



4141 Douglas Drive North • Crystal, Minnesota 55422-1696

Tel: (763) 531-1000 • Fax: (763) 531-1188 • [www.crystalmn.gov](http://www.crystalmn.gov)

Posted: May 30, 2014

## CRYSTAL CITY COUNCIL WORK SESSION AGENDA

**Tuesday, June 3, 2014**  
**Crystal City Hall**  
**Community Room**  
**6:15 p.m.**

Pursuant to due call and notice given in the manner prescribed by Section 3.01 of the City Charter, the work session of the Crystal City Council was held at \_\_\_\_\_ p.m. on Tuesday, June 3, 2014 in the Community Room located at 4141 Douglas Drive, Crystal, Minnesota.

### **I. Attendance**

#### Council members

\_\_\_\_ Selton  
\_\_\_\_ Adams  
\_\_\_\_ Budziszewski  
\_\_\_\_ Deshler  
\_\_\_\_ Hoffmann  
\_\_\_\_ Libby  
\_\_\_\_ Peak

#### Staff

\_\_\_\_ Therres  
\_\_\_\_ Mathisen  
\_\_\_\_ Hansen  
\_\_\_\_ Revering  
\_\_\_\_ Gilchrist  
\_\_\_\_ Serres

### **II. Agenda**

The purpose of the work session is to discuss the following agenda items:

- Review and receive update on Phase 14 North Lions Park Street Reconstruction Feasibility Study request
- Continue discussion of financing for Winnetka Hills Mill and Overlay Project No. 2014-21

### **III. Adjournment**

The work session adjourned at \_\_\_\_\_ p.m.

*Auxiliary aids are available upon request to individuals with disabilities by calling the City Clerk at (763) 531-1145 at least 96 hours in advance. TTY users may call Minnesota Relay at 711 or 1-800-627-3529.*



## COUNCIL STAFF REPORT

### Phase 14 North Lions Feasibility Study

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**FROM:** Tom Mathisen, Public Works Director & City Engineer

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**TO:** Anne Norris, City Manager (for June 3 Council Work Session)

**DATE:** May 29, 2014

**RE:** Discuss Commencement of Phase 14 Street Project #2014-14

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The Phase 13 Becker Park Street Reconstruction Project began construction in Spring 2013 and will be completed by the end of June 2014 with the paving of the wear course layer of asphalt. This project started with the Feasibility Study ordered by the Council in June 2012. Phases 11 – 13 were built in three consecutive years with a break programmed in the schedule in 2014.

In order to resume the reconstruction program, the Feasibility Study for Phase 14 North Lions Park Neighborhood should be ordered this June in order to meet all the required deadlines.

The purpose of the work session is to re-introduce the Council to the process for conducting a street reconstruction project, as it has been two years since the last project.

Short, Elliot, and Hendrickson (SEH) has prepared a proposal to conduct the study which would be completed for review by the council at the end of the summer. Mr. Aaron Ditzler, SEH project manager, will be present to discuss the project. One of the first actions will be a first class mailing to impacted property owners alerting them to the project and requesting that they fill out a questionnaire relating to many aspects of the project.

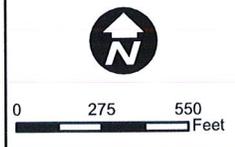
Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tom Mathisen', written over the typed name.

Tom Mathisen, City Engineer/DPW



PHASE 14  
 LOCATION MAP



FILE NO.  
 CRYST 128041

FIGURE 1



Building a Better World  
for All of Us™

**Supplemental Letter of Agreement  
to Agreement for Professional Services  
Dated July 7, 2009**

May 28, 2014

RE: Crystal, MN  
2015 - Phase 14 Lions Park Street  
Reconstruction  
Report on Feasibility  
City Project No. 2014-14  
SEH No. P-CRYST 128041 10.00

Tom Mathisen, PE  
Director of Public Works / City Engineer  
City of Crystal  
4141 Douglas Drive North  
Crystal, MN 55422-1696

Dear Tom:

We appreciate the opportunity to submit our Supplemental Letter Agreement for the Phase 14 Lions Park Feasibility Study (Study). We understand that this Study is a refinement of work already begun by the Update to the 2003 Overall Study for Crystal's Local Street Reconstruction Program. Our services are in accordance with the updated Exhibit A, Paragraph B of the Agreement for Professional Services dated July 7, 2009 (Agreement).

The Study area limits are the Lions Park Neighborhood, bounded on the west by West Broadway and the New Hope corporate limits, the south by Bass Lake Road, the east by the Burlington Northern Santa Fe Railroad, and the north by 62<sup>nd</sup> Avenue and the New Hope corporate limits.

In general, in this phase we will continue the process followed in the first thirteen phases of local street reconstruction in Crystal. Specifically we propose the following key activities:

1. Prepare a "kick-off" newsletter that will include the resident survey on driveways, sump pumps, rain gardens and sanitary sewer service repair. It will also ask Phase 14 residents to indicate if they have private underground lawn irrigation and pet containment systems.
2. Utilize property information data supplied by the City's GIS system to prepare the mock assessment role.
3. Utilize amounts and locations of existing D and B style concrete curb and gutter supplied by the City's GIS system to prepare the mock assessment role.
4. Study the area-wide existing storm sewer system capacity.
5. Study roadway width, parking/no parking, sidewalk and pavement striping options along the project area Municipal State Aid (MSA) routes, which are:
  - a. 60<sup>th</sup> Avenue between Hampshire and Elmhurst Avenues,
  - b. 62<sup>nd</sup> Avenue between Louisiana and Hampshire Avenues, and

Engineers | Architects | Planners | Scientists

Short Elliott Hendrickson Inc., 10901 Red Circle Drive, Suite 300, Minnetonka, MN 55343-9302  
SEH is 100% employee-owned | [sehinc.com](http://sehinc.com) | 952.912.2600 | 800.734.6757 | 888.908.8166 fax

- c. Elmhurst Avenue between Bass Lake Road and 62<sup>nd</sup> Avenue.
- 6. Study the impact of construction on existing trees, retaining walls and other features in the boulevard area.
- 7. Coordinate the reconstruction of the following streets with the City of New Hope:
  - a. 60<sup>th</sup> Avenue between West Broadway and Louisiana Avenue, and
  - b. Louisiana Avenue between Lombardy Lane and 62<sup>nd</sup> Avenue.
- 8. Coordinate the reconstruction of 62<sup>nd</sup> Avenue between Louisiana and Hampshire Avenues with the City of Brooklyn Park.
- 9. Account for the continuation of the private sanitary sewer service and driveway repair programs.
- 10. Coordinate with CenterPoint Energy for possible system wide upgrades.
- 11. Assist the City in obtaining quotes for soil investigation work.
- 12. Prepare for the following meetings:
  - a. Three (3) with Engineering and Public Works Staff
  - b. One (1) Neighborhood Open House
  - c. One (1) coordination meeting with City of New Hope staff
  - d. One (1) coordination meeting with City of Brooklyn Park staff
  - e. One (1) City Council Workshop
  - f. One (1) City Council meeting to present report findings
  - g. One (1) Public Improvement Hearing with the City Council to present report findings

We will deliver fourteen (14) final copies of the Study for your use.

