

City Council Meeting Date: November 16, 2009

Consent

ITEM: 1

Motion

**ITEM:** Reviewing Disbursements

**ACTION REQUESTED:**

**Proposed Motion For Consideration:** \_\_\_\_\_ **Motion** \_\_\_\_\_ **Second**

*The City Council of the City of Northfield hereby reviews disbursements totaling \$685,273.02*

| Disbursement Description   | Date            | Amount               |
|--|-----------------|----------------------|
| <i>10/30/09 Accounts Payable Checks</i>                            | <i>10/30/09</i> | <i>\$ 232,325.88</i> |
| <i>11/6/09 ACH for Employee Payroll</i>                            | <i>11/6/09</i>  | <i>\$ 167,135.24</i> |
| <i>11/6/09 Accounts Payable Checks (incl. Payroll Liabilities)</i> | <i>11/6/09</i>  | <i>\$ 285,811.90</i> |
|  | <i>TOTAL</i>    | <i>\$685,273.02</i>  |

**SUMMARY**

The City Council is being asked to review disbursements for \$685,273.02. They are within the limitations of the approved budget and resources available.

**SUBMITTED BY:** *Julie Nordmeier, Accountant*

**ATTACHMENTS:**

1. Disbursement Lists

**ITEM:** Rosewood Estates Snow Storage Agreement

**ACTION REQUESTED:**

**Proposed Motion for Consideration:** \_\_\_\_\_ **Motion** \_\_\_\_\_ **Second**

*The City Council of the City of Northfield hereby approves the agreement by and between the City of Northfield and Rosewood Estates Homeowners Association for storage of snow on and around the City owned stormwater management pond east of Heywood Road and between Creek Land and Sunset Drive, Attachment #1.*

**SUMMARY**

The Rosewood Estates Homeowners Association (REHA) has requested that their snow removal contractor be allowed to deposit snow accumulations on and around the City’s storm water management pond. This pond is located east of Heywood Road and between Creek Lane and Sunset Drive. The homes in this area have very little snow storage area and the storm water pond is adjacent to the association property. Using this pond for snow storage allows the snow to be stored away from the homes, which in turn provides a safer neighborhood for the residents.

The agreement requires that REHA indemnify the City as well as providing liability insurance to protect the City from damage claims. In addition the agreement specifically requires that any damage be repaired by REHA and that the snow stored should not be mixed or contaminated with dirt, salt or other undesirable debris. Important to note is the fact that REHA’s mowing contractor currently maintains a portion of city property surrounding the pond during their normal mowing operations for aesthetics of the association. This agreement is renewable annually and can be cancelled with a 30 day notice.

**DECISION MATRIX:**

| Y | N   | Checklist  |
|---|-----|--|
|   | N/A | Does this project fit within the identified Council goals, objectives, and priorities?                     |
| X |     | Does the project fit within the estimated budget & resource parameters?                                    |
|   | N/A | Is the public process identified consistent with the scope and implications of the project?                |
|   | N/A | Have the pertinent boards and commissions been identified for providing review, recommendations, or input? |
|   | N/A | Is this decision consistent with current city plans (Comp Plan, Transportation Plan, Park Plan, etc)?      |
| X |     | Have the future costs to city operations been calculated and identified?                                   |

|          |  |  |
|----------|--|--|
| <b>X</b> |  | Are there measurable criteria to aid with the decision-making and have they been identified? |
| <b>X</b> |  | Have the suitable timelines and schedules been identified?                                   |

**ATTACHMENTS:**

1. Rosewood Estates Agreement

**SUBMITTED BY:** *Brian Erickson, Public Works Operations Engineer*

# AGREEMENT

**AGREEMENT** made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by and between the **CITY OF NORTHFIELD**, a Minnesota municipal corporation (“City”), and **ROSEWOOD ESTATES HOMEOWNERS ASSOCIATION**, a Minnesota non-profit corporation (“REHA”).

## RECITALS

- A. The City owns and maintains a stormwater management pond (“pond”) east of Heywood Road between Creek Lane and Sunset Drive.
- B. The REHA would like to deposit snow on and around the pond due to limited snow storage areas near the homes in the association.
- C. The REHA is located adjacent to the pond and as a result snow storage on or near the pond is convenient for the REHA.
- D. Snowmelt from the association affects the pond whether or not snow is directly deposited on or around the pond.

## **NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

1. **TERM.** The term of this Agreement shall be for one year but may be extended by mutual agreement of the parties in writing hereafter. Additionally this Agreement may be terminated by either party with or without cause upon thirty (30) days advance written notice.
2. **CONDITIONS.** The REHA shall be solely responsible for snow removal and storage from the driveways and sidewalks in the association’s purview. This snow may be stored on or near the pond provided that the snow is not significantly mixed or contaminated with sand, dirt, salt or other undesirable debris (“contamination”), which shall be determined in the sole discretion of the City. The City may require the REHA to immediately cease depositing snow on or around the pond or to remove snow already so deposited if the City detects such contamination. The REHA shall identify a contact person or persons for the City to use 24 hours a day, seven days a week.
3. **OPERATION AND MAINTENANCE OF THE POND.** The REHA shall, at its own expense, restore any City property to its pre-existing condition or better following entrance on or use of the pond area pursuant to this Agreement. The REHA shall complete any restoration or repairs immediately but in any event upon receipt of written notice from the City that such are required and within the time stated in such notice. In particular, the REHA shall expedite any restoration and repairs in order to minimize flooding due to snow melt and stormwater. If the REHA does not complete any restoration or repairs in a timely manner, the City may complete such restoration or repairs and bill the REHA for the cost thereof, which shall be paid within thirty (30) days of the date of the billing statement. Any costs which remain unpaid after the due date may be assessed against the property of the REHA and certified to the county auditor for collection with taxes.

The City shall remain responsible for the routine operation and maintenance of the pond including mowing, noxious weed control, dredging and other related maintenance.

4. **INDEMNIFICATION.** The REHA shall defend, indemnify and hold harmless the City and its officers, employees and agents from and against any and all claims, demands, actions, and causes of action, including expenses, reasonable attorneys’ fees, and costs of alternative dispute resolution, arising out of or related to the REHA’s activities around and use of the pond.

5. **INSURANCE.** The REHA shall purchase and maintain commercial general liability insurance to protect itself from claims for damages because of bodily injury, death, and injury to or destruction of tangible property, including loss of use resulting therefrom. The base limits of this policy shall be at least \$1,500,000 combined single limit. The REHA shall provide the City with evidence of such insurance in the form of a certificate of insurance, no later than ten (10) days after execution of this Agreement. The City shall be an additional named insured and the certificate shall contain a provision that the insurance shall not be cancelled unless prior written notice thereof is given to the City not less than fifteen (15) days prior to the effective date of such cancellation. If the REHA fails to give such certificate of insurance to the City within ten (10) days after execution of this Agreement, this Agreement shall be null and void. The REHA shall provide additional certificates of insurance to the City from time to time upon the reasonable request of the City.
6. **NO ASSIGNMENT.** The REHA may not assign its rights under this Agreement without written consent from the City.
7. **GOVERNING LAW.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Minnesota.
8. **ENTIRE AGREEMENT.** This Agreement shall constitute the entire agreement of the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.
9. **MODIFICATION OR EXTENSION OF AGREEMENT.** Any modification or extension of this Agreement shall be binding only if evidenced in writing signed by both parties.

In witness whereof, the parties have caused this Agreement to be signed as of the date first mentioned above.

**CITY OF NORTHFIELD**

By: \_\_\_\_\_  
Its Mayor

By: \_\_\_\_\_  
Its City Clerk

**ROSEWOOD ESTATES  
HOMEOWNERS ASSOCIATION**

By: \_\_\_\_\_  
Its

By: \_\_\_\_\_  
Its

City Council Meeting Date: November 16, 2009

Consent

Item: 3

Resolution 2009-107

**ITEM:** Consider Approval of Decertifying the Cannon Commercial Center Tax Increment District No. 11

**SUMMARY AND ACTION REQUESTED:** The City Council is being asked to approve a resolution that will decertify the Cannon Commercial Center Tax Increment District effective December 31, 2009 (for tax purposes). Early decertification is being recommended as the project is complete, the final bond payment is scheduled for February 1, 2010 and there are sufficient funds on hand to make the final payment. The TIF district is required to be decertified by April 15, 2010.

The fund has approximate net assets of \$188,000 at this time. The 2<sup>nd</sup> half of 2009 taxes in December will provide an additional \$33,000. The amount needed for the bonds final payment in February is \$62,130. The resolution also stipulates that staff transmit the projected surplus of \$158,000 along with the required forms to the Rice County Auditor / Treasurer upon approval.

The City will receive its share back – approximately \$60,000 with the 2<sup>nd</sup> half distribution in December of this year. Disposition of the money will be in accordance earlier Council direction and deposited to the Insurance Fund for deficit elimination purposes.

**BACKGROUND:** The Cannon Commercial Center Tax Increment District, an economic development district, was established in 1999. The district is comprised of 10 parcels along Bollenbacher Drive. The captured tax capacity of 141,040 will be returned to the general tax base for 2010.

The State Auditor's Office is closely monitoring the annual tax increment reports filed by local governments and asks why districts shouldn't be decertified if there all liabilities have been paid. This time we're ahead of them.

Submitted by: *Kathleen McBride. Finance Director*

Attachments:

Resolution 2009-107 Resolution Approving the Decertification of Cannon Commercial Center Increment Financing District No. 15

CITY OF NORTHFIELD, MINNESOTA  
CITY COUNCIL RESOLUTION 2009-107

RESOLUTION APPROVING THE DECERTIFICATION OF CANNON COMMERCIAL CENTER  
TAX INCREMENT FINANCING DISTRICT NO. 15 OF THE CITY OF NORTHFIELD AND  
RETURNING EXCESS TAX INCREMENTS TO OTHER TAXING JURISDICTIONS

WHEREAS, on April, 15, 1999, the City of Northfield (the "City") created its Tax Increment Financing District No. 15, (the "District"); and

WHEREAS, all liabilities, capital and administrative costs of the District have been paid or provided for; and

WHEREAS, the District currently has \$158,000 in net assets; and

WHEREAS, the City desires by this resolution to cause the dissolution and decertification of the district effective December 31, 2009, prior to the required decertification of April 15, 2010 with property taxes generated by property within the Districts to be distributed in the same manner as all other property taxes beginning January 1, 2010.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Northfield as follows:

1. The City Council hereby finds, determines and declares to dissolve and decertify Tax Increment Financing District No. 15 as of December 31, 2009.
2. Unspent tax increment in the amount of \$158,000 held in the tax increment fund shall be returned to the County Auditor of Rice County for distribution to the affected tax jurisdictions.
3. The City Finance Director is hereby directed to send a copy of this resolution to the County Auditor of Rice County and to take any other steps, which are necessary to dissolve Tax Increment Financing District No. 15.
4. Upon final maturity of the bonds on February 1, 2010, the City Finance Director shall return any remaining assets held in the tax increment to the County Auditor of Rice County.

PASSED by the City Council of the City of Northfield on this 16th day of November, 2009

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

VOTE:      \_\_\_ ROSSING \_\_\_ BUCKHEIT \_\_\_ DENISON \_\_\_ POKORNEY  
             \_\_\_ POWNELL \_\_\_ VOHS \_\_\_ ZWEIFEL

**ITEM:** Authorize the Call of the 2001A General Obligation Improvement Bonds;  
Providing for the Sale of \$4,300,000 General Obligation Bonds, Series 2009A

**ACTION REQUESTED:**

Two separate actions are being requested of the City Council. The first is to call for the early redemption of the 2011 and 2012 maturities on February 1, 2010. The second is authorizing the sale of new G.O. Improvement Bonds, Series 2009A. The new bonds will be used to finance the First Street reconstruction project and to refund the 2002B G.O. Storm Water and Water Revenue Bonds and the 2004A G.O. Improvement Bonds.

