



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

Date: April 17, 2007
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Paul Ostrow, Chair Ways & Means/Budget Committee

Subject: **West Lake Street Reconstruction and Streetscape Project Cooperative Construction Agreement with Hennepin County and Closing various projects with reallocation of excess bond proceeds**

Recommendation:

- a) Receive and accept final costs of all paving, sewer and traffic related work for the 2004 Street Renovation Program (PV301 and PV302) and 10th St South Reconstruction Project (T26) with a total costs of \$3,103,389.85 and \$2,556,019.32 respectively:
- b) Closeout all remaining 2004 Street Renovation Program (PV301 and PV302) appropriations from resolution 2003R-612:
 - Paving Construction capital appropriation in 4100-937-9372 project (PV301) should be decreased by \$1,131,975.53. Field Operations capital appropriation in 4100-943-9440 project (PV301) should be decreased by \$4,889.69. Sewer Construction capital appropriation in 7300-932-9322 project (PV301) should be decreased by \$20,000.00:
 - Paving Construction capital appropriation in 4100-937-9372 project (PV302) should be decreased by \$849,416.97. Field Operations capital appropriation in 4100-943-9440 project (PV302) should be decreased by \$610.29. Sewer Construction capital appropriation in 7300-932-9322 project (PV302) should be decreased by \$152,000.00:
- c) Closeout all remaining 10th St S Reconstruction (T26) appropriations from resolutions 98R-469 and 2002R-476:
 - Paving Construction capital appropriation in 4100-937-9372 project (22317) should be decreased by \$687,042.92. Field Operations capital appropriation in 4100-943-9440 project (B1618) should be decreased by \$624,708.45. Field Operations capital appropriation in 4100-943-9432 project (B5088) should be decreased by \$279,992.62. Sewer Construction capital appropriation in 7300-932-9322 project (22317) should be decreased by \$93,948.69:

- d) As a result of the above project closeout \$2,376,362.36 of Net Debt Bonds (NDB) will become available. Request the City Council reallocate the excess Net Debt Bonds to the project listed below with the Capital appropriation increase and revenue budget increase to the Capital appropriation resolution 2006R-610 as follows:
- \$2,376,362.36 increase to Fund/Agency/Org: 4100-937-9372-LKSTS and revenue source Fund/Agency/Org: 4100-937-9372-3846 (2007 CSAH Program):
- e) Request the concurrence of the Board of Estimate and Taxation in the reallocation of already issued Net Debt Bonds of \$1,392,362.36 from the 2004 Street Renovation Program (PV301 and PV302) and 10th St S Reconstruction Project (T26) to the project identified above:
- \$603,217.47 from 4100-937-9372-PV301
 - \$4889.69 from 4100-943-9440-PV301
 - \$596,966.12 from 4100-937-9372-PV302
 - \$610.29 from 4100-943-9440-PV302
 - \$186,678.79 from 4100-937-9372-22317
- f) Request the concurrence of the Board of Estimate and Taxation to cancel the authority to sell Net Debt Bonds of \$984,000 for the 2004 Street Renovation Program (PV301 and PV302)
- g) Request the concurrence of the Board of Estimate and Taxation to issue and sell Net Debt Bonds of \$984,000.00 for 4100-937-9372-LKSTS (2007 CSAH Program):
- \$530,000 from 4100-937-9372-PV301
 - \$454,000 from 4100-937-9372-PV302; and
- h) Authorize the appropriate City Officers to enter into and execute the Cooperative Construction Agreement with Hennepin County pending satisfactory review by the City Attorney's Office.

(Refer to W&M/Budget)

Staff Report: Reallocation of Funds/West Lake Street Agreement

Previous Directives:

- July 21, 2006, Council Resolution 2006R-389, Approving the Hennepin County Department of Transportation Layout
- October 6, 2006, Accepting the Base and Enhanced Level Streetscape petitions from the abutting property owners, directing the City Engineer to proceed with the design of the lake Street Base and Enhanced Level Streetscape Project and approving the establishment of Special Service Districts for Lake Street and Lyndale Ave and directing the proper City officers to begin the development of the enabling ordinances.
- January 9, 2007, Council Resolutions 2007R-036, 2007R-037, Project Designation.
- 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.