According to Exhibit C-3, Paragraph A of the Agreement, we will use the most recent opinion of probable construction cost for the project as approved by the owner to calculate our fee. The most recent opinion of probable cost is outlined in the following table.

| ITEM   | COST                                 |
|--|--------------------------------------|
| <b>Total Estimated Construction Cost on which to base the Total Engineering Fee Percentage</b>               | <b>\$4,867,108.33</b> <sup>(1)</sup> |
| Total Engineering Fee Percentage   | 15.12% <sup>(2)</sup>                |
| Total Feasibility Study, Plans, Specifications, Estimate and Bidding and Construction Phase Engineering Fees | \$735,907                            |
| <b>Total Feasibility Study Engineering Fee</b>   | <b>\$51,591</b>                      |

<sup>(1)</sup> From the attached Appendix B – Street Reconstruction Construction Unit Costs Comparison per Phase.

<sup>(2)</sup> Per attached Appendix A (Revised December 7, 2012).

In accordance with Appendix A dated December 7, 2012 to this Supplemental Agreement, our lump sum fee for this entire project is calculated on the basis of 15.12% of the total estimated construction cost or \$735,907 including expenses.

Per Minnesota Statutes, the report on feasibility has to be provided to the City on an hourly basis. Therefore, in accordance with Exhibit C-3, Paragraph A of the Agreement, we will provide the City with the report on feasibility for a total hourly fee of \$51,591 including expenses.

We will bill the City monthly on an hourly basis for services, expenses, and equipment as described in Exhibit C-1 of the Agreement. For your convenience, we include our billable cost range and schedule of expenses as Appendices C and D to this Supplemental Letter Agreement. The above financial arrangements are based on the orderly and continuous progress of the project.

We will start our services promptly after receipt of your authorization of this Agreement. We anticipate fitting our work to match the following key City milestones.

| Item                              | Milestone Date |
|-----------------------------------|----------------|
| Authorization to Proceed          | June 3         |
| City Council Workshop             | September 2    |
| Deliver Study to the City         | September 11   |
| Present Study to the City Council | September 16   |
| Neighborhood Open House           | October 9      |
| Public Improvement Hearing        | October 21     |

We understand an estimated total project cost was established for Phase 14 as part of the Update to the 2003 Overall Study and updated based on actual street reconstruction costs per linear foot of street centerline. We understand these limitations are realistic and will try to work within those limitations.

This Supplemental Letter Agreement and the Agreement represent the entire understanding between you and us in respect to the project and may only be modified in writing signed by both of us. If it satisfactorily sets forth your understanding of our agreement, please sign the enclosed copy of this letter in the space provided below and return it to us.

Sincerely,

SHORT ELLIOTT HENDRICKSON INC.



Aaron T. Ditzler, PE  
Project Manager

**City of Crystal, Minnesota**

Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2014

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

Title \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Enclosures

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**APPENDIX A**

**CITY OF CRYSTAL STREET RECONSTRUCTION  
LUMP SUM ENGINEERING SERVICES AGREEMENT  
AS PERCENTAGE OF FINAL CONSTRUCTION COST  
SHORT ELLIOTT HENDRICKSON, INC.  
DECEMBER 7, 2012 \***

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| <b>Final<br/>Construction<br/>Cost (\$)</b> | <b>Total<br/>Engineering<br/>Fee (%)</b> | <b>Feasibility<br/>Study (%)</b> | <b>Plans and<br/>Specs (%)</b> | <b>Construction<br/>Mgmt (%)</b> |
|---|--|----------------------------------|--------------------------------|----------------------------------|
| \$2,000,000                                 | 19.52%                                   | 1.37%                            | 7.80%                          | 10.35%                           |
| \$2,250,000                                 | 19.12%                                   | 1.34%                            | 7.65%                          | 10.13%                           |
| \$2,500,000                                 | 18.72%                                   | 1.31%                            | 7.49%                          | 9.92%                            |
| \$2,750,000                                 | 18.32%                                   | 1.28%                            | 7.33%                          | 9.71%                            |
| \$3,000,000                                 | 17.92%                                   | 1.25%                            | 7.17%                          | 9.50%                            |
| \$3,250,000                                 | 17.52%                                   | 1.23%                            | 7.00%                          | 9.29%                            |
| \$3,500,000                                 | 17.12%                                   | 1.20%                            | 6.85%                          | 9.07%                            |
| \$3,750,000                                 | 16.72%                                   | 1.17%                            | 6.69%                          | 8.86%                            |
| \$4,000,000                                 | 16.32%                                   | 1.14%                            | 6.53%                          | 8.65%                            |
| \$4,250,000                                 | 15.92%                                   | 1.11%                            | 6.37%                          | 8.44%                            |
| \$4,500,000                                 | 15.52%                                   | 1.09%                            | 6.20%                          | 8.23%                            |
| \$4,750,000                                 | 15.12%                                   | 1.06%                            | 6.05%                          | 8.01%                            |
| \$5,000,000                                 | 14.72%                                   | 1.03%                            | 5.89%                          | 7.80%                            |
| \$5,250,000                                 | 14.32%                                   | 1.00%                            | 5.73%                          | 7.59%                            |
| \$5,500,000                                 | 13.92%                                   | 0.97%                            | 5.57%                          | 7.38%                            |
| \$5,750,000                                 | 13.52%                                   | 0.95%                            | 5.40%                          | 7.17%                            |
| \$6,000,000                                 | 13.12%                                   | 0.92%                            | 5.25%                          | 6.95%                            |
| \$6,250,000                                 | 12.72%                                   | 0.89%                            | 5.09%                          | 6.74%                            |
| \$6,500,000                                 | 12.32%                                   | 0.86%                            | 4.93%                          | 6.53%                            |
| \$6,750,000                                 | 11.92%                                   | 0.83%                            | 4.77%                          | 6.32%                            |
| \$7,000,000                                 | 11.52%                                   | 0.81%                            | 4.60%                          | 6.11%                            |
| \$7,250,000                                 | 11.12%                                   | 0.78%                            | 4.45%                          | 5.89%                            |
| \$7,500,000                                 | 10.72%                                   | 0.75%                            | 4.29%                          | 5.68%                            |
| \$7,750,000                                 | 10.32%                                   | 0.72%                            | 4.13%                          | 5.47%                            |
| \$8,000,000                                 | 9.92%                                    | 0.69%                            | 3.97%                          | 5.26%                            |

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Final construction cost includes 15% of private driveway and sanitary sewer repair costs.  
Total fee will be based on Total Engineering Fee percentage column. Remaining three columns are only possible breakdowns to be used to keep cost of each phase balanced.

