



Osseo City Council

AGENDA

WORK SESSION
Monday, April 25, 2022
6:00 p.m., Virtual Meeting

MAYOR DUANE POPPE COUNCILMEMBERS: JULIANA HULTSTROM, HAROLD E. JOHNSON, LARRY STELMACH, ALICIA VICKERMAN

1. **Call to Order**
2. **Roll Call** (quorum is 3)
3. **Approval of Agenda** (requires unanimous additions)
4. **Discussion Items**
 - A. **2022 Streets Capital Improvement Plan**
5. **Adjournment**



Agenda Item: 2023-2024 CIP Recommendations

Meeting Date: April 25, 2022

Prepared By: Lee Gustafson, City Engineer

Attachments: 2023-2024 CIP Map

Policy Consideration:

Request to approve the following:

1. 2023 – 2024 CIP
2. 2023 Project Recommendations

Background:

Eight residential alleys are proposed to be reconstructed in 2022. As a part of Council's discussions on this project last spring, staff did a survey of all city alleys and ranked them according to condition. The results of the survey confirmed the need to reconstruct the eight alleys in 2022 as proposed. The remaining seven bituminous alleys were determined to be in sufficient shape to last another couple of years. Staff suggested that these seven bituminous alleys could possibly be reconstructed in 2024 along with two commercial alleys on the west side of Central Avenue. As Council will recall, the two commercial alleys were proposed to be reconstructed in 2021.

The 2023 street reconstruction project proposes to reconstruct several streets on the east side of the city: 8th and 9th Avenues NE, Broadway Street NE, 3rd Street NE and North Oaks Drive. At the CIP discussion last year, staff mentioned that they would look into the possibility of vacating North Oaks Drive due to it serving just the apartment complex area. After reviewing this issue more closely, staff has determined that this is not feasible due to the current property ownership configuration. North Oaks Drive is in very bad condition and is therefore included as a part of the proposed 2023 street reconstruction project.

Council will note that the 2023 project includes reconstructing the 9th Avenue NE stub up to the cemetery. This section of street is vital for cemetery access, but that is essentially it's only purpose. Staff will likely look at the city's assessment policy if this project proceeds to determine if the cemetery should be assessed for this project, and if the corner house should not receive a ½ unit assessment for this stub street.

It is also being recommended that the northeast CR 81 frontage road be milled and overlaid as a part of the proposed 2023 street reconstruction project. There may also be a couple of small blocks that may need to be milled and overlaid as a part of this 2023 project - similar to the short blocks that were rehabilitated just east of Central Avenue a few years ago. 1 ½ Street NE, on the south side of Holiday Gas Station is one of those short blocks that will be considered for a mill and overlay. In the case of this street, staff will also be looking at the feasibility of vacating this street due to it just serving these commercial properties.

The attached 2023-2024 CIP map illustrates these recommendations.

Other Project Updates/Considerations

As Council is aware, right-of-way acquisition was needed for some of the alleys in the 2022 Alley Reconstruction Project because right-of-way was not properly established when the alleys were originally platted/constructed. This same issue has been encountered on past alley and street reconstruction projects. Since right of way acquisition can take up to 12 months, staff is recommending that any right of way acquisition needed for the 2023 and 2024 alley and street reconstruction projects be acquired beginning in 2022 to eliminate any potential project delays when it comes time to construct these projects.

- Does Council agree with this approach?

As most of the Council is aware, the city performed a very large mill and overlay project throughout the city in 2015. Overlay projects have a varying life expectancy, typically between 10-15 years. Staff has noticed that some of these streets may need further maintenance in the next 2-4 years. Staff is planning to inspect the condition of these streets in 2023 to determine if there is a need to have a larger maintenance project in 2025 to address some of the deterioration.

- Does Council have any questions on this approach?

There are two commercial alleys proposed for reconstruction in 2024. As a part of the last commercial alley reconstruction a few years ago, staff investigated the possibility of burying the overhead utility lines along the alley. In that case, it was very costly to bury the lines and the process would have also required huge pad mounted transformers be placed at several locations along the alley. For these reasons, the overhead utility lines were not buried as a part of that project.