- March 30, 2007, Council Resolutions 2007R-147 and 2007R-148, Ordering work to proceed, adopting special assessments and requesting the Board of Estimate and Taxation to issue and sell bonds.
- March 30, 2007, Council Resolutions 2007R-149 and 2007R-150, Preliminary approval to designate Street Lighting District No 1327.
- March 30, 2007, Council Resolution 2007R-151, Ordering City Engineer to abandon and remove areaways located in the public street right-of-way in conflict with the project.

Prepared by: Jenifer Loritz, Project Engineer, Engineering Services Division, 673-3625
Rhonda Rae, Director, Engineering Services, 673-3627

Approved by:

Patrick Born, City Finance Officer

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

Presenters: Don Elwood, Principal Professional Engineer, 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 change to plan
- Other financial impact (Explain):
- Request provided to department's Finance Dept. contact when provided to the Committee Coordinator

Community Impact

- Neighborhood Notification:** 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:

The 2004 Street Renovation Program and 10th St S Reconstruction Project have been completed with total costs of \$3,103,389.85 and \$2,556,019.32 respectively. These projects were completed under budget leaving unspent Net Debt Bonds. Public Works and Finance are working to resolve a funding shortfall in the overall CSAH Program. Public Works and Finance recommend the reallocation of excess 2004 Renovation Program and 10th St S Reconstruction Project Net Debt Bonds to the CSAH Program.

In 1999, Hennepin County began discussions 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.

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 29th St to W 31st St. These revised project limits better align with past and future projects.

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. The need for the additional \$2,376,362.36 in Net Debt Bonds being recommended for the CSAH Program is as follows:

- \$620,000 to fund construction of roadway items
- \$800,000 to fund construction of storm sewer
- \$403,000 payable to Hennepin County for construction administration including inspection, quantity measurement, survey, contract administration
- \$550,000 to fund Public Works' staffing including participation on Technical Advisory Committee (TAC), plan review, contract administration, construction administration

During the past several Capital Budget Request cycles the CSAH Program has been funded consistently at \$400,000 per year. This dollar amount was based on an initial estimate for the first segment of the Lake Street Reconstruction and Streetscape Project. This first segment of the project did receive Federal funding for the roadway portion of the project as well as the streetscape while the remaining segments only received Federal funding for the streetscape portion of the projects. Therefore, by funding the CSAH Program consistently at \$400,000 per year a shortfall in funding is realized.