\*Revised 10-9-07 (private to 15%)

\*Revised 1-14-09 (Revised Percentages for Total Engineering Fee, Feasibility Study, Plans and Specs, and Construction Mgmt)

\*Revised 12-7-12 (Revised Percentages for Total Engineering Fee, Feasibility Study, Plans and Specs, and Construction Mgmt)



**CRYSTAL, MINNESOTA  
2013 - BECKER PARK STREET RECONSTRUCTION FEASIBILITY REPORT  
CITY PROJECT NO. 2012-13**

**Appendix B - Street Reconstruction Construction Unit Costs Comparison Per Phase  
Date: March 19, 2007**

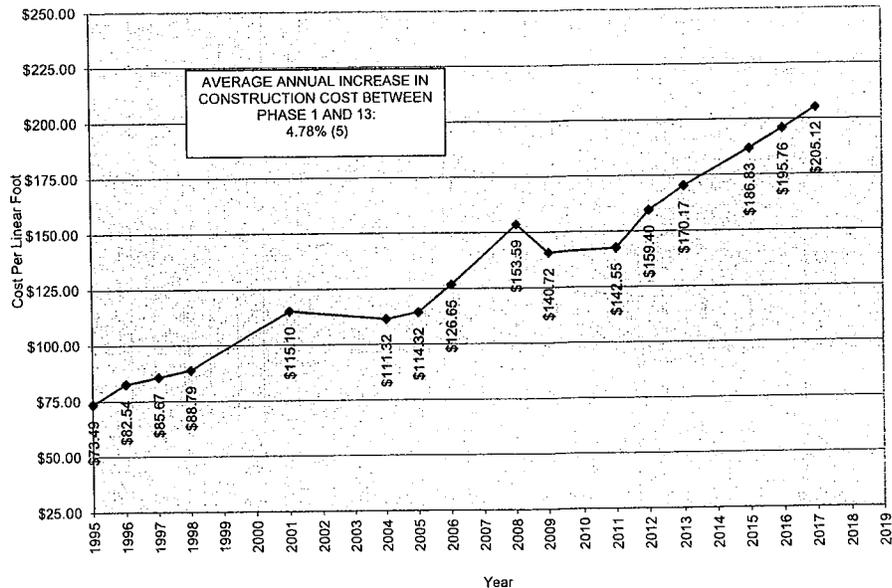
Revised: March 27, 2007; September 4, 2008; September 11, 2008; September 15, 2008  
Revised: August 31, 2010; September 7, 2010; September 15, 2010; March 28, 2011; May 23, 2011  
Revised: August 24, 2011; August 31, 2011; September 2, 2011; September 12, 2011; March 30, 2012  
Revised: August 23, 2012; April 9, 2013

P:\A\EIC\Crystl\12804111-genl\10-contracts\Proposal\ref\phase 1 thru 16 unit cost comparison.xlsx\Unit Cost Infl Yr 3 in a row

|   | 1     | 2                               | 3                    | 4             | 5    | 6                                   |
|---|-------|---------------------------------|----------------------|---------------|------|-------------------------------------|
|   | Phase | Total Construction Costs (1)(2) | Total Linear Footage | Cost Per Foot | Year | Percentage Change between Phase (6) |
| A |       |                                 |                      |               |      |                                     |
| B | 1     | \$1,910,682.00                  | 26,000               | \$73.49       | 1995 | N/A                                 |
| C | 2     | \$2,146,070.00                  | 26,001               | \$82.54       | 1996 | 12.31%                              |
| D | 3     | \$2,955,272.32                  | 34,496               | \$85.67       | 1997 | 3.79%                               |
| E | 4     | \$1,983,572.00                  | 22,340               | \$88.79       | 1998 | 3.64%                               |
| F |       |                                 |                      |               | 1999 |                                     |
| G |       |                                 |                      |               | 2000 |                                     |
| H | 5     | \$1,833,244.82                  | 15,928               | \$115.10      | 2001 | 29.63%                              |
| J |       |                                 |                      |               | 2002 |                                     |
| K |       |                                 |                      |               | 2003 |                                     |
| L | 6     | \$3,497,617.15                  | 31,420               | \$111.32      | 2004 | -3.28%                              |
| M | 7     | \$2,430,629.35                  | 21,261               | \$114.32      | 2005 | 2.69%                               |
| N | 8     | \$3,754,632.48                  | 29,645               | \$126.65      | 2006 | 10.79%                              |
| O |       |                                 |                      |               | 2007 |                                     |
| P | 9     | \$3,909,687.00                  | 25,456               | \$153.59      | 2008 | 21.27%                              |
| Q | 10    | \$5,880,116.00                  | 41,785               | \$140.72      | 2009 | -8.38%                              |
| R |       |                                 |                      |               | 2010 |                                     |
| S | 11    | \$2,834,538.00                  | 19,885               | \$142.55      | 2011 | 1.30%                               |
| T | 12    | \$5,139,067.15                  | 32,240               | \$159.40      | 2012 | 11.82%                              |
| U | 13    | \$5,069,105.00                  | 29,789               | \$170.17      | 2013 | 6.76%                               |
| V |       |                                 |                      |               | 2014 |                                     |
| W | 14    | \$4,867,108.33                  | 26,051               | \$186.83      | 2015 | 9.79%                               |
| X | 15    | \$5,806,241.60                  | 29,660               | \$195.76      | 2016 | 4.78%                               |
| Y | 16    | \$7,842,968.32                  | 38,236               | \$205.12      | 2017 | 4.78%                               |

- (1) Costs without Sanitary, Watermain, and Private Costs
- (2) Costs are in year the project was built (Phases 1-13)
- (3) Based on Opinion of Probable Cost
- (4) Not Used
- (5) 13 Projects over 18 years
- (6) Cell Formula equal to C4/B4 -1, etc.
- (7) Based on average annual increase in construction cost between Phase 1 and 13
- (8) Based on Awarded Bid Construction Cost

Street Reconstruction Construction Unit Costs Comparison Per Phase





## Memorandum

DATE: May 29, 2014

TO: Mayor and City Council

FROM: Kim Therres, Assistant City Manager  
Tom Mathisen, Public Works Director  
Charlie Hansen, Finance Director

SUBJECT: Financing Mill and Overlay Projects

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At the May 20 Council meeting, the Council ordered the public hearing for the Winnetka Hills Mill and Overlay (M&O) Project #2014-21, scheduled for the June 17 meeting. Public notice of the hearing was published and mailed to affected property owners. In terms of the project schedule, it would be necessary to order the project at the June 17 meeting in order to meet project specifications relating to cold weather for 2014 construction. It is not necessary for the Council to finalize the details of the financing plan prior to ordering the project. The project would be brought back to the Council on July 15 to consider the bids and project award.

