REPORT / RECOMMENDATION

To: MAYOR AND COUNCIL

Agenda Item #: VIII. D.

From: Bill Neuendorf
Economic Development Manager

Action ☒
Discussion ☐
Information ☐

Date: March 4, 2014

Subject: 50th and France Parking Ramps and Related Streetscape Improvements No. P-23
Resolution No. 2014-18

Action Requested:

Adopt Resolution 2014-18 accepting the feasibility study, approving Improvement No. P-23, authorizing plans and specifications to be prepared and authorizing bids taken.

Information / Background:

NOTE: The content of the Feasibility Study, proposed Resolution and Staff Report has not materially changed since the Public Improvement Hearing was conducted on February 18, 2014. Changes have been made, however, to proposed Ordinance 2014-2 (Item VIII. E.) to reflect expressed concerns.

For several years, the City has discussed different ways to improve public parking conditions at 50th and France. For the last six months, City staff and Kimley-Horn Associates worked closely with the local business community and other stakeholders to identify a cost-effective scope of work that could achieve the collective goals. This effort culminated in the January 21, 2014 Feasibility Study for Improvements No. P-23.

Throughout the evaluation period, great attention was given to include the perspectives of property owners, business operators, employees, customers and other community stakeholders. A volunteer Project Advisory Team met to discuss goals and a variety of alternatives, a public open house was held and 9 focus group sessions were convened. Additionally, a survey of business concerns and a customer survey were also conducted.

The project scope and scheduling was determined based on this information. The proposed work is described in the attached presentation and includes necessary repairs and maintenance as well as capital improvements to enhance the function and use of the three existing parking ramps. Expansion of a parking ramp is not proposed at this time.

The total proposed budget is $5,685,000. Repair and maintenance items are estimated to cost $3,310,000 while the estimate for capital improvements is $2,375,000. The Feasibility Study contemplates that the repair

and maintenance costs, as well as future annual maintenance and operational costs will be borne by the property owners and funded through the special assessment process. The Feasibility Study also presumes that the Edina Housing and Redevelopment Authority will fund the capital improvements to the City-owned ramps.

The preliminary assessment roll is included in Appendix E of the Feasibility Study. The methodology for distributing special assessments dates to 1974. Based on the number of changes that have occurred in the last 40 years, it is time to update this policy. The updated preliminary assessment roll is based not on square foot of the property but on the parking demand of each parcel, as determined by the Edina Zoning Code. This approach assesses a greater amount to parcels that generate higher demand, like restaurants and theaters while parcels that provide some of their own parking on-site are assessed a lower amount. The proposed new approach and updated preliminary assessment roll is attached. A City Council work session is scheduled to discuss the method by which Special Assessment projects at 50th and France are distributed among the individual properties.

The major improvements intended for 2014 and 2015 are anticipated to be assessed to the properties upon completion of the work in fall 2015. For 2014, the only assessed costs will be the regular maintenance and operation costs that are traditionally assessed in the Fall. Assessment Hearings will be conducted prior to the assessments.

The Feasibility Study was also informed by a Project Management Team that included representatives from several City Departments: Engineering, Public Works, Planning and Administration. Staff has reviewed the Feasibility Study and feels that the proposed project is necessary, cost-effective and feasible.

Attachments:

Resolution No. 2014-18
Summary of Improvement P-23 (6-pages)
Potential Special Assessment methodology (1-page)
Preliminary Assessment Roll (1-page)
Certificate of Mailing Notice (3-pages)

RESOLUTION NO. 2014-18
ORDERING IMPROVEMENT NO. P-23,
50TH AND FRANCE PARKING AND WAYFINDING IMPROVEMENTS

WHEREAS, a resolution the City Council adopted the 21st day of January 2014 fixed a date for a council hearing on Improvement No. P-23, the proposed improvements to the public parking ramps and wayfinding system at 50th and France; and

WHEREAS, ten days mailed notice and two weeks published notice of the improvement hearing was given, and the hearing was held thereon on the 18th day of February, 2014, at which all persons desiring to be heard were given an opportunity to be heard thereon; and

WHEREAS, the cost responsibility for these improvements is to be shared by the impacted properties and the City whereby the property owners will be responsible for maintenance and operating costs while the City is responsible for costs of capital improvements; and

WHEREAS, assessment hearings will be conducted in the future to identify the actual cost of each impacted property.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF EDINA, MINNESOTA:

1. Such improvement is necessary, cost-effective, and feasible to improve the public parking ramps and related streetscape, including a wayfinding system.
2. Such improvement is hereby ordered.
3. The Public Works Director is hereby designated with the responsibility for this improvement and shall cause plans and specifications to be prepared to complete such improvement.
4. The City Council declares its official intent to reimburse itself for the costs of the improvements from the proceeds of tax-exempt bonds.

