



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

Date: August 9, 2011

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

Referral To: Honorable Betsy Hodges, Chair Ways and Means/Budget Committee

Subject: **22nd Street East (Cedar Ave S to Minnehaha Ave S) Reconstruction and Street Lighting Project No 2998 (PV021): Public Hearing**

Recommendation:

- A. Passage of a Resolution ordering the City Engineer to proceed and do the work and adopting the special assessments in the total amount of \$112,528.41 for the 22nd St E (Cedar Ave S to Minnehaha Ave S) Reconstruction Project.
- B. Passage of a Resolution requesting the Board of Estimate and Taxation to issue and sell assessment bonds in the amount of \$112,550, with the bonds to be paid for from special assessments.
- C. Passage of a Resolution ordering the City Engineer to proceed and do the work and adopting the special assessments in the total amount of \$130,000 for the 22nd St E (Cedar Ave S to Minnehaha Ave S) Street Lighting Project.
- D. Passage of a Resolution requesting the Board of Estimate and Taxation to issue and sell assessment bonds in the amount of \$130,000, with the bonds to be paid for from special assessments.
- E. 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 22nd St E Reconstruction Project.
- F. These Resolutions may be authorized for summary publication.

Previous Directives:

- July 2005- Authorization to submit TEA-21 (TIPEDD) grant applications
- June 2008- Authorization of LCDA grant application to Metropolitan Council
- February 2009- Authorization and appropriation of the LCDA grant
- May 2009- Authorized executing redevelopment agreement with Seward Redesign
- July 1, 2011 City Council Resolution 2011R-352, Project Designation- Reconstruction
- July 1, 2011 City Council Resolution 2011R-353, Project Designation- Street Lighting

Prepared by: Beverly Jo Warmka, P.E., Project Engineer, 673-3762
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Mark Garner, Community Planning and Economic Development, 673-5037

Approved by:

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

Presenters: Beverly Jo Warmka, P.E., Project Engineer
Suzette Hjermstad, R.E. Investigator II

Reviews:

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

Financial Impact

- No financial impact - or - Action is within current department budget (If checked, go directly to Background/Supporting Information)
- Business Plan: Action is within the plan.
- Other financial impact (Explain): Special assessments against benefited properties.

Community Impact

Neighborhood Notification: Public Hearing notices mailed on July 25, 2011
Neighborhood Meetings: Pre-public hearing meeting scheduled for August 2, 2011
Numerous meetings with a task force and stakeholders throughout
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

On July 1, 2011, the City Council designated the location, streets and improvements proposed to be made in the 22nd St E area. The 22nd St E street reconstruction project is from Cedar Ave S to Minnehaha Ave. This reconstruction project realigns E 22nd St between Minnehaha Ave and Cedar Ave and improves the condition of the existing roadway surface. 22nd Street had been initially proposed for reconstruction in the 2005. In the Access Minneapolis Ten-Year Transportation Action plan the existing pavement condition for 22nd St was classified as very poor (not ratable). With the alignment and reconstruction, 22nd St will now be connected to Cedar Ave with a right-in/right-out connection. This project is included in the City's 2011 Capital Improvement Program (CIP).

The proposed roadway is 40 feet and has one moving lane in each direction and parking on both sides. The 22nd St E project will consist of asphalt road surface, relocated underground utilities, curb, gutter, boulevard, trees, signage, storm drains, concrete drives, and sidewalks. The estimated useful life of the reconstructed street is 60 years with proper maintenance. The construction will be done by non-city crews that have been selected through a competitive bid process. The construction is scheduled to begin in late 2011.

