



# MAYOR & COUNCIL COMMUNICATION

**DATE:** April 5, 2016  
**REGULAR**  
**ITEM #** 15

**AGENDA ITEM:** Downtown Phase 1 and 2 Street, Drainage and Utility Improvements – Project Update

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

**THROUGH:** Kristina Handt, City Administrator

**REVIEWED BY:** Cathy Bendel, Finance Director  
Chad Isakson, Assistant City Engineer

**SUGGESTED ORDER OF BUSINESS:**

- Introduction of Item and staff Report.....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:** N/A.

**FISCAL IMPACT:** Staff will be providing an update in regards to the project costs incurred to date and an estimate of project costs to completion as provided by Washington County and SEH.

**SUMMARY AND ACTION REQUESTED:**

The City Council is respectfully requested to receive a brief staff Report to update the Council in regards to the Downtown Phase 1 and Phase 2 Improvements.

**LEGISLATIVE HISTORY/BACKGROUND INFORMATION:**

The City of Lake Elmo has partnered with Washington County to undertake significant infrastructure improvements within the Old Village area with Washington County acting as the lead agency through a Cooperative Agreement with the City. Washington County has retained SEH as the project engineering consultant.

The improvements are necessary to address the extension of sanitary sewer to serve the existing residential and commercial properties in the Old Village area to replace the use of private on-site sewage

treatment systems, and to begin mitigating the recurring storm water flooding throughout the Downtown. As part of the project the City will be replacing the aged watermain pipes and reconstructing the public streets that are disturbed during the work. Likewise the County will be reconstructing Lake Elmo Avenue (CSAH 17) to meet County State Aid design standards. The Improvements are being constructed in two phases with the Phase 1 Improvements having begun construction in 2015 and the Phase 2 Improvements beginning construction in 2016.

The Phase 1 Improvements include sanitary sewer, watermain, street and storm sewer improvements, including on-street parking, trails, and sidewalks as approved by the City Council on February 5, 2015:

- Laverne Avenue from TH5 to Upper 33rd Street;
- 36th Street from Lake Elmo Avenue to Laverne Avenue; and
- Upper 33rd Street from Lake Elmo Avenue east to the new Village East Trunk Sewer.
- Regional storm water infiltration basin.

The Phase 2 Improvements include sanitary sewer, watermain, street and storm sewer improvements, including on-street parking, trails, and sidewalks, retaining walls, landscaping and street lights as approved by the City Council on April 21, 2015 and March 15, 2016:

- 30th Street North, from the Lake Elmo Avenue to Lisbon Avenue North;
- Lake Elmo Avenue North (CSAH 17) from 500-feet south of 30th Street North to CSAH 14;
- 34th Street from Lake Elmo Avenue to 150-feet west;
- 35th Street from Lake Elmo Avenue to the dead end; and
- 36th Street from Lake Elmo Avenue to 200-feet west.

The City Engineer will present a brief status report on the project including an update on project costs incurred to date and an estimate to completion for the Phase 1 Improvements together with an updated post-design estimate of total project costs for the Phase 2 Improvements.

**RECOMMENDATION:**

No action is being requested by this Agenda Item.

**ATTACHMENT(S):**

1. Village Sewer, Watermain and Street Improvements Website write-up.
2. Website Project Phasing Exhibit.

## VILLAGE SANITARY SEWER, WATERMAIN AND STREET IMPROVEMENTS

**PROJECT CONTACTS:** If you have any questions or concerns about Old Village infrastructure improvements please contact the City of Lake Elmo Engineering staff.

- Jack Griffin, City Engineer 651.300.4264 [jack.griffin@FOCUSengineeringinc.com](mailto:jack.griffin@FOCUSengineeringinc.com)
- Chad Isakson, Project Manager 651.300.4283 [chad.isakson@FOCUSengineeringinc.com](mailto:chad.isakson@FOCUSengineeringinc.com)

**CONSTRUCTION UPDATES:** North Pine Aggregate, Inc. has been hired as the General Contractor to complete the Phase 1 Improvements during over the course of 2015. For weekly construction updates, please refer to the County's website by clicking here (<http://mn-washingtoncounty.civicplus.com/index.aspx?NID=2127>).

**SCOPE OF IMPROVEMENTS:** The City of Lake Elmo is extending sanitary sewer to serve the existing properties in the Old Village area to replace the use of private on-site sewage treatment systems. As part of the project the City will be replacing the aged watermain pipes and reconstructing the public streets that are disturbed during the work. The Improvements will be constructed in phases and through separate projects with the initial project being constructed during the summer and fall of 2015. The following summarizes the current work plan (please [click here](#) to reference the project phasing map):

