

This is the presentation given at the Public Hearing on August 31, 2020. This version supersedes all previous drafts.


10/9/2022



**2023-2024 Street Project
Public Improvement Hearing
October 10, 2022**




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Agenda

- Background
- Proposed Improvements
- Estimated Costs
- Assessment Review
- Property Owner Rights
- Schedule



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Background

- City Capital Improvement Plan (CIP)
 - Previous version: 2021 – 2025
 - 5th Street County Project
 - Current Version: 2022 – 2026
 - City Avenues in conjunction with County 5th St. project
- Special Assessment Policy
 - Adopted February 2017
 - Amended April 2018
 - Amended November 2020

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Background

- Lake County 5-Year Road and Bridge Plan: 2022-2026
 - Proposed 2023 Project:
 - 5th Street (CSAH 36): 4th Avenue to 7th Avenue
 - 4th Avenue (CSAH 35): Added during preliminary project development
- Provided opportunity for City to partner with County
 - Neighborhood Project
 - Economy of Scale
 - Previous success in Partnering

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Proposed 2023-2024 Project

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Proposed 2023-2024 Project

- Only Preliminary Investigation done so far.
 - Identified proposed work, but not all details figured out.
- If Project Proceeds, Final Design will be done Fall 2022.
- Construction would begin Spring 2023.
- Additional Public Information Meetings would be held.
- City of Two Harbors not committed yet.

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Feasibility Report

- First step of project development. Identifies:
 - Existing Conditions
 - Proposed Improvements
 - Estimated Costs
 - Financing

- Ordered: April 25, 2022 Accepted: Sept. 12, 2022

- Available on City website and at City Hall for review.

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Proposed Improvements

- What is under a typical street?



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Proposed Improvements City Avenues



- Water System
 - Complete replacement of water main.
 - Replacement of individual service lines.
 - Partial length – from main to shut off.
 - Temporary system will be used during construction.
- Sanitary Sewer
 - Complete replacement of mains and manholes.
 - Replacement of individual service lines.
 - Partial length – to same location as water shut off.

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Proposed Improvements City Avenues



- Storm Sewer
 - Replacement and updates.
 - Minimal amount on City Avenues.
 - Drain tile will be installed along avenues where possible.
- Sidewalk
 - Complete replacement of walks.
 - Reconnection to existing private walks at residences.
 - Upgrades to walks and pedestrian ramps at intersections.
 - ADA compliance.

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Proposed Improvements City Avenues



- Street
 - Complete reconstruction of structural section.
 - Complete replacement of concrete curb and gutter.

- 5th Avenue – Street Width
 - Exists 32-foot wide curb-to-curb.
 - Proposed to reconstruct to same width.
 - Matches 700 block reconstructed in 2021.

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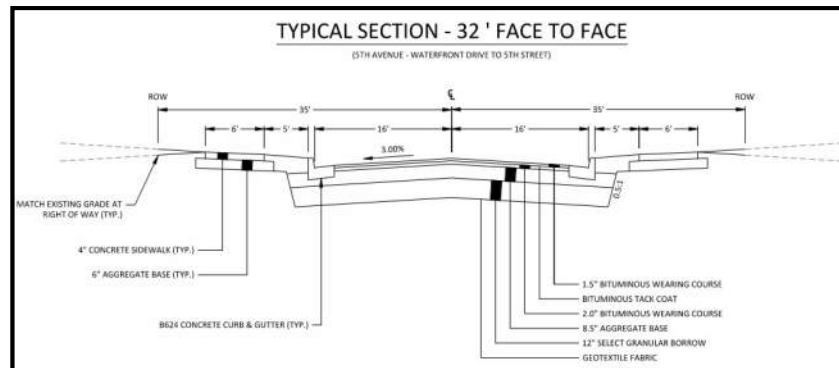


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Proposed Improvements 5th Avenue