The 22nd Street East project is a collaborative project of Public Works and Community Planning and Economic Development that builds upon ten-years of City, Hennepin County and neighborhood-based land use and transportation studies focused on the Franklin Avenue LRT Station. This area is bolstered by the growing use of the Light Rail transit line and by planned Transit Oriented Development located directly adjacent to the project area, which makes implementing the project's goals with respect to pedestrian and vehicular safety and multi-modal use especially important. The 22nd Street project secured grant funding together with the Franklin Streetscape project, which also improves neighborhood access to the Franklin Avenue LRT station and supports additional transit and pedestrian-oriented development around the

station area. The reconstruction and realignment of 22nd Street supports options for modifying the complex intersection of Cedar, Franklin and Minnehaha Avenue sometime in the future - a significant City and neighborhood goal in previous planning studies – at the time when traffic and land use changes around this key intersection occurs.

Schedule and Funding

The project is scheduled for construction to start in late 2011 with completion by fall of 2012. The project will be constructed by a contractor through a competitive bid process.

A cost estimate for the project is \$2,250,000. Significant funding for the project was received from federal and regional grants that support the multi-modal transportation, transit-ridership, planning and development goals around the LRT station area. The project will be partially reimbursed by a Federal TIPEDD (Transportation Improvements for Planned Economic Development Districts) Grant, a Metropolitan Council Livable Communities (LCDA) grant and Minnesota State Aid funds. The remaining budget is funded by net debt bonds and assessment bonds. Right-of-way easements for the street were acquired through the City redevelopment agreement with Seward Redesign for the Seward Commons Project.

22 nd St Funding Sources	
TIPEDD Grant	\$1,000,000
LCDA Grant	\$550,000
MSA	\$355,000
NDB	\$155,000
Street Assessments	\$112,528
Lighting Assessments	\$130,000
TOTAL	\$2,302,528

Street Reconstruction Assessments

The proposed street reconstruction special assessments were determined by applying the 2011 Uniform Assessment Rates to the land area of benefited parcels located within the street influence zone along the improved street. The 2011 reconstruction rates are as follows:

- \$2.05 / sq ft – Non-Residential
- \$0.77 / sq ft – Residential

The proposed total assessment amount for the 22nd St E Reconstruction Project is \$112,528.41. Individual assessments of more than \$150 would be collected over 20 years beginning on the 2013 real estate tax statements with the interest charged at the same rate as the City pays in interest for selling assessment bonds. Assessments of \$150 or less would be collected in their entirety on the 2013 real estate tax statements with interest charged at the same rate as the City pays in interest for selling assessment bonds. Information has been provided in the Notices as to how persons may prepay the special assessments in full without interest if they so choose.

Street Lighting Assessments

Street Lighting will also be installed with the reconstruction project. The total estimated cost of the street lighting is \$130,000. Some or all of this cost may be bought down with the available TIPPED Grant funds the remainder would be assessed to the benefiting properties. A petition was not circulated for lighting project as the primary property owner in the influence area (representing approximately 86% of the influence area) is supportive of the lighting project.

The proposed assessment method consists of calculation of land area of benefited parcels located within the street influence zone along the improved streets. The street lighting assessment rate is \$2.129 per sq ft.

The lighting levels for this proposed project are classified as standard. The annual maintenance and operation costs are to be paid by property tax revenue and the city-wide street lighting fee which is assessed to non-governmental, tax-exempt properties.

The proposed total street lighting assessment amount for the 22nd St E Street Lighting Project is \$130,000. Individual assessments of more than \$150 would be collected over 20 years beginning on the 2013 real estate tax statements with the interest charged at the same rate as the City pays in interest for selling assessment bonds. Assessments of \$150 or less would be collected in their entirety on the 2013 real estate tax statements with interest charged at the same rate as the City pays in interest for selling assessment bonds. Information has been provided in the Notices as to how persons may prepay the special assessments in full without interest if they so choose.

