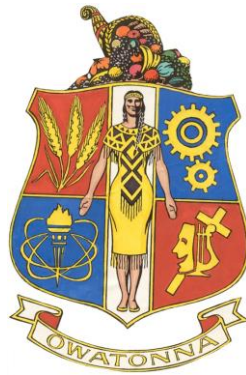


# THE CITY OF

Office of Finance Director  
Rhonda Moen



# OWATONNA

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DATE: January 22, 2021  
TO: Honorable Mayor and City Council  
FROM: Rhonda Moen, Finance Director  
SUBJECT: Street Reconstruction Plan

**Purpose:**

Council to approve Resolution 20-21 approving a Five-Year Street Reconstruction Plan and to declare the City's intention to issue General Obligation Bonds to finance the cost of the street reconstruction activities described in this Street Reconstruction Plan.

**Background:**

Annually, the City prepares a Five-Year Capital Improvement Plan. Included as part of this plan are streets which the City intends to reconstruct. There are various financing options available to the City.

The City is adopting a Five-Year Street Reconstruction Plan with the plan to issue Street Reconstruction Bonds under Minnesota Statutes Section 475.58, Subdivision 3b.

The projects are listed in the Street Reconstruction Plan by year and more detail by project is included in the 2021-2025 Five-Year CIP. The projects for 2021 are mostly all large projects with several other funding sources (i.e. federal grants, state grants, MSA, and utility funds). The maximum planned has been set at \$4,000,000. The actual debt issued will more than likely be less, but until bids are received a final number is not known.

**Budget Impact:**

There will be a Debt Service Levy related to the bonds that will be issued to finance the projects included in the Street Reconstruction Plan.

**Staff Recommendation:**

Staff recommends approval of Resolution 20-21.

RESOLUTION NO. 20-21

A RESOLUTION APPROVING A STREET RECONSTRUCTION  
PLAN AND GIVING PRELIMINARY APPROVAL TO THE ISSUANCE  
OF STREET RECONSTRUCTION BONDS

BE IT RESOLVED by the City Council (the "Council") of the City of Owatonna, Minnesota (the "City") as follows:

Section 1. Background.

1.01. The City is authorized under Minnesota Statutes, Section 475.58, Subdivision 3b, as amended (the "Act") to prepare a plan for reconstruction of streets in the City over the next five years, including a description of the street reconstruction to be financed, estimated costs, and any planned reconstruction of other streets in the City over the next five years. Pursuant to the Act, the City may issue general obligation bonds to finance the cost of street reconstruction activities described in the plan.

1.02. Before the approval of the Plan and the issuance of any general obligation bonds under the Act, the City is required to hold a public hearing on the plan and issuance of the bonds.

1.03. Pursuant to the Act, the City has caused to be prepared a Five-Year Street Reconstruction Plan (the "Plan"), which describes expected street reconstruction activities in the City for the years 2021 through 2025.

1.04. The City has determined that it is in its best interests to give preliminary approval to the issuance and sale of street reconstruction bonds pursuant to the Act in the maximum principal amount of \$4,000,000 (the "Bonds"), to finance a portion of the costs described in the Plan.

1.05. On this date, the Council held a public hearing on the Plan and the issuance of the Bonds, after publication in the City's official newspaper of a notice of public hearing at least 10 days but no more than 28 days before the date of the public hearing.

Section 2. Plan Approved.

2.01. The Council finds that the Plan will improve the City's street system, which serves the interests of the City as a whole.

2.02. The Plan is approved in the form on file in City Hall.

Section 3. Bonds Authorized.

3.01. The City hereby gives preliminary approval to the issuance of Bonds in the maximum principal amount of \$4,000,000, in order to finance street reconstruction activities described in the Plan, including costs of issuance of the Bonds, subject to further details regarding the sale of the Bonds to be set forth in a resolution to be considered by the City Council at a subsequent meeting.

3.02. If a petition requesting a vote on the issuance of the Bonds, signed by voters equal to 5% of the votes cast in the last municipal general election, is filed with the City Clerk within 30 days after the date of the public hearing, the City may issue the Bonds only after obtaining approval of a majority of voters voting on the question at an election.

3.03. City staff are authorized and directed to take all other actions necessary to carry out the intent of this resolution.

Passed and adopted this \_\_\_\_ day of \_\_\_\_\_, with the following vote:

Aye \_\_; No \_\_; Absent \_\_.

