



## **MAYOR & COUNCIL COMMUNICATION**

**DATE:** December 20, 2016  
**REGULAR**  
**ITEM** 24

**AGENDA ITEM:** Old Village Phase 3 Street, Drainage, and Utility Improvements – Public Improvement Hearing; Resolution Ordering the Improvement and the Preparation of Plans and Specifications; Motion to Approve Engineering Design and Construction Support Services Contract

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

**THROUGH:** Kristina Handt, City Administrator

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

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### **SUGGESTED ORDER OF BUSINESS:**

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

**POLICY RECOMMENDER:** Engineering.

**FISCAL IMPACT:** \$125,000 for engineering and geotechnical fees necessary for the preparation of plans and specifications and bidding services for the proposed improvements.

The Old Village Phase 3: Street, Drainage and Utility Improvements is an estimated \$2,454,400 infrastructure project that will be partially assessed against the benefitting properties consistent with the City's Special Assessment Policy. The project is funded through the issuance of general obligation bonds and special assessments. Ordering the Improvements and authorizing the preparation of plans and specifications commits the City to incur the engineering costs necessary to complete detailed design and receive contractor bids to ready the project for construction in 2017. The council will be asked to award a contract for construction in May 2017, at which time the City would be asked to commit to the remaining project costs.

**SUMMARY AND ACTION REQUESTED:** The City Council is respectfully requested to open the Public Improvement Hearing for the Old Village Phase 3: Street, Drainage and Utility Improvements; and following the Hearing, consider adopting Resolution No. 2016-111 Ordering the Improvement and the Preparation of Plans and Specifications; and awarding a Professional Engineering Design and Construction Support Services Contract.

**LEGISLATIVE HISTORY/BACKGROUND INFORMATION:** Pursuant to Minnesota Statutes, Section 429.011 to 429.111, a Public Improvements Hearing was noticed for December 20, 2016, to consider making 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 39<sup>th</sup> 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 39<sup>th</sup> 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 attached notice was published in the official newspaper and individual notifications were sent to each address that will be wholly or partially assessed for the improvements.

A feasibility report was adopted by the City Council on November 15, 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. The report identifies the necessary improvements, the estimated project costs, the assessment methodology and preliminary assessment amounts to be levied against benefitting properties.

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 39<sup>th</sup> 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.

To complete the engineering design, the city engineer prepared and sent out a Request for Proposal (RFP) for the Engineering Support Services that include topographic survey, the preparation of plans and specifications; plan printing, distribution and bidding services; construction administration support to the city engineer, and construction staking. FOCUS Engineering will provide council communication, project management, and construction administration and observation services for the project. FOCUS will also oversee the project design standards and documents to be incorporated with the project plans and specifications.

The RFP was sent to two firms from the city's Engineering Consultant Pool, including Bolton and Menk and SEH. Proposals were received on December 9, 2016 and ranked as follows:

- Project Team Qualifications with a focus on a Project Manager capable of leading and delivering a street reconstruction project with utility installation.
- Demonstrated understanding and experience with the project and understanding of the critical success factors.
- Understanding the scope of work and roles and responsibilities of the Consultant.
- Collaboration of skills and responsiveness demonstrated during the RFP submittal process and:
- Engineering Fees, indicating a detailed breakdown that is consistent with the Consultant's written proposal and the needs for delivery of a successful project.

The attached exhibit provides the Proposal Fee Summary as received by the responding consultants. The Proposal Fees ranged from \$117,998 to \$119,500. Engineering Fees are

subtotaled for each project phase including project management, plans and specifications, bidding, and construction support services including construction staking.

The city engineer is recommending a contract be awarded to SEH, Inc. if the City proceeds with the Option 1 scope of improvements. They assigned a qualified team appropriate for the level of work required for this project and familiar with the Old Village Phase 1 and Phase 2 Improvements. SEH also identified a thorough understanding of the work to be performed and they are aware of key issues related to the project. Should the City proceed with the Option 2 improvements then the city engineer is recommending a contract be awarded to Bolton and Menk, Inc.