The presale report prepared by the City's financial consultant (Ehlers & Associates, Inc.) is provided as an attachment.

**BACKGROUND:**

Early redemption of the 2001A G.O. Improvement Bonds: As with any new bond sale, Ehlers & Associates reviews savings opportunities with refunding existing bonds as part of the same issue. One of the issues analyzed for refunding was the 2001A G.O. Improvement Bonds. At this point it has been determined that it is best to call the bonds (2/1/2010) and pay off the debt early – two years early. Debt service on this bond has been made mostly through special assessments. There are adequate resources within this debt service fund to pay off the full amount of principal next year.

As noted in the City Administrator's weekly memo two weeks ago, in accordance with the "draft" matured debt service fund policy, any remaining surplus would then be transferred out to other funds – first to any other G.O. Improvement Bond debt service fund that has a projected deficit with any remaining surplus split - 1/2 to the Insurance Fund and 1/2 to the Capital Reserve Fund. What's the projection for the 2001A G.O. Improvement Debt Service Fund at this point?

|   |           |
|---|-----------|
| Projected surplus at 2/1/2010 (point of bond maturity): | \$576,345 |
| Disposition of projected surplus:                       |           |
| Transfer to the 2002A G.O. Improvement Bonds            |           |
| Debt Service Fund (projected deficit)                   | \$159,835 |
| Transfer to the Insurance Fund                          | \$208,255 |
| Transfer to the Capital Reserve Fund                    | \$208,255 |

The 2009A G.O. Improvement Bond Sale: This sale provides the financing for the First Street project and the refunding of two other outstanding bond issues. Of the two Refundings included in this proposal, net savings are estimated at \$58,452 for the 2002B Storm Water and Water G.O. Revenue Bonds and \$29,603 for the 2004A G.O. Improvement Bonds.

Combining the two refunding bond issues with the new one achieves 1) a larger bond issue that is more attractive in the market place resulting in better interest rates and 2), reduces issuance costs and combines the ongoing annual paying agent fee on three separate issues down to one.

We will be seeking a bond rating from Standard & Poor's with this issue. In the past, Moody's Investor Service has been used. This change is being made as a result of changes Standard and Poor's has made to their rating system and process. We are anticipating the possibility of a bond rating increase. The City's current bond rating is "A1" with Moody's.

**Submitted by:** *Kathleen McBride, Finance Director*

**Attachments:**

1. Ehlers' Presale Report
2. Resolution 2009-108
3. Resolution 2009-109

CITY OF NORTHFIELD, MINNESOTA  
CITY COUNIL RESOLUTION #2009-108

A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF  
NORTHFIELD, MINNESOTA CALLING FOR THE REDEMPTION OF  
GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2001A

**WHEREAS**, the City of Northfield, Minnesota, has heretofore issued its General Obligation Improvement Bonds, Series 2001A dated September 1, 2001 (the "Bonds"); and

**WHERAS**, The Bonds maturing on February 1 in the years 2011 and 2012 are subject to redemption and prepayment at the option of the City on February 1, 2010, and on any date thereafter, at a price of par plus accrued interest; and

**WHEREAS**, the City Council deems it desirable and in the best interests of the City to call the Bonds maturing in the years 2011 and 2012, on February 1, 2010.

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Northfield, Minnesota, as follows:

1. The Bonds maturing on February 1 in the years 2011 and 2012 shall be redeemed and prepaid on February 1, 2010, at a price of par and accrued interest.
2. The Finance Director is hereby authorized and directed to cause notice of the call to be mailed to the paying agent for the Bonds at least 30 days prior to February 1, 2010. The notice shall be in substantially the form attached hereto as Exhibit A.

PASSED by the City Council of the City of Northfield on this 16<sup>th</sup> day of November, 2009.

ATTEST

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

VOTE:      \_\_\_ROSSING    \_\_\_POWNELL      \_\_\_BUCKHEIT    \_\_\_DENISON  
             \_\_\_ZWEIFEL    \_\_\_POKORNEY    \_\_\_VOHS

EXHIBIT A

NOTICE OF CALL FOR REDEMPTION

GENERAL OBLIGATION IMPROVEMENT BONDS,  
SERIES 2001A  
CITY OF NORTHFIELD  
DAKOTA AND RICE COUNTIES, MINNESOTA

NOTICE IS HEREBY GIVEN that by order of the City Council of the City of Northfield, Dakota and Rice Counties, Minnesota, there have been called for redemption and prepayment on

February 1, 2010

outstanding bonds of the City designated as General Obligation Improvement Bonds, Series 2001A, dated September 1, 2001, having stated maturity dates in the years 2011 and 2012, and totaling \$365,000 in principal amount. The Bonds are being called at a price of par, plus accrued interest to February 1, 2010, on which date all interest on said Bonds will cease to accrue. Holders of the Bonds hereby called for redemption are requested to present their Bonds for payment, at U.S. Bank National Association (formerly U.S. Bank Trust National Association), in St. Paul, Minnesota, on or before February 1, 2010.

Dated: November 16, 2009

BY ORDER OF THE CITY COUNCIL OF  
THE CITY OF NORTHFIELD, MINNESOTA

CITY OF NORTHFIELD, MINNESOTA  
CITY COUNIL RESOLUTION #2009-109

A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF  
NORTHFIELD, MINNESOTA PROVIDING FOR THE SALE OF \$4,300,000 GENERAL  
OBLIGATION IMPROVEMENT BONDS, SERIES 2009A

**WHEREAS**, the City Council of the City of Northfield, Minnesota, has heretofore determined that it is necessary and expedient to issue the City's \$4,300,000 General Obligation Bonds, Series 2009A (the "Series 2009A Bonds"), to finance the 2008 West First Street Reconstruction Project in the City, to current refund the General Obligation Storm and Water Revenue Bonds, Series 2002B, and to current refund the General Obligation Improvement Bonds, Series 2004A; and

**WHEREAS**, the City has retained Ehlers & Associates, Inc. in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Bonds and is therefore authorized to solicit proposals in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Northfield, Minnesota, as follows:

3. Authorization; Finding. The City Council hereby authorizes Ehlers to solicit proposals for the sale of the Bonds.

4. Meeting; Proposal Opening. The City Council shall consider shall meet at 7:00 p.m. on December 7, 2009, for the purpose of considering sealed proposals for and awarding the sale of the Bonds.

3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion. PASSED by the City Council of the City of Northfield on this 16<sup>th</sup> day of November, 2009.

ATTEST

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

VOTE:      \_\_\_ROSSING    \_\_\_POWNELL      \_\_\_BUCKHEIT    \_\_\_DENISON  
             \_\_\_ZWEIFEL    \_\_\_POKORNEY    \_\_\_VOHS

**ITEM:** Consider accepting the public improvements for the Spring Creek Culvert Replacement

**ACTION REQUESTED:**

**Proposed Motion For Consideration:** \_\_\_\_\_ **Motion** \_\_\_\_\_ **Second**

*The City Council of the City of Northfield hereby accepts the public improvements installed for 2009 Improvement Project No. 006 – Spring Creek Road/Hall Avenue Culvert Replacement.*

**SUMMARY**

The City Council is being asked to accept the public improvements installed for 2009 Improvement Project No. 006 – Spring Creek Road/Hall Avenue Culvert Replacement. There were no change orders to the project. Based on the final quantities used the final contract amount paid will be \$47,384.57. This project is covered with a one-year warranty period.

The project has been reviewed by all divisions and recommended for acceptance. The Certificate of Final acceptance is attached.

**SUBMITTED BY:** Katy Gehler, P.E., City Engineer

**ATTACHMENTS:**

1. Certificate of Final Acceptance

City Council Meeting Date: November 16, 2009

Consent

ITEM: 6

Resolution: 2009-110

**ITEM:** Approve the Purchase of Parcels 92 and 93 from the Minnesota Department of Transportation (the Crossing project)

**ACTION REQUESTED:**

*The City Council is being asked to approve Resolution 2009-110 which will approve of the purchase of parcels 92 and 93 from the Minnesota Department of Transportation for the Crossing project.*

**SUMMARY**

The City Council is being asked to approve the purchase of two parcels of property currently owned by the Minnesota Department of Transportation (MnDOT) located at the Crossing site. The two parcels, referred to as parcels 92 and 93, total 17,062 square feet and are located at the northeast corner of the intersection of Highway 3 and 2<sup>nd</sup> Street (See Attachment 1).

The City and MnDOT entered into a memorandum of understanding in December of 2005 wherein MnDOT agreed to sell these parcels for fair market value. The City initially received an offer to sell these parcels in February of 2009, but the valuation that MnDOT placed on the property as a result of their appraisal was unacceptable due to the existence of contaminated soil on the property and the fact that the appraisal did not acknowledge this condition. Since February of 2009, Staff has been negotiating with MnDOT to adjust the value being asked for the parcels. The City, through the assistance of Mendota Homes, Inc., conducted a counter appraisal that arrived at a considerably lower value for the parcels. This value was offered by City Staff as the price to purchase the property and MnDOT rejected that offer.

Recently, MnDOT has agreed to sell the property for an amount that splits the difference in value between what the MnDOT was originally asking and what the City was initially prepared to pay. At the October 19, 2009, City Council meeting, Council directed that Staff offer the price that splits the difference in value between the original MnDOT asking price and the offering price from the City. This amounts to \$131,000.

On October 22, 2009, the city received a written offer from MnDOT to the sell parcels 92 and 93 for \$130,567, (\$131,000 less deed tax of \$430.20)(See attachment 2). The City Council is now being asked to approve the offer by MnDOT related to selling parcels 92 and 93.

This land transaction has been an item of numerous discussions with City Council including an Executive Session dated October 5, 2009. At that meeting Staff described the lengthy process that has been underway to purchase these parcels including the fact that the soil on the property is contaminated and that MnDOT has recorded an Affidavit of Real Property Contaminated with Hazardous Substances. Additionally, Highland Bank has been informed of the efforts by the City to acquire these parcels and has indicated initially a willingness to pay \$75,000 for these

parcels without any further negotiation with MNDOT. Highland Bank is aware that the City is offering to purchase parcels 92 and 93 for \$131,000 and has not objected to these efforts by the City. In the end, Highland Bank is interested that parcels 92 and 93 be purchased by the City so that they are not purchased by another third party owner.

Staff is recommending that the City Council approve of the offer by MnDOT to sell parcels 92 and 93 to the City for \$131,000 less the deed tax payment. The source of funds to purchase these parcels will be from the Capital Reserve Fund which is the fund that contains the sale proceeds from the sale of other parcels that the City has previously owned that have been sold to Mendota Homes, Inc. The current balance in the Capital Reserve Fund is \$588,093.

