



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

**Date:** March 20, 2007  
**To:** Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee  
**Referral to:** Honorable Paul Ostrow, Chair Ways & Means/Budget Committee

**Subject:** **Project Approval and Assessment Public Hearing for the Reconstruction of West Lake Street (Dupont Av S to Blaisdell Av S and Lyndale Av S from 29<sup>th</sup> St to 31<sup>st</sup> St) Project No. 6708**

### **Recommendation:**

- a) Passage of a Resolution ordering the City Engineer to proceed with and do the work and adopting special assessments in the amount of \$829,822.02 for the West Lake Street Reconstruction Project.
  - b) Passage of a Resolution requesting the Board of Estimate and Taxation to issue and sell assessment bonds in the amount of \$829,820 for the West Lake Street Reconstruction Project with the bonds to be paid for from special assessments.
  - c) Passage of a Resolution ordering the City Engineer to proceed with and do the work and adopting special assessments in the amount of \$2,593,601.60 for the West Lake Street Streetscape and Street Lighting Revitalization Project.
  - d) Passage of a Resolution requesting the Board of Estimation and Taxation to issue and sell assessment bonds in the amount of \$2,593,600 for the West Lake Street Streetscape and Street Lighting Revitalization Project with the bonds to be paid for from special assessments.
  - e) Adoption of a Committee Report giving preliminary approval to establish the street lighting project area as Street Lighting District Number 1327.
  - f) 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 West Lake Street Reconstruction and Streetscape Projects.
- These Resolutions may be authorized for summary publication.

### **Previous Directives:**

- February 9, 2007, Authorization to execute a Force Account Agreement with MNDOT and Hennepin County, pending City Attorney review.
- February 9, 2007 Authorization to execute Amendment 4 to Agreement for Cost Participation with Hennepin County.
- January 9, 2007, Council Resolutions 2007R-036, 2007R-037, Project Designation.

**Prepared by:** Jenifer Loritz, Project Engineer, Engineering Services Division, 673-3625  
Suzette R. Hjermstad, Public Works, Special Assessments Dept., 673-2401  
Rhonda Rae, Director, Engineering Services, 673-3627

**Approved by:**

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

**Presenters:** Don Elwood, P.E., Engineering Services Division

Permanent Review Committee (PRC)	Approval _____	Not applicable	<u>  X  </u>
Policy review Group (PRG)	Approval _____	Not applicable	<u>  X  </u>

**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
- Business Plan:  Action is within the plan.  Action requires a change to plan.
- Other financial impact (Explain): Special assessment to benefited properties
- Request provided to department's Finance Dept. contact when provided to the Committee Coordinator

**Community Impact**

**Neighborhood Notification:** Public hearing notices sent out 2 weeks prior to public hearing

**City Goals:** The City's infrastructure will be well-maintained; streets will be destinations.

**Comprehensive Plan:** Consistent

**Zoning Code:** Not Applicable

**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. 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) 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, Metro Transit, 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.

As project development progressed, the City and County jointly agreed to change the project limits so that the final segment included Lake Street from Dupont Ave S to Blaisdell Ave S and

Lyndale Ave S from W 29<sup>th</sup> St to @ 31<sup>st</sup> St. These revised project limits better align with past and future projects. This final phase of the project is anticipated to take two construction seasons to complete.

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 west segment roadway reconstruction and streetscape project is \$9,568,602.14. The City's estimated share of the project is \$3,942,826.70.

Currently, the City's funding for this project includes \$829,822.02 in special assessments for the roadway portion and \$2,593,601.60 in special assessments for the streetscape portion with the remainder coming from Net Debt Bonds (NDB), potential Municipal State Aid (MSA) if needed, and potential Sewer Enterprise Funds and Water Revenue Funds. Long-term maintenance of the proposed amenities will be accomplished through the establishment of a Special Service District, which is already approved by City Council.

#### 1. W Lake St Reconstruction Project

The cost estimate for the Lake St W (Dupont Ave S to Blaisdell Ave S and Lyndale Ave S from W 29<sup>th</sup> St to W 31<sup>st</sup> St) Reconstruction Project is \$9,568,602.14 of which \$3,942,826.70 is the City's participation. The remainder will be funded from a combination of Federal (TEA-21) and Hennepin County Funds. The street improvement project will include paving with concrete curb and gutter, and other related work as needed. The proposed street reconstruction special assessments were determined by applying the 2007 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:

\$1.50/sq ft – Other – Non-Residential  
\$0.46/sq ft – Other – Residential

The proposed total assessment amount for W Lake St (Dupont Av S to Blaisdell Av S and Lyndale Av S from 29<sup>th</sup> St to 31<sup>st</sup> St) is \$829,822.02. Individual assessments of more than \$150 would be collected over 20 years beginning on the 2008 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 2008 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. W Lake St (Dupont Av S to Blaisdell Av S and Lyndale Av S from 29<sup>th</sup> St to 31<sup>st</sup> St) Streetscape and Street Lighting Revitalization Project

The streetscape plan includes street lights, trees and tree grates, trash receptacles, benches, bike racks, plantings, fencing and other related items and work. It is important to note that the total streetscape assessment of \$2,593,601.60 (as noted in Recommendation No 2 of this letter) stipulates the maximum assessments agreed to by the petitioners. The proposed assessment consists of \$175 per foot for base level streetscape plus \$165 per foot for enhanced streetscape. The 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 2009 (if completed and all costs reported) 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 2009 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 1327

As provided for in Chapter 431 of the Minneapolis Code of Ordinances, the W Lake St Streetscape and Street Lighting Revitalization project area is proposed to be designated as Street Lighting District 1327. 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. Chapter 431 provides for a lineal front footage method to determine street lighting maintenance and operation assessments. The amount to be assessed is \$6,200 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.

A project and assessment informational neighborhood meeting was scheduled for March 13, 2007, prior to the project approval and assessment public hearing.

Attachment 1 – Project Map

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

Attachment 1 – Project Map

