City of Fergus Falls
Committee of the Whole Agenda

February 15, 2023
7:00 am
City Council Chambers

A. Call to Order

B. Roll Call

C. Discussion Items

1. Lake Alice Water Quality Pilot Project Discussion
   Dan Larson/Mark Hanson of WaterQuality3D

2. Update from Visit Fergus Falls
   Rolando Felizola

3. City Project 9148 DeLagoon Park Improvements
   Brian Yavarow
   Requested Action: Recommendation to the council to accept Bolton & Menk's professional services for topographic collection, design, and bidding assistance in the amount of $264,100.00 and accept Terracon's professional services for geotechnical work in the amount of $19,250.00

4. City Project 5960-2023 Street and Utility Improvement Project No. 1
   Brian Yavarow
   Requested Action: Recommendation to the council to accept the Preliminary Engineering Feasibility Report for PI No. 5960 and set the Preliminary Improvement Project Hearing date for March 6, 2023

5. TIF for FM Bank Discussion
   Klara Beck/Tom Denaway

Announcements

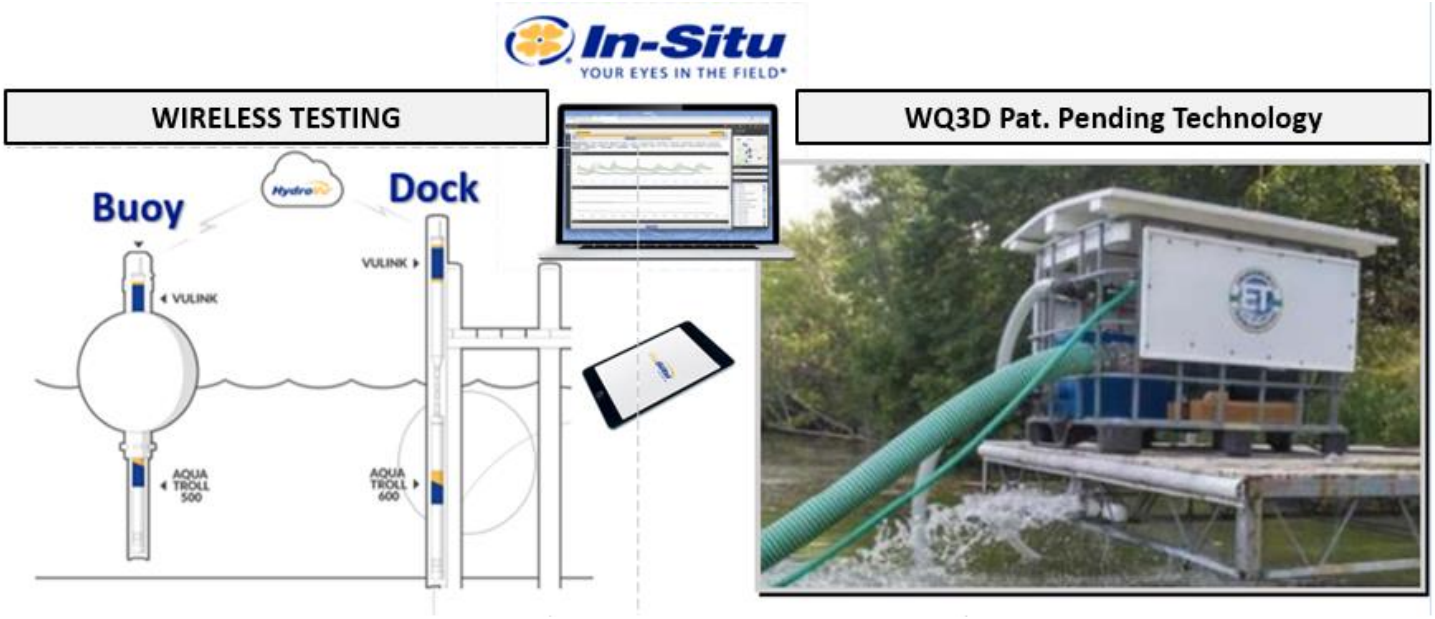
February 20 Most city offices and facilities closed for observation of President's Day
Garbage and recycling normally picked up on Monday is moved to Tuesday. Tuesday pickup will be moved to Wednesday the 22nd

February 21 5:30 pm City Council meeting

March 1 7:00 am Committee of the Whole meeting

Adjourn

DISCUSSION OUTLINE: FOR LAKE ALICE



THE GOAL: Decision makers, stakeholders and lake residents want a cost-effective way to improve water quality which restores lake-place aesthetics, maintains property values, and provides for recreation. People want water quality that is swimmable, fishable and drinkable by livestock and pets.