Staff is recommending that the City Council approve Resolution 2009-110.

| Y | N   | Checklist  |
|---|-----|--|
| X |     | Does this project fit within the identified Council goals, objectives, and priorities?   |
| X | X   | Does the project fit within the estimated budget & resource parameters?  |
| X |     | Is the public process identified consistent with the scope and implications of the project?  |
|   | N/A | Have the pertinent boards and commissions been identified for providing review, recommendations, or input?   |
| X |     | Is this decision consistent with current city plans (Comp Plan, Transportation Plan, Park Plan, etc)?  |
|   |     | Have the future costs to city operations been calculated and identified?   |
| X |     | Are there measurable criteria to aid with the decision-making and have they been identified? (Implementing the memorandum of understanding between the City and MnDOT) |
| X |     | Have the suitable timelines and schedules been identified?   |

**SUBMITTED BY:**

**ATTACHMENTS:**

- Resolution 2009-110
- 1. Map of parcels 92 and 93
- 2. Offer from MnDOT

CITY OF NORTHFIELD, MINNESOTA  
CITY COUNCIL RESOLUTION #2009-110

A RESOLUTION BY THE MAYOR AND CITY COUNCIL APPROVING THE OFFER  
FROM THE MINNESOTA DEPARTMENT OF TRANSPORTATION TO SELL PARCELS 92  
AND 93 (the CROSSING)

WHEREAS, the City of Northfield and the Minnesota Department of Transportation (MnDOT) entered into a Memorandum of Understanding where each party to the memorandum agreed to a series of actions to convey parcels 92 and 93 which are excess right-of-way parcels owned by MnDOT; and,

WHEREAS, MnDOT originally was asking \$208,000 for parcels 92 and 93 which value was rejected by the City due to the existence of contaminated soils that was not documented in the appraisal undertaken by MnDOT; and,

WHEREAS, the City offered to purchase the parcels for \$1.00 due an appraisal that did document the existence of the contaminated soils and the existence of the affidavit of real property contaminated with hazardous substances as recorded by MnDOT in the property records of Rice County; and,

WHEREAS, the City and MnDOT have been negotiating for many months attempting to bring to completion the conveyance of parcels 92 and 93; and,

WHEREAS, the City of Northfield undertook a revision to the original appraisal that reviewed the effect of the affidavit of real property contaminated with hazardous substances and adjusted the value of parcels 92 and 93 up to \$58,000; and,

WHEREAS, MnDOT was willing to sell parcels 92 and 93 through a mediation process that was ultimately rejected by the City; and,

WHEREAS, MnDOT, on October 22, 2009, indicated a willingness to sell parcels 92 and 93 for a price that splits the difference in value between the original value established by MnDOT and the revised value as established by the City which equals \$131,000 as a means to bring this transaction to a close; and,

WHEREAS, MnDOT provided a written offer to sell parcels 92 and 93 for \$131,000 less the amount of the deed tax which equals \$432.30 thus amounting to a net sale price of \$130,567.70; and,

WHEREAS, the City of Northfield will sell parcels 92 and 93 to Mendota Homes, Inc. or their successors in interest for the price that the City paid for the property and that parcels 92 and 93 represent strategic parcels in the further redevelopment in the area.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT: the offer by the Minnesota Department of Transportation to sell parcels 92 and 93 for \$131,000 less the deed tax is hereby approved; and,

BE IT ALSO RESOLVED BY THE MAYOR AND CITY COUNCIL THAT: the City is committing to purchasing parcels 92 and 93 for \$131,000 less the deed tax upon the receipt of the deed from MnDOT; and,

BE IT FURTHER RESOLVED BY THE MAYOR AND CITY COUNCIL THAT: the source of funds to be used to purchase parcels 92 and 93 will be by the Capital Reserve Fund of the City.

PASSED by the City Council of the City of Northfield on this 16th day of November 2009.

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

VOTE:    \_\_\_ BUCKHEIT    \_\_\_ DENNISON    \_\_\_ POWNELL  
         \_\_\_ POKORNEY    \_\_\_ ROSSING    \_\_\_ VOHS    \_\_\_ ZWEIFEL

**ITEM:** Consider approval of 2010 Water, Wastewater and Storm Water Rates

**ACTION REQUESTED:** The city council is being asked to approve the utility rate adjustments that are part of the city’s Proposed 2010 budget. These are user fees and are paid based upon the water use for the Water and Wastewater Funds and surface area charges (based upon the REF, Residential Equivalency Factor) for the Storm Water Fund. The fees generated by each utility enterprise fund must cover all operating costs, debt service and capital needs of each operation.

For 2010, a 2% and 5% increase in the volumes rates for Water and Sewer, respectively, is recommended. For the Storm Water rate, the REF is recommended to go from \$9.50 to \$12.50 next year.

**BACKGROUND:**

*WATER AND SEWER:* The rate increases proposed for water and sewer volume charges 2010 are shown below:

**Update for 2010**

|                             | 2005    | 2006                          | 2007                          | 2008                          | 2009                          | 2010             |
|-----------------------------|---------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------|
| Water                       | \$ 1.15 | <del>\$ 1.55</del><br>\$ 1.40 | <del>\$ 1.95</del><br>\$ 1.46 | <del>\$ 2.05</del><br>\$ 1.49 | <del>\$ 2.08</del><br>\$ 1.53 | \$ 1.53          |
| Increase over<br>Prior Year |         | \$ 0.25<br>21.74%             | \$ 0.06<br>4.00%              | \$ 0.03<br>2.00%              | \$ 0.01<br>1.00%              | \$ 0.03<br>2.00% |

|                             | 2005    | 2006                          | 2007                          | 2008                          | 2009                          | 2010             |
|-----------------------------|---------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------|
| Sewer                       | \$ 2.75 | <del>\$ 2.85</del><br>\$ 3.00 | <del>\$ 3.00</del><br>\$ 3.15 | <del>\$ 3.15</del><br>\$ 3.34 | <del>\$ 3.25</del><br>\$ 3.47 | \$ 3.57          |
| Increase over<br>Prior Year |         | \$ 0.25<br>9.09%              | \$ 0.15<br>5.00%              | \$ 0.19<br>6.00%              | \$ 0.06<br>1.83%              | \$ 0.17<br>5.00% |

The city adopted a multi-year rate increase for Water and Sewer for the years 2005 through 2009 in November of 2004 that was based upon a utility rate study by Ehlers & Associates. These rates were then modified each year as

part of the budget process. The original rate increases proposed with those actually adopted are detailed in the chart above.

*STORM WATER:* The storm water fee structure was completely revamped in 2008. Neither the structure nor rates were changed since its original inception in the late 80's. The original fee structure was established with nine different districts with rates varying widely among the districts. The study conducted in 2008 changed the rate structure to a citywide basis and eliminated individual districts. The new rate structure was implemented at the start of this year.

Because of the number of years without a rate increase coupled with the costs associated with implementing new regulations, the increase needed was significant. The REF rate required was \$15 (per month). However, because of the large increase, it was decided to implement the rate increase over several years in order to lessen the burden on customers. For 2009, the REF rate is \$9.50. For 2010, the rate is recommended to be \$11.50. This represents an increase of 21%, but is still below the rate needed to support the operation of the utility.

*2009 RATE STUDY:* An engineering consultant was hired to take a more comprehensive look at the City's utility rate structures. In particular, what type of costs should be covered by rates and what costs should be covered by connection or access charges (SAC, WAC and Storm AC). The results of this study are part of the framework for a comprehensive approach to rate setting for all three utility operations.

*FINANCIAL MANAGEMENT / POLICY DEVELOPMENT:* The other pieces of the framework include development of a financial model and policies that will guide rate setting in the future. Policy discussions with the Council are anticipated to start prior to the budget development process next spring. At that time, the draft financial model will be sufficiently developed to assist that discussion.

There are various standards, best practices and other benchmarks by which the financial health of an enterprise operation is measured. The City's auditors, the State Auditor and bond rating agencies take a close look at the financial health of each enterprise operation. An enterprise fund's ability to cover operating costs, debt service and accommodate future capital needs is extremely important.

For additional context, an updated Cash Reserve Requirements table is provided on the next page. This will be reviewed at the meeting.

Cash Reserves Requirements  
Utility Enterprise Funds

Updated for 12/31/2008

|   | <u>Water</u>   | <u>Waste Water</u> | <u>Storm Drainage</u> | <u>Garbage</u> |
|---|----------------|--------------------|-----------------------|----------------|
| <b>1. Cash flow - 3 months' operating budget:</b>                                   |                |                    |                       |                |
| 2009 Budget   | 1,674,559      | 2,848,261          | 447,072               | 646,630        |
| Less: interest expense / debt tranfs  | (248,697)      | (488,910)          | (61,460)              | -              |
| depreciation  | (245,000)      | (950,000)          | (129,000)             | -              |
| subtotal  | 1,180,862      | 1,409,351          | 256,612               | 646,630        |
| 3 months or 25%   | <b>295,216</b> | <b>352,338</b>     | <b>64,153</b>         | <b>161,658</b> |
| <b>2. Debt service reserve - 50% of next year's principal and interest payments</b> | <b>117,921</b> | <b>756,736</b>     | <b>107,685</b>        | <b>-</b>       |
| <b>3. Uninsured losses / losses within deductible</b>                               | <b>50,000</b>  | <b>50,000</b>      | <b>50,000</b>         | <b>50,000</b>  |
| <b>4. Revenue fluctuations - 10% of volume-based revenues</b>                       | <b>198,190</b> | <b>318,100</b>     | <b>-</b>              | <b>-</b>       |
| <b>Minimum Cash Reserve</b>   | <b>661,327</b> | <b>1,477,173</b>   | <b>221,838</b>        | <b>211,658</b> |

**Capital Replacement / Expansion Reserves:**

| <b>6. New Year &amp; Future Capital Replacements / new projects - 2009 + % portion of next 5 years' projects</b> |           |           |         |   |
|--|-----------|-----------|---------|---|
|  | 2,035,643 | 1,510,551 | 922,207 | - |
| 2009 - First Street  | 362,599   | 187,129   | 253,982 |   |
| Other 2009 Projects  | 172,500   | 103,250   | 159,200 |   |
| 2010 - 2011 Radio Read Meter   | 450,000   | -         | -       |   |
| 2010 CIP   | 754,800   | 918,760   | 272,216 |   |
| 2010 CEP   | 25,000    | -         | -       |   |
| 2011 CIP (50% set aside)   | -         | 87,440    | 168,264 |   |
| 2011 CEP (50% set aside)   | 25,000    | 25,000    | -       |   |
| 2012 CIP (33% set aside)   | 706,800   | 525,520   | 207,624 |   |
| 2012 CEP (33% set aside)   | 20,000    | 65,000    | -       |   |
| 2013 CIP (25% set aside)   | -         | 62,880    | 202,128 |   |
| 2014 CIP (20 % set aside)  | 92,000    | 173,000   | 168,144 |   |

**7. Other?**

|  |                    |                    |                    |                  |
|--|--------------------|--------------------|--------------------|------------------|
| <b>Total cash reserve - with capital needs</b> | <b>2,696,970</b>   | <b>2,987,724</b>   | <b>1,144,044</b>   | <b>211,658</b>   |
| Cash balance at 12/31/08                       | 1,297,334          | 1,818,985          | (184,349)          | 100,447          |
| <b>Cash surplus / shortage</b>                 | <b>(1,399,636)</b> | <b>(1,168,739)</b> | <b>(1,328,393)</b> | <b>(111,211)</b> |

| Other notes:  |                |                |          |                |
|---|----------------|----------------|----------|----------------|
| <i>Interfund Loan Receivable at 12/31/08 (Insurance Fund, Hiley-Neff)</i> | <i>588,000</i> | <i>588,000</i> | <i>-</i> | <i>100,000</i> |
| <i>Interfund Loan Receivable from 1998 for NCRC Construction</i>          | <i>188,000</i> | <i>188,000</i> |          |                |
| <i>Transfer in from Trunk Fund - fund closure</i>                         | <i>163,158</i> | <i>442,592</i> |          |                |

Submitted by: *Kathleen McBride, Finance Director*  
*Katy Gehler-Hess, City Engineer*

**ATTACHMENT:**

1. Resolution 2009-111

CITY OF NORTHFIELD, MINNESOTA  
CITY COUNCIL RESOLUTION 2009-111

A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF  
NORTHFIELD, MINNESOTA ADOPTING UTILITY FEE SCHEDULE

WHEREAS, the city of Northfield provides water, wastewater and storm water utility services to property owners; and

WHEREAS, property owners receiving these water, wastewater and storm water utility services are charged a fee for these services based upon use or other basis; and

WHEREAS, the fees charged are required to cover the costs associated with providing water, wastewater and storm water services; and

WHEREAS, the city has issued utility revenue bonds to cover the costs of constructing and reconstructing water, wastewater and storm water utility infrastructure as part of the services provided; and

WHEREAS, the fees collected must cover all of the costs of the utility services provided including debt service on bonds issued for utility infrastructure purposes as well as provide cash reserves for smaller capital improvements for which bonds are not issued; and

WHEREAS, the city is required to have the fees cover these costs now and in the future.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:

The City Council adopts, replacing all previous fee schedules, the following fee schedule January 1, 2010:

| <b>Rate</b>                                | <b>2010</b> |
|--|-------------|
| Water volume charge per 100 cubic feet     | \$1.50      |
| Wastewater volume charge per 100 cubic fee | \$3.40      |
| Storm Water REF rate per month             | \$11.50     |

PASSED by the City Council of the City of Northfield on this 16<sup>th</sup> day of November 2009.