Dated: March 4, 2014

Attest:_____ _____

Debra A. Mangen, City Clerk James B. Hovland, Mayor

STATE OF MINNESOTA)
COUNTY OF HENNEPIN) SS

CITY OF EDINA)

CERTIFICATE OF CITY CLERK

I, the undersigned duly appointed and acting City Clerk for the City of Edina do hereby certify that the attached and foregoing Resolution was duly adopted by the Edina City Council at its Regular Meeting of March 4, 2014, and as recorded in the Minutes of said Regular Meeting.

WITNESS my hand and seal of said City this _____ day of _____, 20___.

_____

City Clerk

Public Hearing

February 18, 2014

50th & France Parking and Wayfinding Improvements

Kimley-Horn and Associates, Inc.

Agenda

- Public Involvement
- Proposed Improvements
- Financing
- Proposed Parking Policy Changes
- Schedule
- Future Projects

50th & France Parking and Wayfinding Improvements

Kimley-Horn and Associates, Inc.

50th & France Parking and Wayfinding Improvements

Kimley-Horn and Associates, Inc.

Public Involvement

- Project Management Team – 7 Meetings
- Project Advisory Team – 7 Meetings
- Open House – September 18
- Focus Group Meetings – 9 Meetings in Oct.
- Business / Property Owner Survey – Oct.
- Customer Survey – Dec.

50th & France Parking and Wayfinding Improvements

Kimley-Horn and Associates, Inc.

Proposed Improvements

Repairs and Capital Improvements

$ 650,000	Increase Lighting Brightness
$ 100,000	Parking Ramp Pedestrian Access
$1,100,000	Elevator in South Ramp
$ 350,000	Dynamic Public Parking Wayfinding System
$1,375,000	Paint Ramp Interiors and South Ramp Exterior
$ 60,000	Screen Garbage Areas
$ 25,000	Replace Dead / Dying Trees
$ 500,000	Replace Broken Pavers
$ 175,000	Automatic Irrigation System
$ 50,000	Repair Planter Beds
$1,300,000	Ramp Repairs and Maintenance

$5,685,000 TOTAL REPAIR AND CAPITAL COST

Proposed Improvements
Annual Operations and Maintenance Costs

$	250,000	Current Annual Assessment
$	35,000	Holiday Season Parking Strategies
$	10,000	South Ramp Elevator Maintenance
$	10,000	Parking Wayfinding System Maintenance
$	30,000	Annual Ramp Power Washing
$	10,000	Improve Sanitation
$	5,000	Automatic Irrigation System Maintenance
$	100,000	Escrow for Future Periodic Preventative Maint

$ 450,000 ANNUAL O&M COSTS

50th & France Parking and Wayfinding Improvements

Kimley-Horn and Associates, Inc.

Financing
Sources of Funds

Repairs and Capital Improvements

$3,310,000 Assessments
$2,375,000 Other City Funds
$5,685,000 Repairs and Capital Improvements

Annual Maintenance Improvements

$ 350,000 Assessments
$ 100,000 Parking Permit Revenues
$ 450,000 Annual Maintenance Improvements

50th & France Parking and Wayfinding Improvements

Kimley-Horn and Associates, Inc.

Financing

Assumptions

Sources

- Capital Costs Paid By City
- Periodic Repairs Paid By Parking Permit Fees
- Maintenance Costs Paid by Assessments

Assessment Assumptions

- $3,310,000 Total Capital Cost
- 20 Year Term
- Assessment Based On Individual Property Parking Demand

50th & France Parking and Wayfinding Improvements

Kimley-Horn and Associates, Inc.

Proposed Parking Policy Changes

50th & France District

- Designate approximately 230 additional employee parking stalls and monitor employee parking demand.
  - Peak employee parking demand is estimated to be as great as 750 stalls, but only 430 permit parking spaces are currently provided.
  - Consider making the top two levels of the Middle Ramp and lowest level of the North Ramp "5-Hour and Employee" parking.
- Increase employee permit parking annual fee from $60 to at least $120. Tiered employee parking permit structure is being contemplated.
  - Changes will go into effect in April 2014.
- Customer parking will remain free.