- **PERMIT:** To operate the technology most effectively, the devices need to be installed shortly after ice-out. This requires the project sponsor to obtain a no-cost, non-binding summertime aeration permit which takes about 60-90 days to process and receive.

- **TESTING:** WATER QUALITY WILL BE MEASURED IN DIFFERENT WAYS, INCLUDING THROUGH THE IN-SITU BUOY SYSTEM. IN-SITU IS A STATE-OF THE-ART TESTING SYSTEM THAT ALLOWS REMOTE TESTING.

- **Technology:** The WQ3D technology is a patent pending non-chemical water treatment system that raises oxygen levels.

Category	Expected Outcome
Oxygen	Will depend on the biological oxygen demand load in and to the lake, but should improve throughout the season.
Secchi (turbidity)	Clarity of water is expected to improve as the oxygen increases.
pH	The pH should increase throughout the process. (This is good.)
Phosphorus	The phosphorus for internal loading will decrease as the oxygen increases.
Algae and Plants	Expected outcome is a reduction in algae and weeds as oxygen increases.

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DEPARTMENT OF NATURAL RESOURCES
MNDNR PERMITTING AND REPORTING SYSTEM

Permit Number
AERP4139

AERATION PERMIT - OPEN WATER
EXPIRATION DATE: SEPTEMBER 30, 2022

On the basis of statements and information contained in the permit application, letters, maps, and plans submitted by the applicant and other supporting data, all of which are made part hereof by reference, **PERMISSION IS HEREBY GRANTED** to the applicant to perform actions as authorized below.

Project Name:	**County:**	**Resource (Lake ID):**
	Waseca	St. Olaf (81000300)

Authorized Action:

Aerate water body to Improve water quality.

System Type(s):
- 1 Bubbler/Diffuser (0.5 hp). Permanent? No. System Address: 50 yards west of the public access site. Installed under docks. MN

Periods during which this system may be operated: Open Water only.

Diffuser must be installed close to dock and have reflective tape or poles attached. Water output shall be directed slightly upward or parallel to the water surface. Sediment and/or rooted vegetation may not be disturbed by diffuser. All county ordinances must be followed.

Primary Permittee:

St. Olaf Lake Association
17406 240th Ave
New Richland, MN 56072

Open Water Area Location(s):

Number of open water areas: 1
- UTM zone 15N, 466436m east, 4861412m north; T105N-R22W-S13 Meandered water body (Size: 0 ft. x 0 ft.)

Primary Permittee Contact (*operator, permit contact*):

Steve Hagen
17406 240th Ave
New Richland, MN 56072
sphagen61@gmail.com

Issued Date: 08/30/2021		**Expiration Date:** 09/30/2022	
Authorized Issuer:	**Title:**	**Email Address:**	**Phone Number:**
Tom Hovey	Water Regulations Unit Supervisor	tom.hovey@state.mn.us	651-259-5654

This permit is granted **subject to** the following **CONDITIONS:**

OPERATION PERIOD: Aeration systems authorized under this permit will be operated only during the period specified above. The permittee may request an extension of the operation permit by submitting a written request, stating the reason thereof, to the Commissioner of Natural Resources.

APPLICABLE FEDERAL, STATE, OR LOCAL REGULATIONS: The permittee is not released from any rules, regulations, requirements, or standards of any applicable federal, state, or local agencies; including, but not limited to, the U.S. Army Corps of Engineers, Board of Water and Soil Resources, MN Pollution Control Agency, watershed districts, water management organizations, county, city and township zoning.

NOT ASSIGNABLE: This permit is not assignable by the permittee except with the written consent of the Commissioner of Natural Resources.

Conditions (*continued*):

NO CHANGES: The permittee shall make no changes, without written permission or amendment previously obtained from the Commissioner of Natural Resources, in aeration system type, location, or operation period authorized hereunder.

SITE ACCESS: The permittee shall grant access to the site at all reasonable times during and after construction to authorized representatives of the Commissioner of Natural Resources for inspection of the work authorized hereunder.