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

VOTE:     \_\_\_ ROSSING \_\_\_ BUCKHEIT \_\_\_ DENISON \_\_\_ POKORNEY  
          \_\_\_ POWNELL \_\_\_ VOHS \_\_\_ ZWEIFEL

**ITEM: Receive 4<sup>th</sup> Street Reconstruction Feasibility Study and call for Public Hearings**

**ACTION REQUESTED:**

The City Council is being asked to take three actions related to the 4<sup>th</sup> Reconstruction project.

- a. Consider a resolution receiving the feasibility report and calling for the improvement hearing.
- b. Consider a resolution declaring cost to be assessed, and ordering preparation of proposed assessment.
- c. Consider a resolution calling for the assessment hearing.

**SUMMARY**

**Item A**

The feasibility report has considered the project and finds the project to be necessary, feasible, and cost effective. The report also evaluated several options related to key issues of the project and has made recommendations. The next step in moving the project forward is for the City Council to receive the feasibility report and set the call for the Improvement hearing.

**Item B & C**

The City Council is asked to schedule a public hearing on the proposed assessments for the project. A required 14-day notice will be published in the Northfield News and notices will be sent to residents within the project boundaries. Staff will ask the city council to adopt the assessment roll along with award of the project bid in the spring of 2010.

The actions requested are required by Minnesota Statute Chapter 429, which specifies the action that must be taken to assess property owners for the cost of local improvements. The City Council has moved this project forward to this point with the actions shown on the attached project process. This project was identified in the 2009-2013 Capital Improvement Program with funding from Municipal State Aid (MSA), enterprise funds, assessments and bonding.

**BACKGROUND INFORMATION**

The Northfield City Council ordered the preparation of this feasibility report at its October 5, 2009 council meeting. Council Resolution No. 2009-098 was passed requesting that a study be completed analyzing the potential improvements of the streets noted below:

- Fourth Street E, Division Street to Nevada Street
- Union Street S, Fourth Street to Fifth Street
- College Street S, Fourth Street to Fifth Street
- Winona Street S, Fourth Street to Fifth Street
- Nevada Street S, Fourth Street to Fifth Street

- Union Street S, Fourth Street to Second Street (Alternate 1)
- Union Street S, Sixth Street to Seventh Street (Alternate 2)

Two neighborhood meetings were also held. The first neighborhood meeting was held on October 22, 2009 for the purpose of informing the affected property owners of the improvements being considered and to gather input from the impacted residents. Informational pamphlets explaining typical infrastructure projects and information on the Minnesota State Statute Chapter 429 special assessment process were distributed. Also distributed was a questionnaire to give the residents an opportunity to provide comments and express concerns with the proposed project. The second neighborhood meeting was held on November 5, 2009. At this meeting design options were presented to residents in order to get feedback and help the project team develop design options.

### ***Existing Conditions***

The properties adjacent to the project area consist of single family homes, park land, mixed use residential, and education institution. The project area is fully developed and is well established with many mature trees.

Fourth Street is classified as an Urban Collector and is a part of the City's Municipal State Aid (MSA) System. All other streets within the project area are classified as local roadways and experience low volumes of traffic. Along with public utilities in the project area, other private utilities within the project area include both overhead and underground power, gas, telephone and cable television.

### **Streets**

The streets within the project area are all bituminous surfaced with concrete curb and gutter, with sidewalk on both sides. The existing street widths are 39-40 feet except Union Street between 6<sup>th</sup> and 7<sup>th</sup> Streets which is 34 feet. As-built information on the streets within the project areas does not readily exist, however it is estimated that the road dates back to before 1978. The streets are aged and exhibit wear and distress to different degrees. The pavement is in poor condition with significant transverse and longitudinal cracking, alligator and block crackling, potholes, and scaling. Some street segments have significant settlements, which allows water to pond, infiltrate and weaken the subgrade. This has led to frost heaving, and additional transverse cracking during a lifecycle of freeze-thaw cycles.

Concrete sidewalks exist along both sides of the streets throughout the entire project. The sidewalks are in fair to poor condition with missing panels, major cracking, and spalling.

The boulevards within the project range in width from six to eight feet and contain a number of large diameter trees as well as power poles for electric service. Carriage walks are also located along both sides of the streets in various locations throughout the project.

### **Water**

The existing watermain within the proposed project corridor consists of both four and six inch cast iron pipe (CIP). The watermain is looped throughout the project with the exception of Fourth Street between Washington Street and Nevada Street. There is no existing watermain in this location.

Service lines to individual homes and businesses within the project area are anticipated to be ¾-inch or 1-inch diameter and their material may be copper, steel or lead. Since no watermain existing on Fourth Street between Washington Street and Nevada Street, the services for those homes and businesses come from the corresponding side streets.

### **Sanitary Sewer**

The 8" sanitary sewer main along Fourth Street serves most of the proposed project area. This line flows west to a 15" sewer that flows north along Washington Street. Due to the lack of sanitary sewer main on Union, Winona and Nevada Street, flows from the adjacent lots are directed through long services across private property to the mains on Fourth and Fifth Street.

Televising reports of the existing sewer system revealed the penetration of roots in several joints, which appear to be slightly offset. Root penetration is significant because it implies failures in the pipe joints where groundwater can seep into the system. The groundwater infiltration adds to the volume of wastewater being treated. In addition to the roots and infiltration, there are numerous areas throughout the system where sags have occurred. These sags can lead to blockages within the pipe.

The service laterals to adjacent lots are likely to be 4" VCP. Streets within the project area with no sanitary sewer main use long service laterals to connect to the closest main on either Fourth Street or Fifth Street. Determining the location and condition of these lines is difficult without completely exposing them. Dye testing may be performed to identify which main the laterals flow to.

### **Storm Sewer**

While there have been few complaints regarding drainage issues, the existing storm sewer system are undersized relative to current design standards. Modifications and extensions of the existing system are recommended later in this report to improve drainage and to compliment the proposed street improvements.

The storm sewer system within the project area conveys storm water flows from three different watershed areas. Storm sewer located along Fourth Street collects the majority of the storm water and outlets into the Cannon River.

### ***Proposed Improvements***

The recommended improvements take into account the soil conditions shown in the geotechnical report and the current street condition. During the design phase of the project, the project team will work with private utilities to coordinate other utility improvements in conjunction with the street reconstruction project. Final details, including tree impacts and drainage issues would be addressed during the final design phase of the project improvements.

## **Streets**

The following streets are scheduled for full street reconstruction in accordance to the City of Northfield's proposed Capital Improvement Plan (CIP): Fourth Street E from Division Street to Nevada Street; Union Street from Fifth Street to Second Street and Sixth Street to Seventh Street; College Street from Fourth Street to Fifth Street; Winona Street from Fourth Street to Fifth Street; and Nevada Street from Fourth Street to Fifth Street. In addition to these improvements the following streets are being considered due to poor road surface and utilities: Union Street from Second Street to Fourth Street; and Union Street from Sixth Street to Seventh Street. Complete reconstruction is recommended on all streets due to the structural deficiencies that are marked by the distress in the pavement which are beyond the point where normal maintenance is cost effective. The recommended pavement sections for all side streets, except Fourth Street, are based on a 7-ton design which is typical for resident streets without heavy traffic loading in the future. Fourth Street requires a minimum of a 9-ton design to meet MSA standards. All of the streets have similar subgrade conditions and will be subject to the same traffic loading in the future. The horizontal alignment of all of the streets will remain approximately the same. Longitudinal street grades will have a minimum of 0.50% grade. Street grades lower than 0.50% are undesirable as sufficient drainage is typically not achieved. Drainage problems can create safety issues and can also increase the degradation of the pavement.

Fourth Street will be constructed to be 40 feet (curb face to curb face) in width with the exception of the segment from Division Street to Washington Street. This width will accommodate 11' driving lanes, 8' wide parallel parking on the south side of street, and 4' wide bicycle lanes on both sides from Union Street to Nevada Street. The one block segment from Division Street to Washington Street will retain the same width and parking as the existing configuration. In accordance to the city code and to provide a consistent width, it is proposed to construct the remaining streets to 32 feet (curb face to curb face).

It is recommended that the existing curb and gutter be replaced with new B618 curb and gutter on all project streets to improve drainage and support the edge of pavement. All existing driveway aprons will be replaced with new concrete aprons within the City right-of-way. New concrete sidewalk will be constructed to replace the existing sidewalk on both sides of the street to comply with City policy. All existing carriage walks within the City right-of-way will be replaced with new concrete carriage walks. Pedestrian curb ramps will be constructed at each crosswalk location with truncated dome detectable warning systems in compliance with the Americans with Disabilities Act (ADA).

All boulevard areas disturbed will be restored with 6 inches of topsoil and sod. Due to the mature nature of several of the trees within the project area, some of the canopies will require trimming during utility excavation. The construction equipment can cause excessive damage to the trees if proactive trimming is not considered. An arborist has been retained by the City and has completed a tree inventory with recommendations. During the construction of sidewalks, some tree roots may need to be trimmed. The

location of sewer and water services oftentimes determine what impacts to trees and/or landscaping that may occur. These service locations cannot be determined until construction begins.

### **Watermain**

Proposed water system improvements in the project area include the removal and replacement of the existing hydrants, valves, fittings, and mainline pipe. The pipe size recommendation for watermain on all streets is 8-inch diameter pipe to provide better flow to residents and businesses along the project. New 8-inch diameter pipe will be installed on Fourth Street where existing pipe is currently not present. This will help with flow and circulation throughout the system.

The water service lines to individual residences and businesses are also proposed for replacement with 1-inch copper lines as a part of the project. Larger services as required by code to non-residential lots will also be considered during the final design phase of the project. These replacements would be from the new watermain to the property lines. This process would include the replacement of the curb stop and box. Additional replacement of individual water service lines from the property line to the existing building may also be included as needed and in cooperation with the homeowner. The extra cost for these replacements will be paid by the homeowner.

### **Sanitary Sewer**

Proposed sanitary sewer improvements include the reconstruction of all mainline sewer pipes, on centerline of the roadway, with 8-inch Polyvinyl Chloride (PVC) pipe. New 8-inch PVC sanitary sewer mainline pipe will be installed on streets where mainline pipe does not exist. These new mainlines will eliminate the need for long sanitary sewer service lines. All sanitary sewer manholes along the project are proposed for replacement with new precast concrete structures and new castings that meet City standards.

All sewer services are proposed for replacement from the new main to the property lines with new PVC wyes and 4-inch PVC pipe, except where the service is required to be larger. The larger services may be required at some businesses, institutional buildings and multi-family dwellings. Additional replacement of sewer service lines from the property line to the building may also be included as needed and in cooperation with the homeowner. The costs for these replacements will be paid by the homeowner.