At its May 6th and 20th work sessions the Council continued to discuss options for financing this current and future M&O projects. Milling and overlays are required to maintain the reconstructed streets in good condition as long as possible. The attached Council Resolution #2010-48 and Exhibit C established the policy for special assessing 100% of M&O projects. If the projects is to go forward, and a policy other than the existing one is to be used, that change would have to be done by an amending resolution.

Minnesota State Aid Road (MSA) funds are currently committed to the Street Reconstruction Fund through 2018 in order to complete the partial funding of the remaining 3 Phases 14-16 Street Reconstruction Program. After that date, the MSA funds are scheduled for the Street Maintenance Fund to contribute to the sealcoating projects for the reconstructed streets.

Mill and overlaid streets will receive one sealcoat at 7 or 8 years of life, depending on condition. The road condition will then be re-evaluated at 14 years to determine whether a second sealcoat is appropriate. M&O projects are designed to have at least a 15 year lifespan, depending on subsurface soil conditions in any specific area. But the sequencing of any M&O project will not necessarily follow the order of the original phased reconstruction projects. At this point however, based on ongoing conditions, it appears that the first four projects will need to be in that Phase 1 – 4 order.

At its work sessions, the Council discussed using a tax levy to pay for M&O projects rather than using special assessments. The cost of the Phase 1 Winnetka Hills Neighborhood project is estimated at \$1 million. If taxes were used to pay for this and assuming all existing service levels are maintained, it would require a levy increase of approximately 11-12%. Depending on future mill and overlay project cost, some levy would have to be maintained in future years to continue to pay for future mill and overlay projects. The costs of the first four projects are estimated as shown below:

|      |         |             |
|------|---------|-------------|
| 2014 | Phase 1 | \$1,000,000 |
| 2015 | Phase 2 | \$1,270,000 |
| 2016 | Phase 3 | \$1,365,000 |
| 2017 | Phase 4 | \$903,000   |

Based on the above estimated costs it is seen how the levy would vary from one year to the next. If Phase 5 is put into the mix, scheduled for 2020 at an estimated cost of approximately \$760,000, the levy amount could be divided over a period of 7 years at an estimated average annual amount of \$756,000.

Under the current policy with 100% assessment, the cost of the Phase 1 M&O assessment is estimated at \$2,000 per residential lot. A 10 year assessment period would mean a payment of approximately \$300 each year, declining each year to \$210 in the 10<sup>th</sup> year. The 10 year period would create an overlap for the sealcoat at year 7 or 8, which would require the Street Maintenance Fund to pay for this initial sealcoat. Any second sealcoat would then be 100% assessed, using the original sealcoat policy established in the 1970's.

As an alternative, the Council could choose to adopt a policy similar to ongoing street reconstruction and alley reconstruction policies where a combination of approximately 60% special assessment and 40% from other funding sources is used. In the mill and overlay case, the 40% could come from a general annual levy, which average over the first 7 years of projects becomes an annual levy of \$302,000. This would be a compromise especially for those who are still paying on their street assessment or those who have not even started that payment.

The Council should continue its discussion of financing mill and overlay projects.

**RESOLUTION NO. 2010 - 48**

**ADOPTING ASSESSMENT POLICIES FOR 2010 36TH AVENUE  
AND FUTURE STATE AID AND LOCAL STREET MILL  
AND OVERLAY PROJECTS**

WHEREAS, due to normal wear and weather related deterioration, it has become necessary to perform a mill and overlay project on the State Aid Street 36<sup>1</sup><sub>h</sub> Avenue in the year 2010, and it is therefore necessary to develop a funding mechanism for said project, and it has been determined that a special assessment for a portion of that funding is appropriate; and

WHEREAS, the City has no previously established assessment policy for mill and overlay projects, however there are established policies for similar street related projects as shown in Exhibit A; and

WHEREAS, the affected properties in the 36<sup>1</sup><sub>h</sub> Avenue project have not previously been assessed for street reconstruction other than a minimal amount for curb and gutter and sidewalks in the early 1990's, yet all properties on the adjoining side streets have since been assessed for full street reconstruction, and therefore it is desirable to treat the 36<sup>1</sup><sub>h</sub> Avenue properties in a similar fashion; and

WHEREAS, in previous full street reconstruction projects, single family/duplex properties received an approximate 30% reduction in the assessment by using State Aid, Storm Drain Utility, and other funding sources, and comer lots abutting 36<sup>1</sup><sub>h</sub> Avenue have previously been assessed in the manner described in Exhibit A; and

WHEREAS, it is desirable to develop a 36<sup>1</sup><sub>h</sub> Avenue assessment policy that can be modified to apply to future State Aid and local street mill and overlay projects.

NOW, THEREFORE, BE IT RESOLVED, by the Crystal City Council:

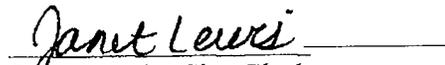
- 1) The properties abutting 36<sup>1</sup><sub>h</sub> Avenue shall be assessed in a manner similar to a full street reconstruction project, however such assessment shall be based on the lower actual cost for said mill and overlay project.
- 2) 36<sup>1</sup><sub>h</sub> Avenue comer single family/duplex properties with driveways on 36<sup>1</sup><sub>h</sub> Avenue shall be assessed at one-half the unit assessment rate because these properties have previously been assessed one-half a unit street reconstruction rate.
- 3) Similarly, 36<sup>1</sup><sub>h</sub> Avenue comer single family/duplex properties with driveways on the side street shall not be assessed for the 36<sup>1</sup><sub>h</sub> Avenue project because these properties have previously been assessed one full unit street reconstruction rate.

- 4) Commercial and non-profit properties shall be assessed for the full cost of the project based on a per front foot unit cost for the entire front footage abutting the project area.
- 5) The assessment policy for the 36th Avenue project shall be as described in Exhibit B.
- 6) The assessment policy for future mill and overlay projects on State Aid and local streets shall be as described in Exhibit C.
- 7) In the future, when it is necessary to either mill and overlay, or reconstruct portions of 36th Avenue, assessment rates for both commercial and non-profit, and single family/duplex properties shall be determined based on the most recent large mill and overlay or reconstruct projects respectively, adjusted for inflation, as if 36th Avenue were a standard 32 foot wide State Aid Street in the City.

Adopted by the Crystal City Council this 1st day of June, 2010.

  
ReNae J. Bowman, Mayor

ATTEST:

  
Janet Lewis, City Clerk

## EXHIBIT A

### CITY OF CRYSTAL SPECIAL ASSESSMENT POLICIES AS THEY RELATE TO STREET MAINTENANCE AND RECONSTRUCTION AND ALLEY RECONSTRUCTION

June 2010

Total construction cost includes contractor and material costs, plus feasibility, engineering design, legal, project management, bonding, levy, and other related costs. Front footage is measured at the property line. Front footage is a measurement based on both sides of the street, not street centerline footage.

