



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

Date: September 16, 2008

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

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

Subject: **Marquette (PV052) and 2nd Ave (PV053) Transit lanes, increase appropriations based on the Subrecipient Agreement and Hold Harmless Resolution**

Recommendation:

1. Amend capital appropriated budget 2007R-645 for PV052 and PV053 to match the subrecipient agreement with Met Council (Urban Partnership Agreement grant). Increase Federal amount from \$25,600,000 to \$25,732,800 and add state bond local match of \$6,433,200.00. Amended Capital appropriation increases and revenue budget increases would be as follows:
 - \$66,400 increase to Fund/dept: 04100-9010000-PV052 and revenue source Fund/dept: 04100-9010000-3210.
 - \$3,216,600 appropriated to Fund/dept 04100-9010000-PV052 and revenue source Fund/dept: 04100-9010000-3215.
 - \$66,400 increase to Fund/dept 04100-9010000-PV053 and revenue source Fund/dept: 04100-9010000-3210.
 - \$3,216,600 appropriated to Fund/dept 04100-9010000-PV053 and revenue source Fund/dept: 04100-9010000-3215.
2. Passage of the accompanying Resolution holding harmless the State of Minnesota from actions that may arise from granting of a variance that would allow the City of Minneapolis to let bids prior to receiving final State Aid approval on the Marquette and 2nd Avenue Transit Project rather than after approval as required by the Rules.

Previous Directives:

- July 25, 2008 – Council Resolution 2008R-316 uniform Paving assessment- public hearing
- July 25, 2008 – Accept qualified low bid for street reconstruction
- June 6, 2008 – Council Resolution 2008R-221 project designation
- May 16, 2008 – Direct the City Engineer to proceed with formal variance request from State Aid Rules
- May 2, 2008 - Authorize negotiation and approval of a Subrecipient Agreement with the Metropolitan Council, the designated recipient of the Urban Partnership Agreement FTA funds
- April 4, 2008 – Authorized Public Works to negotiate with private property owners to acquire and execute easements

- April 4, 2008 – Passed Resolution designating areaway improvements
- April 4, 2008 – Set a public hearing to be held on May 20 to consider abandonment and removal of areaways in conflict with the project and directing staff to give notice in accordance with Section 95.90 of Minneapolis Code of Ordinances
- April 4, 2008 – Accepted URS proposal for design and construction administration services
- March 21, 2008 – Approved preliminary cross-section and layout
- December 21, 2007 – Authorized negotiation and execution of a Subrecipient application with the Metropolitan Council, the designated recipient of the Urban Partnership Agreement FTA funds
- December 21, 2007 – Authorized Public Works to proceed with the Marquette and Second Avenue Transit Project design work
- December 21, 2007 – Authorized development and issuance of a Request for Proposal (RFP) for a consultant to assist with design and construction management services in support of the Marquette and Second Avenue Transit Project
- June 29, 2007 – Approved Downtown Action Plan

Prepared by: Jessica Martz, Finance Department, 673-2409
 Bill Fellows, P.E., Project Engineer, TP&E, 673-5661
 Don Elwood, P.E., Director, Transportation Planning & Engineering

Approved by:

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

Presenters: Bill Fellows, P.E., Project Manager, Public Works

Reviews

Permanent Review Committee (PRC):	Approval NA	Date
Civil Rights Affirmative Action Plan:	Approval NA	Date
Policy Review Group (PRG):	Approval NA	Date

Financial Impact (Check those that apply)

- ___ No financial impact - or - Action is within current department budget (If checked, go directly to Background/Supporting Information)
- X Action requires an appropriation increase to the Capital Budget
- ___ Action requires an appropriation increase to the Operating Budget
- X Action provides increased revenue for appropriation increase
- ___ Action requires use of contingency or reserves
- ___ Business Plan: X Action is within the plan. ___ Action requires a 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:** Public communications is ongoing through several different media including e-mail project updates, public meetings, and the project website.
- **City Goals:** -- meets the goals of:
 - A Safe Place to Call Home
 - The city's infrastructure will be well-maintained
 - Connected Communities
 - Connected network of transportation options

- Streets will be destinations
 - Enriched Environment
 - Energy into renewable and alternative energy
 - Fully implement the City's Sustainable Work Plan
- **Comprehensive Plan:** Implements the transportation policies set forth in the city's comprehensive plan and the actions approved in the Downtown Ten-Year Transportation Action Plan
- **Zoning Code:** Not Applicable

Background/Supporting Information:

The Downtown Action Plan, which was approved by City Council on June 29, 2007, includes reconstruction of Marquette and 2nd Avenues to incorporate two transit lanes on each street. The plan also calls for wider sidewalks and additional transit passenger waiting facilities.