Engineering will issue a RFP for geotechnical services based on the design engineer's recommendations and scope. Staff is requesting council allow staff to enter into an agreement with the geotechnical engineer based on a not-to-exceed amount of \$15,000. Actual costs will be determined once a scope is put together and geotechnical proposals are received.

**RECOMMENDATION:** Staff is recommending that the City Council adopt Resolution No. 2016-111 Ordering the Improvements and the Preparation of Plans and Specifications for the Old Village Phase 3 Street, Drainage and Utility Improvements. The recommended motion for this action is as follows:

***“Move to adopt Resolution No. 2016-111 Ordering the Old Village Phase 3: Street, Drainage and Utility Improvements and the Preparation of Plans and Specifications.”***

Staff is also recommending that the City Council award a Professional Engineering Design and Construction Support Services Contract for the Old Village Phase 3: Street, Drainage and Utility Improvements. Staff is recommending SEH be awarded the contract if Option 1 is selected for the scope of improvements and Bolton and Menk be awarded a contract if Option 2 is selected for the scope of improvements. The recommended motion for this action is as follows:

***“Move to approve a Professional Engineering Design and Construction Support Services Contract to SEH, Inc. in the not to exceed amount of \$119,500 for Option 1 (or to approve a Professional Engineering Design and Construction Support Services Contract to Bolton and Menk, Inc. in the not to exceed amount of \$92,104 for Option 2). In addition, move to approve a geotechnical services budget in the not to exceed amount of \$15,000.”***

**ATTACHMENT(S):**

1. Resolution 2016-111 Ordering the Improvements and Preparation of Plans and Specifications.
2. Notice of Hearing on Improvement.
3. Preliminary Assessment Roll.
4. Location Map.
5. Project Schedule.
6. Proposal Fee Summary Worksheet.

**CITY OF LAKE ELMO  
WASHINGTON COUNTY  
STATE OF MINNESOTA**

**RESOLUTION NO. 2016-111**

**A RESOLUTION ORDERING THE IMPROVEMENT AND  
PREPARATION OF PLANS AND SPECIFICATIONS FOR THE  
OLD VILLAGE PHASE 3 STREET, DRAINAGE, AND UTILITY  
IMPROVEMENTS**

**WHEREAS**, pursuant to city council authorization, adopted on November 15, 2016, the council ordered a hearing on improvement for the Old Village Phase 3 Street and Utility Improvements; and

**WHEREAS**, ten days mailed notice and two weeks published notice of the hearing was given, and the hearing was held thereon on the 20<sup>th</sup> day of December, 2016, at which all persons desiring to be heard were given the opportunity to be heard thereon; and

**WHEREAS**, the feasibility report prepared by FOCUS Engineering, Inc., and dated November 2016 states that the project is necessary, cost-effective, and feasible.

**NOW, THEREFORE, BE IT RESOLVED,**

1. Such improvement is deemed necessary, cost-effective, and feasible as detailed in the Feasibility Report dated November 2016.
2. Such improvement is hereby ordered as proposed in the council resolution adopted this 20<sup>th</sup> day of December, 2016.
3. The city council declares its official intent to reimburse itself for the costs of the improvement from the proceeds of tax exempt bonds.
4. The city engineer is hereby designated as the engineer for making this improvement. The engineer, and his consultants, shall oversee the preparation of the Plans and Specifications for the making of such improvement.
5. The city engineer shall retain the services of a consulting engineering firm to assist, where needed, to prepare Plans and Specifications for the making of such improvement and to assist the city engineer during the construction phase of the improvement as requested.

**ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE TWENTIETH DAY OF  
DECEMBER, 2016.**

**CITY OF LAKE ELMO**

(Seal)  
ATTEST:

\_\_\_\_\_  
Julie Johnson  
City Clerk

By: \_\_\_\_\_  
Mike Pearson  
Mayor

**CITY OF LAKE ELMO  
NOTICE OF HEARING ON IMPROVEMENT  
OLD VILLAGE PHASE 3 STREET AND UTILITY IMPROVEMENTS**

Notice is hereby given that the City Council of Lake Elmo will meet in the council chambers of the city hall at or approximately after 7:00 P.M. on **Tuesday, December 20, 2016**, to consider the making of the following improvements, pursuant to Minnesota Statutes, Sections 429.011 to 429.111;

The improvements consist of the extension of 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 39<sup>th</sup> 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 39<sup>th</sup> Street North to CSAH 14.