- Proposed typical section – 5th Avenue




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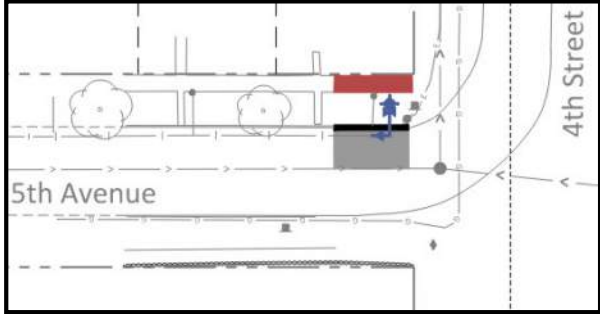


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Proposed Improvements 5th Avenue at 4th Street




- Adding hydrant at existing dead end watermain.




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Proposed Improvements 6th Avenue



- 6th Avenue
 - Street Width
 - Existing varies 24-feet to 28-feet wide.
 - Some blocks do not have concrete curb.
 - Recommend to reconstruct 28-foot wide curb-to-curb.
 - Matches 700 block reconstructed in 2021.
 - 400 & 500 blocks shifted north due to Skunk Creek.

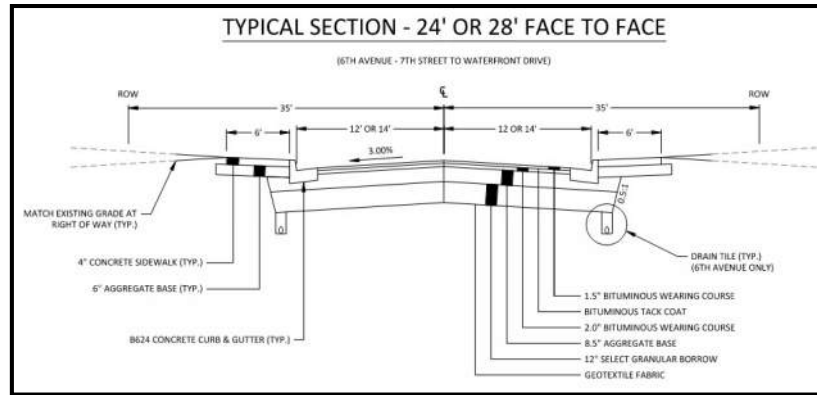
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Proposed Improvements 6th Avenue



- Proposed typical section – 6th Avenue (600 block)



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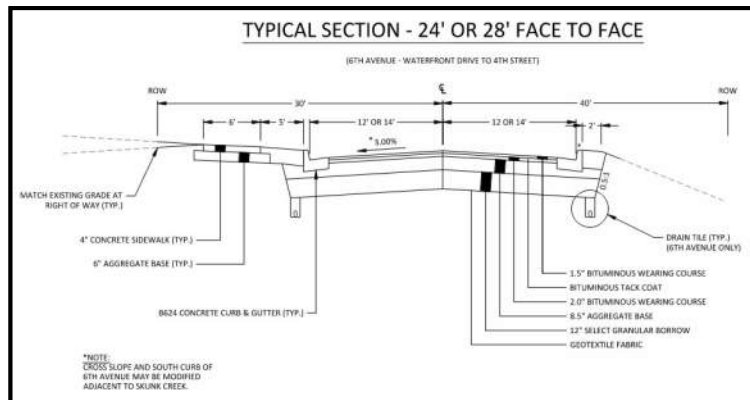


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Proposed Improvements 6th Avenue




- Proposed typical section – 6th Avenue (400 & 500 block)



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Option – 4th Street Watermain

- Existing 6th Avenue watermain dead ends at 4th Street.
- Base proposal to rebuild this bock of watermain as-is.
- Option for watermain looping:
 - Extend watermain north on 4th Street to the alley.
 - Connect 4th Street watermain to the existing main in the alley south of 7th Avenue.

