



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

Date: August 22, 2006
To: Honorable Sandra Colvin Roy, Chair, Transportation & Public Works Committee
Subject: 2nd Street SE Sanitary Sewer, Sewer Project Number 4421: Set Public Hearing

Recommendation:

- a) Passage and summary publication of a resolution designating the sanitary sewer work proposed to be made in the 2nd Street SE, between 5th and 6th Avenues SE, sanitary sewer project.
- b) Adoption of a Committee Report receiving the cost estimate of \$103,412, and the list of benefited properties, directing the City Engineer to prepare a proposed Sanitary Sewer Assessment against the list of benefited properties and directing the City Clerk to give notice of a Project Approval and set an Assessment Public Hearing to be held on September 26, 2006.

Previous Directives: None

Prepared by: Paul Chellsen, Engineering Services, 673-2406
Suzette Hjermstad, Management Services, 673-2401

Approved by: _____
Steven A. Kotke, P. E., Interim City Engineer, Director of Public Works

Presenters: Bo Spurrier, P.E., Engineering Services

Permanent Review Committee (PRC)	Approval _____	Not applicable <u> X </u>
Policy Review Group	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
- Other financial impact (Explain): Special assessment against benefited properties, appropriation actions will be addressed in subsequent letter for September 26, 2006 Public Hearing
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact

Neighborhood Notification: Public Hearing notices to be sent out. A public meeting with affected property owners will be held prior to the Public Hearing.

City Goals: the City's infrastructure will be well-maintained.

Comprehensive Plan: Consistent

Zoning Code: Not Applicable

Background/Supporting Information:

Bluff Street Development, LLC has asked the City of Minneapolis to install a public sanitary sewer in 2nd Street SE from the intersection of 6th Av SE and extending approximately 240 feet northwesterly toward 5th Av SE. This section of 2nd Street SE has no public sanitary sewer system. The properties are instead served by a private sanitary sewer that was constructed to serve the property at 520 2nd Street SE. Some properties were allowed to connect to the private sewer, the rest were connected without recorded permission or permits to connect. The City no longer allows this situation and we are working to resolve the remaining private sewer issues. The development of the property at 520 and 521 2nd St SE (proposed Flour Sack Flats Condominium Phases I and II) is dependent upon access to public sanitary sewer.

The cost estimate for the public sanitary sewer in 2nd Street SE is \$103,412.

Policy for assessing sanitary sewers is to assess 100% of the costs. However, there are provisions in the Minneapolis City Charter that provide for adjustments. Practice has been to include these adjustments in the assessment calculations with the City paying the costs resulting from these adjustments. The assessment plan prepared by the Public Works Department included adjustments provided for in Chapter 9, Section 4 of the City Charter (see Attachments 3 and 4). The assessment rate is calculated on a front foot basis to benefited properties on 2nd Street SE.

A summary of the project funding rounded to whole dollars is as follows:

1. Special assessments portion	\$91,450
2. City portion	<u>\$11,962</u>
3. TOTAL PROJECT COST	\$103,412

Funds are available in the Sewer Enterprise Fund in the Public Works Sewer Construction Capital Agency (7300-932-9322-SW001) to pay for the City portion of \$11,962.

An appropriation increase of \$91,450 in the Sewer Enterprise Fund in the Public Works Sewer Construction Capital Agency (7300-932-9322-SW001) to front-end the assessed cost will be requested at the time of the public hearing. The Sewer Enterprise Fund in the Public Works Sewer Construction Capital Agency would be reimbursed from bond sale proceeds. The revenues from the special assessments would be used to pay off the bonds.

The sanitary sewer installation work would be done by City forces. The Sewer Construction and Maintenance Engineer has advised that the construction could begin in Fall 2006.

- Attachment 1 - Bluff St Development Letter
- Attachment 2 - Minneapolis City Charter, Chapter 9, Section 4, Chapter 10, Section 9
- Attachment 3 – Allocation of Sewer Project Costs

- C: Diane Hofstede, 3rd Ward Council Member
- Mike Abeln, Director, Capital and Debt Management
- Jack Qvale, Secretary, Board of Estimate and Taxation

Attachment 1

November 8, 2005

Mr. Paul Chellsen
Minneapolis Sewer Design
309 – 2nd Avenue South
Minneapolis, Minnesota 55401-2268

RE: Flour Sack Flats – Phase I and II
Sanitary Sewer Service Request
520 and 521 – 2nd Street Southeast

Dear Mr. Chellsen:

Bluff Street Development, LLC, is submitting this request for new sanitary sewer service to be provided for a proposed two-phase development located at 520 and 521 – 2nd Street Southeast (SE) in Minneapolis. The proposed development consists of two for-sale condominium buildings, one on the north side (Phase I) and one on the south side (Phase II) of 2nd Street SE. The address for Phase I is generally agreed to be 521 – 2nd Street SE (PID #23-029-24-41-0021); however, it has also been designated as 519 – 2nd Street for some previously existing utility connections. The address for Phase II is 520 – 2nd Street SE (PID #23-029-24-41-0030). Bluff Street Development, LLC, owns both properties.