#### Assessed Sealcoat

1. Non-corner single family/duplex properties are assessed on a per unit cost based on total project construction cost per front foot for the entire project. The total single family/duplex properties front footage times the cost per front foot divided by the number of net whole single family/duplex properties determines the cost per unit.
2. Single family/duplex corner properties are assessed at the same unit cost as for non-corner properties.
3. Commercial/non-profit properties (including churches) are assessed based on total project construction cost per front foot for the entire project times the number of front feet for a given parcel.
4. Commercial/non-profit corner properties are assessed based on the entire front footage of both sides of the property.

#### Alley Reconstruction

1. Alley reconstruction assessments are based on 60% of the total construction cost. The remaining 40% is paid by the Storm Drain Utility. This applies to single family/duplex and C/N-P properties alike.
2. Alley reconstruction is assessed in a manner similar to sealcoat. Non-corner single family/duplex properties are assessed on a per unit cost based on 60% of the total construction cost per front foot for the entire project. The total single family/duplex properties front footage times the cost per front foot divided by the number of net whole single family/duplex properties determines the cost per unit.
3. Single family/duplex corner properties are assessed at the same per unit cost.
4. C/N-P properties (including churches) are assessed based on 60% of the total project construction cost per front foot for the entire project times the number of front feet for a given parcel.
5. C/N-P corner properties are assessed based on the entire front footage of both sides of the property were there to be an alley project on two sides of a corner property.

## Street Reconstruction

Street reconstruction projects have two assessment categories. The first is the street construction assessment, which is assessed in a manner similar to sealcoat assessments, i.e. a per unit basis for single family/duplex, and a per front foot basis for C/N-P properties. Street construction includes all construction work associated with the project, including storm drainage work, but not including curb and gutter work. The second category is the curb and gutter assessment which is assessed on a front foot basis at a rate based on the status of the existing or non-existing curb.

Single family/duplex properties receive a credit of approximately 30% of the actual street construction cost portion (per unit cost) of the assessment based on State Aid and Storm Drain Utility Funds that are distributed equally across said properties on a per unit basis.

1. Properties with frontage on a Municipal State Aid Street are assessed in the same manner as properties on non-State Aid municipal streets. For the purposes of this document, and unless differentiated otherwise, "local street" includes both State Aid and non-State Aid municipal street frontages.
2. Single family/duplex properties are assessed for the street reconstruction portion on a per unit cost based on total street construction cost per front foot for the entire project. The total single family/duplex properties front footage times the cost per front foot divided by the number of net whole single family/duplex properties determines the per unit cost.
3. Non-corner single family/duplex properties are assessed on a per unit cost basis for the street reconstruction portion, regardless of length of front footage. Curb and gutter is assessed on a total cost per front foot basis and the 30% reduction is not applicable.
4. C/N-P properties are assessed on a front foot basis for both street and curb and gutter assessments, and the 30% reduction does not apply.
5. A single family/duplex corner property that has its driveway on a county road is assessed one half of the unit street cost for local street reconstruction and the standard amount for curb and gutter.
6. A single family/duplex corner property that has its driveway on a local street with the other side on a county road is assessed at the full unit street cost and the standard amount for curb and gutter.
7. A single family/duplex corner property with both sides on a local street and within the project area, is assessed one full unit street cost, and for curb and gutter based on the full length of the short side (regardless of which way the front door faces), and one-third of the first 135 feet and 100% of any length beyond 135 feet on the long side.
8. A single family/duplex corner property with both sides on a local street, but only one side in the project area, is assessed one-half of the unit street cost and the standard amount for curb and gutter on the reconstructed side. The balance to be assessed when the other local street side is reconstructed.

9. All properties with any frontage on a county road are not assessed for the county road portion when the county road is rebuilt.
10. Three or more properties with frontage and driveways on an unimproved street will have the street built to local street standards and are assessed at the standard rates. If only two of the three properties have driveways on the unimproved street, the two properties may petition to have the street built to local street standards as part of the larger project, and be assessed accordingly. The third property would be a corner parcel and would be assessed accordingly. If there is no petition, then the private driveways in the right of way remain the responsibility of the property owners.
11. For the two or less unimproved street parcel situation, a corner parcel with frontage on an improved street, regardless of what side the driveway is on, is assessed one full unit street cost and the standard amount for curb and gutter. If the parcel has no improved street frontage, the parcel receives no assessment, however the private driveway located in the unimproved right of way is the responsibility of the property owner and is not improved as part of the project.
12. Non-corner single family/duplex parcels with frontages on two streets (front and back yard for example) are assessed in the same manner as a corner lot, including the long and short side curb and gutter policy.
13. There are three curb and gutter assessment rates that apply equally to single family/duplex and C/N-P properties:
  - Properties with no existing curb and gutter are assessed at the full curb and gutter rate.
  - Properties with the old "D" mountable style curb are assessed at 75% of the full rate.
  - Properties with the city standard "B618" curb are assessed at a "reincorporation" rate specific to each project based on estimated removal and replacement costs. This rate is approximately 25% of the full rate.

## EXHIBIT B

### CITY OF CRYSTAL SPECIAL ASSESSMENT POLICY FOR THE MILL AND OVERLAY OF STATE AID STREET 36TH AVENUE

June 2010

Total mill and overlay construction cost includes contractor and material costs for asphalt and curb and gutter and sidewalk repair, plus feasibility, engineering design, legal, project management, bonding, levy, and other related costs. Front footage is measured at the property line. Total project front footage is a measurement based on both sides of the street, not street centerline footage and includes single family/duplex corner lots with driveways on the side street even though those corner lot properties will not be assessed as part of the project. Total single family/duplex properties front footage is the total of all single family/duplex front footages, including those with driveways on the local side street.

Single family/duplex properties receive a credit of approximately 30% of the actual mill and overlay cost of the assessment based on State Aid Funds that are distributed equally across said properties on a per unit basis. The credit is due to this project being treated as a reconstruction and not a maintenance project.

1. Single family/duplex properties are assessed for mill and overlay on a per unit cost based on total construction cost per front foot for the entire project less approximately 30%. The total single family/duplex properties front footage times this revised cost per front foot divided by the number of net whole parcels of single family/duplex properties (excluding corner parcels with driveways on the side local street) determines the per unit cost.
2. Non-corner single family/duplex properties are assessed on this per unit cost basis for mill and overlay regardless of length of front footage.
3. Commercial/non-profit properties (including churches) are assessed based on total project construction cost per front foot for the entire project times the number of front feet for a given parcel. The 30% reduction does not apply.
4. Single family/duplex corner properties that have driveways on 36th Avenue are assessed one half of the unit mill and overlay cost. These properties have already been assessed for a one half unit of street reconstruction on the local street.
5. Single family/duplex corner properties that have driveways on a local street with the other side on 36th Avenue, have already paid a full street assessment. These properties will not be assessed for the 36th Avenue mill and overlay project. They will receive a full unit mill and overlay assessment when their respective local street is mill and overlaid.
6. In the future when it is necessary to mill and overlay 36th Avenue again, the assessment rates for both commercial and single family/duplex properties will be determined based on the most recent large overlay project that included a combination of local and state aid streets, adjusted for inflation.