Sanitary sewer assessments are proposed for those properties that abut the improvements and receive a service stub as part of the project along Laverne Avenue, 31st Street North, Laverne Court North, and Layton Court North, and also the Lake Elmo Elementary School, City Hall and the Westbrook Building. The area proposed to be assessed for the street and storm sewer improvements include the properties directly abutting and accessing the proposed streets along Laverne Avenue, 31st Street North, Laverne Court North, and Layton Court North.

The estimated total cost for the project 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. A reasonable estimate of the impact of the assessment will be available at the hearing. Such persons as desiring to be heard with reference to the proposed improvements will be heard at this meeting.

**DATED: November 15, 2016**

**BY ORDER OF THE LAKE ELMO CITY COUNCIL**

**Mike Pearson, Mayor**

*(Published in the Oakdale/ Lake Elmo Review on November 23, 2016 and November 30, 2016)*

OLD VILLAGE PHASE 3: STREET AND UTILITY IMPROVEMENTS  
 OPTION 1: LAVERNE AVENUE AREA: STREET, DRAINAGE, AND UTILITY IMPROVEMENTS  
 PRELIMINARY STREET ASSESSMENT ROLL

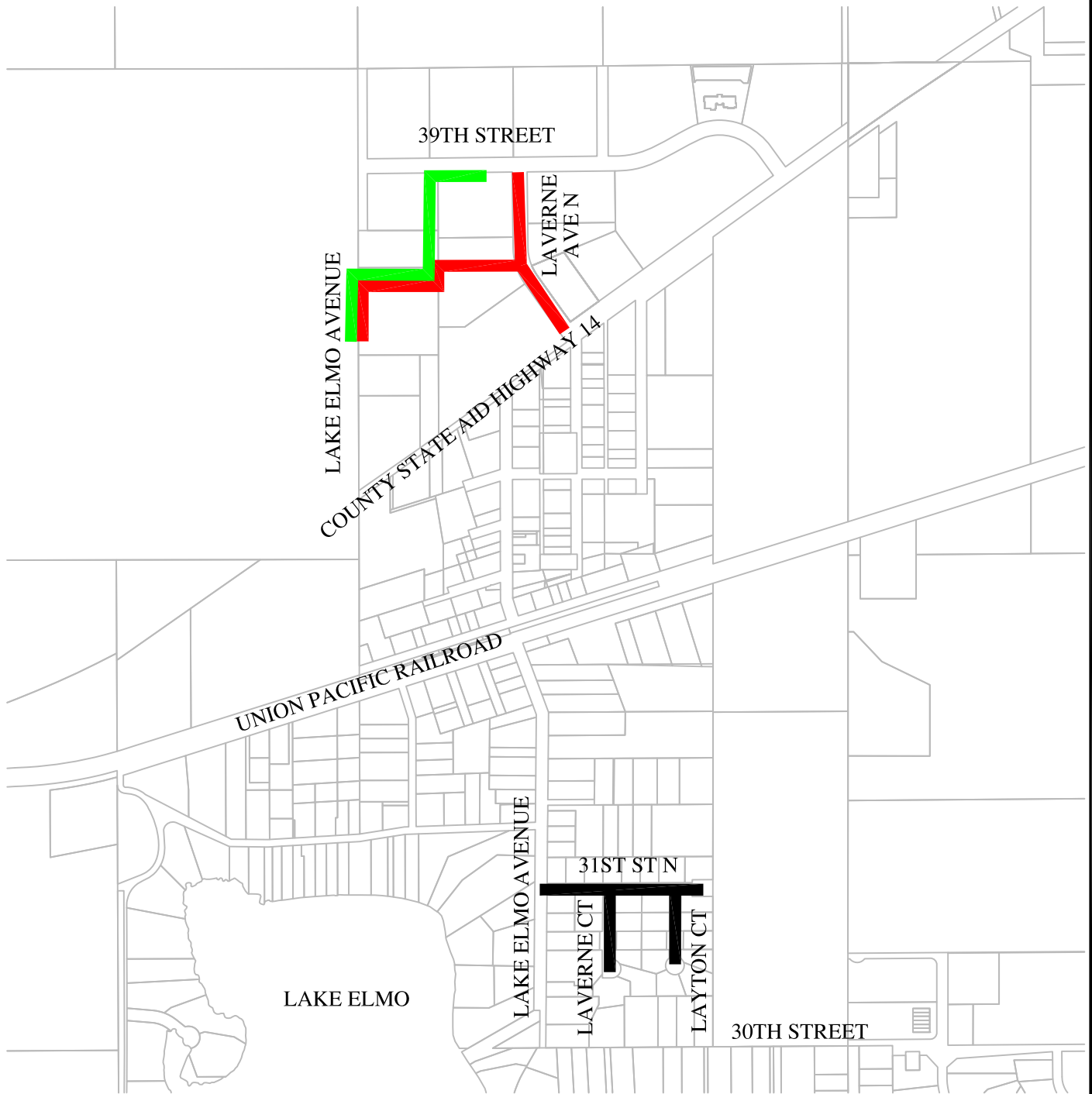
										STREET	
										FRONT	
NO.	NAME	ASSESSABLE PROPERTY ADDRESS		MAILING ADDRESS				PID	ASSESSMENT AMOUNT	FOOTAGE	
1	ISD 834 STILLWATER	11030	STILLWATER BLVD N	1875	GREELY ST S	STILLWATER	MN	55082	1302921230001	\$ 20,500.00	100
2	CITY OF LAKE ELMO	3800	LAVERNE AVE N	3800	LAVERNE AVE N	LAKE ELMO	MN	55042	1302921220009	\$ 33,620.00	164
