



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

Date: September 16, 2003
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Barb Johnson, Chair Ways & Means Committee
Subject: Request for Variance from State Aid Rules 8820.2800 Subpart 2 allowing State Aid approval of plans after the contract bids have been opened.

Recommendation:

1. Passage of the accompanying resolution requesting the Commissioner of Transportation to grant an Administrative Variance that would allow a municipality to use a portion of its State Aid funds for Trunk Highway Project(s) with plans approved after the contract bids have been opened. This variance to be applied to the projects listed below.
 - MSA 141-239-16 East 26th Street
 - MSA 141-427-01 East 46th Street
 - MSA 141-010-39 Hiawatha Avenue Railroad Track Relocation

Previous Directives:

- May 8, 1998 – City Council approval of plans and specifications for Mn/DOT project 2724-105 on Hiawatha Avenue from Franklin Avenue to 32nd Street East
- May 18, 2001 – City Council authorized payment of \$158,000 to Hennepin County Regional Rail Authority in connection with their removal of Soo Line Railroad tracks crossing Hiawatha Avenue at East 28th Street/East 26th Street, to be reimbursed from State Aid Funds.
- November 9, 2001 - City Council authorization to enter into an agreement with the Metropolitan Council to pay for the City's share of the cost of widening 26th Street East, east of Trunk Highway 55 in to amount of \$264,564 to be paid with State Aid funds.
- August 23, 2002 - City Council authorization to enter into an agreement with the Metropolitan Council to pay for the City's share of the cost of widening 46th Street East, west of Trunk Highway 55 in the amount of \$104,858 to be paid with State Aid funds.

Prepared by: Heidi Hamilton, P.E., Engineer III 673-3439

Approved by:

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

Presenters: Heidi Hamilton, P.E., Engineer III

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): The passage of this resolution will permit recovery of Municipal State Aid Funds in the amount of \$ 527,422.
- Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

Municipal State Aid (MSA) rules, 8820.2800 Subpart 2, requires that the State Aid Engineer must approve all construction plans prior to the bid opening in order for MSA funds to be expended on that project. Per policy set by the State Aid Office each City of the State Aid System is allowed one Administrative Variance which will allow reimbursement to be received for projects that had plans approved by the State Aid Engineer after the contract is awarded. The variance must be requested by the City's governing body in the form of a resolution and may be used to rectify this situation on multiple projects. We have three projects for which this variance must be requested so that we may be reimbursed by State Aid for our project costs:

MSA 141-010-39 Hiawatha Ave. Railroad Relocation/Removal (Seward Yard)

This project was completed by the Hennepin County Regional Rail Authority prior to the construction of Hiawatha Ave. from I-94 to Lake Street East to shorten the time needed to complete the roadway project. In 1991 the Federal Highway Administration authorized the Minnesota Department of Transportation and Hennepin County Regional Rail Authority to remove the Soo Line - 29th Street Corridor railroad tracks, including the tracks crossing Hiawatha Ave. at 26th Street East and 28th Street East. In May 2001 the City Council authorized payment of \$158,000 to Hennepin County Regional Rail Authority in connection with their removal of Soo Line Railroad tracks crossing Hiawatha Avenue at East 28th Street/East 26th Street, to be reimbursed from State Aid Funds.

Hiawatha LRT Project: MSA 141-239-16 East 26th Street
 MSA 141-427-01 East 46th Street

These projects involved adding turn lanes as part of the Hiawatha LRT project to alleviate projected traffic congestion at the intersections with Trunk Highway 55. Design and construction was completed by MnDOT's contractor, using the design/build process. The structure of the design/build process results in the award of contract and start of construction prior to completion of final design plans. Therefore, it was not feasible to obtain State Aid approval within the required timeframe. State Aid staff was involved and in agreement with the process used to make these improvements possible within the constraints of the LRT project.

This administrative variance will allow the City to recover \$527,422 of MSA funds, as itemized below.

Hiawatha Ave. Railroad Relocation/Removal	\$158,000
26 th Street	\$264,564
46 th Street	\$104,858

We therefore recommend passage of the accompanying resolution requesting a variance from State Aid Rules 8820.2800 Subpart 2.

T&PW - Your Committee recommends passage of the accompanying resolution directing the City Engineer to proceed with a variance request from State Aid Rules for the construction of State Aid Projects;

S.A.P. 141-010-39 - Hiawatha Ave. from I-94 to Lake St. E.

S.A.P. 141-239-16 – East 26th Street from Hiawatha Avenue to Minnehaha Avenue

S.A.P. 141-427-01 – East 46th Street from Hiawatha Ave. to 35th Avenue South

Colvin Roy

Directing the City Engineer to proceed with a variance request from State Aid Rules to the Commissioner of Transportation for the construction of State Aid Projects;

S.A.P. 141-010-39 Hiawatha Ave. from I-94 to Lake St. E.

S.A.P. 141-239-16 26th St. E. from Hiawatha Ave. to Minnehaha Ave.

S.A.P. 141-427-01 46th St. E. from Hiawatha Ave. to 35th Ave. S.

Whereas, The City of Minneapolis and the Minnesota Department of Transportation have entered into a Cooperative Construction Agreement for the construction of Hiawatha Ave. from I-94 to Lake St. E.; and

Whereas, The City of Minneapolis and the Met Council have entered into a Cooperative Construction Agreement for the construction of 26th St. E. from Hiawatha Ave. to Minnehaha Ave.; and

Whereas, The City of Minneapolis and the Met Council have entered into a Cooperative Construction Agreement for the construction of 46th St. E. from Hiawatha Ave. to 35th Ave. S.; and

Whereas, Minnesota Department of Transportation State Aid Rule 8820.2800 Construction Requirements, subpart 2 plans and estimates, require Municipal State Aid plan approval before the construction contract bids are opened; and

Whereas, Municipal State Aid plan approval was not received prior to construction contract bid opening; and

Whereas, State Aid rules provide that a political subdivision may request a variance from these rules;

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

That the City Engineer be directed to submit to the Commissioner of Transportation a formal request for variance from the Minnesota Department of Transportation, State Aid Rule 8820.2800 Construction Requirements, Subpart 2 plans and estimates, to permit a municipality to use a portion of its state aid funds for a trunk highway project with plans approved after the contract bids have been opened.