



MAYOR & COUNCIL COMMUNICATION

DATE: November 15, 2016

REGULAR

ITEM

29

AGENDA ITEM: Old Village Phase 3 Street and Utility Improvements – Resolution Receiving Feasibility Report and Calling Hearing on Improvement

SUBMITTED BY: Jack Griffin, City Engineer

THROUGH: Kristina Handt, City Administrator

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

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 Feasibility Report was previously authorized. Calling for and conducting the Public Improvement Hearing is included in the scope of services.

SUMMARY AND ACTION REQUESTED: The City Council is respectfully requested to consider adopting a Resolution receiving the Feasibility Report and calling for a Public Improvement Hearing for the Old Village Phase 3 Street and Utility Improvements to be held on December 20, 2016.

LEGISLATIVE HISTORY/BACKGROUND INFORMATION: 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. The projects also include regional drainage improvements to address historic flooding issues in the Downtown area, the replacement of aged watermain pipes and reconstructing the public streets that are disturbed during the work. The

Improvements are being constructed in phases and through separate projects. Phase 1 was constructed in 2015 and Phase 2 was constructed in 2016. The Old Village Phase 3 Improvements are consistent with the Old Village 2017-2020 Capital Improvement Plan (CIP) as presented to the City Council on September 6, 2016.

A feasibility report was authorized by the City Council on September 20, 2016 in order to ready these improvements for 2017 construction and in response to the receipt of petitions for sanitary sewer service. One petition was received on April 1, 2016, from the Lake Elmo Elementary School (Independent School District #834) at 11030 Stillwater Boulevard, and a second petition was received on June 8, 2016, from the property owners along 31st Street North, from CSAH 17 to the east end, Laverne Court North, from 31st Street North to south cul-de-sac, and Layton Court North, from 31st Street North to south cul-de-sac. The feasibility report is needed to meet state statutory requirements if any portion of the project is to be assessed to benefitting properties. 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 improvements.

The report identifies the improvements necessary to extend sanitary sewer to the Lake Elmo Elementary School, City Hall and the Westbrook Building (3825 Lake Elmo Avenue) as well as extending sanitary sewer along Laverne Avenue, from 39th Street North to CSAH 14; 31st Street North, from CSAH 17 to the east end; Laverne Court North, from 31st Street North to south cul-de-sac; and Layton Court North, from 31st Street North to south cul-de-sac. The improvements include the reconstruction of the existing streets with concrete curb and gutter, installation and repair of storm sewer, the replacement of the aged watermain, and a sanitary sewer service stub extended to the property line for each benefitting property. The improvements also include the construction of a sidewalk and/or trail along Laverne Avenue from 39th Street North to CSAH 14 as part of the Downtown Master Plan. The watermain along Laverne Avenue will be upsized to a trunk 16-inch diameter main as the final connection for the intermediate/low pressure zone relocation to the Union Pacific Railroad.

The report also addresses two alignment options for extending sanitary sewer to the Lake Elmo Elementary school. Option 1 installs the sanitary sewer along existing public right-of-way which results in additional properties being served by the improvements as well as results in an expanded project scope requiring watermain replacement, storm sewer upgrades and street reconstruction. Option 2 assumes that sewer easements can be reasonably obtained to route the sanitary sewer along private property lines directly from 39th Street to the school location. Option 2 minimizes the project scope and infrastructure costs necessary to get the elementary school connected to municipal sewer service.

The estimated total cost for the Old Village Phase 3 improvements is \$2,454,400 with the street, sidewalk and storm sewer improvements estimated at \$1,147,700; the sanitary sewer improvements estimated at \$753,800; and the watermain improvements estimated at \$552,900.

The improvements are proposed to be assessed against the benefitting properties consistent with the City's Special Assessment Policy and the Old Village Sewer Assessment Policy. Sanitary

sewer assessments are proposed for those properties that abut the improvements and receive a service stub as part of the project. The assessment amount is based on the estimated total project costs for all project phases to replace all existing septic systems in the Old Village as identified in the Old Village CIP. After removing trunk oversize costs, to be paid directly from the sewer enterprise fund, the remaining costs are 100% assessed using a residential equivalent unit method. The one unit assessment amount is then increased each year using a construction cost index to account for increased annual construction costs.

Street and storm sewer improvement assessments are proposed at a rate of 30% for residential properties using a unit method. Residential properties along 31st Street North, Laverne Court North, and Layton Court North with direct access to the street are included as benefitting properties. Street, sidewalk and storm sewer improvement assessments are proposed at a rate of 100% for commercial properties based on the actual front footage along Laverne Avenue. The remainder of the project costs are proposed to be paid through a combination of sanitary sewer enterprise funds, water enterprise funds and general funds.

Assessments for street, sidewalk and storm sewer improvements are levied over 15 years while the sanitary sewer improvements are levied over a 20 year period. Additional cost breakdown, assessment information, and financial detail is presented in the Feasibility Report.

RECOMMENDATION: Staff is recommending that the City Council adopt Resolution No. 2016-96, receiving the Feasibility Report and calling Hearing for the Old Village Phase 3 Street and Utility Improvements. The recommended motion for this action is as follows:

“Move to adopt Resolution No. 2016-96, receiving the Feasibility Report and Calling Hearing for the Old Village Phase 3 Street and Utility Improvements.”

ATTACHMENT(S):

1. Resolution 2016-96 Receiving Report and Calling for Hearing on Improvements.
2. Notice of Hearing on Improvement.
3. Location Map.
4. Project Schedule.
5. Feasibility Report *(available for review at City Hall)*