



## Proposed Public Works Facility Project Newsletter

November 2009

### Invitation for Public Comment

The City invites Medina residents and businesses to the December 1, 2009 City Council meeting to learn more about or comment on the proposed Public Works Facility project. The Council meeting begins at 7:00 p.m. at Medina City Hall and the Public Works Facility project will follow the 2010 Budget and Tax Levy public comment period on the agenda.

### Project Background

The City of Medina's existing Public Works Facilities are located at 2052 County Road 24, on the same site as City Hall. The existing facilities consist of a 7,400 sq. ft. building for storing vehicles, maintenance area, equipment and offices, as well as an outdoor storage area, salt shed, fueling facility and brush pile.



*Existing Public Works Facility Site*

A Citizen's Advisory Panel studied existing City facilities from 2006 to 2007 and reported in July 2007 to the City Council a recommendation for a new Public Works Facility and a new but separate City Hall/Police facility. A Public Works Facility was identified as Priority #1. The Panel's Facilities Master Plan is on the City's website at [www.ci.medina.mn.us](http://www.ci.medina.mn.us)

The City's Capital Improvement Plan (CIP) has also been identifying a need for a new Public Works Facility as early as 2004, with initial completion scheduled for 2007.

### Project Need

The City's Facilities Master Plan identified the following needs for constructing a new Public Works Facility:

- The current site and yard are not sufficient to house public works vehicles, equipment and operations.
- The existing site is non-conforming with City Code regulations.
- Safety concerns consist of poor ventilation, work circulation, spacing between work functions, storage of tools/carts, parts open to spillage/contamination with lubricants.
- Lockers, showers, meeting/training space, lunchroom and offices are insufficient or non-existent.
- Area for cleaning and maintaining vehicles is non-existent.
- Lighting, heating and everyday environmental needs are lacking.

### What has been done so far?

The City completed a Facilities Master Plan, which in 2007 originally recommended a project scope including a new facility of 45,000 sq. ft. as part of a Phase I construction, the acquisition of 20 to 30 buildable acres, location near the Trunk Highway 55/Arrowhead Drive intersection, estimated cost of \$8,000,000 (land & facility), and a funding source of General Obligation Bonds, with partial funding from utility revenues.

In fall 2009, City Staff recommended a refined project scope including:

- New facility of 30,000 to 35,000 sq. ft. (Phase I)
- The acquisition of 8 to 10 buildable acres for Phase I, and consider securing 20 to 30 acres for long-term build out.

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- Location near the Trunk Highway 55/Arrowhead Drive intersection (with priority near Hennepin County Public Works to maximize operating/cost saving efficiencies for fueling and salt facilities.
- Estimated cost: \$6,500,000 (land & facility)
- Funding source of General Obligation Bonds, with shared funding from water, sewer and storm water revenues.

**Land Acquisition:** The City has been meeting with land owners, including Hennepin County, near the Trunk Highway 55/Arrowhead Drive intersection to explore land acquisition opportunities.

**Public Relations:** In addition to past project updates in the City newsletter, the City hosted an Open House of the existing facilities on August 27, 2009 to provide an opportunity for residents to view facility conditions. A presentation on the project scope, cost, financing options, and schedule was provided at the Open House.

## How will my City taxes or City utility rates be affected?

If the City issues \$6.5 million in bonds with a 5% interest rate for 20 years on the project, the annual debt obligation will be \$547,656. Because public works operations consists of roads, parks, water, sewer and storm water, the revenue sources to pay for the debt service would come from a share of increased City taxes and utility fees. About 47% would be funded from City taxes, 26% from water fees, 20% from sewer fees and 7% from storm water fees. Here are some quick facts on the City tax and utility fee impacts:

- The City's tax levy would increase by about 10% (an additional \$256,000).
- Tax increases and utility rate increases would occur in 2011 or 2012.
- The annual tax increase on a \$300,000 home would be \$49
- The annual tax increase on a \$750,000 home would be \$131
- The annual tax increase on a \$500,000 business would be \$151
- A water facility fee would be charged at \$134/yr. (or \$11.22/mo) for each user.
- A sewer facility fee would be charged at \$105/yr. (or \$8.76/mo) for each user.
- A storm water facility fee would be charged at \$6 per Residential Equivalency Factor each year (i.e. 1 REF = 1 urban residential single-family household)

## What is the next step?

The tentative schedule for the Public Works Facility project includes:

- 2009 - The City plans to determine a financing option, solicit proposals for architect, and continue land acquisition negotiation.
- 2010 - Final project design and bonding approval for the project.
- 2011 - Public bidding on plans, bonds issued, and project construction begins.

## What are the financing options?

The City Council is considering two financing options for the project:

- Referendum Bonds – Requires public support through a special or general election. Administrative costs will be incurred with coordinating an election. Less than 1% of cities use this option.
- Capital Improvement Bonds – Requires creation of a 5-year Capital Improvement Plan (CIP). A public hearing must be conducted prior to CIP approval and allows for a 30-day reverse referendum prior to closing of bonds. 75% of cities use this option. (24% of cities use EDA Lease Purchase bonds, which the City does not prefer using for the project).

## To Learn More:

The City will be conducting more public discussions and open houses on the project over the next several months. Promotion of the meetings will be through the City newsletter, project newsletters, or other notices. The City website also has project information.

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