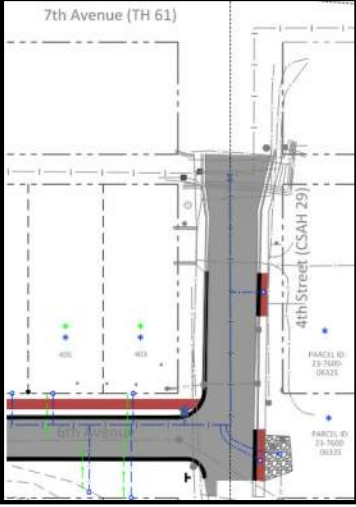
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Option – 4th Street Watermain

- Optional 4th Street Watermain Looping.





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Option – 4th Street Sidewalk



- Existing sidewalk on west side of 4th Street stops about 100-feet north of 6th Avenue.
- 6th Avenue sidewalk will be extended to 4th Street.
- Option to connect the sidewalk on the west side of 4th Street to 6th Avenue.

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Option – 4th Street Sidewalk




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Proposed Improvements County Segments – Storm Sewer




- Replace box culvert on 5th Street at Skunk Creek.
- Replace 5th Street storm sewer – Skunk Creek to 7th Ave.
- Extend storm sewer on 5th Street from 6th Ave to 4th Ave.
 - Add new inlets at the 5th Avenue & 4th Avenue intersections.
- No new storm sewer mains proposed on 4th Avenue.
- Drain tile will be installed in the street where possible.

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Proposed Improvements County Segments - Sidewalk



- Existing: Both sides of 5th Street and 4th Avenue.
- Proposed:
 - 5th Street
 - 6-foot wide sidewalk.
 - At back of curb (no boulevard).
 - 4th Avenue: Both sides
 - Approx. 5-foot grass boulevard.
 - 5-foot wide sidewalk.

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Proposed Improvements County Segments - Street



- 5th Street
 - Parking lane on west side only.
 - Overall footprint 32-feet between curbs.
 - Sidewalk immediately behind curb – both sides.
- 4th Avenue
 - Parking lane on south side only.
 - Overall footprint 32-feet between curbs.
 - Grass boulevard and sidewalk – both sides.

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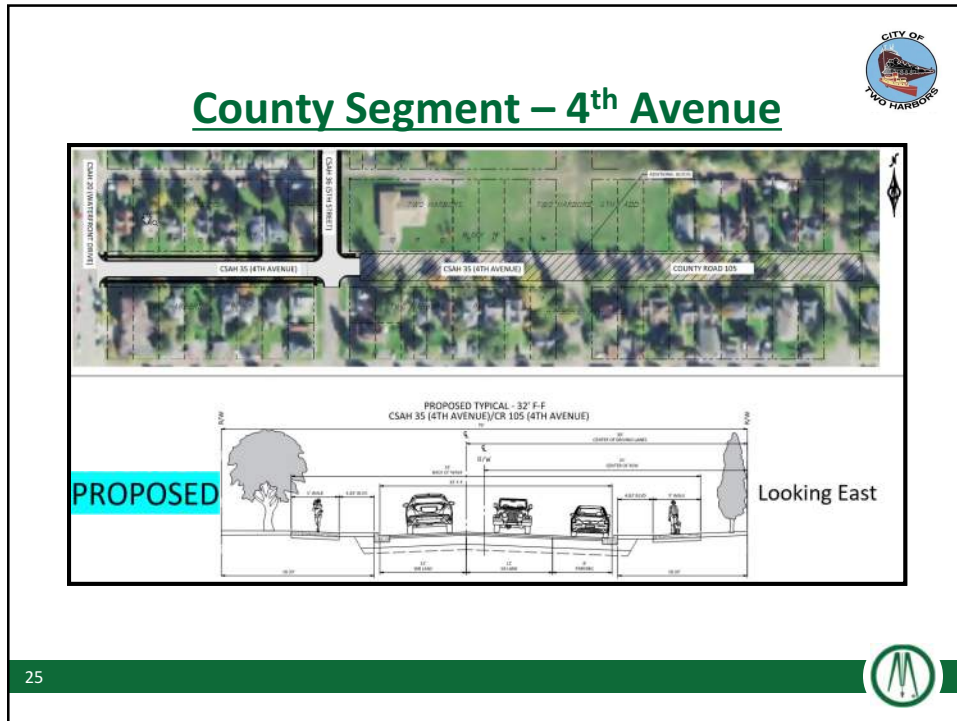
County Segment – 5th Street



