



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

Date: March 10, 2009

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

Referral to: Honorable Paul Ostrow, Chair Ways & Means/Budget Committee

Subject: **Assessment Public Hearing for Areaway Abandonment and Removal for property in the East Lake St (Hiawatha Av S to W River Pkwy) Street Reconstruction Project No 6709 – Coliseum Building.**

Recommendation:

1. Passage of a Resolution adopting special assessments for the areaway abandonment and removal in the East Lake Street (Hiawatha Ave S to W River Pkwy) Street Reconstruction Project No 6709 for the benefited property at:

2700 – 2708 Lake St E, PID 36-029-24-43-0077, in the amount of \$409,358.46.
2. Passage of a Resolution requesting the Board of Estimate and Taxation to issue and sell assessment bonds in the amount of \$409,350 for the areaway abandonment and removal in the East Lake Street (Hiawatha Ave S to W River Pkwy) Reconstruction Project No 6709 with the bonds to be paid for from special assessments.

Previous Directives:

- January 23, 2009 Council Action – Authorization to execute a settlement agreement between the City of Minneapolis and LS Black Constructors, Inc.
- January 23, 2009 Council Action – Approval of Change Order No 1 to City Contract C-24509 with LS Black Constructors, Inc. increasing the contract by \$13,823.46 for a revised total of \$352,823.46.
- April 13, 2007 Council Action – Accepting the low bid of LS Black Constructors, Inc. in the amount of \$339,000.00 to furnish all labor, materials, equipment and incidentals necessary to complete the areaway abandonment at 2708 Lake St E.
- February 24, 2006 Council Resolution 2006R-089 - Ordering the City Engineer to abandon and remove the areaways located in the public street r/w that are in conflict with the paving and streetscape project in the E Lake Street (Hiawatha Av S to W River Pkwy) area.

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Approved by:

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

Presenters: Jenifer Loritz, P.E., Project Manager, Transportation Planning & Engineering

Reviews: Permanent Review Committee (PRC): Not Applicable
Civil Rights Affirmative Action Plan: Not Applicable
Policy review Group (PRG): Not Applicable

Financial Impact (Check those that apply)

No financial impact
Special Assessment against the benefited property

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

Hennepin County, in conjunction with the City of Minneapolis, reconstructed Lake Street between Hiawatha Ave and W River Pkwy between 2006 and 2008. On January 13, 2006, the City Council designated the location, streets and improvements proposed to be made in the E Lake Street area. A public hearing was held on February 16, 2006 that included the areaway abandonment and removal of any conflicting areaways within the E Lake Street area street reconstruction and streetscape project in accordance with Section 95.90 of the Minneapolis Code of Ordinances.

It was determined that an areaway existed at 2700-2708 Lake St E and that the areaway was in conflict with the roadway reconstruction project. The City contacted the property owner of 2700-2708 Lake Street E regarding the areaway. The property owner of record is 2700 East Lake Street LLC, c/o Frederick Lehmann, with a mailing address of W 6272 720th Ave, Belden Ville, WI 54003. The property is a commercial parcel. At the request of the property owner, staff began working with a structural engineering firm (HGA) to complete construction documents, put the project out for public bid and manage the construction contract in order to complete the areaway abandonment project. The project was bid and a contract awarded to LS Black Constructors, Inc. in the amount of \$339,000.00. During the course of the construction phase, additional costs were incurred due to unforeseen conditions and plan revisions not covered by the scope of the original contract; these additional costs are reflected in the approved Change Order.

The total assessment comprises the original contract amount, the change order, a 5% City administrative fee, the design fee and the construction administration fee.

The proposed assessment in the total amount of \$409,358.46 would be collected over a twenty (20) year period starting on the 2010 real estate tax statement with interest. The interest rate will be determined by the assessment bond sale. Information has been provided in the Notice as to how a person may prepay the assessment in full without interest charges if they so choose.

CC: Council Member Gary Schiff, Ward 9
Ann Mathews

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

1. Adopting and levying the assessments for the areaway abandonment and removal in conjunction with the East Lake Street (Hiawatha Ave S to W River Pkwy) Street Reconstruction and Streetscape Project, special Improvement of Existing Street No. 6709 for the benefited property at

2700 – 2708 Lake St E, PID 36-029-24-43-0077 in the amount of \$409,358.46.

2. Requesting the Board of Estimate and Taxation to issue and sell bonds in the amount of \$409,350 for certain purposes other than the purchase of public utilities.

Colvin Roy

Adopting and levying the assessments for the unpaid charges for the areaway abandonment and removal for the benefited property as set forth in Petition No. _____.

Whereas, a Public Hearing was held on March 10, 2009, in accordance with Chapter 8, Sections 12 and 13 of the Minneapolis City Charter 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:

2700 – 2708 E Lake St, PID 36-029-24-43-0077, in the amount of \$409,358.46, legally described as: Lots 13, 14 and 15, except that part taken for street, Block 24, “South Side Addition” to the City of Minneapolis;

As set forth in Petition No. _____ in accordance with the East Lake Street (Hiawatha Ave S to W River Pkwy) Street Reconstruction and Streetscape Project, Improvement of Existing Street No 6709, as ordered by Resolution 2006R-089, in the total amount of \$409,358.46 and as shown on the proposed assessment roll on file in the office of the City Clerk be and hereby are 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 the City pays in interest for selling assessment bonds, with collection of the special assessments to begin on the 2010 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 Ostrow

Requesting the Board of Estimate and Taxation to issue and sell City of Minneapolis bonds in the amount of \$409,350 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 2700 – 2708 East Lake St, PID 36-029-24-43-0077 in accordance with the East Lake Street (Hiawatha Ave S to W River Pkwy) Street Reconstruction and Streetscape Project, Improvement of Existing Street No 6709, 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.