



# MAYOR & COUNCIL COMMUNICATION

**DATE:** 06/17/2014

**REGULAR**

**ITEM # 21**

**AGENDA ITEM:** Village East Trunk Sanitary Sewer Improvements: Trunk Highway 5 to south of the Union Pacific Railroad – Resolution Ordering Feasibility Report, Receiving Feasibility Report, Calling Hearing on Improvement, Approve Plans and Specifications, and incorporate Plans and Specifications into 39<sup>th</sup> Street North: Street and Sanitary Improvements

**SUBMITTED BY:** Jack Griffin, City Engineer

**THROUGH:** Dean A. Zuleger, City Administrator

**REVIEWED BY:** Adam Bell, City Clerk  
Cathy Bendel, Finance Director  
Chad Isakson, Project Engineer

**SUGGESTED ORDER OF BUSINESS:**

- Introduction of Item ..... City Engineer
- Report/Presentation..... City Engineer
- Questions from Council to Staff..... Mayor Facilitates
- Public Input, if Appropriate ..... Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

**POLICY RECOMMENDER:** Engineering

**FISCAL IMPACT:** None.

The impact to the City for this request includes procedures to recover all costs as the improvements proceed forward. The trunk sewer improvements are being implemented as a joint venture between the City, property owners and developers. This report addresses an improvement project already imitated by the City Council. However, the request amends the portion of the improvements to be directly led by the City, thereby altering the project delivery process and incorporating additional improvements and properties to be assessed.

**SUMMARY AND ACTION REQUESTED:**

The City Council is respectfully requested to consider adopting Resolution No. 2014-48 for the Village East Trunk Sanitary Sewer Improvements: TH 5 to UP Railroad, thereby Ordering Feasibility Report, Receiving Feasibility Report, Calling Hearing on Improvements to be held on July 15, 2014, Approve Plans and Specifications, and incorporate Plans and Specifications into 39<sup>th</sup> Street North: Street and Sanitary Improvements. The recommended motion for this action is as follows:

***“Move to adopt Resolution No. 2014-48 for the Village East Trunk Sanitary Sewer Improvements: TH 5 to UP Railroad, thereby Ordering Feasibility Report, Receiving Feasibility Report, Calling Hearing on Improvement, Approve Plans and Specifications, and incorporate Plans and Specifications into 39<sup>th</sup> Street North: Street and Sanitary Improvements.”***

**LEGISLATIVE HISTORY/BACKGROUND INFORMATION:**

At the request of several property owners in the Village area the City of Lake Elmo, property owners and developers are working collaboratively to complete the extension of trunk sanitary sewer from the new lift station in Reid Park to the intersection of 39<sup>th</sup> Street North and Trunk Highway 5, then along 39<sup>th</sup> Street North to CSAH 17 (Lake Elmo Avenue) with the sanitary sewer stubbed to the west side of the County Road.

To pursue this improvement, the project was split into two separate improvement projects, one to be completed as a public improvement project led by the City (the 39<sup>th</sup> Street: Street and Sanitary Sewer Improvements) and the other to be constructed privately by developers (the Village East Trunk Sanitary Sewer Improvements). In both cases the City would cover pipe oversize charges funded through the City sewer Enterprise Fund. The City initiated the 39<sup>th</sup> Street: Street and Sanitary Sewer Improvements by authorizing the feasibility report on March 18, 2014. A public improvement hearing was then held on May 6, 2014 and the council ordered the preparation of plans and specifications.

Subsequent to the direction to proceed with the 39<sup>th</sup> Street: Street and Sanitary Sewer Improvements, two of the property owners, representing three parcels, requested to have a portion of the Village East Trunk Sanitary Sewer Improvements, that portion from Trunk Highway 5 to the south side of the Union Pacific Railroad tracks, to be publicly bid and constructed as a part of the 39<sup>th</sup> Street North: Street and Sanitary Sewer Improvements with the costs to be assessed to the benefiting properties.

To accommodate this request, a feasibility report had to be prepared to meet state statutory requirements for public improvement projects and a public improvement hearing must be scheduled. The report identifies the necessary improvements, the estimated project costs, the assessment methodology and preliminary assessment amounts to be levied against properties adjacent to and benefitting from the proposed improvements. The improvements consist of the installation of over 2,000 feet of 15-inch diameter trunk sanitary sewer from Trunk Highway 5 to the south side of the Union Pacific Railroad Tracks.

To incorporate this project as part of the City’s 39<sup>th</sup> Street: Street and Sanitary Sewer construction project in 2014, plans and specifications must be approved and bid together with the 39<sup>th</sup> Street: Street and Sanitary Sewer Improvement project. The Village East Trunk Sanitary Sewer Improvements: Trunk

Highway 5 to the UP Railroad, will be added as an alternate add bid item so that the Council may elect to award one or both projects. In addition, it is recommended that the Council schedule the public improvement hearing for July 15, 2014, and following the hearing will then be asked to consider ordering the improvement and awarding the construction contract.

The total estimated project cost for the additional improvements is \$288,000. The total estimated project costs to bring sanitary sewer from the lift station through 39th Street will be paid in full by all properties benefitting from the extension less trunk oversizing costs, which will be paid through the City's sewer enterprise fund. Project costs were apportioned based on the Residential Equivalent (REC) Units method. Three parcels are being specially assessed for the portion of the trunk sewer improvements being added to the City's project. Assessments are levied over 15 years. The City will bond for the project as the interim funding source, and repay the bonds using the assessment revenue collected each year. The feasibility report findings and recommendations will be further presented at the meeting.

The plans and specifications for the Village East Trunk Sanitary Sewer Improvements: TH 5 to UP Railroad have been completed by Bolton and Menk, Inc. the City's design consultant, with the assistance of the developer's design consultant, Sathre-Bergquist. It is recommended that these plans are incorporated with the 39th Street North: Street and Sanitary Sewer Improvements project as an alternate bid. This allows the City to proceed with the bidding process and keep the project moving forward, but it does not commit the City to build the improvements until further financial security is obtained from the benefitting properties.

**RECOMMENDATION:**

Staff is recommending that the City Council adopt Resolution No. 2014-48 for the Village East Trunk Sanitary Sewer Improvements: TH 5 to UP Railroad, thereby Ordering Feasibility Report, Receiving Feasibility Report, Calling Hearing on Improvements to be held on July 15, 2014, Approve Plans and Specifications, and incorporate Plans and Specifications into 39<sup>th</sup> Street North: Street and Sanitary Improvements. The recommended motion for this action is as follows:

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**ATTACHMENT(S):**

1. Resolution 2014-48
2. Notice of Hearing on Improvement.
3. Location Map.
4. Project Schedule.
5. Feasibility Report *(available for review at City Hall)*