



STAFF REPORT

DATE: September 17, 2019

REGULAR

AGENDA ITEM: Approve Resolution Receiving Feasibility Report and Calling Hearing on Improvement for the Heritage Farms Street and Utility Improvements

SUBMITTED BY: Jack Griffin, City Engineer

REVIEWED BY: Kristina Handt, City Administrator
Sarah Sonsalla, City Attorney
Marty Powers, Public Works Director
Chad Isakson, Assistant City Engineer

ISSUE BEFORE COUNCIL: Should the City Council accept the Feasibility Report and call a public hearing for the Heritage Farms Street and Utility Improvements to be held at the October 15, 2019 Council meeting?

BACKGROUND: On July 16, 2019, the City Council authorized the preparation of a feasibility report for the Heritage Farms Street and Utility Improvements. The streets selected for improvement in 2020 are in accordance with the City's Street Capital Improvement Program which provides for the long-term planning and management of street and transportation infrastructure throughout the City.

The Heritage Farms Subdivision is located near Manning Avenue and 30th Street, just south of the Village Area MUSA. The public streets located in the Heritage Farms subdivision have been identified for improvement in the year 2020 including the following street segments:

- Lisbon Avenue North, from 30th Street to the south end;
- Lisbon Avenue Court North, from Lisbon Avenue to the end of cul-de-sac; and
- 30th Street Circle North, from 30th Street North to 30th Street North.

In addition to street improvements, a petition requesting municipal sanitary sewer service was received from the Heritage Farms Subdivision in August 2018. The petition was signed by 32 of the 44 properties abutting the requested improvements. On October 16, 2018 the City Council adopted Resolution No. 2018-122 accepting the petition and directing the preparation of the Feasibility Report for sanitary sewer improvements for the Heritage Farms subdivision to be completed together with the Heritage Farms Street and Utility Improvements Feasibility Report.

PROPOSAL DETAILS/ANALYSIS: This Feasibility Report has been prepared to address street, drainage and utility improvements, including new sanitary sewer service and existing watermain repairs, all programmed for construction in 2020. The report serves to identify the necessary improvements, the estimated project costs, and to consider the assessment of a portion of the project costs to properties adjacent to and benefitting from the improvements.

The timing of these improvements is driven primarily by the City's pavement management program. The feasibility report includes a comparison of street reclaim improvements, which may be viable if no significant utility work is completed, to the cost of a full street reconstruction, which would be required with the installation of new sanitary sewer mains. Upon review of the necessary street improvements, staff also reviews the street drainage systems and existing public utilities. In addition to the street improvements, the scope of this Report includes storm sewer casting replacement and storm sewer or drainage replacement/upgrades to prevent water from standing on or along the new street pavements. As part of the

improvements the existing bituminous curb will be replaced with new concrete curb and gutter to improve drainage, improve the construction quality, and provide edge control to protect and extend the service life of the new bituminous surface.

The report further addresses the cost to install municipal sanitary sewer to the neighborhood in response to the property owner petition, and budgetary costs are recommended to address valve and hydrant repair work for the existing watermain system.

The total estimated project cost is \$2,708,000, with \$1,774,000 for street and drainage improvements, \$884,000 for sanitary sewer improvements, and with \$50,000 for watermain improvements. Street and drainage improvements would be partially assessed against the benefitting properties consistent with the City's Special Assessment Policy. Street and drainage improvements are assessed at a rate of 30% of the total project costs for residential properties using a unit method. Residential properties are considered to provide an equal demand on street use and are therefore assessed on a per unit basis. The remaining 70% of the project costs are paid through the City general fund. Sanitary sewer improvements are assessed 100% against the benefitting properties using per residential equivalent unit method. As existing City water service customers, the watermain improvements are not assessed. These costs are paid from the City's water core fund.

Residential properties along Lisbon Avenue North, Lisbon Avenue Court North, and 30th Street Circle North with direct access to the street are included as benefitting properties for the street and drainage improvements. Each property is assessed one unit unless the property has the ability to be subdivided using the current underlying land use and zoning regulations. The City planning department reviews larger parcels to determine if a parcel can be subdivided and the number of lots that could be obtained. All properties receiving new sanitary sewer service are included as benefitting properties for the sanitary sewer improvements.

Assessments for street and drainage improvements will be levied over a 15-year period. Assessments for new sanitary sewer improvements will be levied over a 20-year period. All assessments will be charged an interest rate of 1% over the bond rate for the project.

In addition to the recommended improvements, the estimated project costs and the proposed assessments, this report addresses the permitting requirements and the easement and right-of-way acquisition needed to implement the improvements. The feasibility report findings and recommendations will be further presented at the meeting.