50th & France Parking and Wayfinding Improvements

Kimley-Horn and Associates, Inc.

Schedule

Final Design / Public Involvement	Feb-May, 2014
Bid Opening	May 22, 2014
Award Contract	June 3, 2014
Edina Art Fair	June 6-8, 2014
Start 2014 Construction	June 16, 2014
Interim Construction Completion	October 2014
2014 Holiday Shopping Season	Nov-Dec, 2014
Start 2015 Construction	March 2015
Edina Art Fair	June 2015
Construction Complete	October 2015
Finalize Assessments	Fall 2015

Construction will be phased to reduce impacts to businesses during construction.

50th & France Parking and Wayfinding Improvements

Kimley-Horn and Associates, Inc.

Future Projects

These projects are recommended but not feasible at this time:

- Parking Ramp Expansion (140 – 200 Stalls)
- Middle Ramp Elevator

50th & France Parking and Wayfinding Improvements

Kimley-Horn and Associates, Inc.

50th & France Parking and Wayfinding Improvements

Kimley-Horn and Associates, Inc.

Questions?

CITY OF EDINA

50th and France Commercial Area Special Assessment Policy

Background

The Edina City Code (Chapter 23, Article V) addresses the City's and property owner's responsibility related to the public parking facilities and other public infrastructure at the 50th and France Commercial Area.

Section 26-167 states in part that all costs for work incurred shall be charged to each owner of each parcel of land "in proportion to the benefits conferred upon the lot or parcel."

The original concept for assessing the maintenance and operational costs for the public parking facilities dates back to 1974. The original methodology was based on the floor area of each building (as built in 1974) plus an adjustment for buildings that were deemed to have expansion potential at that time. In 1978, the methodology was amended to clarify that properties that were not deemed to have expansion potential must still make a contribution to the costs of public improvements. The details of the original methodology are not readily understandable with four decades of changes. Poised with a significant reinvestment, it is desirable to update the special assessment policy.

Purpose

An updated special assessment policy will more accurately distribute the cost of shared improvements in a transparent, fair and equitable manner.

Methodology

After investigating several options, the following method will be used to distribute shared costs of the commercial area among the benefiting properties.

Each commercially-zoned parcel will be assessed for its portion of costs related to the maintenance and operation of public parking facilities and related rights-of-way. The method of distributing the costs shall be as follows:

1) The usable area of each building located on each improved parcel shall be identified.
    a. Gross building area (GBA) shall be determined using information from the Edina Assessing Department. The use of each portion of the building shall be determined using information from the Edina Assessing, Fire or Building Departments.
    b. Residential units with dedicated parking are excluded

2) The parking required of each building shall be calculated using the Edina Zoning Code based on the use(s) in the building. The provisions for a shopping center with shared parking shall be applied.

3) The available on-site parking spaces (if any) shall be identified and deducted from the required parking to determine the unmet parking need of each building.

4) The unmet parking need of each building shall be compared to the total unmet parking in the commercial area to determine the proportion of special assessments attributable to each building.