TERMINATION: This permit may be terminated by the Commissioner of Natural Resources at any time deemed necessary for the conservation of water resources of the state, or in the interest of public health and welfare, or for violation of any of the conditions or applicable laws, unless otherwise provided in the permit.

WRITTEN CONSENT: In all cases where the operation of an aeration system by the permittee involves the taking, using, or damaging of any property rights or interests of any other person or persons, or of any publicly owned lands or improvements thereon or interests therein, the permittee, before proceeding, shall obtain the written consent of all persons, agencies, or authorities concerned, and shall acquire all property, rights, and interests needed for aeration system operation.

PERMISSIVE ONLY / NO LIABILITY: This permit is permissive only. No liability shall be imposed by the State of Minnesota or any of its officers, agents or employees, officially or personally, on account of the granting hereof or on account of any damage to any person or property resulting from any act or omission of the permittee or any of its agents, employees, or contractors. This permit shall not be construed as estopping or limiting any legal claims or right of action of any person other than the state against the permittee, its agents, employees, or contractors, for any damage or injury resulting from any such act or omission, or as estopping or limiting any legal claim or right of action of the state against the permittee, its agents, employees, or contractors for violation of or failure to comply with the permit or applicable conditions.

INVASIVE SPECIES - EQUIPMENT DECONTAMINATION: All equipment intended for use at an aeration site must be free of prohibited invasive species and aquatic plants prior to being transported into or within the state and placed into state waters. All equipment used in designated infested waters, shall be inspected by the Permittee or their authorized agent and adequately decontaminated prior to being transported from the worksite. The DNR is available to train inspectors and/or assist in these inspections. For more information refer to the "Best Practices for Preventing the Spread of Aquatic Invasive Species" at http://files.dnr.state.mn.us/publications/ewr/invasives/ais/best_practices_for_prevention_ais.pdf. Contact your regional Invasive Species Specialist for assistance at www.mndnr.gov/invasives/contacts.html. A list of designated infested waters is available at www.mndnr.gov/invasives/ais/infested.html. A list of prohibited invasive species is available at www.mndnr.gov/invasives/laws.html#prohibited.

NO WORK AFFECTING BED OF PUBLIC WATERS: Operation or installation of an aeration system must not affect the course, current, or cross-section of public waters. Excavation and fill of public waters is not allowed under this permit.

AQUATIC VEGETATION: Aeration systems must not be used to uproot aquatic or riparian vegetation.

HOLD HARMLESS: Permittee agrees to assume the entire responsibility and liability for all damages or injury to all persons and to all property arising out of, resulting from, or in any manner connected with the design, construction, installation, operation, maintenance, supervision, or inspection of the permitted aeration system. Permittee agrees to indemnify, defend, and hold harmless the State of Minnesota, its agents and employees from all claims, damages, or injury except those arising from the state's own negligence to the extent authorized by Minnesota Statutes Section 3.736 of the Minnesota Tort Claims Act. This indemnity agreement includes, but is not limited to, claims that the permittee was negligent or otherwise liable for allowing, designing, constructing, installing, operating, inspecting, maintaining, supervising, or approving the permitted aeration system, or failing to do so.

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ec: Durel Carstensen, Aeration - APM Work Area Staff, New Ulm APM
Craig Soupir, DNR Fisheries, Waterville Area
Brent Ihnen, Conservation Officers, Waseca

Council Action Recommendation

Meeting Date:
February 15, 2023 – Committee of the Whole
February 21, 2023 – City Council

Subject:
City Project No. 9148 – Delagoon Park Improvements

Recommendation:

- Accept Bolton & Menk's professional services for topographic collection, design, and bidding assistance in the amount of $264,100.00
- Accept Terracon's professional services for geotechnical work in the amount of $19,250.00

Background/Key Points:
Since the voters approved the local option sales tax projects (Aquatic Center and Delagoon Improvements) last fall, I have procured a professional services proposal from Bolton & Menk Engineering for the Delagoon Park improvement project. In general, the scope of services consists of the following:

