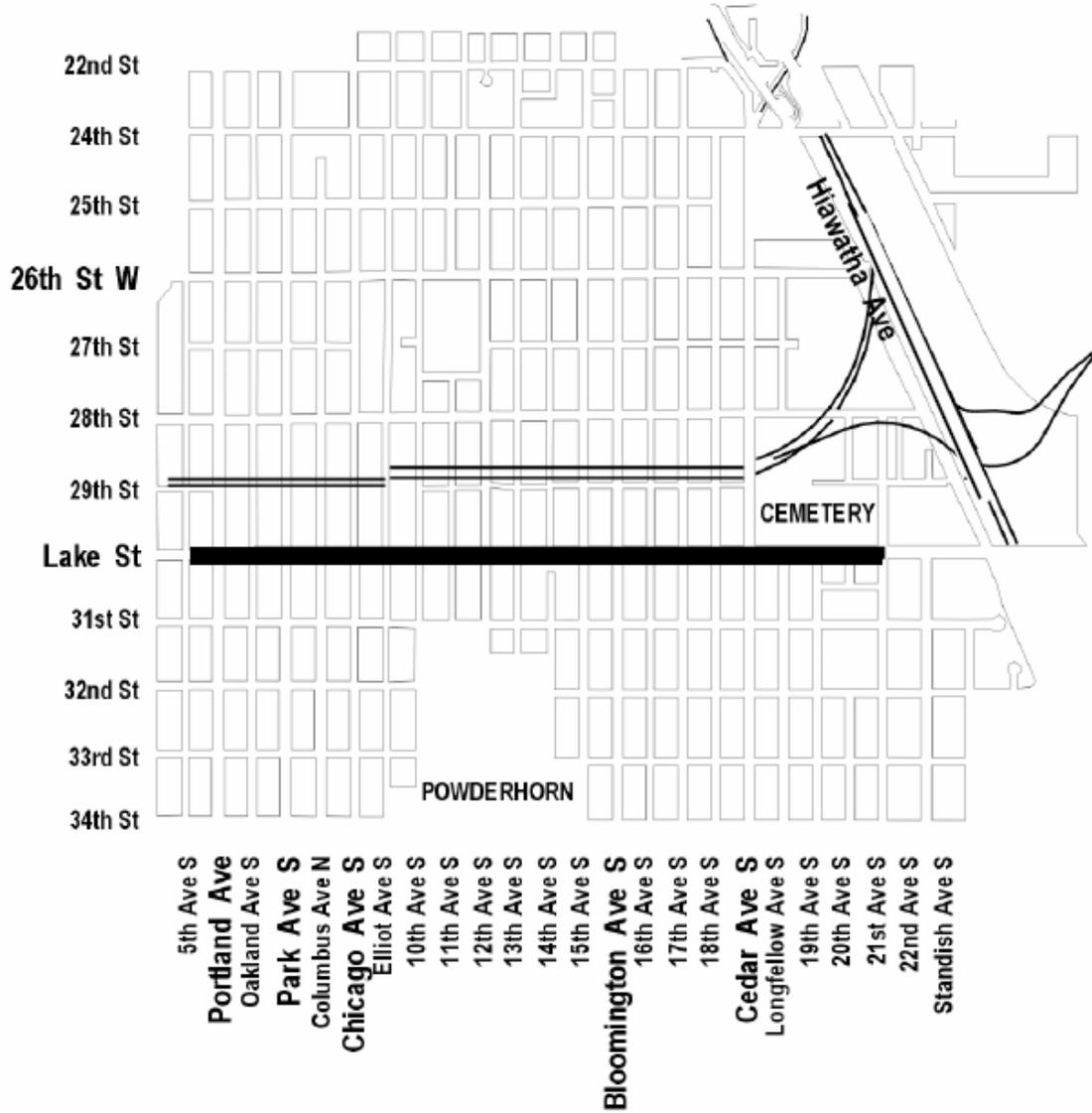
Attachment 2 - Council Resolution 2004R-339 (dated August 6, 2004) – Approving Hennepin County Transportation Department's Layout

Attachment 3 – City/County Cooperative Agreement's "Accounts Payable/Receivable Summary"

cc: Jack Qvale, Secretary, Board of Estimate and Taxation
Council Member Dean Zimmerman, Ward 6
Council Member Robert Lilligren, Ward 8
Council Member Gary Schiff, Ward 9
Mike Abeln, Finance Dept
Bernie Maciej, PW Finance

ATTACHMENT #1

Lake Street Reconstruction & Streetscape Middle Segment (5th Ave So to 21st Ave So)



Project

ATTACHMENT 2

AUGUST 6, 2004

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-339

By Colvin Roy

Approving the Hennepin County Department of Transportation's Layout for County State Aid Highway (CSAH) 3 (Lake Street) from 5th Av S to the 21st Av S.