3	LAKE ELMO ASSOCIATES LTD	3880	LAVERNE AVE N	3880	LAVERNE AVE N	LAKE ELMO	MN	55042	1302921220010	\$ 71,750.00	350
4	EXCEL PARTNERS LLC	11343	39TH ST N	11343	39TH ST N	LAKE ELMO	MN	55042	1302921220008	\$ 56,785.00	277
5	THRIVE BEHAVIORAL NETWORK, LLC	3819	LAVERNE AVE N	107	DOCTORS PARK	ST. CLOUD	MN	56303	1302921220007	\$ 47,150.00	230
6	LEONARD INVESTMENTS LLC	11144	STILLWATER BLVD N	1000	CONCORD ST S	SOUTH ST. PAUL	MN	55075	1302921230004	\$ 79,130.00	386
7	OBONJUS LLC	11200	STILLWATER BLVD N #100	4350	MCDONALD DRIVE CT N	STILLWATER	MN	55082	1302921220016	\$ 9,430.00	46
8	NORTHERN LIGHTS INFO SYS LLC	11200	STILLWATER BLVD N #101	11200	STILLWATER BLVD N #101	LAKE ELMO	MN	55042	1302921220017	\$ 9,430.00	46
9	ERBAN DOROTHY DAVIDSON	11200	STILLWATER BLVD N #102	3748	OAKGREEN AVE N	STILLWATER	MN	55082	1302921220018	\$ 9,430.00	46
10	ERBAN DOROTHY DAVIDSON	11200	STILLWATER BLVD N #103	3748	OAKGREEN AVE N	STILLWATER	MN	55082	1302921220019	\$ 9,430.00	46
11	FLACKEY DEAN E	11200	STILLWATER BLVD N #104	532	OLD HWY 35	HUDSON	WI	54016	1302921220020	\$ 9,430.00	46
12	STROP BRIAN A & DENISE M	11200	STILLWATER BLVD N #105	2930	30TH STREET CIRCLE N	LAKE ELMO	MN	55042	1302921220021	\$ 9,430.00	46
13	HOBBY FARMS INC	11200	STILLWATER BLVD N #106	11550	STILLWATER BLVD N #123	LAKE ELMO	MN	55042	1302921220022	\$ 9,430.00	46
14	SCMC PROPERTIES LLC	11200	STILLWATER BLVD N #107	11200	STILLWATER BLVD N #107	LAKE ELMO	MN	55042	1302921220023	\$ 9,430.00	46
TOTAL										\$ 384,375.00	