- Campground master plan updates:
  - Two main general-use campsite loops - 36 sites, all with electrical and water service; up to 8 sites with full services (i.e., sanitary service added), including 2 sites for campground hosts; all sites designed to accommodate full-size modern campers and RVs
  - Group/general use campsite cluster – 6 sites, all with electrical and water service; cluster designed to accommodate group and individual users
  - Tent campsite loop – 8 sites, 6 with electrical service and centralized water; the 2 remaining sites will have canvas-style 3-season tents (both with electric and water service); all sites designed to accommodate two vehicles, or a vehicle and a trailer
  - Sanitation building and toilet facilities and showers
  - Dump station –onsite disposal of grey and black water from RVs and campers
  - New entrance location, realigned paved roads, a check-in/registration station.
  - The existing trailhead for the Central Lakes Trail will be relocated to better serve trails users and reduce potential use conflicts with campground users.
- Sewer and water utility extensions to the campground and to restrooms/concessions buildings
- Restroom/concession buildings: new construction at soccer fields and renovation of the existing building at the softball complex
- Baseball field lighting: remove and replace lighting systems at two fields
- Softball complex lighting: remove and replace lighting systems at four fields

Terracon was also solicited for geotechnical soil exploration work. In general, they will be conducting 21 soil borings. Most of the borings are needed for the proposed lighting foundation structures.

Budgetary Impact:
The local option sales tax to publicly finance the project bonds is the current funding mechanism. Although, the revised cost estimates completed in summer 2022 determined the all the improvements would cost $8.7 million. The project scope was refined as presented before you. The City has the legislative authority for a $5.2 million dollar improvement project therefore, the projects scope before you will likely be bid with alternates.

Originating Department:
Engineering Department

Respectfully Submitted:
Brian Yavarow - City Engineer

Attachments:

Council Action Recommendation

Meeting Date:
February 15, 2023 – Committee of the Whole
February 21, 2023 – City Council

Subject:
City Project CP No. 5960 – 2023 Street and Utility Improvement Project No. 1

Recommendation:
- Accept the Preliminary Engineering Feasibility Report for PI No. 5960
- Set the Preliminary Improvement Project Hearing date for **March 6, 2023**

Background/Key Points:
The Preliminary Engineering Feasibility Report is complete for the above referenced project. In general from an engineering standpoint, this project is feasible, cost effective, and necessary. Please refer to the attached report for detailed information.

A portion of this public improvement project is proposed to be special assessed per City Policy following MN Statue Chapter 429 requirements. The proposed amount funded by special assessments consists of a portion of the street that abuts the benefitting property. Because of this, property appraisals were completed to assist this Council and staff with the decision-making process by determining special benefit reasonableness of the proposed assessments to the individual benefitting properties.

Based on the appraisal report prepared by Patchin Messner Valuation Counselors from Burnsville, MN, they have determined the special benefit from this improvement to all subject properties within the proposed project's limits is reasonable in comparison to the City's preliminary assessment roles.