Attachment 1 – Project Map

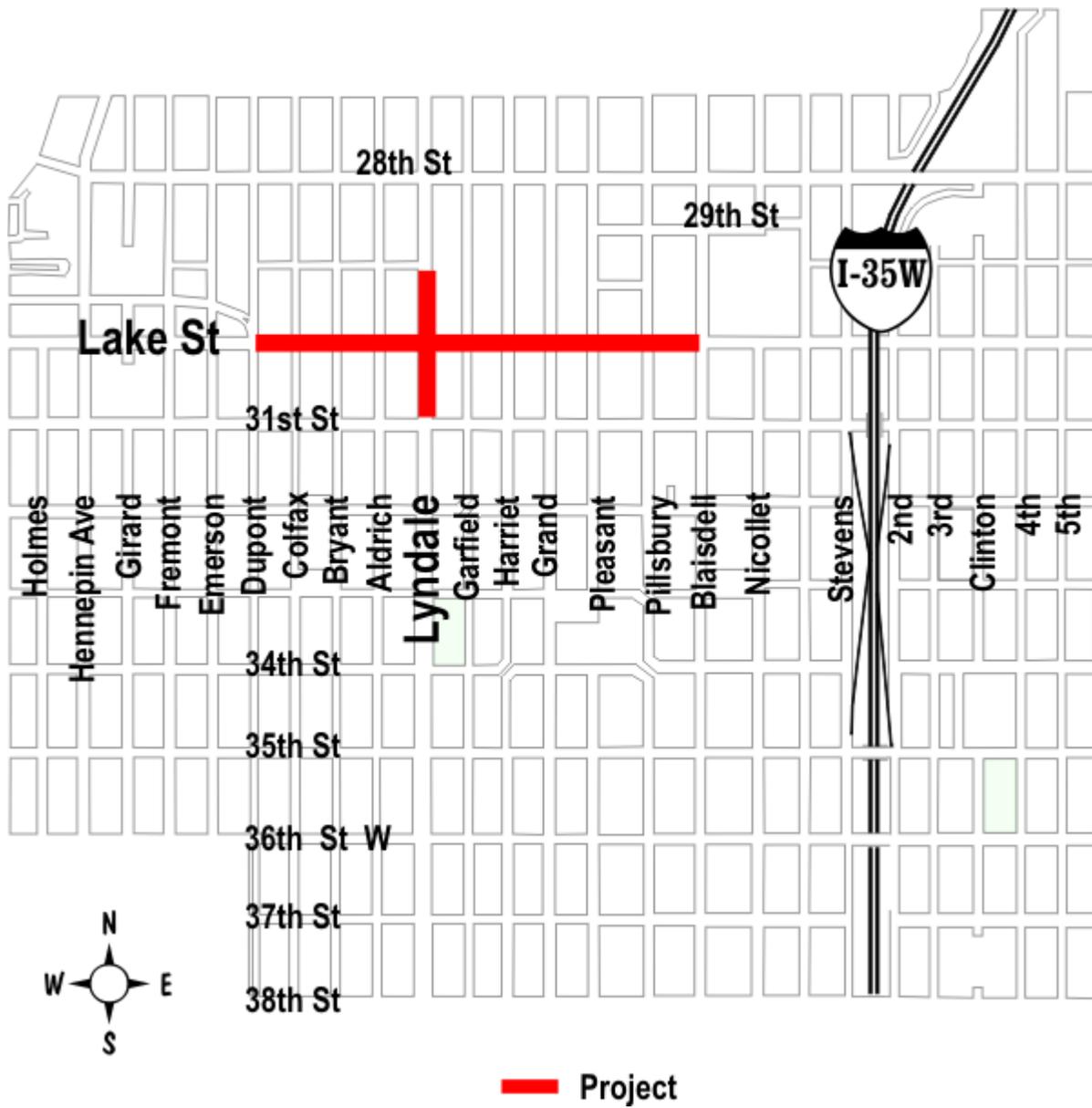
Attachment 2 – Proposed Bond Draw Down Schedule

CC:

Council Member Sandy Colvin Roy
Council Member Gary Schiff
Council Member Cam Gordon
Council Member Robert Lilligren
Council Member Ralph Remington
Council Member Elizabeth Glidden
Susan Hartman, Finance

William Schroeder, Finance
Mike Abeln, Finance
Dick Smith, Public Works
Paul Ogren, Public Works
John Wertjes, Public Works
Jack Qvale, Secretary, Board of Estimate
and Taxation

Attachment 1 – Project Map



Attachment 2 – Proposed Bond Draw Down Schedule

MONTH	\$1,392,362.36 (ALREADY SOLD NDB)	\$984,000 (CURRENTLY UNSOLD NDB)
MAY	\$	\$
JUNE	\$249,107	\$
JULY	\$249,107	\$
AUGUST	\$249,107	\$
SEPTEMBER	\$249,107	\$
OCTOBER	\$249,107	\$
NOVEMBER	\$	\$
DECEMBER	\$	\$
JANUARY 2008	\$	\$
FEBRUARY 2008	\$	\$
MARCH 2008	\$	\$
APRIL 2008	\$	\$
MAY 2008	\$	\$
AFTER MAY 2008	\$146,827.36	\$984,000