In April 2007 Mn/DOT and Metropolitan Council submitted an application for Urban Partnership Agreement (UPA) federal funding – a new funding program targeted toward congestion reduction through transit improvements, tolling/congestion pricing, technology and telecommuting. The Marquette and 2nd Avenue Transit Project is included in this grant application. In August 2007 the Twin Cities was selected to receive a UPA grant. This \$133 Million grant includes the Marquette and Second Avenue Transit Project with a stipulation that all work must be completed by December 31, 2009.

On June 6, 2008, the City Council designated the location, streets and improvements proposed to be made in the 2nd Avenue S and Marquette Avenue downtown areas. The 2nd Av S and Marquette Av Street reconstruction projects are from 1st St S to 12th St S. The street reconstruction/transit project will include the complete reconstruction of both roadways with concrete, a stabilized base, sidewalk, storm drain, signals, lighting, signing, striping and related items and work including right-of-way acquisition as needed.

On May 2, 2008, the City Council authorized negotiation and approval of a Subrecipient Agreement with the Metropolitan Council, the designated recipient of the UPA Federal Transit Authority funds. Recommendation 1 will align the funds in the agreement with the appropriated council budget. We recommended amending resolution 2007R-645 to increase appropriation and revenue sources for projects PV052 (Marquette) and PV053 (2nd) funds for federal funds and add state bond local match funds per the subrecipient agreement with Met Council (UPA grant).

On May 16, 2008 council passed resolution (2008R-200) which directed the City Engineer to proceed with formal variance request from State Aid Rule 8820.2800, subpart 2, to permit the bid letting prior to receiving final State Aid approval. In response to that direction Public Works submitted and received conditional approval of the variance by the Commissioner of Transportation. As a condition of granting this Variance the State requires City Council to adopt a standard form resolution with "hold harmless" language. Recommendation 2 is to pass the accompanying Resolution holding harmless the State of Minnesota from actions that may arise from granting of the variance allowing the City of Minneapolis to let bids prior to receiving final State Aid approval of the plans.

Attachment: Letter from Minnesota Department of Transportation

cc: Council Member Lisa Goodman, Ward 7
 Jack Qvale, Secretary, Board of Estimate and Taxation
 Bill Schroeder, Finance
 Craig Troutman, Finance

JUL 15 2008



Minnesota Department of Transportation

State Aid for Local Transportation
 Mail Stop 500, 4th Floor
 395 John Ireland Boulevard
 St. Paul, MN 55155-1A99

Office Tel.: 651 363-3000
 Fax: 651 363 3801

July 11, 2008

Steve Kotke, Public Works Director
 City of Minneapolis
 Room 203
 350 South Fifth Street
 Minneapolis, MN 55415

In reply refer to: Request for Variance
 SP 111-189-014 and SP 141-210-019
 City of Minneapolis, MN

Dear Mr. Kotke:

Based upon the advice of the June 25, 2008 State Aid Variance Committee, appointed expressly for the purpose of recommending the validity of the City of Minneapolis's request for a variance from Minnesota Rules for State Aid 8820.2800 subpart 2, as they apply to the reconstruction of Marquette and 2nd Avenues from 1st to 12th Streets, so as to allow opening of bids before receiving plan approval in lieu of offer plan approval, I hereby GRANT this request with the following condition:

This variance is granted based upon the Division of State Aid for Local Transportation receiving a resolution adopted by the city of Maplewood that indemnifies, saves and holds harmless the State of Minnesota and its agents and employees of and from any and all claims, demands, actions, or causes of action arising out of or by reason of granting this variance, and further agrees to defend at their sole cost and expense any action or proceeding commenced for the purpose of asserting any claim of whatsoever character arising as a result of the granting of this variance.

Sincerely,

Julie A. Skallman
 State Aid Engineer
 State Aid for Local Transportation

cc: ✓ Greg Coughlin, DSAE, Metro
 Variance File

Colvin Roy
Resolution No. _____

Holding harmless the State of Minnesota from actions that may arise from bidding the UPA Marquette and 2nd Avenue Transit project prior to receiving final State Aid approval.

Whereas, the City Engineer has been directed to proceed with formal variance request from State Aid Rule 8820.2800, subpart 2, to permit the bid letting prior to receiving final State Aid approval rather than after approval as required by the rules,
and

Whereas, the Commissioner of Transportation may grant said variance;

Now, Therefore, Be It Resolved by The City of Minneapolis:

That it indemnifies, saves and holds harmless the State of Minnesota and all its agents and employees of and from any and all claims, demands, actions, or causes of action arising out of or by reason of granting this variance, the reconstruction of MSA 141-189-014 and 141-210-019 manner than in accordance with Minnesota Rule 8820.2800 and further agrees to defend at their sole cost and expense any action or proceeding commenced for the purpose of asserting any claim of whatsoever character arising as a result of the granting of this variance, contingent upon approval of the variance by the Commissioner of Transportation.