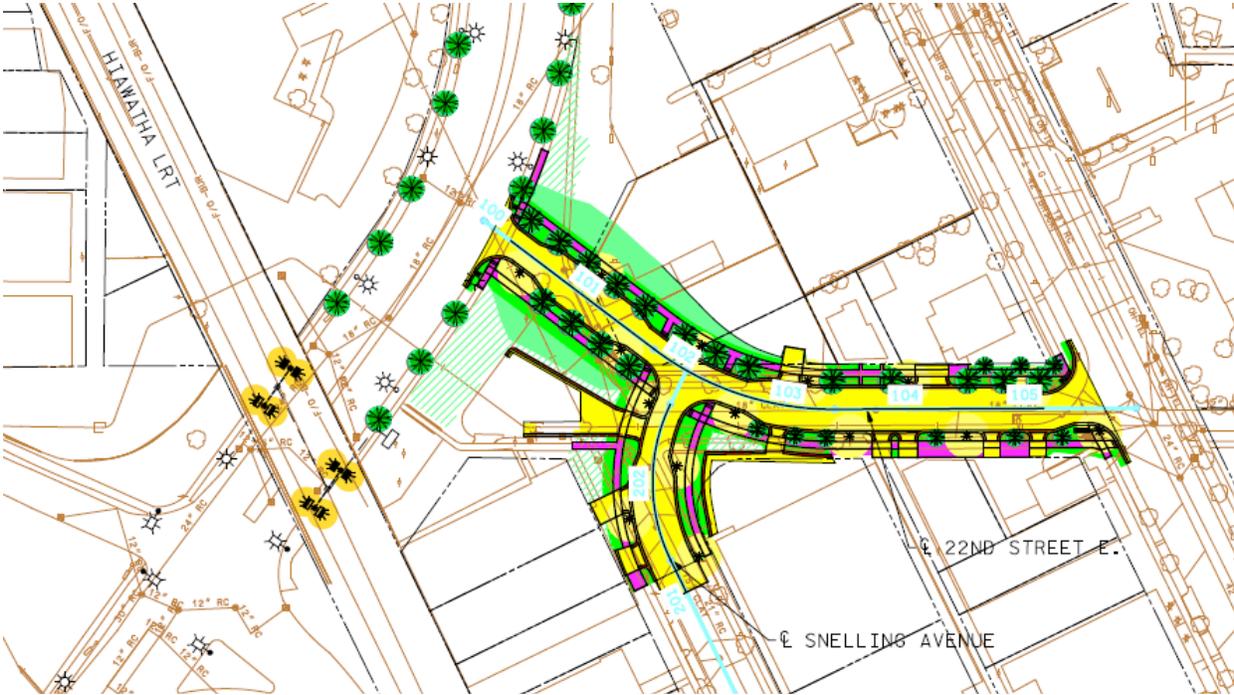
Abandonment and Removal of Conflicting Areaways

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 reconstruction. Before the City may abandon and remove conflicting areaways (upon the 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. Prior to the areaway public hearing notices being given, the City Engineer has provided the initial notice required in Section 95.90 of the Minneapolis Code of Ordinances.

Attachment: Project Location Map

Cc: Council Member Cam Gordon, Ward 2
Council Member Robert Lilligren, Ward 6
Council Member Gary Schiff, Ward 9
Jack Qvale, Secretary, Board of Estimation and Taxation
Craig Troutman, Finance

22nd Street East Reconstruction Project Map



By Colvin Roy

**22ND ST E (CEDAR AVE S TO MINNEHAHA AVE S) RECONSTRUCTION PROJECT
SPECIAL IMPROVEMENT OF EXISTING STREET No 2998**

**Ordering the work to proceed and adopting the special assessments for the
22nd St E (Cedar Ave S to Minnehaha Ave S) Project.**

Whereas, a public hearing was held on August 9, 2011 in accordance with Chapter 10, Section 8 of the Minneapolis City Charter and Section 24.180 of the Minneapolis Code of Ordinance to consider the proposed improvements as designated in Resolution 2011R-352, passed July 1, 2011, to consider the proposed special assessments on file in the office of the City Clerk and to consider all written and oral objections and statements regarding the proposed improvements and the proposed special assessments;

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

That the City Engineer is hereby ordered to proceed and do the work as designated in said Resolution 2011R-352, passed July 1, 2011.