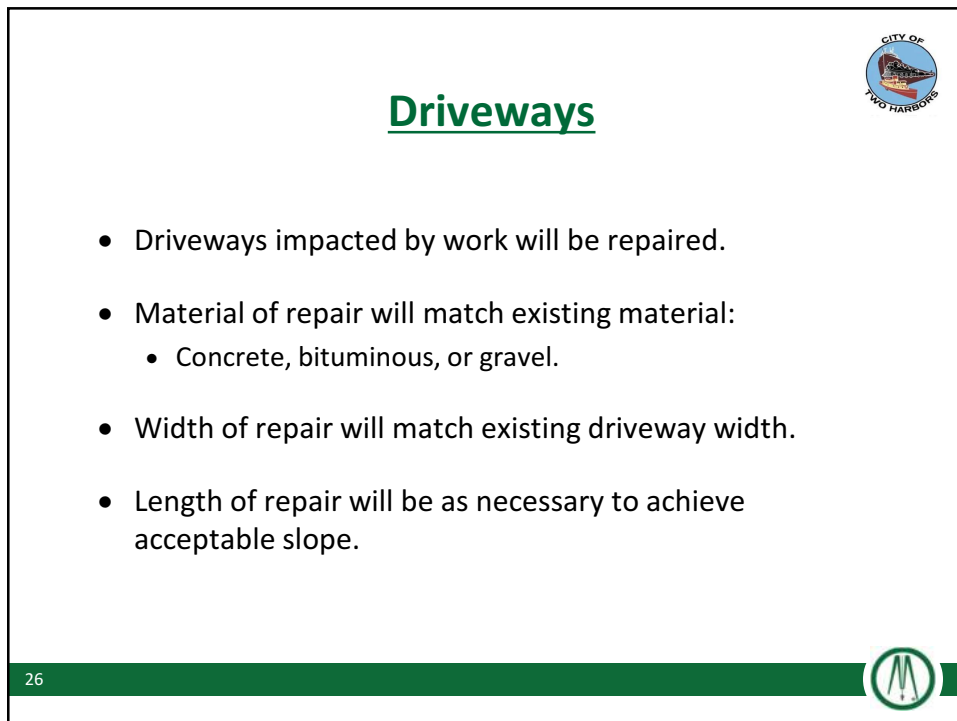
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Trees



- Approach will be to preserve where possible.
- Trees impacted by work will be removed.
- Need to consider:
 - Long-term health of the tree.
 - Public safety.
 - Location of improvements, especially utility services.
 - Potential impacts on the public investment being made.
- Trees will be reviewed with Trees & Trails Commission.

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Phasing



- Construction expected to take two construction seasons.
- No definitive phasing identified during preliminary design.
- May depend on factors such as availability of materials.

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Phasing



- Utility Installation
 - Generally start at low end of system and work upstream.
- Contract will specify certain requirements.
- Contractor can also provide input on schedule/phasing.

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Estimated Costs




- Detailed cost estimates are provided in Appendix B of the Feasibility Report.
 - By project segment.
 - By type of improvement.
- For this presentation, summary by segment is shown on the following table.