Whereas the Hennepin County Department of Transportation (County) has proposed the reconstruction of Lake Street from 5th Av S to the 21st Av S in Minneapolis; and

Whereas, the County formed a Project Advisory Committee (PAC) consisting of representatives from the neighborhoods, businesses and elected officials to assist with providing guidance and recommendations for the project; and

Whereas, with the assistance of the PAC, the City and County have held many meetings and Open Houses with the adjacent communities to solicit input for the development of the layout; and

Whereas, the PAC voted to recommend four-lane (two travel lanes in each direction) cross-sections for Lake Street west of Hiawatha Avenue at its March 16, 2004 meeting; and

Whereas, the County has prepared several layouts and layout modifications describing the proposed improvements; and

Whereas, the County has submitted Layout "A", along with a modification to said Layout "A", labeled Layout "D" (both dated, July 12, 2004) to the City of Minneapolis requesting approval, said layouts on file with the City Engineer identified as Layout "A" -Lake Street PRELIMINARY LAYOUT AMENDED HENNEPIN COUNTY PROPOSAL (5th Av S to the 21st Av S) and as Layout "D" - PRELIMINARY LAYOUT MODIFIED SEARS REDEVELOPMENT (Columbus Av S to the 13th Av S); and

Whereas, subsequent to their submittal of Layouts "A" and "D", the County developed and submitted an additional layout modification to said Layout "A" and "D", for Cedar Av S and Lake St, said layout modification on file with the City Engineer identified as Lake St Preliminary Layout Concept A+D – FLAP CEDAR AV INITIAL CONSTRUCTION (dated August 3, 2004) to the City of Minneapolis requesting approval; and

Whereas, the City and County Departments of Public Works concur that the Layout "A" as modified by Layout "D" and the Cedar Av S and Lake St layout modification, complies with the PAC's recommendation while providing for the existing and future transportation needs and for the opportunity of "place making" along the corridor and meets state standards; and

Whereas, staff has made its recommendation to the City Council based on said determination;

Now, Therefore, Be it resolved by The City Council of The City of Minneapolis:

That the City approves the County's Layout "A" (dated July 12, 2004) as amended by Layout "D" (dated July 12, 2004), and as amended between Columbus Avenue and 10th Avenue with the replacement Chicago Area Parking Recovery Plan (flap labeled "Concept A+D Overlay; Parking Bay Between Columbus and 10th," dated August 5, 2005) and as amended between 18th Avenue and 19th Avenue with the replacement Cedar Lake Correction (flap labeled "Concept A+D Overlay; Cedar Avenue," dated August 6, 2004) and the Cedar Av S and Lake St layout modification (dated August 3, 2004) for Lake Street from 5th Av S to 21st Ave S as submitted.

Adopted 8/6/04. Yeas, 11; Nays, 1 as follows:

Yeas - Lilligren, Johnson Lee, Benson, Goodman, Lane, Johnson, Colvin Roy, Zimmermann, Schiff, Zerby, Ostrow.

Nays - Niziolek.

Absent - Samuels.

ATTACHMENT 3

County/City Accounts Payable/Receivable Summary

Hennepin County Project Nos. 9758 & 0005
State Project Nos. 27-603-031 & 032
CSAH 3 from 5th Avenue South to 21st Avenue South

<u>Item</u>	<u>Payable to City by County (City Receivable)</u>	<u>Payable to County by City (County Receivable)</u>
Contract Construction		
▪ Roadway, Utilities		
141-020-95		\$337,303.55
141-165-27		137,778.70
Non-participating		343,839.75
▪ Streetscape		
Basic		\$811,970.35
South Chicago		70,610.05
Chicago/Lake		264,639.10
Bloomington/Lake		417,243.82
City Force Account Work		
▪ Roadway		
Controllers/Cabinets ¹	\$242,415.60	
Temporary Signals/Interconnect ¹	642,893.00	
Street Sign Removal/Installation ¹	34,300.00	
31st Street Modifications	92,000.00	
▪ Streetscape		
New Street Signs ¹	\$9,000.00	
Wayfinding Signs ¹	9,000.00	
Engineering		
▪ Design		
141-020-95		\$68,114.33
Additional ²		56,565.23
▪ Construction		190,670.82
Right of Way		
▪ Roadway		165,107.50
▪ Streetscape		124,035.00
Phase II Environmental Study		
		\$10,725.00
TOTAL	\$1,029,608.60	\$2,998,603.20

¹ Items that will be funded by a combination of county and federal funds.

² Additional Design Engineering fees as stipulated in Article IX.