- Does Council want to consider burying the overhead utility lines along the two commercial alleys as a part of the proposed 2024 alley reconstruction project?

Schedule:

If Council concurs with staff's recommendation for the 2023 street reconstruction project, staff would anticipate the following project schedule:

- Authorize preparation of Feasibility Report and engineering contract.....May 9, 2022
- Neighborhood informational meetings.....July-Aug 2022
- Present feasibility report to Council.....September 2022
- Develop plans.....Oct. 2022 – Jan. 2023
- Construction.....May - October 2023

Previous Action or Discussion:

On April 12, 2021, Council reviewed some of the above information.

Budget or Other Considerations:

Street and alley reconstruction projects will be funded in accordance with the City's special assessment policies.

Recommendation/Action Requested:

The City Council may choose to:

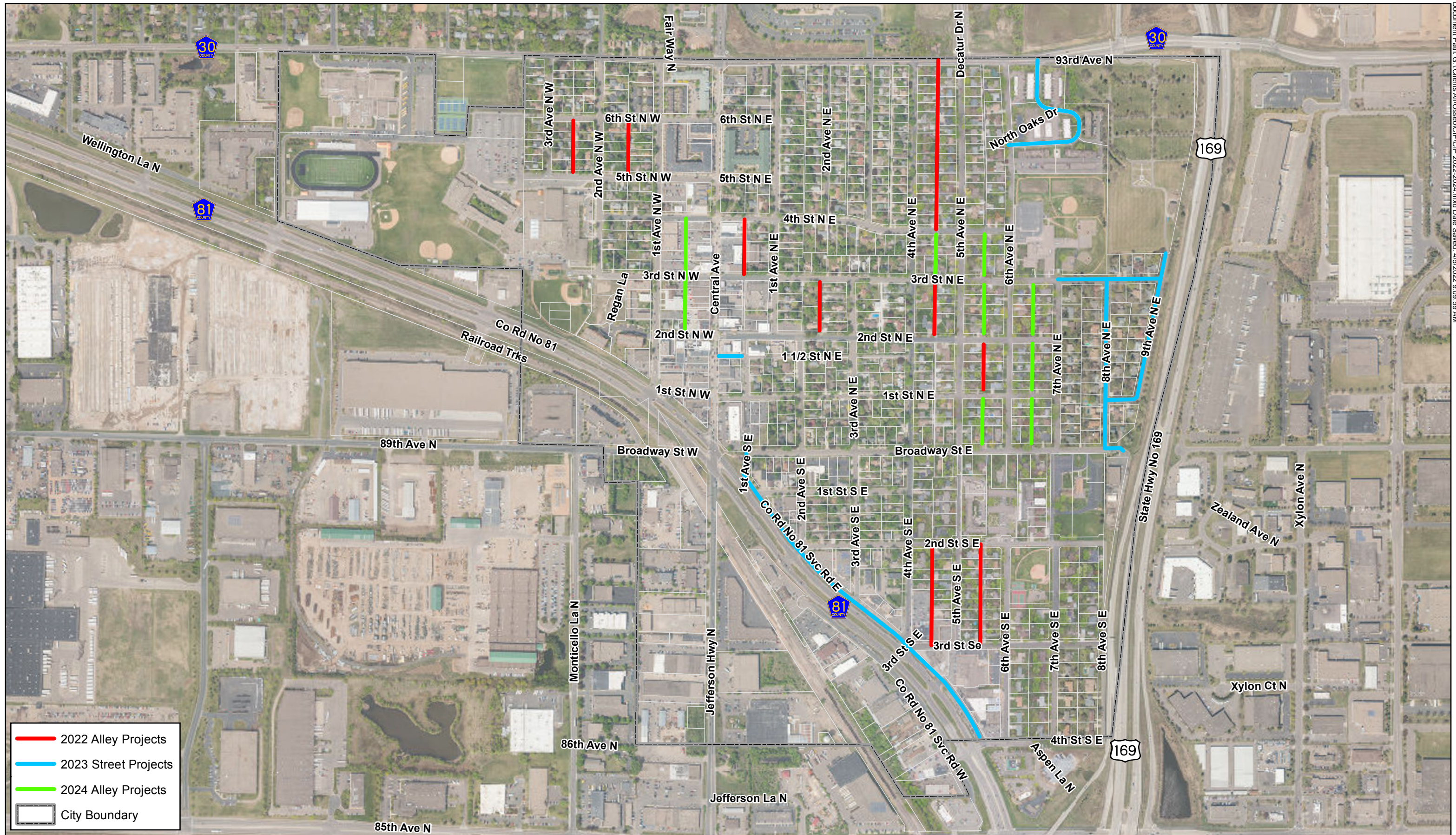
1. Approve the 2023-2024 CIP, and the 2023 Project Recommendations;
2. Approve the 2023-2024 CIP, and the 2023 Project Recommendations with noted changes or as amended;
3. Deny the recommended actions;
4. Table action on this item for more information.