7. In the future when it is necessary to do a total reconstruct of 36th Avenue, the assessment rates for both commercial and single family/duplex properties will be determined based on the most recent large total reconstruct project that included a combination of local and state aid streets, adjusted for inflation.

## EXHIBIT C

### CITY OF CRYSTAL SPECIAL ASSESSMENT POLICY FOR THE MILL AND OVERLAY OF STATE AID AND LOCAL STREETS (EXCLUDING THE 2010 36TH AVENUE PROJECT)

June 2010

Total mill and overlay construction cost includes contractor and material costs for asphalt and curb and gutter and sidewalk repair, plus feasibility, engineering design, legal, project management, bonding, levy, and other related costs. Front footage is measured at the property line. Front footage is a measurement based on both sides of the street, not street centerline footage.

1. Non-corner single family/duplex properties are assessed on a per unit cost based on total project construction cost per front foot for the entire project. The total single family/duplex properties front footage times the cost per front foot divided by the number of net whole single family/duplex properties determines the cost per unit. In determining the cost per unit, corner lots with only one side being overlayed are counted as one-half unit, and corner lots with both sides being overlayed are counted as a full unit.
2. Single family/duplex corner properties are assessed at the same unit cost as for non-corner properties. These properties receive a full unit assessment if both sides are being overlayed, and one-half unit if only one side is being overlayed.
3. 36th Avenue Frontage Exceptions: Corner lots with driveways fronting on 36th Avenue are assessed at one-half of the side street rate when the side street is overlayed. Corner lots with driveways fronting on the side street are assessed one full unit when the side street is overlayed.
4. Commercial/non-profit properties (including churches) are assessed based on total project construction cost per front foot for the entire project times the number of front feet for a given parcel.
5. Commercial/non-profit corner properties are assessed based on the entire front footage of both sides of the property.

**Fund: Street Reconstruction Fund**  
**Fund Number: 415**

**DESCRIPTION OF ACTIVITY**

The Street Reconstruction Fund accounts for the cost of reconstructing streets in the Crystal Local Street Reconstruction program.

City streets were divided into sixteen phases for reconstruction. A phase is reconstructed in most years, with an occasional pause for planning. Phases 1 through 13 were reconstructed between 1994 and 2013.

Generally speaking, each phase has balanced budget. However, special assessments and state aid revenues often are not received until several years after the project is completed. This will cause the Street Reconstruction Fund to show deficits until after all phases are completed and the lagging revenues are collected. . .

**Five Year Capital Improvement Plan**

|                              | 2014             | 2015             | 2016             | 2017             | 2018             |
|------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Funding Sources</b>       |                  |                  |                  |                  |                  |
| Special assessments          | 344,572          | 1,207,190        | 1,678,730        | 1,898,359        | 623,818          |
| State aid for streets        | 320,000          | 600,000          | 600,000          | 600,000          | 100,000          |
| Interest Income              | 25,398           | 38,020           | 40,442           | 56,440           | 34,658           |
| Other city reimbursement     | 322,136          | 0                | 183,254          | 0                | 340,110          |
| Utility reimbursement        | 0                | 474,591          | 657,025          | 987,514          | 0                |
| Sale of bonds                | 0                | 2,535,498        | 4,022,355        | 4,019,689        | 0                |
| <b>Total Funding Sources</b> | <b>1,012,106</b> | <b>4,855,299</b> | <b>7,181,806</b> | <b>7,562,002</b> | <b>1,098,586</b> |
| <b>Capital Outlays</b>       |                  |                  |                  |                  |                  |
| Admin & pavement study       | 16,900           | 1,950            | 2,000            | 19,050           | 2,100            |
| Phase 13, Becker Park        | 566,077          |                  |                  |                  |                  |
| Phase 14, Lions Park         | 221,335          | 4,884,481        | 1,187,919        |                  |                  |
| Phase 15, Twin Oaks          |                  | 227,168          | 5,497,878        | 1,478,894        |                  |
| Phase 16, Skyway             |                  | 25,000           | 230,370          | 6,790,096        | 2,051,762        |
| <b>Total Capital Outlays</b> | <b>804,312</b>   | <b>5,138,599</b> | <b>6,918,167</b> | <b>8,288,040</b> | <b>2,053,862</b> |
| <b>Surplus/ -Deficit</b>     | <b>207,794</b>   | <b>-283,300</b>  | <b>263,639</b>   | <b>-726,038</b>  | <b>-955,276</b>  |

**Fund: Street Maintenance Fund**  
**Fund Number: 410**

**DESCRIPTION OF ACTIVITY**

The Street Maintenance Fund accounts for the cost of seal coating streets that have been reconstructed under the Crystal Local Street Reconstruction program.

A commitment was made to the citizens at the start of the street reconstruction program that they wouldn't be assessed for maintenance of the streets while they were still paying the assessment for street reconstruction. Seal coat projects will be assessed to property owners if they take place after the reconstruction assessments have been paid.

Pavement mill & overlay projects are an essential part of a long term street maintenance program. Overlays will be assessed to the property owners (street reconstruction assessments will be paid off by then).

In addition to seal coat projects, this fund also accounts for intensified maintenance that is needed Phases 1, 2 and 3 because this pavement is deteriorating faster than expected. Costs will continue until the phases undergo mill and overlay. The streets will also need more frequent seal coating until they undergo the mill and overlay.

**Five Year Capital Improvement Plan**

|                              | 2014              | 2015             | 2016             | 2017           | 2018             |
|------------------------------|-------------------|------------------|------------------|----------------|------------------|
| <b>Funding Sources</b>       |                   |                  |                  |                |                  |
| Special assessments          | 30,364            | 499,084          | 451,581          | 392,361        | 536,936          |
| Interest Income              | 18,461            | 15,759           | 12,532           | 0              | 7,306            |
| Other city reimbursement     |                   |                  | 41,553           | 103,432        |                  |
| State Aid Streets            |                   |                  |                  |                | 528,000          |
| General Fund transfer        | 72,800            | 74,984           | 77,234           | 79,551         | 81,937           |
| <b>Total Funding Sources</b> | <b>121,625</b>    | <b>589,827</b>   | <b>582,900</b>   | <b>575,344</b> | <b>1,154,179</b> |
| <b>Capital Outlays</b>       |                   |                  |                  |                |                  |
| Street Phase 1-3 patching    | 50,000            | 12,000           |                  |                |                  |
| Phases 4 & 8 sealcoat        | 277,106           |                  |                  |                |                  |
| Phases 5 & 9 sealcoat        |                   |                  | 250,990          |                |                  |
| Phases 10 sealcoat           |                   |                  |                  | 226,399        |                  |
| Phase 1 mill & overlay       | 802,938           |                  |                  |                |                  |
| Phase 2 mill & overlay       |                   | 1,001,845        |                  |                |                  |
| Phase 3 mill & overlay       |                   |                  | 1,061,333        |                |                  |
| Phase 4 mill & overlay       |                   |                  |                  |                | 776,973          |
| <b>Total Capital Outlays</b> | <b>1,130,044</b>  | <b>1,013,845</b> | <b>1,312,323</b> | <b>226,399</b> | <b>776,973</b>   |
| <b>Surplus/ -Deficit</b>     | <b>-1,008,419</b> | <b>-424,018</b>  | <b>-729,423</b>  | <b>348,945</b> | <b>377,206</b>   |