### **Storm Sewer**

The recommended storm sewer improvements include the replacement of the existing system with new Reinforced Concrete Pipe (RCP) of increased sizes to accommodate a 5-year storm event. A preliminary design indicates that the new system will consist of pipe sizes ranging from 15-inch to 24-inch.

In addition to the main replacement, catch basins, storm sewer manholes, and castings will also be replaced to both improve efficiency in handling the storm water flows, and help remove sediments before discharging into the Cannon River. Sediment removal and

treatment of the storm water will come in the form of sumped catch basins and manhole structures to reduce sediment transport to the Cannon River.

## FINANCIAL

### *Summary*

A summary of the project costs and funding is below. The project will be financed through a combination of MSA funds, bonding, assessments, enterprise funds and the Master Development Fund. Based on the preliminary construction estimates, an average home may see an increase in taxes of \$0.80 to \$1.00 per month. A commercial business with a tax capacity of \$600,000 may see an increase of \$4.20 to \$5.00.

### Project Costs

|                             | PRIMARY PROJECT   | UNION STREET | UNION STREET       | TOTAL          |
|-----------------------------|---|--------------|--------------------|----------------|
|                             | 4 <sup>th</sup> St., Union St,<br>College St, Winona St,<br>Nevada St | 4th. to 2nd. | 6th St. to 7th St. |                |
| Street Improvements         | \$1,357,158.00  | \$277,332.00 | \$133,852.40       | \$1,768,342.40 |
| Storm Sewer Improvements    | \$140,822.00  | \$0.00       | \$0.00             | \$140,822.00   |
| Sanitary Sewer Improvements | \$204,435.00  | \$22,605.00  | \$19,305.00        | \$246,345.00   |
| Watermain Improvements      | \$296,934.00  | \$63,448.00  | \$30,316.00        | \$390,698.00   |
| Streetscape Enhancements    | \$206,877.00  | \$0.00       | \$0.00             | \$206,877.00   |
| Total Construction Costs    | \$2,206,226.00  | \$363,385.00 | \$183,473.40       | \$2,753,084.40 |
| Engineering/Legal/Admin.    | \$441,245.20  | \$72,677.00  | \$36,694.68        | \$550,616.88   |
| Total Project Costs         | \$2,647,471.20  | \$436,062.00 | \$220,168.08       | \$3,303,701.28 |

### Project Funding

|                             | Fund                           | Amount         |
|-----------------------------|--------------------------------|----------------|
| Street Improvements         | MSA, Bonding, Assessments      | \$1,768,342.40 |
| Storm Sewer Improvements    | Stormwater Enterprise Fund     | \$140,822.00   |
| Sanitary Sewer Improvements | Sanitary Sewer Enterprise Fund | \$246,345.00   |
| Watermain Improvements      | Water Enterprise Fund          | \$390,698.00   |
| Streetscape Enhancements    | Master Development Fund        | \$206,877.00   |
| Engineering/Legal/Admin.    | MSA, Bonding                   | \$550,616.88   |
| Total Project Funding       |                                | \$3,303,701.28 |

### *Assessments*

The proposed street and utility improvements are eligible for assessments according to the City of Northfield's Assessment Policy (Ordinance). All properties that are adjacent to the project streets are proposed to be assessed according to the policy. The assessment rate is based on a Benefit Appraisal conducted by an independent appraisal firm per City code. The assessment

rate is a cost benefit per lineal foot of street frontage. The benefit analysis takes into consideration zoning, land use, and other characteristics within the project area to provide a fair benefit to differing entities within the project.

The benefit appraisal is in the process of being completed with results anticipated by Dec. 2, 2009. A preliminary analysis of the assessment using historical rates show a range of \$3,720 - \$17,652 for a residential lot depending of lot frontage. Many of the assessments would be between \$7,500-\$8,000. There are a number of corner only lots on this project that would be impacted by the assessment policy. Assessments for these properties range from \$846-\$3,465. There are also a handful of lots that will have higher assessments simply due to the large size of the lot. The preliminary assessment rates were determined using a conservatively high approach. Actual assessments will be at or below this range and based on the benefit appraisal.

It is anticipated that many individual service connections will need to be replaced along with the project. Service connections are the responsibility of the property owner from the right-of-way to the building. In the past the City has given property owners the options of having this work completed with the project and being assessed the additional amount. It is proposed to use a similar method for this project.

#### CONCLUSIONS AND RECOMMENDATIONS

These improvements as recommended in this report will upgrade the current street, water, sanitary and storm sewer systems to improve reliability for existing users and reduce maintenance costs for years to come. From an engineering standpoint, this project is feasible, cost effective and necessary and can best be accomplished by letting competitive bids for the work.

When starting this project, a primary project was identified along with two secondary segments. It is recommended that the work be done under one contract in order to complete the work in an orderly and efficient manner. There were a number of benefits considered when making this recommendation:

1. The construction market is still experiencing very competitive pricing on projects.
2. The infrastructure on Union Street between 6<sup>th</sup> and 7<sup>th</sup> is in extremely poor condition. Due to potential failures of long sanitary service lines it is recommended that this block be completed with the 4<sup>th</sup> Street project.
3. The infrastructure on Union Street between 2<sup>nd</sup> and 4<sup>th</sup> is in poor condition. Surrounding streets outside of 4<sup>th</sup> Street are in relatively good condition and not anticipated to need significant repairs in the near future.
4. 4<sup>th</sup> Street is an MSA street which can utilize MSA funds thus relieving some of the City's funding burden.
5. As we continue forward with the Street reconstruction plan, there are years were a larger project is identified and subsequently offset by a smaller project in the following years. It should be noted that the project identified for 2011 is a significantly smaller project.

*SUBMITTED BY: Katy Gehler-Hess, P.E., City Engineer  
Brian Hilgardner, P.E., Design Engineer*

**ATTACHMENTS:**

1. Resolutions
2. Project Process
3. Assessment Roll

CITY OF NORTHFIELD, MINNESOTA  
CITY COUNCIL RESOLUTION #2009 - 112

A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTHFIELD, MINNESOTA RECEIVING THE FEASIBILITY REPORT AND CALLING FOR A PUBLIC HEARING ON 2009 IMPROVEMENT NO. 005 – 4<sup>TH</sup> STREET RECONSTRUCTION BETWEEN DIVISION STREET AND NEVADA STREET INCLUDING ADJACENT BLOCKS OF UNION, COLLEGE, WINONA, AND NEVADA.

WHEREAS, pursuant to a resolution of the council adopted October 5, 2009, a report has been prepared by the City Engineer with reference to 2009 proposed improvement no. 005 – 4<sup>TH</sup> Street Reconstruction between Division Street and Nevada Street including adjacent blocks of Union, College, Winona, and Nevada.

WHEREAS, the 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 improvement as recommended; and a description of the methodology used to calculate individual assessments for affected parcels.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:

1. The council will consider such improvements, in accordance with the report and the assessment of abutting property for all or a portion of the cost of the improvement pursuant to Minnesota Statutes Chapter 429 at an estimated total cost of \$2,753,085.00.
2. A public hearing shall be held on such proposed improvement on the 21st day of December 2009, in the Council Chambers at City Hall at 7:10 p.m., and the clerk shall give mailed and published notice of such hearing and improvement as required by law.

PASSED by the City Council of the City of Northfield on this 16<sup>th</sup> day of November 2009.

ATTEST

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

VOTE:    \_\_\_ ROSSING    \_\_\_ POWNELL    \_\_\_ DENISON    \_\_\_ ZWEIFEL  
          \_\_\_ BUCKHEIT    \_\_\_ POKORNEY    \_\_\_ VOHS

CITY OF NORTHFIELD, MINNESOTA  
CITY COUNCIL RESOLUTION 2009-113

A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTHFIELD, MINNESOTA DECLARING COST TO BE ASSESSED AND ORDERING PREPARATION OF PROPOSED ASSESSMENTS FOR 2009 IMPROVEMENT NO. 005 – 4<sup>TH</sup> STREET RECONSTRUCTION BETWEEN DIVISION STREET AND NEVADA STREET INCLUDING ADJACENT BLOCKS OF UNION, COLLEGE, WINONA, AND NEVADA.

WHEREAS, estimated costs have been calculated for the improvement of 4<sup>th</sup> Street between Division Street and Nevada Street and including the adjacent blocks of Union, College, Winona, and Nevada and the estimated cost for such improvement is \$2,753,085.00.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:

1. The portion of the costs of such improvement to be paid by the city is hereby declared to be \$2,753,085.00 and the portion of the cost to be assessed against benefited property owners is declared to be \$621,032.47.
2. Assessments shall be payable in equal semi-annual installments extending over a period of 10 years, the first of the installments to be payable with the first half of property taxes (May 15, 2011), and shall bear interest at the rate of 5.9 percent per annum from the date of the adoption of the assessment resolution.
3. The city clerk, with the assistance of Bolton & Menk, Inc. (consulting engineer), shall forthwith calculate the proper amount to be specially assessed for such improvement against every assessable lot, piece or parcel of land within the district affected, without regard to cash valuation, as provided by law, and he shall file a copy of such proposed assessment in his office for public inspection.
4. The clerk shall upon the completion of such proposed assessments, notify the council thereof.

PASSED by the City Council of the City of Northfield on this 16th day of November 2009.

Attest:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

VOTE: \_\_\_ ROSSING \_\_\_ POWNELL \_\_\_ DENISON \_\_\_ ZWEIFEL  
\_\_\_ BUCKHEIT \_\_\_ POKORNEY \_\_\_ VOHS

CITY OF NORTHFIELD, MINNESOTA  
CITY COUNCIL RESOLUTION 2009-114

A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTHFIELD, MINNESOTA CALLING FOR AN ASSESSMENT HEARING FOR 2009 IMPROVEMENT NO. 005 – 4<sup>TH</sup> STREET RECONSTRUCTION BETWEEN DIVISION STREET AND NEVADA STREET INCLUDING ADJACENT BLOCKS OF UNION, COLLEGE, WINONA, AND NEVADA.

WHEREAS, by a resolution passed by the council on November 16, 2009, the city clerk was directed to prepare a proposed assessment of the cost of improving 4<sup>th</sup> Street between Division Street and Nevada Street including adjacent blocks of Union, College, Winona, and Nevada; and,

WHEREAS, the clerk has notified the council that such proposed assessment has been completed and filed in her office for public inspection.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:

1. A hearing shall be held on the 21st day of December, 2009, in the city hall at 7:10 p.m. to pass upon such proposed assessment and at such time and place all persons owning property affected by such improvement will be given an opportunity to be heard with reference to such assessment.
2. The city clerk is hereby directed to cause a notice of the hearing on the proposed assessment to be published once in the official newspaper at least two weeks prior to the hearing, and she shall state in the notice the total cost of the improvement. She shall also cause mailed notice to be given to the owner of each parcel described in the assessment roll not less than two weeks prior to the hearings.
3. The owner of any property so assessed may, at any time prior to certification of the assessment to the county auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the City Finance Department, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of the assessment. He may at any time thereafter, pay to the City Finance Department the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before November 15 or interest will be charged through December 31 of the succeeding year.

PASSED by the City Council of the City of Northfield on this 16th day of November 2009.