- 2015 IMPROVEMENTS [**SHOWN IN BLUE**]: The County and City will complete a joint project including sanitary sewer, watermain, street and storm sewer improvements along Laverne Avenue from TH5 to Upper 33<sup>rd</sup> Street, 36<sup>th</sup> Street from Lake Elmo Avenue to Laverne Avenue, and Upper 33<sup>rd</sup> Street from Lake Elmo Avenue east to the new Village East Trunk Sewer. The improvements will be completed as approved by the City Council on February 5, 2015 and will include on-street parking, trails, sidewalks, landscaping, and street lights.
- 2016 IMPROVEMENTS [**SHOWN IN RED**]: The County and City will complete a joint project including sanitary sewer, watermain, street and storm sewer improvements along 30<sup>th</sup> Street from the Reid Park Lift Station to Lake Elmo Avenue, and Lake Elmo Avenue (CSAH 17) from 30<sup>th</sup> Street to TH5. The improvements will be completed as approved by the City Council on April 21, 2015 and will include on-street parking, trails, sidewalks, landscaping, and street lights.
- 2017-2019 IMPROVEMENTS [**SHOWN IN GREEN**]: The City will complete various projects to extend sanitary sewer laterals along local street corridors from the main line located in Lake Elmo Avenue and Laverne Avenue. No specific schedule or priority has been determined at this time. The City will likely prioritize these projects based on property owner request and need. The improvements will also include the replacement of existing watermain lines and the reconstruction of streets disturbed during the work.

**PROJECT FUNDING:** As the lead project agency, Washington County will make all contractor and vendor payments for the project design, construction and oversight. The City of Lake Elmo will reimburse the County for the City's cost share of the project, making scheduled payments beginning in January 2016 and ending in June 2017. City payments will be made using a combination of funding sources including Municipal State Aid funds, the water, sanitary sewer and storm sewer enterprise funds, fund reserves, bond funds, special assessments, and the general tax levy.

Additional project funding and assessment details are as follows, subject to approval of the City Council:

- Street, drainage, sidewalk, trail and street/landscaping improvements will be assessed to the benefitting properties in accordance with the City Special Assessment Policy or as determined by the City Council. Residential properties are typically assessed 30% of total costs on a per unit basis. Commercial and Public Facility property is typically assessed 100% of total costs on an adjusted front foot basis.
- Sanitary sewer improvements will be assessed 100% to the benefitting properties on a residential equivalent unit method (REC). Properties receiving a service stub will be required to connect to the system within 2 years of completion of the project.

- Watermain improvements will not be assessed to existing water system customers. Watermain replacement costs will be funded through the water enterprise fund.
- Regional drainage improvements for flood mitigation efforts in the Old Village area will not be assessed.

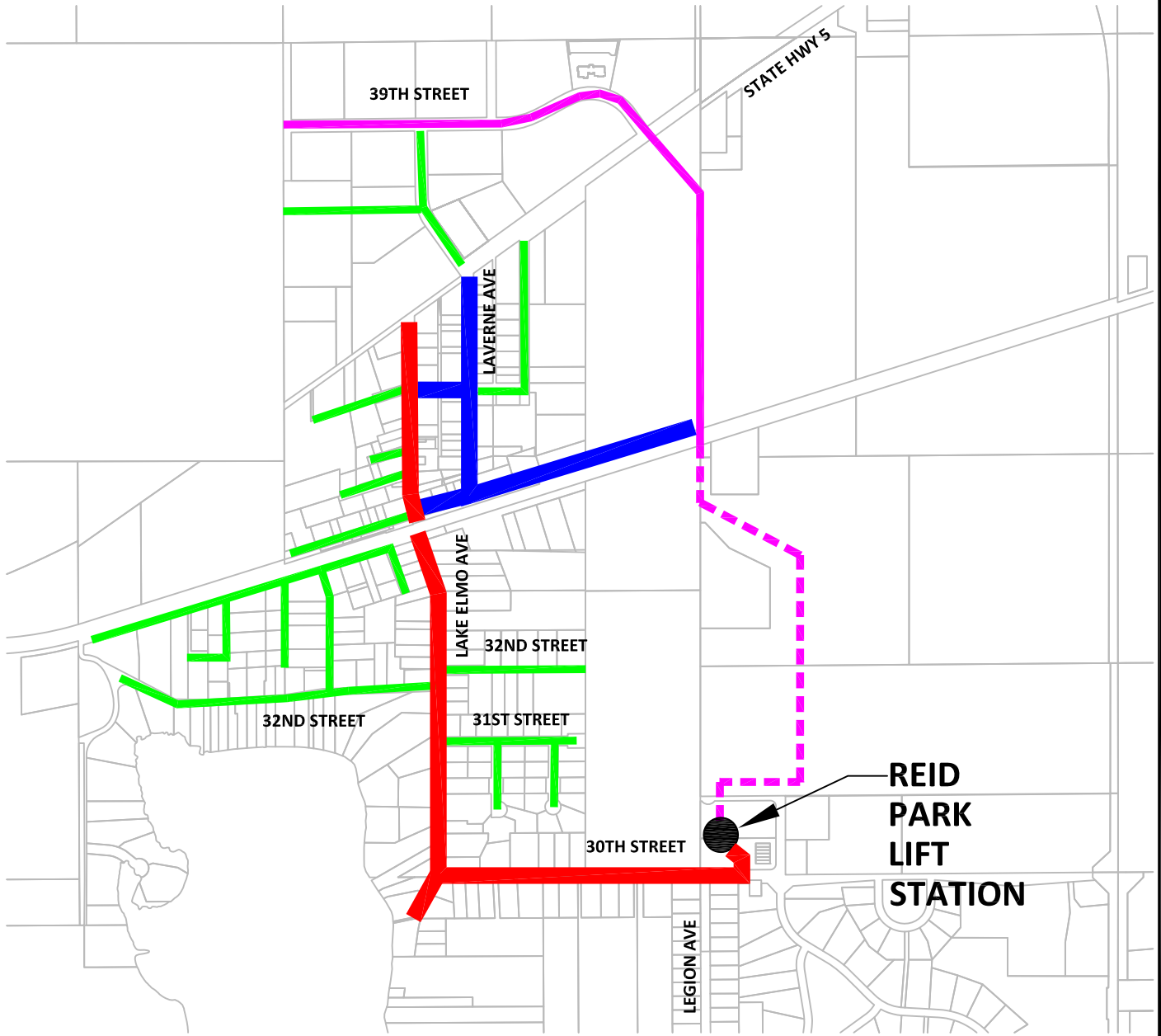
**PRELIMINARY PROPERTY ASSESSMENTS AND COST IMPACTS:** Preliminary assessments have been established by Council approval for the 2015 Improvements with the preliminary assessment rolls available at the link below for each impacted property. These amounts are not final. They may be lowered by the Council at the final assessment hearing, however they cannot be increased. The assessment amounts may be lowered as more project details are determined, contractor bids are taken for the 2016 Improvements and actual construction costs are finalized. *Please see the Feasibility report dated May 2015 for additional information on assessments and please see the link below for preliminary assessment rolls for each impacted property.*