Phase I of the project consists of up to 59 for-sale condominium units located within a 5-story building. Construction for the building is scheduled to begin as soon as pre-sale requirements have been met. Phase II of the project consists of approximately 50 for-sale condominiums to be constructed as soon as Phase I has been completed.

Based on our review of available information, the closest sanitary sewer connection location is a manhole located in the intersection of 2nd Street SE and 6th Avenue SE. Sanitary sewers depicted or described on outdated reference materials indicate that all sanitary sewers located to the west of this intersection are considered private. To accommodate the two projects, we envision a new sanitary sewer manhole located approximately 100 feet west of the intersection of 2nd Street and 6th Avenue on the south side of 2nd Street. New sanitary sewer piping would then be installed to connect this manhole to the manhole in the intersection. Both phases of the proposed construction would then tie into the new manhole.

We hope to begin construction of Phase I this winter with occupancy at the end of 2006. Please contact me with any questions or comments at (952) 888-2001. Thank you in advance for your assistance with this matter.

Sincerely,

Bluff Street Development, LLC

Jeffrey A. Ellerd, P.E.

Minneapolis City Charter*

CHAPTER 9. WATER WORKS

Section 4. Assessment for Sewers. The City Council may in like manner, whenever it shall deem it necessary, lay, relay or extend any sewer, through any street in said City, and levy and assess, and collect the cost thereof, not exceeding the estimated cost of a sewer two feet in diameter, including all necessary catch basins, manholes, lamp holes and flushing valves, by a special assessment upon the property on both sides of such street and abutting upon such improvement, of an equal sum per front foot without regard to a cash valuation. The cost not provided for by such assessment, including the increased cost of larger sewers and constructing the same across streets and against property which is by law exempt from such assessment, shall be paid out of the permanent improvement fund of said city. A sewer two feet in diameter is hereby declared to be an ordinary street sewer within the meaning of this act, for the drainage of abutting property.

CHAPTER 10. LOCAL IMPROVEMENTS – ASSESSMENTS*

Section 9. Discretion as to corner lots. The City Council may, in its discretion, in case where any lot fronting on two streets has been previously assessed and the assessment paid for laying any water main or sewer pipe upon a different street from the one through which such proposed improvement is to be extended, remit from the assessment of such corner lot such portion of such second assessment, not exceeding the amount of assessment for a frontage of sixty-six feet on such lot, as it may deem just under all the circumstances of the case, but the discretion of the City Council in such matter shall be final, and the refusal or failure of said Council to make such remission shall not be ground for setting aside such assessment in any court or proceeding.

August 22, 2006

ATTACHMENT 3

ALLOCATION OF SEWER PROJECT COSTS

2nd STREET SE SANITARY SEWER
SEWER PROJECT NUMBER 4421

<u>DESCRIPTION</u>	<u>FOOTAGE</u>	<u>PERCENTAGE</u>	<u>AMOUNT</u>
<u>1. A. ASSESSED PORTION</u>			
<u>PRIMARY ACCESS</u>			
521 2 nd St SE	198.0'	27.0%	\$27,669.79
129 6 th Av SE	66.0'	9.0%	\$ 9,223.26
520 ½ 2 nd St SE	66.0'	9.0%	\$ 9,223.26
520 2 nd St SE	41.8'	5.5%	\$ 5,841.40
110 5 th Av SE	196.2'	26.0%	\$26,915.15
204 5 th Av SE (corner lot)	90.0' (adj from 132')	12.0%	\$12,577.18
<u>1. B. ASSESSED PORTION</u>			
<u>SECONDARY ACCESS</u>			
None			
2. ASSESSED TOTAL (1A + 1B)	<u>658.0'</u>	<u>88.5%</u>	<u>\$91,450.04</u>
<u>B. CITY PORTION</u>			
3. City Charter, Chapter 9, Section 4: sewer construction across streets - intersection of 2 nd Av N and Irving Av N	40.0'	5.4%	\$ 5,589.86
4. City Charter, Chapter 10, Section 9: corner lot adjusted cost difference	(42.0')	6.1%	\$ 6,372.44
6. CITY TOTAL (3 + 4)	<u>82.0'</u>	<u>11.5%</u>	<u>\$11,962.30</u>
<u>C. PROJECT TOTALS</u>			
7. GRAND TOTALS	740.0'	100.00000%	\$103,412.00