OLD VILLAGE PHASE 3: STREET AND UTILITY IMPROVEMENTS  
 OPTION 1: LAVERNE AVENUE AREA: STREET, DRAINAGE, AND UTILITY IMPROVEMENTS  
 PRELIMINARY SANITARY SEWER ASSESSMENT ROLL

									ASSESSMENT		
NO.	NAME	ASSESSABLE PROPERTY ADDRESS		MAILING ADDRESS					PID	AMOUNT	SAC
1	ISD 834 STILLWATER	11030	STILLWATER BLVD N	1875	GREELY ST S	STILLWATER	MN	55082	1302921230001	\$ 474,600.00	42
2	WESTBROOK ASSOCIATES	3825	LAKE ELMO AVE N	PO BOX 36		STILLWATER	MN	55082	1302921220002	\$ 45,200.00	4
3	CITY OF LAKE ELMO	3800	LAVERNE AVE N	3800	LAVERNE AVE N	LAKE ELMO	MN	55042	1302921220009	\$ 11,300.00	1
4	THRIVE BEHAVIORAL NETWORK, LLC	3819	LAVERNE AVE N	107	DOCTORS PARK	ST. CLOUD	MN	56303	1302921220007	\$ 33,900.00	3
5	LEONARD INVESTMENTS LLC	11144	STILLWATER BLVD N	1000	CONCORD ST S	SOUTH ST. PAUL	MN	55075	1302921230004	\$ 45,200.00	4
6	OBONIUS LLC	11200	STILLWATER BLVD N #100	4350	MCDONALD DRIVE CT N	STILLWATER	MN	55082	1302921220016	\$ 4,237.50	0.375
7	NORTHERN LIGHTS INFO SYS LLC	11200	STILLWATER BLVD N #101	11200	STILLWATER BLVD N #101	LAKE ELMO	MN	55042	1302921220017	\$ 4,237.50	0.375
8	ERBAN DOROTHY DAVIDSON	11200	STILLWATER BLVD N #102	3748	OAKGREEN AVE N	STILLWATER	MN	55082	1302921220018	\$ 4,237.50	0.375
9	ERBAN DOROTHY DAVIDSON	11200	STILLWATER BLVD N #103	3748	OAKGREEN AVE N	STILLWATER	MN	55082	1302921220019	\$ 4,237.50	0.375
10	FLACKEY DEAN E	11200	STILLWATER BLVD N #104	532	OLD HWY 35	HUDSON	WI	54016	1302921220020	\$ 4,237.50	0.375
11	STROP BRIAN A & DENISE M	11200	STILLWATER BLVD N #105	2930	30TH STREET CIRCLE N	LAKE ELMO	MN	55042	1302921220021	\$ 4,237.50	0.375
12	HOBBY FARMS INC	11200	STILLWATER BLVD N #106	11550	STILLWATER BLVD N #123	LAKE ELMO	MN	55042	1302921220022	\$ 4,237.50	0.375
13	SCMC PROPERTIES LLC	11200	STILLWATER BLVD N #107	11200	STILLWATER BLVD N #107	LAKE ELMO	MN	55042	1302921220023	\$ 4,237.50	0.375
14	D3PL PROPERTIES LLC	11240	STILLWATER BLVD N	11240	STILLWATER BLVD N	LAKE ELMO	MN	55042	1302921210006	\$ 45,200.00	4
TOTAL										\$ 689,300.00	