- City Streets: Street, drainage, sidewalk, trail and street/landscape improvement assessment (Laverne Avenue, 36<sup>th</sup> Street, and Upper 33<sup>rd</sup> Street).
  - Residential property assessment is \$9,200.
  - Commercial property assessment is \$255 per lineal front foot. See assessment schedule.
  - Assessments are payable over 10 years at an interest rate of 5.5%.
- City Streets: Street, drainage, sidewalk, trail and landscape improvement assessment (30<sup>th</sup> Street).
  - Residential property assessment is \$7,800.
  - Commercial property assessment is \$217 per lineal front foot. See assessment schedule.
  - Assessments are payable over 10 years at an interest rate of 5.5%.
- County Streets: Street, drainage, sidewalk, trail and landscape improvement assessment (Lake Elmo Avenue from 30<sup>th</sup> Street to Trunk Highway 5).
  - Residential property assessment is \$3,800.
  - Commercial property assessment is \$82 per lineal front foot. See assessment schedule.
  - Assessments are payable over 10 years at an interest rate of 5.5%.
- Sanitary sewer improvement assessment: This assessment will be a unit assessment amount of \$14,000 for each residential property.
  - Residential property assessment is \$14,000.
  - Commercial property assessment is \$14,000 per REC unit. See assessment schedule.
  - Assessments are payable over 20 years at an interest rate of 5.5%.
- Additional sanitary sewer connection fees: Connection to the sanitary sewer will be required within 2 years of the City project.
  - Sanitary Sewer Availability Charge - \$3,000 per REC unit payable over 20 years.
  - Sanitary Sewer Connection Fee - \$1,000 per REC unit paid up front with permit.
  - Sanitary Sewer Permit Application Fee - \$65 per connection paid up front with permit.
  - Met Council Sewer Availability Charge - \$2,485 per REC unit (2015 fee) paid up front with permit.
  - Cost to run your private line from the property line to your home. This is a property by property specific charge. A typical cost for this connection for a residential property is \$5,000.
- The City Assessment Policy includes Hardship deferral provisions for qualifying property owners.

Adding it all up, the typical residential property can expect an “all in” cost of \$23,650 to \$29,750. For this cost the property receives City sewer, including City and Met Council connection costs, a new watermain (not assessed), an improved Village drainage system, and a new street. The only additional cost is for each property to retain a contractor to connect your private sewer service to your home. A typical cost for this connection for a residential property is \$2,000 to \$5,000.

## ATTACHMENTS

- Click here to view the 2015 Preliminary Assessment Rolls ([insert link to assessment rolls](#)).
- Click here to view the Project Presentation to Council ([insert link to report presentation PDF](#)).
- Click here for a copy of the project Feasibility Report ([insert link to feasibility report PDF](#)).



**LEGEND**

- 2014 CONSTRUCTION: 39TH STREET IMPROVEMENTS (CITY PROJECT)
- - - 2015 CONSTRUCTION: VILLAGE EAST SEWER IMPROVEMENTS (PRIVATE PROJECT)
- 2015 CONSTRUCTION: VILLAGE STREET, SANITARY SEWER, AND WATERMAIN IMPROVEMENTS (CITY PROJECT)
- 2016 CONSTRUCTION: VILLAGE STREET, SANITARY SEWER, AND WATERMAIN IMPROVEMENTS (COUNTY PROJECT)
- FUTURE: TENTATIVE 2017-2019 CONSTRUCTION: VILLAGE STREET AND UTILITY IMPROVEMENTS (CITY PROJECTS)