FISCAL IMPACT: The total estimated project cost is \$2,708,000. with \$1,408,000 paid through special assessments, \$50,000 paid through the water core fund, and the remaining \$1,250,000 paid through the general tax levy.

RECOMMENDATION: Staff is recommending that the City Council approve a Resolution, receiving the Feasibility Report and calling a public hearing for the Heritage Farms Street and Utility Improvements. The recommended motion for this action is as follows:

“Move to approve Resolution No. 2019-069, receiving the Feasibility Report and Calling a Public Hearing for the Heritage Farms Street and Utility Improvements.”

ATTACHMENTS:

1. Resolution 2019-069 Receiving Report and Calling for Hearing on Improvements.
2. Notice of Hearing on Improvement.
3. Heritage Farms Street and Utility Improvements – Location Map.
4. Heritage Farms Street and Utility Improvements – Project Schedule.
5. Feasibility Report *(available for review at City Hall)*.

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

RESOLUTION NO. 2019-069

**A RESOLUTION RECEIVING A FEASIBILITY REPORT FOR THE
HERITAGE FARMS STREET AND UTILITY IMPROVEMENTS AND
CALLING HEARING ON IMPROVEMENT**

WHEREAS, pursuant to City Council authorization, adopted on July 16, 2019, a feasibility report has been prepared by FOCUS Engineering, Inc. for the Heritage Farms Street and Utility Improvements; and

WHEREAS, the feasibility report recommends that benefitting properties be assessed all or a portion of the cost of the improvements pursuant to the City's Special Assessment Policy and Minnesota Statutes, Chapter 429; and

WHEREAS, the feasibility report provides information regarding whether the proposed improvement is necessary, cost-effective, and feasible; whether it should best be made as proposed or in connection with some other improvement; the estimated cost of the improvements as recommended; and a description of the methodology used to calculate individual assessments for affected parcels.

NOW, THEREFORE, BE IT RESOLVED,

1. That the City Council will consider the improvements in accordance with the report and the assessments of the abutting properties for all or a portion of the cost of the improvements pursuant to Minnesota Statutes, Chapter 429 at an estimated total project cost of \$2,708,000.
2. A public hearing shall be held on such proposed improvements on the 15th day of October, 2019, in the council chambers of the City Hall at or approximately after 7:00 P.M. and the clerk shall give mailed and published notice of such hearing and improvement as required by law.

**ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE SEVENTEENTH DAY OF
SEPTEMBER, 2019.**

CITY OF LAKE ELMO

By: _____
Mike Pearson
Mayor

(Seal)
ATTEST:

Julie Johnson
City Clerk

**CITY OF LAKE ELMO
NOTICE OF HEARING ON IMPROVEMENT
HERITAGE FARMS 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, October 15, 2019**, to consider the making of the following improvements, pursuant to Minnesota Statutes, Sections 429.011 to 429.111;

Street, drainage and sanitary sewer improvements including new municipal sanitary sewer service to replace individual on-site septic systems; a reconstructed bituminous street with new concrete curb and gutter; and a repair or restoration of the existing street drainage system for the following streets:

- Lisbon Avenue North, from 30th Street to the south end;
- Lisbon Avenue Court North, from Lisbon Avenue to the end of cul-de-sac; and
- 30th Street Circle North, from 30th Street North to 30th Street North.