Approved and signed this \_\_ day of \_\_\_\_, 2021.

\_\_\_\_\_  
Thomas A. Kuntz, Mayor

ATTEST:

\_\_\_\_\_  
Kris M. Busse, City Administrator/City Clerk

**CITY OF OWATONNA, MINNESOTA**

**5-YEAR STREET RECONSTRUCTION PLAN**

**January 19, 2021**

**A. Background**

In November 2020, the City Council held a study session for the purpose of reviewing the first year of the City’s five year capital improvement needs. The City Council approved its five-year capital improvement plan (CIP) covering the years 2021 – 2025 on January 19, 2021. A summary of the CIP is attached as Exhibit A and is incorporated herein by reference. The document in its entirety is available on the City’s website at [www.ci.owatonna.mn.us/finance](http://www.ci.owatonna.mn.us/finance) or available at the Owatonna Public Library. In order to provide financing for a portion of the cost of the street reconstruction projects described in the City’s CIP, the City has determined to adopt this plan in accordance with Minnesota Statutes, Section 475.58, subd. 3b (the “Act”).

**B. Five-Year Street Reconstruction Plan**

Following is a description of projected projects and estimated costs covering the five-year period from 2021 through 2025.

Year	Project	Area	Amount
2021	Truman Ave	Havana to Main St	\$3,700,000
2021	Bridge Street	24 <sup>th</sup> Ave to I-35	\$3,620,000
2021	Cedar Avenue	Broadway to Rose	\$4,000,000
2021	Roundabout	State and 26th	\$ 500,000
2022	15 <sup>th</sup> St NE	Cedar Ave N to Circle	\$ 578,400
2022	Bonanza Pl NE	19 <sup>th</sup> St NE to Circle	\$ 69,700
2022	Linn Avenue	18 <sup>th</sup> Street SW to 16 <sup>th</sup> Street SW	\$ 204,000
2022	School Street	County 180 to Partridge	\$ 332,000
2022	Roundabout	18 <sup>th</sup> Street SE and Bixby Road	\$ 700,000
2022	Main Street	Lincoln Avenue to Oak	\$ 500,000
2023	Riverwood Dr SW	Lemond Rd to Riverwood Dr	\$ 71,500
2023	Lilac Ave SW	McKinley St SW to Holly St SW	\$ 173,200
2023	Sumac Ave SW	McKinley St SW to Holly St SW	\$ 172,900
2023	Butternut Ave SW	Riverview Pl SW to Holly St SW	\$ 254,700
2023	Anderson Pl SW	McKinley St SW to Circle	\$ 92,000
2023	Redwood Pl SW	Southview St SW to South End	\$ 234,200
2023	Walnut Ave N	Bridge St to Vine St E	\$ 109,800
2023	Kirk Pl NE	Ridge Rd NE to Circle	\$ 181,900
2024	Selby Ave SW	Mound St SW to Lemond Rd SW	\$ 669,700
2024	22 <sup>nd</sup> St NE	Hemlock to 726’ East	\$ 253,000
2024	13 <sup>th</sup> St NE	3 <sup>rd</sup> Ave NE to St Paul Rd	\$ 451,600
2024	Riverview Pl SW	Butternut Ave SW to Circle	\$ 66,200

2024	Young Dr SW	Kim Ln SW to Leo Rudolph	\$ 53,400
2024	Kim Ln SW	Jeffrey Ln SW to Lemond Rd SW	\$ 707,000
2024	Smith Avenue	Havana Road to 18 <sup>th</sup> Street SE	\$1,500,000
2024	Havana Road	Truman to Smith	\$1,200,000
2025	18 <sup>th</sup> Street SE	Austin Road to Hayes	\$1,500,000
2025	Cedar Avenue	Bridge to 26 <sup>th</sup> Street	\$2,400,000

**Note:** Cost estimates include engineering and construction costs, and costs of bond issuance.

**C. Bonds**

The City may issue general obligation bonds pursuant to the Act to finance any street reconstruction costs described in this plan. The City currently plans to issue bonds in the maximum principal amount of \$4,000,000 to finance year 2021 reconstruction costs. If the City determines to issue additional bonds for future reconstruction costs describe in this plan, the City will revise this plan to identify the amount of such bonds after a public hearing in accordance with the Act.