



## Request for City Council Committee Action from the Department of Public Works

**Date:** May 5, 2015

**To:** Honorable Kevin Reich, Chair Transportation & Public Works Committee

**Referral to:** Honorable John Quincy, Chair Ways and Means Committee

**Subject:** **Project Approval and Assessment Public Hearing for Minnehaha Ave Reconstruction Project 6754 (CPV083); Areaway Abandonment Public Hearing**

### Recommendation:

- A. Pass a Resolution ordering the City Engineer to proceed and do the work and adopt special assessments in the amount of \$764,807.45 for the Minnehaha Avenue Reconstruction Project No 6754.
- B. Pass a Resolution requesting the Board of Estimate and Taxation to authorize the City to issue and sell assessment bonds in the amount of \$764,810 for the Minnehaha Avenue Reconstruction Project No 6754 with the bonds to be paid for from special assessments.
- C. Pass 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 Minnehaha Avenue Reconstruction Project.

### Previous Directives:

April 3, 2015 – Designation, Cost Estimate, and Set Public Hearings

January 16, 2015 – Reconstruction Layout Approval

### Department Information:

Prepared by: Beverly Warmka, P.E., Project Engineer 673-3762  
Suzette Hjermstad, R.E. Investigator II, 673-2401  
Don Elwood, P.E., Director of Transportation Planning and Engineering

Approved by: \_\_\_\_\_  
Steven A. Kotke, P.E., Director of Public Works

Presenters in Committee: Beverly Warmka, Project Engineer, Transportation Planning and Engineering

## **Financial Impact**

Action is within the approved budget. Special assessments against benefited properties

## **Community Impact**

Neighborhood Notification: A stakeholder meeting was held to address questions regarding the assessment process.

### **City Goals**

- o Living well: Minneapolis is safe and livable and has an active and connected way of life. High-quality and convenient transportation options connect every corner of the city.
- o A hub of economic activity and innovation: Businesses – big and small – start, move, stay and grow here. Infrastructure, public services and community assets support businesses and commerce.
- o Great Places: Natural and built spaces work together and our environment is protected. We manage and improve the city's infrastructure for current and future needs.

## **Supporting Information**

### Scope

The proposed project consists of full reconstruction of Minnehaha Avenue from the north of the intersection of 26<sup>th</sup> St E through the intersection of 24<sup>th</sup> St E. This includes, at minimum, full removal of the existing street surface, subgrade correction, aggregate base, paving, curb and gutter, signage, drive approaches, and pedestrian curb ramps. The proposed project is currently planned for construction in 2015.

### Schedule and Funding

The project is planned to be constructed in the 2015 construction season. The project cost estimate is \$2,920,000.

The project is fully funded through the City of Minneapolis 2014 Adopted Budget which appropriated funding for the PVO83 Minnehaha Avenue reconstruction project including:

- \$335,000 in net debt bonds;
- \$1,415,000 in Municipal State Aid funds;
- \$955,000 in special assessment bonds;
- \$120,000 in stormwater revenue; and
- \$95,000 in water revenue.

### Street Reconstruction Project Assessments

The proposed street reconstruction special assessments were determined by applying the 2015 Uniform Assessment Rates to the land area of benefited parcels located within the street influence zone along the improved streets. The 2015 reconstruction assessment rates are as follows:

\$2.46/sq ft – Non-Residential

\$0.82/sq ft - Residential

The proposed total assessment amount for the Minnehaha Avenue project is \$764,807.45. Individual assessments over \$150 beginning on 2016 real estate tax statements, and assessments of \$150 or less would be collected in their entirety on the 2016 real estate tax statements with interest charged at the rate determined by the City Council for the appropriate assessment collection period.

Information has been provided in the notices as to how persons may prepay the special assessments in full without interest if they so choose.

City Council has passed resolutions whereby a deferment of special assessments may be obtained by showing hardship for any homestead property owned by a person 65 years of age or older or retired by virtue of a permanent and total disability.

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 construction. 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.

Attachment Project Map

cc: Council Member Gordon  
Jack Qvale, Board of Estimation and Taxation  
Mike Abeln, Director of Capital & Debt Management  
Sandy Christensen, Deputy Finance Officer

ATTACHMENT 1

PROJECT MAP

**Minnehaha Avenue - PV083**



**T&PW and W&M** – Your Committees recommend passage and summary publication of the accompanying Resolutions:

1. Ordering the work to proceed and adopting the special assessments for the Minnehaha Avenue Project, Special Improvement of Existing Street No 6754.
2. Requesting the Board of Estimate and Taxation to authorize the City to issue and sell assessment bonds for the purpose of paying the assessed cost of street improvements in the Minnehaha Avenue Project.
3. 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 Minnehaha Avenue project area.

**Reich**

**Minnehaha Avenue Reconstruction Project,  
Special Improvement of Existing Street No 6754**

**Ordering the work to proceed and adopting the special assessments for the  
Minnehaha Avenue Reconstruction Project**

Whereas, a public hearing was held on May 5, 2015 in accordance with Article IX, Section 9.6 (c) of the Minneapolis City Charter and Section 24.110 of the Minneapolis Code of Ordinances to consider the proposed improvements as designated in Resolution 2015R-149 passed April 3, 2015, to consider the proposed special assessments as 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 2015R-149 passed April 3, 2015.

Be It Further Resolved that the proposed special assessments in the total amount of \$764,807.45 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 the City pays in interest for selling assessment bonds with collection of the special assessments to begin on the 2016 real estate tax statements.

Be It Further Resolved that the number of installments by which the special assessment of \$150 or less may be paid shall be fixed at one (1) 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 2016 real estate tax statements.

## **Reich and Quincy**

**Requesting the Board of Estimate and Taxation to authorize the City to issue and sell City of Minneapolis bonds in the amount of \$764,810 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 authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds for the purpose of paying the assessed cost of street improvements in the Minnehaha Avenue Reconstruction Project, Special Improvement of Existing Street No 6754, 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.

## Reich

**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 projects in the Minnehaha Avenue project area.**

Whereas, the City of Minneapolis has scheduled the reconstruction starting in 2015 in Minnehaha Avenue project 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 May 5, 2015 in accordance Section 95.90 of the Minneapolis Code of Ordinances to consider the proposed abandonment and removal of the above mentioned areaways and 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 both sides of Minnehaha Ave from the intersection of 26<sup>th</sup> St E through 24<sup>th</sup> St E intersection.