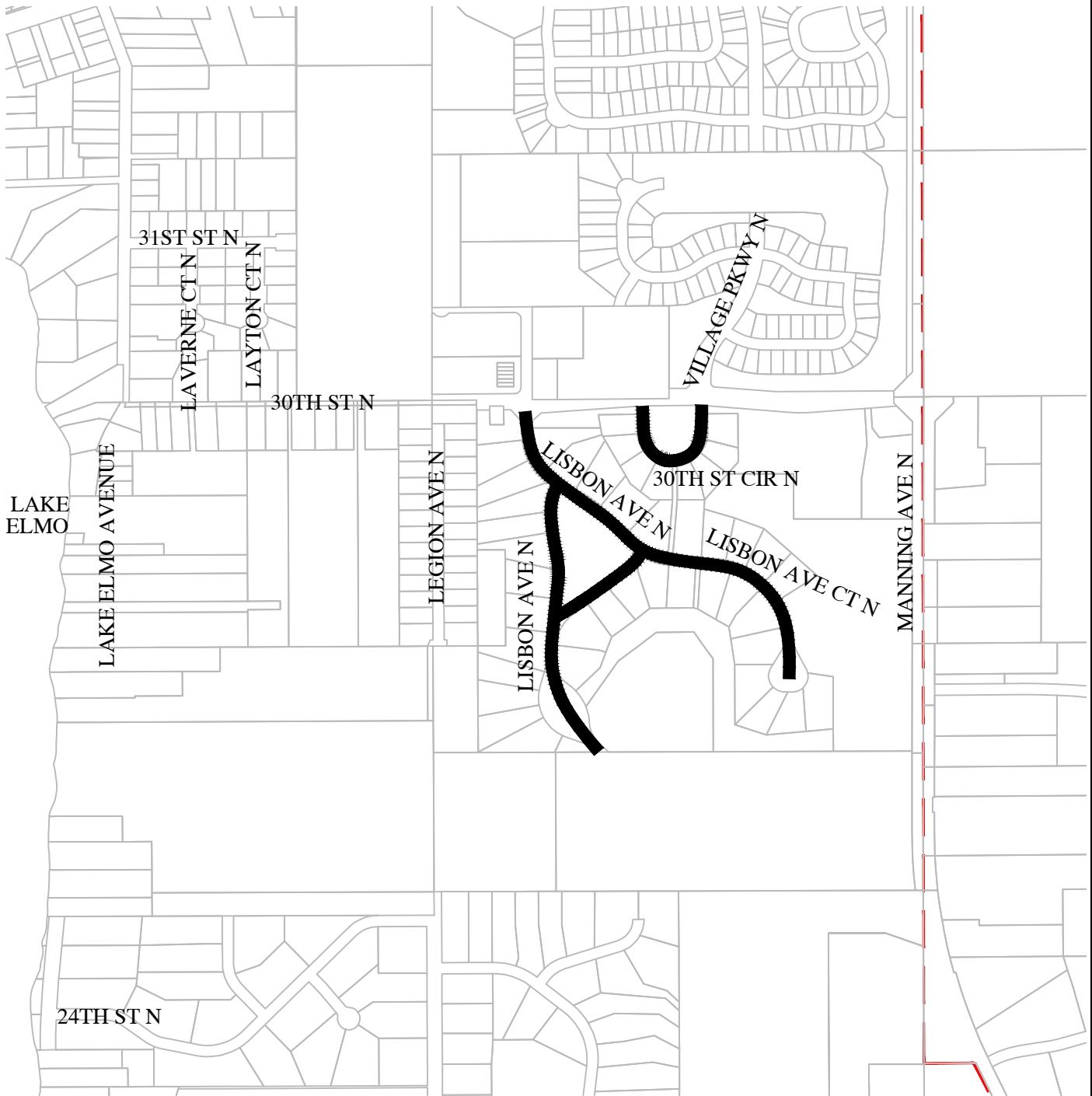
The area proposed to be assessed for these improvements include properties abutting the above referenced streets or properties that gain direct driveway access from the above referenced streets, and properties that receive access to the municipal sanitary sewer system. The estimated total cost for the project is \$2,708,000. 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: September 17, 2019

BY ORDER OF THE LAKE ELMO CITY COUNCIL

Mike Pearson, Mayor

(Published in the Oakdale-Lake Elmo Review on September 25, 2019 and October 2, 2019)



LEGEND

 HERITAGE FARM NEIGHBORHOOD

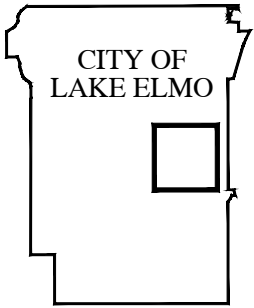


FIGURE NO. 1

LOCATION MAP

HERITAGE FARM NEIGHBORHOOD

FOCUS
ENGINEERING, inc.

PROJECT SCHEDULE
CITY OF LAKE ELMO

FOCUS ENGINEERING, inc.

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

HERITAGE FARMS STREET AND UTILITY IMPROVEMENTS
PROJECT NO. 2019.121

JULY 2019

JULY 16, 2019	Council orders preparation of Feasibility Report.
SEPTEMBER 17, 2019	Presentation of Feasibility Report. Council accepts Report and calls for Improvement Hearing.
OCTOBER 15, 2019	Public Improvement Hearing. Council orders the preparation of Plans and Specifications.
MARCH 3, 2020	Council approves Plans and Specifications and orders Advertisement for Bids; Declares Costs to be Assessed and Calls for Hearing on Assessment.
APRIL 2, 2020	Receive Contractor Bids.
APRIL 21, 2020	Final Assessment Hearing. Council <u>Orders the Improvement (4/5th vote)</u> ; accepts Bids and awards Contract; and adopts the Final Assessment Roll.
MAY 19, 2020	Conduct Pre-Construction Meeting and issue Notice to Proceed. <ul style="list-style-type: none">• SEPTEMBER 25, 2020 Substantial Completion.• NOVEMBER 13, 2020 Final Completion.