Recommendation/Action Requested:

Staff recommends the City Council choose Option (1): Approve the 2023-2024 CIP, and the 2023 Project Recommendations.

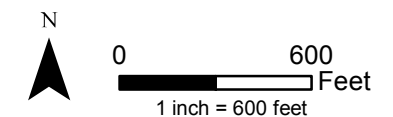
Next Step:

Authorize feasibility report and approve engineering contract for the 2023 Street Reconstruction Project.



2022-2024 Capital Improvement Planning

Individual Project Area Map
City of Osseo MN



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB			
1	City of Osseo																														
2	CIP - Streets Fund				Reconstruction estimated project including W, S & SS								Future Projects																		
3					SealCost/Crackfilling			\$100,000	annually starting in 2019				Central Ave	Res Alley	8th/9th	Res Alley	Mill & Over														
4					W, S % SS financed by Utility Revenues																										
5																															
6	Annual Project Assumptions INCL. W, S & SS								Inflation % starting in 2017				5% Annually												Totals						
7					Actual								Projected										Thru								
8					2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2030									
9																															
10	Balance, Beginning of the Year				\$ 561,837	\$ 939,915	\$ 1,028,965	\$ 1,098,513	\$ 1,347,564	\$ 1,387,262	\$ 1,386,188	\$ 1,351,113	\$ 1,173,982	\$ 1,005,834	\$ 1,025,699	\$ 965,171	\$ 583,839	\$ 669,951	\$ 724,026	\$ 801,218	\$ 867,109	\$ 561,837									
11																															
12	Add Projected Financing Sources																														
13	1 General Fund budgeted transfers				416,235	405,698	406,267	468,812	367,050	332,160	272,160	272,160	372,160	372,160	372,160	372,160	372,160	372,160	372,160	372,160	372,160	372,160	6,289,982								
14	3 Additional Required for Reconstructs (Tax Levy or other sources)																														
15	Small City Maintenance Aid/Sidewalk Grant/CDBG																														
16	Central Avenue Assessment																														
17	2013 Project(\$52,383 over 13 years @ 4.9% as of 12/31/2				13,345	13,506	6,615	6,035	6,711	6,514	6,272	8,601	5,412	5,214	5,017	4,819	4,622	4,425	4,227			101,335									
18	4 Bond Proceeds - Street Reconstruction Based on 2017 Project																														
19	8 Bond Proceeds for Utilities - Based on 2017 Project																														
20	Interest income allocation - .75%				3,123	5,737	11,927	10,097	4,465	49,267	32,806	6,454	8,805	7,544	7,693	7,239	4,379	5,025	5,430	6,009	6,503	182,502	Line 20 Levy continues when 2010 Bonds								
21																															
22	Balance & Additions				994,540	1,395,697	1,453,774	2,570,189	2,696,863	2,772,966	1,697,426	1,898,785	1,560,359	1,490,752	1,510,569	1,449,390	1,065,000	1,151,561	1,205,843	1,279,387	1,345,772	11,182,522	Are Paid Off								
23																															
24	Expenditures																														
25	Misc.																														
26	4 Street Reconstruction Projects																														
27	Utility Project Costs (W, S & SS)																														
28	9 Annual Str. Mtce. (estimate)				54,625	330,639			51,846			-	69,458	72,931	76,577	80,406	84,427	88,648	93,080	97,734	102,621	1,202,993									
29	9 Sidewalk Maintenance																														
30	Central Avenue Streetscape																														
31	9 Mill and Overlay Project																														
32																															
33	Actual Transfer for Debt - City Share																														
34	7 2014A Bonds - Street Portion																														
35	7 2015 GO Street Reconstruction Bonds																														
36	7 2016 GO Street Improvements Bonds																														
37	7 2017 GO Street Improvement Bonds																														
38	7 2018 GO Street Improvement Bonds																														
39	5 2019 Street Reconstruction Projects - 15 yr payoff																														