This method shall be applied each time that public improvements are undertaken and assessed to the properties in the 50th and France Commercial Area.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
					General Description of Building Use x Weighting Factor										
Map No.	Parcel I.D. No.	Primary Tenant or Building Name	Tax Payer of Record	Gross Building Area (SF)	Theater & Restaurant (SF)	Retail & Service (SF)	Prof. Office (SF)	Residen-tial (SF)	Un-usable (SF)	Total Parking Required	On-site parking stalls	Unmet parking demand	% total unmet demand / Percent Total Assessment	2014 Operations & Maintenance Cost Assessment	2014-15 Capital Construction Cost Assessment (can be financed for up to 20 years)
1	18-028-24-14-0016	Walgreens Drug	William C Knapp	11,138		8,018		0	3,120	40	15	25	1.25%	$4,364.09	$41,271.82
2	18-028-24-14-0024	BeSpoke Salon & former Thrivent	49.5 LLC	5,441		5,441		0	0	27	7	20	1.00%	$3,491.27	$33,017.46
3	18-028-24-14-0035	former Hooten Cleaners	Soon Yong Park/ Jung Ja Park	5,061		5,061		0	0	25	13	12	0.60%	$2,094.76	$19,810.47
4	18-028-24-14-0108	U.S. Post Office	LB 49th 1/2 Street LLC	7,682		6,026		0	1,656	30	25	5	0.25%	$872.82	$8,254.36
5	18-028-24-14-0132	Spalon Montage- main	Frank Holdings LLC	11,493		9,755	1,738	0	0	57	0	57	2.84%	$9,950.12	$94,099.75
5	18-028-24-14-0133	Spalon - former house	Frank Holdings LLC	2,304		2,304		0	0	11	0	11	0.55%	$1,920.20	$18,159.60
5	18-028-24-14-0132 TBD	Fashion Avenue	Frank Holdings LLC	4,880		3,294	1,586	0	0	24	0	24	1.20%	$4,189.53	$39,620.95
6	18-028-24-14-0118	Gretchen House	OMG Properties LLC	4,567		3,395		0	1,172	17	0	17	0.85%	$2,967.58	$28,064.84
7	18-028-24-14-0020	dp Hue,	France Avenue Partnership	6,519	0	3,668		0	2,851	18	0	18	0.90%	$3,142.14	$29,715.71
8	18-028-24-14-0021	Beaujos, Papersource	France Avenue Partnership	11,394	1,302	3,474	2,379	0	4,239	39	0	39	1.95%	$6,807.98	$64,384.04
9	18-028-24-14-0022	Mozza mia / Hot Mama	Edina Properties Inc.	31,471	9,446	19,101		0	2,924	159	0	159	7.93%	$27,755.61	$262,488.78
10	18-028-24-14-0122	Al Johnson Clothing, etal	Property Administration Co	14,070		5,901	4,844	0	3,325	54	0	54	2.69%	$9,426.43	$89,147.13
11	18-028-24-14-0121	AT Home Designs / Prahna	JSG Company LLP	12,960		6,480	6,480	0	0	65	0	65	3.24%	$11,346.63	$107,306.73
12	18-028-24-14-0126	Edina 5-0 Mall	L A Real Estate Group, Et Al	80,265	5,692	32,045	27,437	0	15,091	339	0	339	16.91%	$59,177.06	$559,645.89
13	18-028-24-14-0046	US Bank	First Building Corporation	44,420			44,420	0	0	222	116	106	5.29%	$18,503.74	$174,992.52
13	18-028-24-14-0044	US Bank parking	First Building Corporation	0			0	0	0	0	0	0	0.00%	$0.00	$0.00
13	18-028-24-14-0045	US Bank drive thru	First Building Corporation	3,352			1,676	0	1,676	8	0	8	0.40%	$1,396.51	$13,206.98
13	18-028-24-14-0047	US Bank parking	First Building Corporation	0			0	0	0	0	0	0	0.00%	$0.00	$0.00
13	18-028-24-14-0109	US Bank parking	First Building Corporation	0			0	0	0	0	0	0	0.00%	$0.00	$0.00
14	18-028-24-41-0178	Lund's Foods	Lund Real Estate Holdings LLC	32,204		32,204		0	0	161	69	92	4.59%	$16,059.85	$151,880.30
14	18-028-24-41-0175	Lund's Foods Parking	Lund Real Estate Holdings LLC	0		0		0	0	0	0	0	0.00%	$0.00	$0.00
15	18-028-24-41-0182	50th and France Office Building	A K Larson Family LLC	39,685	3,796	7,551	16,676	0	11,662	155	0	155	7.73%	$27,057.36	$255,885.29
16	18-028-24-41-0050	3925 Building	Edina Properties Inc.	11,826		3,942	3,942	0	3,942	39	0	39	1.95%	$6,807.98	$64,384.04
16	18-028-24-41-0049	3925 Building	Edina Properties Inc.	24,730		10,702	10,975	0	3,053	108	0	108	5.39%	$18,852.87	$178,294.26
17	18-028-24-41-0052	Edina Theater	JSG Company LLP	32,424	28,345	2,136		0	1,943	282	0	282	14.06%	$49,226.93	$465,546.13
18	18-028-24-41-0383	RF Moeller, Edina Grill, TCF Bank, Cos Bar	5000 France Company	22,233	4,383	17,850			0	124	0	124	6.18%	$21,645.89	$204,708.23
19	18-028-24-41-0055	Salut Bistro / Oliver & Taylor	France at 50th LLC	16,368	7,436	748	8,184	0	0	102	0	102	5.09%	$17,805.49	$168,389.03
20	18-028-24-41-0066	Cocina Del Barrio	5036 France Property LLC	7,407	4,847		2,560	0	0	56	0	56	2.79%	$9,775.56	$92,448.88
21	18-028-24-41-0237	BMO Harris	Americana Bank of Edina	19,102			19,102	0	0	96	29	67	3.34%	$11,695.76	$110,608.48
22	18-028-24-41-0181	Edina Liquor	City of Edina	8,572		4,286		0	4,286	21	0	21	1.05%	$3,665.84	$34,668.33
	18-028-24-14-0026	former Edina Realty	City of Edina	0		0		0	0	0	0	0	0.00%	$0.00	$0.00
				471,568	**65,247**	**193,382**	**151,999**	**0**	**60,940**				**100.00%**	**$350,000.00**	**$3,310,000.00**
					13.8%	41.0%	32.2%		12.9%						