Attest:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

VOTE:      \_\_\_ ROSSING   \_\_\_ POWNELL   \_\_\_ DENISON   \_\_\_ ZWEIFEL  
          \_\_\_ BUCKHEIT   \_\_\_ POKORNEY   \_\_\_ VOHS

## 4<sup>th</sup> Street Reconstruction Project Process

| Date <sup>1</sup> | Project Step   | Purpose of step  | Council Action <sup>2</sup> |
|-------------------|--|--|-----------------------------|
| July 6, 2009      | Approve initiation of project (This step will be used until CIP is a complete developed document) and Authorize staff to request proposals for engineering services. | Notifies staff that project should move forward to the feasibility stage. This includes preparing a request for proposals for engineering services, evaluation of the submitted proposals for best value of services, and preparing a contract for council consideration. Note that professional services contracts are not required to go through the bidding process.  | Motion                      |
| August 2009       | Meet with Streetscape Task Force #1  |  |                             |
| Sept. 15, 2009    | RFP  |  |                             |
| Sept. 28, 2009    | Engineering Proposals Due  |  |                             |
| October 5, 2009   | Order Preparation of Feasibility Report and award engineering services contract  | Ordering of the feasibility report is a required step of 429 process. Staff intends to use an outside consultant to supplement current staffing levels.  | Resolution (429)            |
| Oct. 13, 2009     | Forester Report  | A trained forester or arborist will evaluate the trees along the project corridor and give recommendations for project considerations.   |                             |
| October 22, 2009  | <b>Hold First Neighborhood Meeting</b>   | The intent of this meeting will be to inform the neighborhood of the upcoming project and seek input on improvements. Input will be summarized and given to council.   |                             |
| October 22, 2009  | Meet with Carleton   |  |                             |
| October 2009      | Draft Feasibility Report   |  |                             |
| November 5, 2009  | Second Neighborhood Meeting  | Present a draft of the feasibility report to the neighborhood for input prior to action by council.  |                             |
| November 2009     | Meet with Streetscape Task Force #2  |  |                             |
| Oct./Nov. 2009    | Tour Potential Project Area with Council   | Walk project area to make Council aware of potential controversial issues such as sidewalk placement and tree removals.  |                             |
| Nov. 16, 2009     | Accept feasibility and call for Public Hearing   | The engineer will present the proposed project including a cost estimate and potential assessments   | Resolution (429)            |
| Dec. 7, 2009      | Public Hearing on Improvements   | The purpose of the first hearing is for the council to discuss a specific local improvement before ordering it done. The council considers all the information in the feasibility report and any other information necessary for council deliberation.<br><br>At the improvement hearing, interested persons may voice their concerns, whether or not they are in the proposed assessment area. A reasonable estimate of the total amount to be assessed and a description of the methodology used to calculate individual assessments for | Public Hearing (429)        |

|  |   |  |                  |
|--|---|--|------------------|
|  |   | affected parcels must be available at the hearing. If the council rejects the project, it may not reconsider that same project unless another hearing is held following the required notice.   |                  |
| Dec. 21, 2009  | Order Improvement and Preparation of Plans and Specifications               | The project may be ordered any time within 6 months after the improvement hearing. It is not advised to change project parameters after ordering the improvement. Upon ordering the improvement construction drawings and specifications are prepared. Any changes to the project parameters after this point will cause a redesign costing additional money for engineering services and staff time and causing a delay of the project.   | Resolution (429) |
| Feb.1, 2009  | State Aid Review  | Submit Plans to State Aid for review and approval.   |                  |
| Feb. 2010  | Third Neighborhood Meeting  | Present the detailed plans and specifications to the neighborhood for input prior to council action.   |                  |
| Mar. 15, 2010  | Approve Plans and order advertisement for bids (Pending State Aid Approval) | This step is a requirement of the 429 process.   | Resolution (429) |
| Apr. 19, 2010  | Accept bids and award contract  | This step is a requirement of the 429 process and allows staff to move forward with the construction process.  | Resolution (429) |
| April/May 2010   | Neighborhood Tour   | Prior to the start of construction a walking tour of the project corridor will be taken meeting one on one with individuals to go over the details of construction, try to address concerns, and document existing conditions as necessary.  |                  |
| Substantial<br>May-Nov. 2010<br><br>Final<br>June 2011 | PROJECT CONSTRUCTION  | Once the project is awarded staff manages the day-to-day operations. Typically a Resident Project Representative is on-site to make sure the project is constructed in accordance to the plans and specifications. Communications between the contractor and City is limited to the Engineer and Resident Project Representative. Significant changes would be brought to council for approval prior to the work being completed. Minor change orders and field directives are authorized by the Engineer to maintain project construction and schedules. All changes to the contract must be approved by council. Minor changes which occurs during project final acceptance. |                  |
| June 2011  | Accept Improvements and Authorize Final Payment                             | The city engineer recommends to the council when final payment should be made to the contractor. The city council may accept the work by resolution. However, if the city fails to pay the amount due within 30 days of a monthly estimate, or 90 days after the final estimate, the city must pay interest on the past due amount as prescribed by law.   | Resolution (429) |

The following actions are also required by the 429 process to access benefiting property owners for the cost of the local improvement. These actions may be taken concurrently with the actions above.

| Date <sup>1</sup> | Project Step     | Purpose of step   | Council Action <sup>2</sup> |
|-------------------|------------------|---|-----------------------------|
| November 2009     | Appraisal Report | Based on the City's new assessment policy, an appraisal of the project will be completed to determine the assessment rates. |                             |

|                |   |   |                  |
|----------------|---|---|------------------|
| Nov. 16, 2009  | Set date and time of Assessment Hearing | Best practice suggests cities pass a resolution setting the date and time of the assessment hearing and directing that the city clerk publish and mail notice about the assessment hearing.   | Resolution (429) |
| Dec. 7, 2009   | Assessment Hearing                      | The purpose of the second hearing, commonly known as the assessment hearing, is to give property owners an opportunity to express concerns about the actual special assessment. At the assessment hearing the council shall hear and consider all objections to the proposed assessment, whether presented orally or in writing.  | Resolution (429) |
| April 19, 2010 | Adopt Assessment                        | The council has some flexibility before it adopts the assessment roll and may change, or amend, the proposed assessment as to any parcel. Council must, by resolution, adopt the same as the special assessment against the lands named in the assessment roll. Once the assessment roll is adopted the assessments are set and become liens against the properties listed. | Resolution (429) |

1 – Dates in bold text denote actions or events that have taken place. Dates in italics denote tentatively scheduled actions or events.

2 – A motion will be used for those items that are not necessary for the 429 assessment process. Resolutions are required for those steps that are part of the 429 process.

**ITEM: Capital Improvement Plan 2010 - 2014**

**ACTION REQUESTED:**

The City Council is being asked to provide direction on inclusion of a Safety Center Facility Project and a Library Expansion Project within the 2010-2014 Capital Improvement Plan (CIP) for the City of Northfield. To be included within the 2010-2014 CIP the City Council will need to: (A) Confirm the need to replace the Safety Center and expand the Public Library to meet the community needs for the next twenty years, (B) Finalize discussions on the preliminary scope of each project, (C) Identify the year in which the construction of the project would be scheduled to commence, and (D) Identify a preliminary not to exceed total cost for each project. By providing this direction and including these projects within the 2010-2014 CIP, the Council is authorizing the use of City resources to begin planning for the construction of these projects. Consideration of specific authorization and approval of design, financing, and location will be requested from the Council as the planning process for each project progresses.

**(A). CONFIRMATION OF THE NEED TO REPLACE THE SAFETY CENTER AND/OR EXPAND LIBRARY TO MEET THE COMMUNITY NEEDS FOR THE NEXT TWENTY YEARS,**

**Proposed Motion for Consideration:** \_\_\_\_\_ Motion \_\_\_\_\_ Second

*Recommended Motion: The City Council of the City of Northfield hereby recognizes and confirms the need to replace the Northfield Safety Center and/or expand Northfield Library within the next five years to meet the needs of the community for the next twenty years.*

*Option: The City Council of the City of Northfield places the expansion and/or replacement Northfield Safety Center and/or Northfield Library projects in the 2010-2014 CIP "Parking Lot" and will reconsider the inclusion of one or both of these projects in the development of future Capital Improvement Plans.*

The Council may also opt to recognize and confirm the need for the expansion or replacement of only the Safety Center or Library and place the other project in the 2010-2014 "Parking Lot".

**SUMMARY:**

By approving this motion the City Council is recognizing and confirming the need to replace and/or expand the Safety Center and Library. In approving this motion the discussion on these projects will shift from are they necessary to how does the City accomplish these tasks. Approving the recommended motion confirms the recommendations of the space needs identified in several studies and the work of taskforces over the past several years:

- Northfield Library, Preliminary Report on Community Needs Assessment and Space Needs, Robert H. Rohif Associates, April 2006
- City of Northfield, Municipal Facilities Space Needs Analysis, Hey-Dobbs, March 2007
- City of Northfield, Municipal Feasibility Analysis, Hey-Dobbs, September 2007
- City of Northfield, New Public Safety Center, Space Needs Analysis Report, Wold Architects & Engineers, December 2008
- City of Northfield, Safety Center Taskforce Report, June 2009

Affirming the recommended motion above will serve as a significant decision in meeting one of the City Council 2009 Goals: Goal Number 3: Council will improve city facilities to ensure excellent service to our citizens within the financial limitations of the city. Initiatives:

1. Establish rough budget estimates for facility improvements
2. Develop financing scenarios / alternates
3. Develop timelines for construction of new / rehabilitation of existing city facilities
4. Coordinate timelines / financing with 2010 – 2014 CIP process.
5. Approve facility improvement program, 2010 – 2014 CIP

**(B). FINALIZE DISCUSSIONS ON THE PRELIMINARY SCOPE OF EACH PROJECT**

**Public Safety Center:**

As discussed at the Council Work Session of October 26, 2009, four options were presented regarding the Safety Center Project. Additionally the offer made by the Gleason Family to donate nine acres of land for public use was made known to the council. Although the use of this land does provide for an alternative facility site, the decision on the use of the land will be considered with any facility model the council selects. Information on each model previously discussed is included and presented in Attachment No. 1. Listed below are the four options discussed:

- Option A. Safety Center Task Force Recommendation – Single Facility on a minimum 4-5 acre site
- Option B. Re-use of Existing Facility for Police – New Location for Fire Facility.
- Option C. Reuse of Existing Location for New Fire Facility – New Location for Police Facility
- Option D. Complete Updates on Deferred Maintenance Items of Existing Facility

**B. 1. - Proposed Motion for Consideration: \_\_\_\_\_Motion \_\_\_\_\_Second**

*The City Council of the City of Northfield selects Option \_\_\_\_\_ from the options listed above. The model selected will be used in future planning of the Safety Center Project(s.) The Council will consider approval of square footage, costs, and locations in subsequent action.*

**Public Library:**

As discussed at the Council Work Session of November 2, 2009, the Council will need to confirm the Library Project to be the expansion of the Library at the current location. Additionally, since inadequate parking is currently identified as a challenge at the existing facility, the Council is being asked to include that vehicle parking be addressed and included in all future planning and design work for the Library Expansion Project. The extent to which parking needs to be integrated into the project will be based on the final architectural design of the building expansion and its impact on current vehicle parking areas.