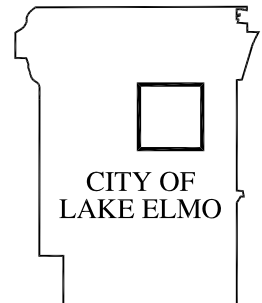
OLD VILLAGE PHASE 3: STREET AND UTILITY IMPROVEMENTS  
OPTION 2: LAKE ELMO ELEMENTARY SCHOOL SEWER EXTENSION  
PRELIMINARY SANITARY SEWER ASSESSMENT ROLL

									ASSESSMENT		
NO.	NAME	ASSESSABLE PROPERTY ADDRESS		MAILING ADDRESS					PID	AMOUNT	SAC
1	ISD 834 STILLWATER	11030	STILLWATER BLVD N	1875	GREELY ST S	STILLWATER	MN	55082	1302921230001	\$ 474,600.00	42
2	WESTBROOK ASSOCIATES	3825	LAKE ELMO AVE N	PO BOX	36	STILLWATER	MN	55082	1302921220002	\$ 45,200.00	4
3	CITY OF LAKE ELMO	3800	LAVERNE AVE N	3800	LAVERNE AVE N	LAKE ELMO	MN	55042	1302921220009	\$ 11,300.00	1
TOTAL										\$ 531,100.00	



# LEGEND

- 31ST STREET NEIGHBORHOOD STREET, DRAINAGE, AND UTILITY IMPROVEMENTS
- OPTION 1: LAVERNE AVENUE AREA STREET, DRAINAGE, AND UTILITY IMPROVEMENTS
- OPTION 2: LAKE ELMO ELEMENTARY SCHOOL SANITARY SEWER EXTENSION



PROJECT SCHEDULE  
CITY OF LAKE ELMO

OLD VILLAGE PHASE 3: STREET, DRAINAGE  
AND UTILITY IMPROVEMENTS

**FOCUS** ENGINEERING, inc.

Cara Geheren, P.E.	651.300.4261
Jack Griffin, P.E.	651.300.4264
Ryan Stempski, P.E.	651.300.4267
Chad Isakson, P.E.	651.300.4283

*SEPTEMBER 2016*

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SEPTEMBER 20, 2016	Council authorizes the preparation of the Phase 3 Feasibility Report.
NOVEMBER 15, 2016	Presentation of Feasibility Report. Council accepts Report and calls Hearing.
DECEMBER 20, 2016	Public Improvement Hearing. Council <u>Orders the Improvement</u> and orders the preparation of Plans and Specifications (Requires 4/5 <sup>th</sup> vote).
APRIL 4, 2017	Council approves Plans and Specifications and orders Advertisement for Bids.
MAY 4, 2017	Receive Contractor Bids.
MAY 16, 2017	Council accepts Bids and awards Contract.
JUNE 5, 2017	Conduct Pre-Construction Meeting and issue Notice to Proceed. <ul style="list-style-type: none"><li>OCTOBER 27, 2016 Substantial Completion.</li><li>NOVEMBER 24, 2017 Final Completion.</li></ul>

**CITY OF LAKE ELMO, MINNESOTA**

**OLD VILLAGE PHASE 3: STREET, DRAINAGE, AND UTILITY IMPROVEMENTS**

**PROJECT NO. 2016.133**

**DATE: DECEMBER 9, 2016**

PROPOSAL FEE SUMMARY - OPTION 1						
Consulting Firm	Total Engineering	Project Management	P&S	Bidding	Construction	
Bolton & Menk, Inc.	\$117,998	\$4,020	\$71,058	\$1,538	\$41,382	
SEH, Inc.	\$119,500	\$4,800	\$74,100	\$2,200	\$38,400	
PROPOSAL FEE SUMMARY - OPTION 2						
Consulting Firm	Total Engineering	Project Management	P&S	Bidding	Construction	
Bolton & Menk, Inc.	\$92,104	\$4,020	\$53,054	\$1,538	\$33,492	
SEH, Inc.	\$111,500	\$4,200	\$68,400	\$2,200	\$36,700	