Be It Further Resolved that the proposed special assessments in the total amount of \$112,528.41 as on file in the office of the City Clerk be and hereby are adopted and assessed against the benefited properties.

Be It Further Resolved that the number of successive equal annual principal installments by which the special assessments of more than \$150 may be paid shall be fixed at twenty (20) and that the interest be charged at the same rate as assessment bonds are sold for with collection of the special assessments to begin on the 2013 real estate tax statements.

Be It Further Resolved that the number of installments by which the special assessments of \$150 or less may be paid shall be fixed at one (1) and that interest be charged at the same rate as the assessment bonds are sold for with collection of the

special assessments to begin on the 2013 real estate tax statements.

By Colvin Roy

**22ND ST E (CEDAR AVE S TO MINNEHAHA AVE S) STREET LIGHTING PROJECT
SPECIAL IMPROVEMENT OF EXISTING STREET No 2998L**

**Ordering the work to proceed and adopting the special assessments for the
22nd St E (Cedar Ave S to Minnehaha Ave S) Project.**

Whereas, a public hearing was held on August 9, 2011 in accordance with Chapter 10, Section 8 of the Minneapolis City Charter and Section 24.180 of the Minneapolis Code of Ordinance to consider the proposed improvements as designated in Resolution 2011R-353, passed July 1, 2011, to consider the proposed special assessments on file in the office of the City Clerk and to consider all written and oral objections and statements regarding the proposed improvements and the proposed special assessments;

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

That the City Engineer is hereby ordered to proceed and do the work as designated in said Resolution 2011R-353, passed July 1, 2011.

Be It Further Resolved that the proposed special assessments in the total amount of \$130,000 as on file in the office of the City Clerk be and hereby are adopted and assessed against the benefited properties.

Be It Further Resolved that the number of successive equal annual principal installments by which the special assessments of more than \$150 may be paid shall be fixed at twenty (20) and that the interest be charged at the same rate as assessment bonds are sold for with collection of the special assessments to begin on the 2013 real estate tax statements.

Be It Further Resolved that the number of installments by which the special assessments of \$150 or less may be paid shall be fixed at one (1) and that interest be charged at the same rate as the assessment bonds are sold for with collection of the special assessments to begin on the 2013 real estate tax statements.

Colvin Roy

Ordering the City Engineer to abandon and remove the areaways located in the public street right-of-way that are in conflict with the street reconstruction in the 22nd St E area.

Whereas, the City of Minneapolis has scheduled the street reconstruction improvements starting in 2011 in the 22nd St E (Cedar Ave S to Minnehaha Ave S) area of Minneapolis; and

Whereas, there are areaways located in the public street r/w that are in conflict with said reconstruction; and

Whereas, a public hearing was held on August 9, 2011 in accordance with Chapter 10, Section 8 of the Minneapolis Code of ordinance to consider all written and oral objections and statements regarding the proposed areaway abandonment and removal;

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

That the City Engineer is hereby ordered and directed to abandon and remove the conflicting areaways located in the public street r/w adjoining the properties along 22nd St E (both sides) from Cedar Ave S to Minnehaha Ave S.

Colvin Roy and Hodges

Requesting the Board of Estimate and Taxation to issue and sell City of Minneapolis bonds in the amount of \$112,550 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 street improvements in the 22nd St E (Cedar Ave S to Minnehaha Ave S) Reconstruction Project, Special Improvement of Existing Street No 2998, to be assessed against benefited properties as estimated by the City Council, which assessments shall be collectible in twenty (20) successive annual installments, payable in the same manner as real estate taxes.

Colvin Roy and Hodges

Requesting the Board of Estimate and Taxation to issue and sell City of Minneapolis bonds in the amount of \$130,000 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 street improvements in the 22nd St E (Cedar Ave S to Minnehaha Ave S) Street Lighting Project, Special Improvement of Existing Street No 2998L, to be assessed against benefited properties as estimated by the City Council, which assessments shall be collectible in twenty (20) successive annual installments, payable in the same manner as real estate taxes.