STATE OF MINNESOTA)
COUNTY OF HENNEPIN) SS
CITY OF EDINA)

CERTIFICATE OF MAILING NOTICE

I, the undersigned, being the duly qualified acting City Clerk of the City of Edina, Minnesota, hereby certify that on the following date **February 5, 2014,** acting on behalf of said City, I deposited in the United States mail copies of the attached **Notice of Public Hearing for 50th & France Parking And Wayfinding, Improvement No. P-23** (Exhibit A), enclosed in sealed envelopes, with postage thereon duly prepaid, addressed to the persons at the addresses as shown on the mailing list (Exhibit B), attached to the original hereof, which list is on file in my office, said persons being those appearing on the records of the County Auditor as owners of the property listed opposite their respective names, as of a date **12 days** prior to the date of the hearing; and that I also sent said notice to the following corporations at the indicated addresses whose property is exempt from taxation and is therefore not carried on the records of said County Auditor.

NAME ADDRESS

WITNESS my hand and the seal of said City this 5th day of February, 2014.

Edina City Clerk

February 5, 2014

Notice of Public Hearing
50th & France Parking And Wayfinding
Improvement No. P-23

The Edina City Council will conduct a public hearing at Edina City Hall on Tuesday, February 18, 2014 at 7:00 p.m. to consider parking and wayfinding improvements in the 50th & France Business District. This hearing is being conducted under the authority granted by Minnesota Statutes, Chapter 429.

This hearing has been called as a recommendation from staff. The proposed project would be constructed in the summer of 2014 and spring 2015 with the assessment hearing occurring in the fall of 2015. The estimated project cost is $5,685,000. The Edina Housing and Redevelopment Authority (HRA) is anticipated to contribute $2,375,000 towards the proposed capital improvements. The cost of maintenance and repairs ($3,310,000) is proposed to be funded by special assessment distributed among the benefiting parcels.

If the total estimated cost were to be assessed, the rate would be $12.06 per square foot. Considering the potential contribution from the Edina HRA, the estimated assessable cost would be reduced to $7.02 per square foot. The special assessment can be divided over a twenty-year period with interest accumulating on the unpaid balance. Please note that the Parking and Wayfinding Improvements No. P-23 is in addition to the annual maintenance and operations assessment.

The area proposed to be assessed the cost of the proposed improvement includes a total of 471,568 square feet of gross building area located at the following addresses:

3909, 3918, 3944, and 3948 West 49th ½ Street;
3902, 3906, 3907, 3911, 3917-3925, 3930, 3939, 3943, 3945, and 4100 West 50th Street;
4916, 4924, 4930, 4936, 4948, 5034, 5036, and 5050 France Avenue South.

Your receipt of this notice is an indication that property whose ownership is listed to you is among those properties which are considered to be benefited by the improvement.

The City Council can authorize the proposed project immediately upon the close of the hearing.

Read the feasibility study online at http://edinamn.gov/index.php?section=50th-France-Parking.

This public hearing is your last opportunity to comment on the project. You may:

- **Write** to City of Edina, Attention Bill Neuendorf, 4801 W. 50th Street, Edina, MN 55424
- **Email to mail@EdinaMN.gov**, attention City Council and Bill Neuendorf
- **Attend the public hearing** and offer comments.

ENGINEERING DEPARTMENT
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LB 49th 1/2 Street LLC
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1802824140132
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1802824140133
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1802824140020
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