**COUNCIL STAFF REPORT**  
**Proposed Winnetka Hills Mill and Overlay**

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**FROM:** Tom Mathisen, Public Works Director & City Engineer

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**TO:** Anne Norris, City Manager (for June 3 City Council Work Session)

**DATE:** May 30, 2014

**RE:** Project #2014-21 Phase 1 Mill and Overlay (M & O) Work Session #3

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The Council will continue its discussion of the above project at a June 3 work session. At the May 20 meeting the Council ordered the public hearing on the project which is scheduled for June 17. A map of the project area is attached.

A neighborhood meeting was held at City Hall Thursday evening, May 29. Of the 489 property owners that were notified, six (1.2%) attended. Copies of the mailed documents are attached. There were questions regarding the need for the project and why there were issues with the top layer of asphalt. There were also questions as to why owners were being asked to pay again because they paid to have the street rebuilt 20 years ago. Four of the six in attendance were owners at the time of the 1995 project. By the end of the meeting, three owners were against the project or at least felt they should not be assessed, and the other three were either in favor or indifferent.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tom Mathisen', written over the typed name.

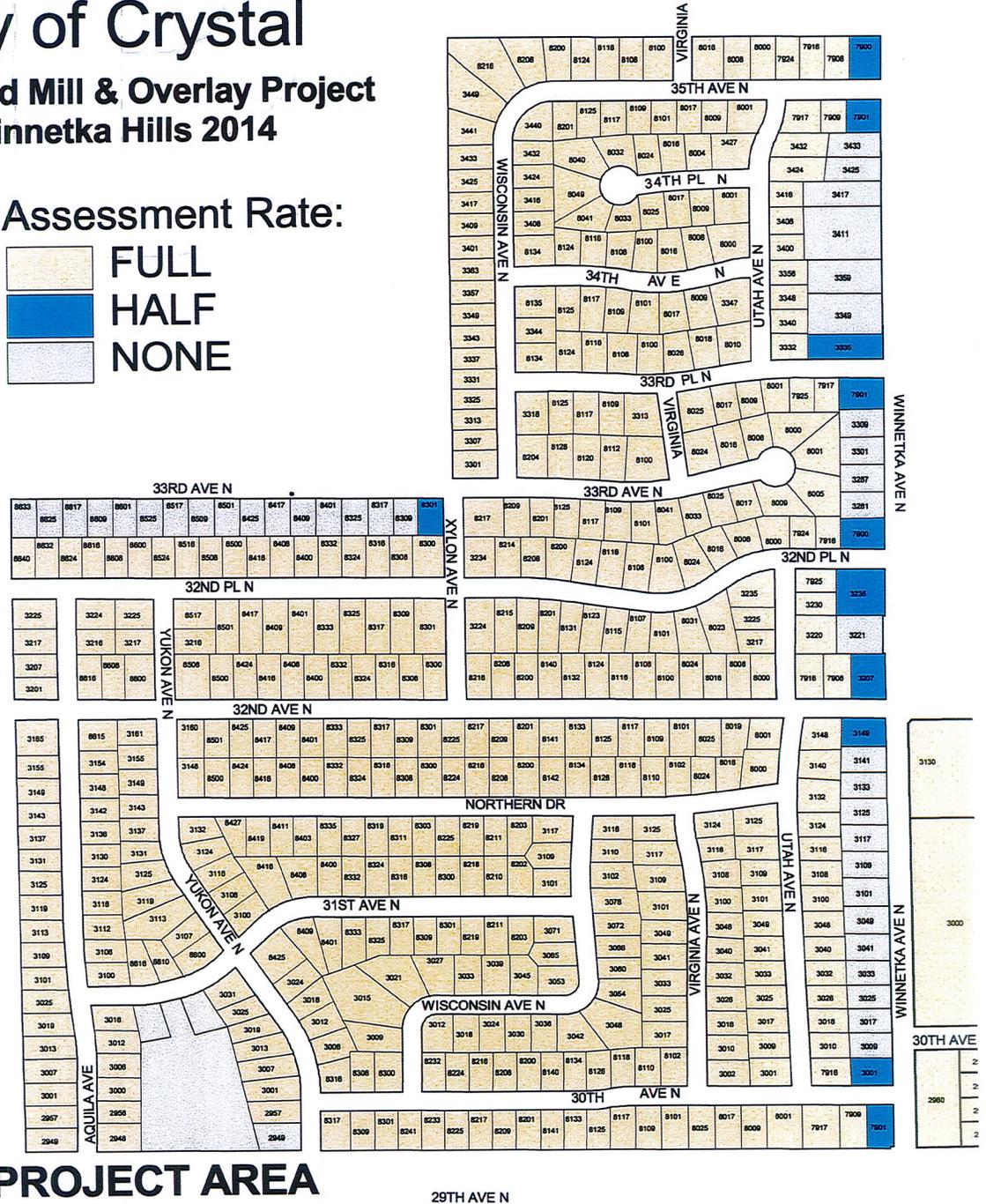
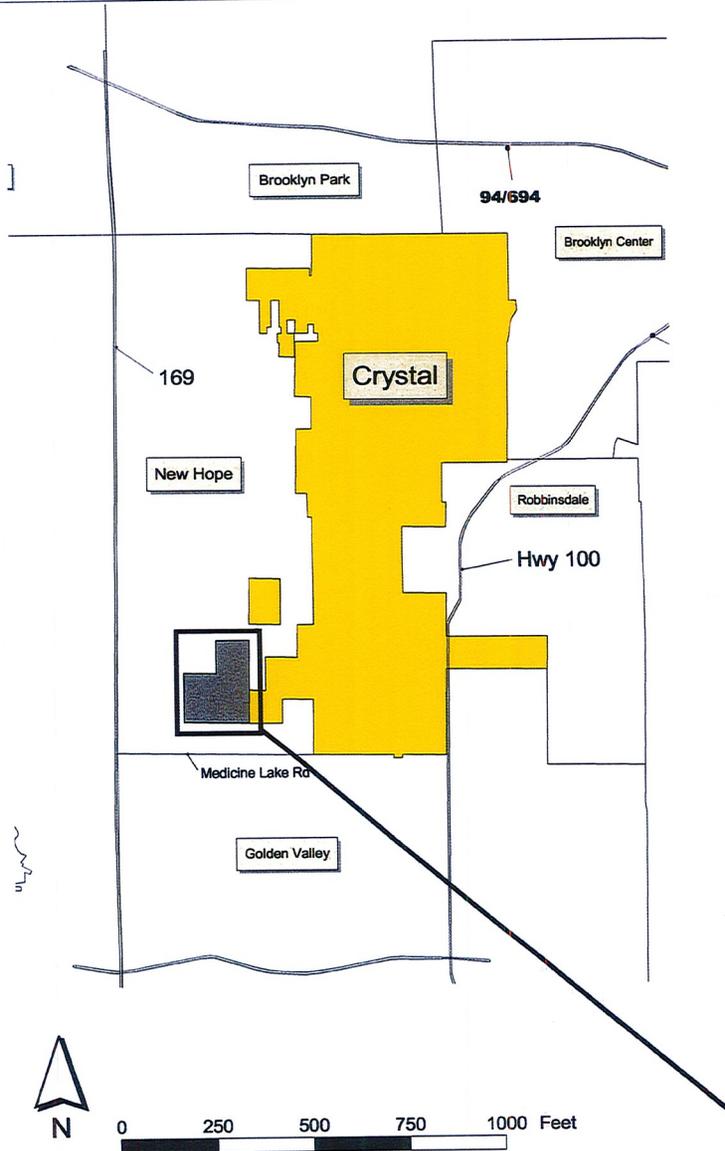
Thomas A. Mathisen  
City Engineer

