



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

Date: October 26, 2010

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Referral to: Honorable Betsy Hodges, Chair Ways & Means/Budget Committee

Subject: **Assessment Public Hearing for Areaway Abandonment and Removal Project No 2271 for property in the Marquette Ave S Reconstruction Project (PV052).**

Recommendation:

- a. Passage of a Resolution adopting special assessments for the areaway abandonment and removal in the Marquette Ave S Reconstruction (PV052) for the benefited property at:
 - 1000 Marquette Ave S, PID 27-029-24-13-0088, in the amount of \$159,828.90.
- b. Passage of a Resolution requesting the Board of Estimate and Taxation to issue and sell assessment bonds in the amount of \$159,830 for the areaway abandonment and removal in the Marquette Ave S Reconstruction (PV052) with the bonds to be paid for from special assessments.

Previous Directives:

- September 24, 2010 Council Action receiving the final costs for the areaway abandonment and removal and setting the public hearing.
- April 30, 2010 Council Action – Amending Construction Results contract for a revised contract total of \$114,672.58. To provide for work not included in original scope of the contract.
- July 31, 2009, Council Resolution 2009R-359 increasing appropriation for CPV052 \$200,000 for assessments.
- July 31, 2009 Council Action – Accepting the low bid of Construction Results Corporation. in the amount of \$99,670 to furnish & deliver all labor, materials, equipment and incidentals necessary to complete the areaway abandonment at 1000 Marquette Ave for the City of Minneapolis PW Department.
- June 6, 2008 Council Resolution 2008R-222 – Ordering the City Engineer to abandon and remove the areaways located in the public street r/w that are in conflict with the 2nd Ave S & Marquette Ave Transit Project areas.
- April 4, 2008, Council Resolutions 2008R-132, Areaway Project Designation

Prepared by: Christopher M. Engelmann, P.E., Project Engineer TP&E 673-3274
Suzette R. Hjermsstad, Public Works Special Assessment Office, 673-2401
Don Elwood, P.E., Director Transportation Planning & Engineering

Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Christopher M. Engelmann, P.E., Project Manager

Reviews

Permanent Review Committee (PRC)	NA
Civil Rights	NA
Policy review Group (PRG)	NA

Financial Impact

Special Assessments against benefited property

Community Impact

Neighborhood Notification: Not Applicable
Neighborhood Meetings: Not Applicable.
City Goals: Maintain the physical infrastructure to ensure a healthy, vital and safe city
Comprehensive Plan: Not Applicable
Zoning Code: Not Applicable

Background/Supporting Information:

On April 4, 2008, the City Council designated the location, streets and improvements proposed to be made in the Marquette Ave and 2nd Ave S Reconstruction Project (MARQ2). A public hearing was held on May 20, 2008, that included the areaway abandonment and removal of any conflicting areaways within the MARQ2 project in accordance with Section 95.90 of the Minneapolis Code of Ordinances.

As the street reconstruction and streetscape project work proceeded during 2008 and 2009, the City began working with the property manager for the Handicraft Guild Building at 1000 Marquette Ave who in turn communicated with the Chief Manager of Tenth & Nicollet business partner in charge of the property. The property owner of record is Tenth & Nicollet LLC, with a mailing address of 24 University Av NE, Suite 150, Minneapolis, MN 55413. Their property at 1000 Marquette Ave is a commercial parcel.

The building ownership group decided to enlist the City's help with accomplishing the areaway abandonment. Ben Shardlow was contacted via e-mail about the ability to assess the property and the property owners presented a petition to be assessed for the work done on their behalf (attached). The City of Minneapolis' project manager contacted the structural engineering firm, Bonestroo, Inc., and began the process of preparing construction documents for public bid. The project was bid and a contract awarded to Construction Results Corporation in the amount of \$99,670. The project saw a total increase in contract amount of \$15,002.58; these amounts were approved by the property manager. The changes were a result of unforeseen conditions encountered during construction that resulted in the repair of an unidentified sanitary sewer connection.