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Estimated Cost – City Base Improvements




Estimated Base Improvement Costs	
City of Two Harbors	
Summary by Segment	
Segment	Estimated Cost
5 th Street: 4 th Ave. to 7 th Ave. – Utilities Only	\$414,900
4 th Avenue: 6 th St. (Waterfront Drive) to 3 rd St. – Utilities Only	\$1,319,970
5 th Avenue: Waterfront Drive to 5 th St. ¹	\$1,149,060
6 th Avenue: 7 th St. to Waterfront Drive	\$1,328,780
6 th Avenue: Waterfront Drive to 5 th St.	\$1,330,970
6 th Avenue: 5 th St. to 4 th St.	\$1,043,980
Total Base Improvements – City of Two Harbors	\$6,587,660
<i>1 – Includes hydrant installation at east end of 5th Avenue.</i>	


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Estimated Cost Optional Improvements



Estimated Optional Improvement Costs	
Summary by Option	
Item	Estimated Cost
6 th Avenue: 7 th St. to 4 th St. – 28-foot width	\$61,836
4 th Street: Watermain Looping	\$197,310
4 th Street: Sidewalk North of 6 th Avenue (West Side) ¹	\$8,990
Total Estimated Costs – Optional Improvements	\$268,136
<i>1 – Funding for 4th Street Sidewalk anticipated to be 100% from Lake County</i>	


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Estimated Cost – County Base Improvements

Estimated Base Improvement Costs Lake County Summary by Segment	
Segment	Estimated Cost
5 th Street: 4 th Ave. to 7 th Ave. – CSAH 36	\$2,628,076
4 th Avenue: 6 th St. (Waterfront Drive) to 4 th St. – CSAH 35	\$1,246,588
4 th Avenue: 4 th Street to 3 rd Street – County Road 105	\$661,852
Total Base Improvements – Lake County	\$4,536,516


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Estimated Cost Total Project

Estimated Total Project Costs Summary	
Item	Amount
City Portion – Base Improvements	\$6,587,660
City Portion – Optional Improvements	\$259,146
Total – City Portion	\$6,846,806
County Portion – Base Improvements	\$4,536,516
County Portion – Optional Improvements	\$8,990
Total – County Portion	\$4,545,506
Total Project	\$11,392,312

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Financing

- County will use a combination of sources to fund their segments, including State Aid and Sales Tax.
- City will finance entire cost of their improvements up front.
 - Combination of Bonds and Fund Reserves.
- City proposes to recover a portion of the project costs through assessments to benefitted properties.
 - Per Minnesota State Law, Statute Chapter 429.
 - Per adopted Two Harbors Special Assessment Policy.

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Assessments Cost

- Costs **NOT** being assessed:
 - Sanitary Sewer Main.
 - Water Main.
 - Water Services from main to shut off.
 - Storm Sewer.
 - Drain Tile.
 - County Costs.

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Assessments Cost

- City Costs being assessed:
 - Street Improvements: 50% of cost.
 - Sidewalks: \$50 per Square
 - Sanitary Sewer services: 100% of cost to the property receiving the service.
 - Water services: 100% of cost to the property for portion past the shut off (if necessary).

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Assessments Cost


- Summary: Assessable costs = 29% of total project.

Estimated Total Project Costs Summary of Assessable	
Item	Estimated Cost
Total Estimated Project Costs	\$11,392,312
Less NON-Assessable Costs	\$8,098,456
Total Estimated Assessable Project Costs	\$3,293,856

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Assessments Parcels




- Properties proposed for assessment:
 - Adjacent to project segments.
 - Benefitting from the project.

- Method of assessment proposed:
 - Area method (cost per square foot).
 - Residential parcels categorized by size.
 - Unique parcels calculated separately.

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Assessments Residential Parcels




Residential Parcels				
Categories for Assessment				
Designation	Small	Average	Large	Extra Large
Area (SF)	0 to 5,250	5,251 to 8,749	8,750 to 10,500	10,501 +
Assessment	0.75	1.00	1.25	Actual area

- Parcels within the same category assigned the same assessment for street and sidewalk.

- Rate of 1.00 = Standard lot of 7,000 SF (50' x 140').