Winnetka Hills:  
Crystal Phase 1  
(1995 Reconstruct)  
Mill/Overlay -  
Proposed 2014

# City of Crystal

## Proposed Mill & Overlay Project Winnetka Hills 2014

Assessment Rate:





4141 Douglas Drive North • Crystal, MN 55422-1696  
Telephone: (763) 531-1000 • Fax: (763) 531-1188  
Website: [www.ci.crystal.mn.us](http://www.ci.crystal.mn.us)

## NOTICE OF TWO IMPORTANT MEETINGS

May 21, 2014

**TO:** Property Owners and Residents of the 2014 – Winnetka Hills Neighborhood Mill and Overlay, Project #2014-21

**FROM:** City of Crystal Engineering Department

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### MEETING NO. 1

**Reference:** **What:** Open House

**When:** Thursday, May 29, 2014; 6:30 p.m. to 8:30 p.m.

**Where:** Crystal City Hall, 4141 Douglas Drive, Crystal, MN 55422

The attached map shows the location of the **Winnetka Hills Phase 1 Street Mill and Overlay Project** (the removal and replacement of all of the top and part of the 2<sup>nd</sup> layer of asphalt), that is scheduled for your neighborhood this late summer and early fall. You are cordially invited to meet with city officials to review the proposed improvements and funding as it affects your property. Project team members will be available to answer your questions and obtain your input. The estimated cost to your property will be discussed along with how it can be paid. The project schedule will also be discussed.

The Winnetka Hills Phase 1 Street Reconstruction Project occurred in 1995. Properties were special assessed for this work over a 15 year period that expired in 2010. Since then, the area was sealcoated in 2003 and 2010, at no cost to the property owner. Surface repair has been ongoing the last five years.

In 2010, as part of the 36<sup>th</sup> Avenue mill and overlay project, the City Council adopted a policy that uses special assessments to fund local street mill and overlay projects. The policy specifies that the full cost of the mill and overlay work is to be special assessed to the benefitting properties. The total construction cost for this 2014 project is estimated at \$954,338. The assessment for corner and mid-block single family and/or duplex lots completely bounded by the improvement area, is estimated to be \$1,975 per lot, and for corner single family/or duplex lots abutting county roads or streets not included in the improvement area is estimated to be \$987.50. Assessments would be levied over a period of 10 years at an interest rate of approximately 5%, payable beginning with 2015 property taxes.

The meeting format is an informal open house, so please come at your convenience. **However, there will be a formal presentation and discussion period from 7:00 p.m. to 7:30 p.m.**

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## **MEETING NO. 2**

**Reference: What:** Public Improvement Hearing

**When:** Tuesday, June 17, 2014; 7:00 p.m.

**Where:** Crystal City Hall, Council Chambers  
4141 Douglas Drive, Crystal, MN

The Crystal City Council will conduct a public improvement hearing to consider authorizing the project and the approval of the final design. A detailed notice of this meeting is enclosed. The notice includes information on the cost of your estimated assessment. Options for the payment of your assessment will be presented at the hearing.

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We look forward to seeing you at the Open House and Public Improvement Hearing meetings. If you have questions at any time, please call City Project Manager Mick Cyert at City Hall (763.531.1161 or [mick.cyert@crystalmn.gov](mailto:mick.cyert@crystalmn.gov)).

**CITY OF CRYSTAL  
NOTICE OF HEARING  
ON STREET MILL AND OVERLAY  
WINNETKA HILLS NEIGHBORHOOD  
PROJECT # 2014-21**

**To be Held on Tuesday, June 17, 2014**

TO WHOM IT MAY CONCERN:

Notice is hereby given that the City Council of Crystal, Minnesota will meet in the council chambers of City Hall, 4141 Douglas Drive North, at 7:00 p.m. on Tuesday, June 17, 2014, to consider ordering the project to resurface the streets of the Winnetka Hills Neighborhood. The work area is bounded on the east by Winnetka Avenue N, and on the west, north and south by Crystal's cooperate limits with the City of New Hope, pursuant to Minnesota Statutes, Sections 429.011 to 429.111. The work includes curb and gutter repair, sanitary and storm sewer manhole repair, asphalt base reconditioning, milling and asphalt repaving of approximately two inches of the existing street section, and re-striping. All areas described above are proposed to be assessed for such improvements (33<sup>rd</sup> Avenue from Xylon Avenue N. to Boone Avenue N. is not included in the work). The total construction cost is estimated at \$954,338. The assessment for corner and mid-block single family and/or duplex lots completely within the improvement area is estimated to be \$1,975.00 per lot, and for corner single family/or duplex lots with one side abutting a county road or local street not included in the improvement area is estimated to be \$987.50. This is not the assessment hearing (which would be conducted in early fall 2014), but rather the public improvement hearing to order the project construction.

Such persons as desire to be heard with reference to the proposed improvement will be heard at this meeting. A copy of the report on feasibility for this project is available for review at the Crystal City Hall.

Dated May 20, 2014  
By Order of the City Council  
City of Crystal

Christina Serres, City Clerk

(Published in Crystal-Robbinsdale Sun Post on May 29 and June 5, 2014.)