**B. 2. - Proposed Motion for Consideration:** \_\_\_\_\_ Motion \_\_\_\_\_ Second

*The City Council of the City of Northfield confirms the Library Expansion Project to be the Expansion of the Public Library at its current location southward. Furthermore the planning for the expansion should address and integrate vehicle parking into the final project design. The Council will consider approval of square footage, costs, and locations in subsequent action.*

*Option: The Council opts not to confirm the expansion of the Library at its current location and/or remove the consideration of parking from the scope of the project.*

(C). IDENTIFY THE YEAR IN WHICH THE CONSTRUCTION OF THE PROJECT (S) WOULD BE SCHEDULED TO COMMENCE

**B. 3. - Proposed Motion for Consideration:** \_\_\_\_\_ Motion \_\_\_\_\_ Second

*The City Council of the City of Northfield identifies the following timeline for the Safety Center Project(s) and Library Expansion Project:*

*Combined Facility Option*

|                               | <b>Construction Year</b> |             |             |             |             |
|-------------------------------|--------------------------|-------------|-------------|-------------|-------------|
|                               | <b>2010</b>              | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> |
| <b>Combined Safety Center</b> |                          | <b>X</b>    |             |             |             |
| <b>Library Expansion</b>      |                          |             |             | <b>X</b>    |             |

*Separate Facility Option*

|                          | <b>Construction Year</b> |             |             |             |             |
|--------------------------|--------------------------|-------------|-------------|-------------|-------------|
|                          | <b>2010</b>              | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> |
| <b>Police Facility</b>   |                          | <b>X</b>    |             |             |             |
| <b>Fire Facility</b>     |                          |             |             |             | <b>X</b>    |
| <b>Library Expansion</b> |                          |             |             | <b>X</b>    |             |

*Option: The City Council of the City of Northfield places the expansion and/or replacement of the Northfield Safety Center and/or Northfield Library projects in the 2010-2014 CIP "Parking Lot" and will reconsider the inclusion of one or both or all of these projects in the development of future Capital Improvement Plans.*

*Option 2: the Council can suggest an alternative timeline*

**SUMMARY:**

The City Council is being asked to identify a timeline for the construction of the proposed project(s) to be incorporated into the 2010-2014 CIP. The recommended project timeline will be dependent on the motions previously passed by the council. The year indicated will be for the year of construction. Financial planning, design work, and development of construction specifications and bid process will take place in advance of the identified year indicated in the CIP document.

The estimated planning process time prior to the construction of each building project will be from 8 - 14 months dependant of the number of necessary approvals, land acquisition, final scope of project, and the public review process. Limitations on the timelines will include the limitations of available staff time to manage the planning process and the priority of these projects in comparison other Council goals and initiatives. Construction management could be accomplished by an independent contractor, effective and efficient project planning will require staff oversight and management.

As previously presented the current debt structure of the City remains fairly consistent until the completion of the debt service on the bonding for the NCRC, which occurs in 2017. The City's current debt structure provides no advantage in the timing of these projects. Once the council has identified the time line for these projects preliminary not to exceed cost estimates, staff will develop several specific models using those numbers for future council consideration on debt financing.

**(D). IDENTIFY A PRELIMINARY NOT TO EXCEED TOTAL COST FOR EACH PROJECT.**

**Proposed Motion for Consideration:** \_\_\_\_\_ Motion \_\_\_\_\_ Second

Combined Facility Option:

*The City Council of the City of Northfield identifies and approves the preliminary not to exceed total project cost of \_\_\_\_\_ for the construction of a new Combined Safety Center for both Police and Fire services and a total not to exceed project cost of \_\_\_\_\_ for the Expansion of the Public Library. The preliminary total project costs are in 2010 dollars. Total project costs shall include all land acquisitions, site development and necessary site corrections, all necessary architectural and engineering design work, and any other stipulations identified by the Council. Approval of final financial planning for each project including cost sharing and contributions, final square footage, final project costs, and locations will be considered by the Council in subsequent action.*

Separate Facility Option:

*The City Council of the City of Northfield identifies and approves the preliminary not to exceed total project cost of \_\_\_\_\_ for the construction of a new Police Facility, \_\_\_\_\_ for the construction of a new Fire Facility. and \_\_\_\_\_ for the Expansion of the Public Library. The preliminary total project costs are in 2010 dollars. Total project costs shall include all land acquisitions, site development and necessary site corrections, all necessary architectural and engineering design work, and any other stipulations identified by the Council. Approval of final*

*financial planning for each project including cost sharing and contributions, final square footage, final project costs, and locations will be considered by the Council in subsequent action.*

*Option: The City Council of the City of Northfield places the expansion and/or replacement of the Northfield Safety Center and/or Northfield Library projects in the 2010-2014 CIP "Parking Lot" and will reconsider the inclusion of one or both or all of these projects in the development of future Capital Improvement Plans.*

**SUMMARY:**

The City Council is being asked to approve preliminary total project costs for the major facility projects within the 2010-2014 CIP in 2010 dollars. Total project costs include all land acquisitions, site development and necessary site corrections, all necessary architectural and engineering design work, and any other stipulations identified by the Council. The use of the preliminary not to exceed total project costs will be used in the next steps for planning each facility. Identifying the preliminary not to exceed total project costs are necessary for the future council decisions and the development of debt financing and financial modeling information.

The current preliminary project cost estimates based on the square footage requirements identified in the space needs analysis and based on current per s.f. construction costs are \$5.4 M for a Police Facility, \$4.9 M for a Fire Facility, and \$10 M for the expansion of the Public Library. These costs do not include land acquisition costs. Preliminary land cost estimates for the locations identified by the Safety Center Taskforce are approximately \$1 M. Alternate sites and locations can be considered if the an alternative building model is being considered. Additionally the Gleason Family Property Gift should be considered for all options.

If the Council identifies a lower preliminary project costs, the planning process will need to assess the project scope, value engineering, the use of alternative design work, consideration of location selection, and reassessment of priority needs.

Additional information on the studies listed in this report are available via the City's Web Site or at the Office of the Administrator.

**ATTACHMENT:**

1. Safety Center Facility Models - Benefit and Challenges

**SUBMITTED BY:** *J. Walinski, City Administrator*

## **SAFETY CENTER FACILITY MODELS**

November 16, 2009

### **Assumptions used for all models:**

1. The Safety Center Taskforce reviewed and confirmed the programmed space needs of the City's police and fire operations: 22,950 sf for police operations including garage space for 8 vehicles and 24,550 sf for fire operations including 6 apparatus bays. The factors important in the confirmation of the space needs included:
  - a. Space Needs Analysis Report completed by Wold Architect Dec. 2008.
  - b. The City of Northfield estimated population growth. A population of 25,600 in 2026 as provided in the Northfield Comprehensive Plan, adopted 2008 was used to assess future department needs and growth.
  - c. The space needs estimated for the Fire Facility assume the Rural Fire Association will continue to be housed within the City's Fire Facility and a new agreement regarding cost sharing on fire operations will be developed. It is also assumed the Rural Fire Association will also provide some level of capital support for the construction of the new fire facility. In the event this assumption is incorrect, the city can reduce the over all size and number of equipment bays for of the new Fire Facility.
2. As part of the Safety Center Project, one improvement that is included in all options is the addition of optical controls on all signalized intersections on Hwy. #3. These would be controlled by either police or fire emergency personal and will increase overall response times throughout the City. Estimated Cost: \$75,000 for seven intersections includes design and fieldwork.
3. Costs are estimated in today's construction costs. Given the current construction climate, the lowest cost for construction would be if construction started tomorrow. The longer the planning and decision timeline is expanded the higher the costs. Construction projects bid today are routinely coming in at 10% below estimated construction costs. Construction costs are expected to increase at a greater rate in the fall of 2010.
4. Bonds issued for the project would be sold in late 2010 or early 2011. The project related increase in property taxes would be the earliest in 2011 or could possibly be scheduled to begin in 2012.
5. Construction costs estimates used for refurbishing and remodeling the existing site assumed complete removal and replacement of existing heating and air conditioning (HVAC), roof, electrical, interior water and sewer services, and window replacement,

addition of structural footings and structural beams for the 2nd floor in the existing fire bay, fully ADA compliant restrooms and access (elevator addition will be necessary).

6. The Safety Center Taskforce generally agreed that a fire sub-station would be necessary to build at some future point in time depending on the Northfield area rate of growth and type of growth. Although not specific in location, the general consensus was the substation would be located in the northwest quadrant of the city. Currently staff is doing the preliminary study on locating a future water tower facility in this quadrant of the city. The purchase of property could be expanded in size to accommodate both a future water tower and fire station on one site.
7. Within the life time of a newly constructed Police Facility, possibly within a 20-year time frame, at least one addition will be necessary with changes in for police operations due to size, mandated procedural changes, or emergency management practices.
8. A new facility, an extensive reuse of the existing facility, or the construction of one or two new facilities will increase the current energy operating costs. The current facility does not provide for fresh air intake or air exchange as required by current building operating standards.

### **Models:**

- A. Safety Center Task Force Recommendation – Single Facility on a minimum 4-5 acre site**
- B. Re-use of Existing Facility for Police – New Location for Fire Facility.**
- C. Reuse of Existing Location for New Fire Facility – New Location for Police Facility**
- D. Complete Updates and Deferred Maintenance of Existing Facility**

**Model A: Safety Center Task Force Recommendation:** Construction of a new building to house both Police and Fire Departments on one of two preferred sites. Cost Estimate: \$10,400,000 plus land purchase. 22,950 sf. for police operations, 24,550 sf. for fire operations. A secondary option of constructing two buildings on one site could be considered however operational cost savings and any design

savings would be lost. This option was not fully considered.

**Benefits:**

- New construction offers opportunity for most efficient use of designed space for police and fire operations and potential use of LEED Design standards.
- Either preferred site or Gleason site allows for future expansion if police or fire operations change or expand over time (A second fire station construction maybe necessary dependant on growth type and location).
- The construction of a single facility would be more efficient through an “economy of scale”. For example the site would require one mobilization for the contractor and all earthwork could be completed in a single phase as well as the utility connections.
- The construction of a single facility would also offer opportunities for efficiencies in administrative operations of fire and police and maintenance of facilities (even though the buildings may be near each other they would still each require approximately the same maintenance on certain pieces of equipment (i.e. HVAC units). If not co-located then the maintenance would require facilities personnel to transit between facilities and reduce their efficiencies. Efficiencies of scale could also be captured in major maintenance recapitalization such as reroofing.
- No temporary or secondary moving costs necessary.

**Challenges:**

- Land acquisition would be an addition to project costs. Three options, options a and b are Task Force Recommendations:
  - a. **Central Valley Co-Operative Propane Facility Site**, total acreage 5.92, BRKW Appraisal: \$870,000
  - b. **River Drive and Cannon Road Site two parcels**
    - Large Parcel: 4.20 acres, BRKW Appraisal: \$915,000
    - Small Parcel: .77 acres, BRKW Appraisal: \$270,000
    - Combined Property Value: \$1,185,000
  - c. **Gleason Property West of Cannon Road** Intersection of Cannon Road and Honeylocust Drive. 6.94 acres to approximately 9 acres. The Gleason family has made the offer to provide this land to the City at a cost of \$1.00 for any public improvement. Stipulations on public use would need to be discussed with the Gleason Family.
- Preferred sites are not centrally located, south on Highway #3. Optical Sensors for control of Highway #3 traffic lights included in project costs.
- The greatest impact on fire response time maybe the fire fighters ability to get to one of these southern location
- Reuse of existing site and building remains a question.

**Model B. Re-use of Existing Facility for Police – New Location for Fire Facility:** Extensive rehab of the existing building to house a stand-alone Police facility. Two options (Model B Option 1, Model B Option 2) considered using the flood mitigation findings. Use of existing building for stand alone Fire Department Facility limited. Taskforce identified drive through bays and the need for additional bays as the two greatest needs for the current fire operations. Given the limitations on obtaining a secondary access to the site and the high costs for adding a additional bay and providing drive through bays, this option was removed from consideration at this time.

**Model B. Option 1:** Construction of levee and floodwall allowing for complete use of existing building. 20,850 sf. operating area plus 14 indoor parking stalls. Cost Estimate: \$4,215,000 for renovation for police facility. 24,550 sf. new fire call Construction Costs \$4,992,000 plus land purchase.