The project costs are as follows:

Consulting Design and Construction Oversight	\$24,967.55
Construction	\$114,672.58
City Expenses	\$20,510.81
Total	\$159,877.94

City expenses include labor (including project management; coordination with property representative, consultant, and contractor; oversight of consultant and contractor; and bidding set up and management), administration, and overhead.

The assessment public hearing procedure is in accordance with Section 95.90 of the Minneapolis Code of Ordinances which provides the authority for the City Engineer to abandon and remove an areaway in conflict with capital improvement project in the City's right-of-way and a public hearing for the assessment of the cost of removal to be held at a later date.

Attachment: Areaway Abandonment Petition

CC: Council Member Lisa Goodman Ward 7
Craig Troutman, Finance
Suzette Hjermstad, Special Assessments Office
Jack Qvale, Estimate and Taxation

T&PW – Your committee recommends passage and summary publication of the accompanying Resolutions:

1. Adopting and levying the assessment for the Areaway Abandonment and Removal Project No 2271, for property at 1000 Marquette Ave S in connection with the 2nd Ave S and Marquette Av Transit Project Street Reconstruction and Streetscape Project, Special Improvement of Existing Street No. 6740.
2. Requesting the Board of Estimate and Taxation to issue and sell bonds in the amount of \$159,830 for certain purposes other than the purchase of public utilities.

Colvin Roy

Adopting and levying the assessment for the unpaid charge for the areaway abandonment and removal from the property known as 1000 Marquette Av S, PID 27-029-24-13-0088, as set forth in Petn No. _____.

Whereas, a public hearing was held on October 26, 2010, in accordance with Chapter 8, Sections 12 and 13, Chapter 10, Section 6 of the Minneapolis City Charter and Sections 24.180 and 95.90 of the Minneapolis Code of Ordinances, to consider the proposed assessment as shown on the proposed assessment roll on file in the Office of the City Clerk and to consider all written and oral objections and statements regarding this matter;

Now, Therefore, Be It Resolved by the City Council of The City of Minneapolis:

That the proposed assessment against the affected property at 1000 Marquette Av S, PID No. 27-029-24-13-0088 and legally described as:

That part of Lots 7, 8 and 9, Block 13 Snyder and Co.'s 1st Addition and that part of Lots 7, 8 and 9, Block 13, Wells, Sampson and Bell Addition described as: Beginning on the Southwesterly line of 10th St S at a point 212.5 feet Southeasterly from the Southeasterly line of Nicollet Av, thence Southwesterly parallel with Nicollet Av to the Northeasterly line of the alley, thence Southeasterly along said Northeasterly line to the Northwesterly line of Marquette Av, thence Northeasterly along said Northwesterly line to the Southwesterly line of 10th St S, thence Northwesterly to the point of beginning.

set forth in Petn No _____ in accordance with the Areaway Abandonment and Removal Project No 2271, in connection with the 2nd Av S and Marquette Av Street Reconstruction and Streetscape Project, Special Improvement of Existing Street No. 6740 as ordered by Resolution 2008R-222, in the total amount of \$159,828.90 and as shown on the proposed assessment roll on file in the Office of the City Clerk be and hereby is adopted and levied.

Be It Further Resolved that the number of successive equal annual principal installments by which the special assessments may be paid shall be fixed at twenty (20) and that interest be charged at the same rate as assessment bonds are sold for with collection of the special assessment to begin on the 2011 real estate tax statement.

Be It Further Resolved that the assessment roll as prepared by the City Engineer be and hereby is adopted and that the City Clerk is hereby directed to transmit a certified copy of said assessment roll to the Hennepin County Auditor.

Colvin Roy and Hodges

Requesting the Board of Estimate and Taxation to issue and sell City of Minneapolis bonds in the amount of \$159,830 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 incur indebtedness and issue and sell City of Minneapolis bonds for the purpose of paying the assessed cost of areaway abandonment and removal at 1000 Marquette Av S, PID 27-029-24-13-0088 in accordance with the 2nd Av S and Marquette Av Transit Project, Street Reconstruction and Streetscape Project, Improvement of Existing Street No 6740, to be assessed against said benefited properties as estimated by the City Council which assessment shall be collectible in twenty (20) successive annual installments, payable in the same manner as real estate taxes.