40	5 2020 Street Reconstruction Projects - 15 yr payoff																														
41	Projected Street Reconstruction Bonds - total																														
42	Debt projection including utility portion of project - Based on 2017 Project Cost Estimates																														
43	5 2022 Alley - Residential Project (City Share)																														
44	5 2023 Street Recon Projects - 8th, 9th & NE Fr. Rd																														
45	5 2024 Alley - Residential Project (City Share)																														
46	5 2025 Street Reconstruction Projects - TBD																														
47	5 2026 Street Reconstruction Projects - TBD																														
48	5 2027 Street Reconstruction Projects - TBD																														
49	Central Avenue Project (2021)				2021 project Based on Current Contract And Expenditures Incurred to date								18,263	367,749	80,000											466,012					
50	2019 Comp Plan Financing																									19,100					
51	Cost over on 2014 & 2017 Street Project												77,491		38,883											116,374					
52	6 Alley Improvements, Net of Assessments (Estimate)												66,403		40,000	40,000											146,403				
53																															
54	Total Expenditures				54,625	366,732	355,261	1,222,625	1,309,601	1,386,778	346,313	724,802	554,525	465,053	545,398	865,551	395,048	427,535	404,625	412,278	684,734	10,521,484									
55																															
56	Balance/Projected Balance, End of Year				\$ 939,915	\$ 1,028,965	\$ 1,098,513	\$ 1,347,564	\$ 1,387,262	\$ 1,386,188	\$ 1,351,113	\$ 1,173,982	\$ 1,005,834	\$ 1,025,699	\$ 965,171	\$ 583,839	\$ 669,951	\$ 724,026	\$ 801,218	\$ 867,109	\$ 661,038	661,038									
57					Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual																			
58																															
59	1 The budgeted transfers from the General Fund represents 53% of the total estimate. The other 47% is for capital equipment, facilities, and parks.																														
60	2 Street reconstruction assessments are estimated to finance 50% of the estimated debt service cost of bonds issued for the street reconstructs based on 2017 project estimates..																														
61	3 This amount represents the estimated annual additional amounts necessary to finance the street projects. This will start in 2022 after the 2010A bonds are paid off.																														
62	This results in no overall tax increase to the residents of the City.																														
63	4 2017 is the base year increased by 5% annually. Project cost estimates are based on the 2017 estimated allocations between street, water, sewer and stormwater.																														
64	5 The 2019 thru 2030 debt service estimates are computed based on the actual debt service of the recent 2018 street improvement bond issue estimates.																														
65	The 2022 and 2023 projects will be combined into one bond issue.																														
66	6 The net cost is based on alley project cost of \$200,000 and the property owners paying 80% of the project cost. The 20% estimate is \$40,000 net cost to the City.																														
67	7 This is the actual annual 2014 - 2018 street improvement debt service cost thru 2030.																														
68	8 The engineer's estimates include \$205,000 for water, sewer and storm water improvements for each street reconstruct based on 2017 preliminary estimates. The utility improvements will be paid by utility enterprise fund revenues.																														
69	9 Seal coat/Crack sealing costs as estimated by city engineer/staff. No street maintenance work done in 2019 and no need to carryforward the \$60K from 2019																														
70	The 2020 budgeted transfer was reduced by the \$60K not needed for street maintenance in 2019. See note 9																														