

2016 through 2020

Five-Year Street Reconstruction Plan for the
City of Blaine, Minnesota

May, 2016



City of Blaine

Five-Year Street Reconstruction Plan

2016 through 2020

PURPOSE

Street reconstruction is a major expenditure of city funds for the reconstruction of streets. Street reconstruction may include bituminous overlays, utility replacement and relocation, public safety street modifications, and other incidental activities, turn lanes and other improvements having a substantial public safety function, realignments, other modifications to intersect with state and county roads, and the local share of state and county road projects. Except in the case of turn lanes, safety improvements, realignments, intersection modifications, and local share of state and county road projects, street reconstruction does not include the portion of project costs allocable to widening a street or adding curbs and gutters where none previously existed. A Street Reconstruction Plan (“SRP”) is a document designed to anticipate street reconstruction expenditures and schedule them over a five-year period so that they may be purchased in the most efficient and cost effective method possible. An SRP helps enable the matching of expenditures with anticipated income. As potential expenditures are reviewed, the city considers the benefits, costs, alternatives and impact on operating expenditures.

The City of Blaine, Minnesota (the “City”) believes the street reconstruction process is an important element of responsible fiscal management. Major capital expenditures can be anticipated and coordinated so as to minimize potentially adverse financial impacts caused by the timing and magnitude of capital outlays. This coordination of capital expenditures is important to the City in achieving its goals of adequate physical public assets, preservation of public assets and sound fiscal management. Good planning is essential for the wise and prudent use of limited financial resources.

The SRP is designed to be updated periodically. The Street Reconstruction Plan is a part of the City’s capital improvement plan. In this manner, it becomes an ongoing fiscal planning tool that continually anticipates future capital expenditures and funding sources.

THE STREET RECONSTRUCTION PLANNING PROCESS

For the City to use its authority to finance expenditures under Chapter 475.58, Subdivision 3b, it must meet the requirements provided therein. The street reconstruction planning process is as follows:

The City staff prepares an SRP reflecting the street reconstruction projects anticipated to be undertaken within the next five years (based on their priority, fiscal impact, and available funding) and the estimated costs thereof. If general obligation bonding is deemed necessary, the City works with its financial advisor to prepare a bond sale and repayment schedule. A public hearing is held to solicit input from citizens on the SRP and the issuance of bonds. Notice of such hearing must be published in the official newspaper of the City at least 10, but not more than 28 days prior to the date of the public hearing. The City Council must approve the SRP and the sale of street reconstruction bonds by a unanimous vote of those members present at the meeting following the public hearing.

Voters may petition for a reverse referendum on the issuance of street reconstruction bonds. If a petition bearing the signatures of voters equal to at least 5% of the votes cast in the last general election requesting a vote on the issuance of street reconstruction bonds is received by the City Clerk within 30 days after the public hearing, the City may only issue general obligation street reconstruction bonds after approval by voters at an election. If no petition is submitted, general obligation street reconstruction bonds may be issued without an election.

In subsequent years, the process is repeated annually or as expenditures are completed and new needs arise.

I. PROJECT SUMMARY AND FINANCING

Street reconstruction projects anticipated to be undertaken within the next five years and the estimated costs thereof are set forth in Appendix A. Those for which street reconstruction bonds are anticipated to be issued are marked with an asterisk in Appendix A and are currently anticipated to include the following:

2016 Street Reconstruction Bond Financed Expenditures – general obligation street reconstruction bonds are proposed to be issued in 2016 in an aggregate principal amount of approximately \$4,325,000 for 2015 Overlay projects; Reconstruction of 93rd Lane, 91st Avenue, and Hastings Street; and various other street reconstruction projects. Such bonds could be combined with other financing tools, including general obligation improvement bonds, to finance other capital improvements in the City.

Street reconstruction bonds are included in the amount of indebtedness of the City which cannot, under Minnesota Statutes, Section 475.53, exceed 3% of the assessor's taxable market value for the City ("TMV"). The proposed bonds will not exceed statutory limits.

All other foreseeable capital expenditures are expected to be financed through other revenue or financing sources.

APPENDIX A

PROJECT COSTS

	2015	2016	2017	2018	2019	2020
Bituminous Overlay Reconstruction	\$325,000	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
93 rd Lane Industrial Park Phase 4	320,000					
2015 Various Streets	90,000					
2016 Various Streets		1,340,000				
91 st Ave Jefferson to Polk Hastings Streets		1,150,000				
2017 Various Streets			1,500,000			
2017 Various Streets				1,500,000		
2018 Various Streets					1,500,000	
						1,500,000
<i>Totals</i>	<u>\$735,000</u>	<u>\$3,590,000</u>	<u>\$1,500,000</u>	<u>\$1,500,000</u>	<u>\$1,500,000</u>	<u>\$1,500,000</u>