**Benefits:**

- Question on reuse of site not an ongoing issue.
- Potentially lower cost, assuming limited rehab surprises found and smaller site purchased for new fire hall construction. Estimated construction cost savings: \$1,193,000
- Multiple sites available for fire hall construction allowing a more central location to be selected.
- New fire hall construction offers opportunity for most efficient use of designed space for fire operations and potential use of LEED Design standards and “green” construction.
- Current site offers a visible and centrally located police station.
- Police operating space 2100 sf. more than optimum size recommended by Taskforce.
- 6 additional indoor parking stalls than recommended.

**Challenges:**

- Limited future expansion of police facility at this site.
- Achievement of LEED Design Standards limited at existing site and green construction.
- Existing structure limits operational design efficiency. Future police operational changes limited.
- Higher operation and maintenance lifetime costs.
- Temporary housing for police and/or fire operations during construction will be necessary, additional costs.
- Extensive timeline of permit requirements for flood mitigation approval could increase overall construction costs. Estimated 8-10% increase for every 12 month delay in construction.

**Model B. Reuse of Existing Building (cont.):**

**Model B Option 2:** Elevation of parking lot, restricted use of lower level of existing building, a 4,700 sf. addition included in building renovation plans. 22,550 sf. plus unoccupied temporary use space in existing lower level, 14 indoor parking stalls. Cost Estimate: \$4,595,000 for police facility. 24,550 sf. new fire hall construction costs \$4,992,000 plus land purchase.

**Benefits:**

- Question on reuse of site not an ongoing issue.

**Challenges:**

- Limited future expansion of police facility at this site.

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|---|---|
| <ul style="list-style-type: none"> <li>• Option allows some room for future operational expansion within existing facility.</li> <li>• Lower "limited use area" could be used for training room, shooting range, or other temporary uses.</li> <li>• Potentially lower cost, assuming limited rehab surprises found and smaller site purchased for new fire hall construction. Estimated construction cost savings: \$813,000</li> <li>• Multiple sites available for fire hall construction allowing a more central location to be selected.</li> <li>• New fire hall construction offers opportunity for most efficient use of designed space for fire operations and potential use of LEED Design standards and "green" construction.</li> <li>• Current site offers a visible and centrally located police station.</li> <li>• 6 additional indoor parking stalls.</li> </ul> | <ul style="list-style-type: none"> <li>• Achievement of LEED Design Standards and use of "green" construction limited at existing site.</li> <li>• Existing structure limits operational design efficiency. Future police operational changes limited.</li> <li>• Higher operation and maintenance lifetime costs.</li> <li>• Temporary housing for police and/or fire operations during construction will be necessary, additional costs.</li> <li>• Higher construction costs than #2 option 1.</li> <li>• Although less extensive permit process, timeline of permit requirements for flood mitigation approval could increase overall construction costs. Estimated 8-10% increase for every 12 month delay in construction.</li> </ul> |
|---|---|

**Model C: Reuse of Existing Location for New Fire Facility – New Location for Police Facility:** Demolition of existing building and construction of new fire hall facility on the existing site. Construction of new building on site above the 100 year flood line could allow for construction a building that could accommodate drive through fire bays and the needed number of bays. The new fire hall construction was preferred over a new police facility construction at this site because of continued limitations for future expansion and the central location of site is more beneficial to fire operations than police operations. Cost estimate: \$4,992,000 fire hall construction, \$5,408,000 police facility plus land purchase. \$30,000 - \$50,000 demolition costs, range dependant on lead and asbestos abatement costs.

**Benefits:**

- Question on reuse of site not an ongoing issue.
- Fire hall use of site could be considered "lifetime" or permanent use of site.
- New design of fire hall could address "Gateway" design concern identified by taskforce (See Taskforce Rec. #2)
- Future expansion of police facility could be considered in

**Challenges:**

- Higher operation and maintenance lifetime costs.
- Temporary housing for police and/or fire operations during construction may be necessary, additional costs.
- Higher construction costs than either option in #2 above.
- Demolition of existing facility added cost to project, \$30,000 to \$50,000.

|  |  |
|--|--|
| <p>site selection.</p> <ul style="list-style-type: none"><li>• 100 year flood plain limitations addressed in site preparation.</li><li>• Potentially lower cost depending on site selected for police facility.</li><li>• Multiple sites available for police facility allowing a more central location to be selected.</li><li>• New construction offers opportunity for most efficient use of designed space for police and fire operations and potential use of LEED Design standards and “green” construction.</li><li>• Less extensive timeline of permit requirements for flood mitigation approval than either option in #2 listed above.</li></ul> |  |
|--|--|

**Model D: Reuse of Existing Site/Police & Fire/Deferred Maintenance:** This option would include completing the list of facility shortcomings and deferred maintenance items listed in the Facility Analysis for Public Safety Center completed September 1, 2008. The cost estimate is \$3,268,700 with an additional estimated expenditure of \$322,000 for flood mitigation issues. This alternative provides for an updated building but does not address any of the operational issues for either police or fire.

**Benefits:**

- Question on reuse of site not an ongoing issue.
- Lowest alternative project cost.
- Project does react to immediate building needs. By doing this the chances of the building “falling in on itself” or being shut down because of total failure of a building system are greatly reduced.

**Challenges:**

- Project does not address ongoing operational needs of both departments. No additional space for operational needs.
- City still has multiple potential liability issues regarding both fire and police operations within this building.
- Temporary housing for police and/or fire operations during construction may be necessary, additional costs.
- Additional solution will need to be developed, although significant expense it does not buy significant time to defer decision on new facility.
- Will require most extensive flood mitigation plan as presented by USB engineers.

**ITEM:** Discuss Review Procedure Types in the Draft Land Development Code

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**SUMMARY AND ACTION REQUESTED:**

The City Council is being asked to discuss the review procedure types relating to the draft Land Development Code (LDC).

**RELATED INFORMATION:**

At the October 26, 2009, City Council Work Session, the Council and Planning Commission members briefly discussed the six review procedure types in Table 5.4-1 (Attachment #1) in the draft LDC. The Commission and City Staff would like to further discuss these review types with the Council to ensure that the Council is agreeable with the direction the Commission is pursuing in drafting new regulations.

**Regulatory procedure policy questions**

There has been much discussion by the Planning Commission as to how they can streamline the development review process so that development could be constructed that meets the objectives of the Comprehensive Plan, and at the same time minimizes the time that a project takes to be approved. The goals discussed with the LDC are a need to ensure an efficient, predictable review process. The draft LDC makes some changes towards streamlining review of applications by shifting design review and public input, as early as possible in the process; allowing administrative review of some projects; and reducing the need for conditional use permits. The Council needs to approve of this direction and state any additional guidance for making the review process quicker and balanced against the Council goals for how the City should develop. The following are some suggestions for meeting these objectives:

1. Administrative Approvals

**Q:** One goal of the LDC is to create specific regulations that would allow for the approval of various development applications administratively by City Staff. This would mean that the Boards/Commissions and City Council would not review these proposals. Attachment #1 is a Table from the LDC that shows the six review types for each land use application submitted to the City. Review Types 1 and 2 are approved administratively by Staff. The other four review types are approved by Boards/Commissions or the City Council. The Planning Commission has had discussions that if detailed regulations are in place, then a land use proposal should be approved administratively. If applications are processed administratively, this would create a more predictable process for property owners and reduce the length of time for land use approvals. **Should there be more administrative approvals, fewer**

**administrative approvals, or is what is being proposed in Attachment #1 agreeable to the City Council?**

Currently Conditional Use Permits (CUP) are reviewed by the Planning Commission at a public hearing. After the hearing, the Commission makes a recommendation to the City Council, who then either approves, denies, or approves the CUP with conditions. In the draft LDC, the Planning Commission would approve a CUP. If the applicant is not satisfied with the decision, they would have the option of appealing the decision to the City Council. At the Council Work Session on October 26, 2009, some members of the Council were concerned that a CUP might be approved by the Planning Commission that might not be agreeable to the Council. The following are some alternatives for the Council in this matter:

- Continue to have the City Council approve CUPs after a recommendation by the Planning Commission. This approval process currently takes approximately six weeks to complete, but could be shortened if the Planning Commission meetings are moved to the first and third Tuesday of the month rather than the second and fourth Tuesday of the month.
- Understand that if the Planning Commission and applicant are agreeable to the CUP approval, that the likelihood of the Council not agreeing to the approval is not great.
- Have the Planning Commission approve the CUP, with the understanding that the Council could appeal the decision within a certain period after the approval. This could make the approval process of a CUP unpredictable since there will always be the possibility that the CUP approval could be appealed. In addition, building permits could not be issued until the appeal timeline has passed.

**Future discussion items:**

There are other policy questions that the City Council will consider in future meetings:

- Preliminary review by the Planning Commission
- Design review of development projects (“town architect)
- City recognized neighborhood associations

**SUBMITTED BY:** Dan Olson, City Planner

**ATTACHMENT:**

1. Table 5.4-1 from the draft LDC

# ATTACHMENT #1

## TABLE 5.4-1

**Table 5.4-1: Summary Table of Review Procedure Types**

| Procedure                                 | See Section | Type 1<br>City Planner<br>(No Development Review Committee) | Type 2<br>City Planner<br>(With Development Review Committee) | Type 3<br>Planning Commission/<br>Heritage Preservation Commission | Type 4<br>Planning Commission (or Heritage Preservation Commission) and City Council | Type 5<br>City Council | Type 6<br>Zoning Board of Appeals |
|---|-------------|---|---|--|--|------------------------|-----------------------------------|
|   |             | Decision  | Decision  | Decision   | Recommendation and Decision  | Decision               | Decision                          |
| Zoning Certificate [1]                    | 5.5.1       | X   | X   | X (HPC)  |  |                        |                                   |
| Temporary Use Permit                      | 5.5.2       | X   |   |  |  |                        |                                   |
| Construction Drawings                     | 5.5.3       | X [2]   |   |  |  |                        |                                   |
| Flood Plain Permit                        | 5.5.4       |   | X   |  |  |                        |                                   |
| Amendment to the PD-O District            | 5.5.5       |   | X   |  |  |                        |                                   |
| Site Plan Review                          | 5.5.6       |   |   |  |  |                        |                                   |
| Heritage Preservation Site Designation    | 5.5.7       |   |   |  | X (HPC & PC)   |                        |                                   |
| Certificate of Appropriateness            | 5.5.8       |   |   | X (HPC)  |  |                        |                                   |
| Conditional Use Permit                    | 5.5.9       |   |   | X  |  |                        |                                   |
| Adjacent Parcel Land Conveyance           | 5.5.10      | X   |   |  |  |                        |                                   |
| Minor Subdivision and Lot Consolidation   | 5.5.11      |   |   |  |  | X                      |                                   |
| Major Subdivision – Preliminary Plat      | 5.5.12(B)   |   |   |  | X  |                        |                                   |
| Major Subdivision - Final Plat            | 5.5.12(D)   |   |   |  |  | X                      |                                   |
| Comprehensive Plan Amendment              | 5.5.13      |   |   |  | X  |                        |                                   |
| Zoning Map or Text Amendments to this LDC | 5.5.14      |   |   |  | X  |                        |                                   |
| Annexation                                | 5.5.15      |   |   |  | X  |                        |                                   |
| Variance                                  | 5.5.16      |   |   |  |  |                        | X                                 |
| Appeals                                   | 5.5.17      |   |   |  |  |                        | X                                 |
| Code Interpretation                       | 5.5.18      | X   |   |  |  |                        |                                   |

Notes:

[1] The type of review required for a zoning certificate is dependent on the size and scale of the project. **Section 5.5.1, Zoning Certificate**, establishes the thresholds that will define what review type is applicable for a given application. In some cases, an application for a zoning certificate may be subject to the site plan review procedure established in **Section 5.5.6, Site Plan Review**.

[2] For construction drawings, the city engineer shall have the authority to review and approve the submission instead of the city planner.