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Assessments

- Complete mock assessment roll is provided in Appendix C of the Feasibility Report.
 - Lists parcels by Identification No., address, and owner.
 - Assessment by type of improvement for each property.
 - Total estimated assessment for each property.

- For this presentation, just a summary is shown.

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Assessments Summary


Sanitary Sewer Services – Amount Per Parcel			
Assessment per Service (typical) (dependent upon length)	\$4,720 to \$6,260		

Street and Sidewalk – Amount per Parcel			
Type	Small	Average	Large
Residential	\$8,528	\$11,370	\$14,213
Extra Large	\$1.624 per SF of Area		

- Recent street and sidewalk assessments (average lot):
 - 2018 = \$11,393 2019 = \$11,390 2021 = \$11,410

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Assessments Example Parcel


- Example: Residential parcel – Average category

Residential Parcels				
Example Total Assessment ¹				
Item	2023-2024	2021-2022 ³	2019	2018
Street and Sidewalk	\$11,370 ²	\$11,410	\$11,390	\$11,393
Sanitary Sewer Service	\$ 4,720	\$ 4,420	\$ 3,419	\$ 2,489
Water Service	\$ 0	\$ 0	\$ 0	\$ 0
Total Estimated Assessment	\$16,090	\$15,830	\$14,809	\$13,882

¹ – Amounts rounded to nearest dollar.
² – Includes optional improvements.
³ – Amounts shown for 2021-2022 Project are from the Feasibility Report estimates.


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Assessments Additional Information

- Assessments are only preliminary estimates.
- City will take preliminary assessment roll under advisement.
 - Will consider if any modifications are appropriate.
 - Consideration of previous assessments.
- Any modifications directed by the City can be incorporated into the final assessment calculations.

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Assessments Additional Information

- Assessments can be paid in installments.
 - Typical term is 15-years.
 - Interest rate TBD. Depends on rate paid by City for bond.

- City policy allows for deferral of assessments.
 - Must meet criteria, apply, and be approved by City.
 - Deferral is **not** forgiveness.
 - Interest still accumulates.


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Finance Summary

2023-2024 Street Improvement Project Financing Summary ¹		
Source	Estimated Amount	%
Assessments	\$1,845,262	16.2%
City of Two Harbors	\$5,119,188	44.9%
Lake County	\$4,427,862	38.9%
Total Project	\$11,392,312	100.0%
<i>1 – Amounts rounded to nearest dollar</i>		


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Project Outline

- Brief outline of MN Statute Chapter 429 process:
 - Feasibility Report is ordered and prepared.
 - Identifies estimated assessments.
 - Public Improvement Hearing (tonight's meeting).
 - Order project.
 - Solicit and receive bids.
 - Calculate final assessments.
 - Public Assessment Hearing (after construction).
 - Certify Assessment Roll.


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Property Owner Rights

- Each property owner has rights under Chapter 429.
- Right to object to assessment.
- Objection must be filed in writing.
 - After final assessments are noticed.
 - Prior to closing of Public Assessment Hearing.
(not tonight's meeting)

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Property Owner Rights

- Property owner who has objected to assessment may then proceed with formal appeal of assessment.
 - Appeal must be filed within 30-days of Assessment Hearing.
- Proposed assessment cannot exceed the increase in market value of the property due to the improvement.



Project Schedule

- October 10, 2022 Public Hearing.
- October 2022 City Council orders project.
- February 2023 City Council and County Board approve plans.
- March 2023 Open bids.
- April 2023 Award construction contract.
- May 2023 Neighborhood meeting with public.
- May/June 2023 Start construction.
- Oct/Nov 2023 End of first construction season.
- Summer 2024 Complete remaining construction.
- Oct/Nov 2024 Final Assessments / Public Hearing.





Next Steps

- Order Project
 - Can occur anytime within 6 months of this Public Hearing.
 - If ordered, City Council specify improvements included.
 - Detailed construction plans prepared for Council review.
- Neighborhood Meetings
 - Spring 2023: Prior to start of construction.

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Questions / Discussion



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