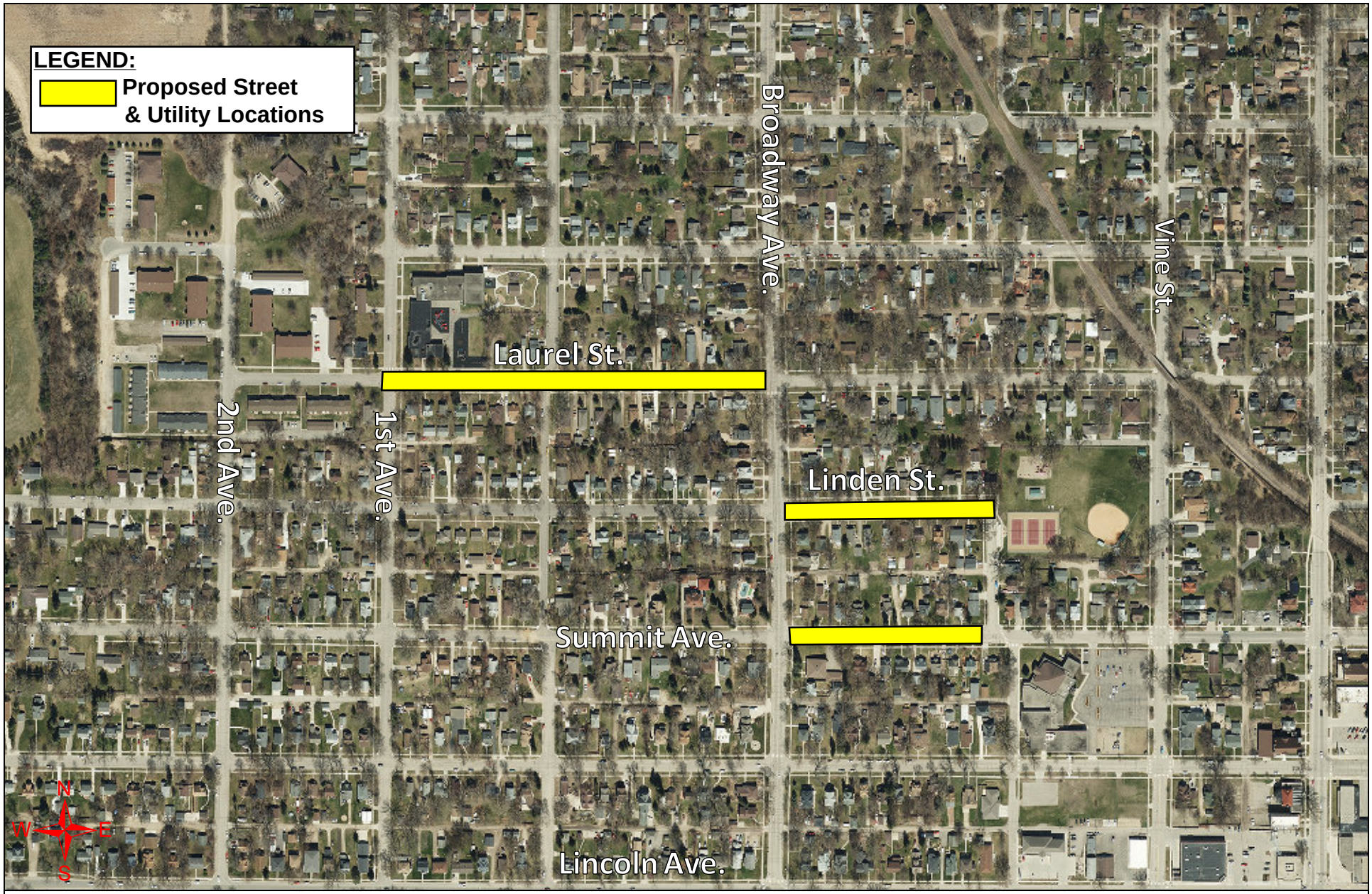
If acceptable, the next step is to schedule the **Preliminary Improvement Project Hearing for March 6, 2023 at 5:30 P.M. in these Council Chambers.** A legal publication along with individual notices will be sent to all subject properties.

Budgetary Impact:
The preliminary estimated construction cost is $1,700,000. Tentatively the funding sources are as:
- PIR Bonds (Street Special Assessment - Active)
- PIR Bonds (Street City Share – Tax Levy)
- City Sanitary Sewer Fund
- City Water Fund
- City Storm Sewer Fund

Originating Department:
Engineering Department

Respectfully Submitted:
Brian Yavarow - City Engineer

Attachments:
Project Location Map
Preliminary Engineering Feasibility Report for PI No. 5960



City of Fergus Falls Minnesota

1 inch = 400 feet

2023 Street & Utility Reconstruction Improvement Project C.P. No. 5960

This map has been compiled from information on file at the City of Fergus Falls Engineering Department. The City of Fergus Falls makes no represenation and assumes no liability for errors, omissions, or inaccuracies contained on this map. This map should not be used for boundary survey information.

Preliminary Engineering Report
City Project No. 5960
2023 Street & Utility Improvements

P.I. No. 5347, 7212 & 8227
Summit Avenue: Broadway to Oak Street
P.I. No. 5348, 7213 & 8228
Linden Street: Broadway to Oak Street
P.I. No. 5349, 7214 & 8229
Laurel Street: First Avenue to Broadway

Prepared by:
City of Fergus Falls, Engineering Department

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

2-8-23

Brian P. Yavarow, P.E.
Registration No. 48363

Date

February 2023
C.P. No. 5960

City Project No. 5960
2023 Street & Utility Improvements
Public Improvements No. 5347, 7212 & 8227
Public Improvements No. 5348, 7213 & 8228
Public Improvements No. 5349, 7214 & 8229

Feasibility Report
Fergus Falls, Minnesota

List of Tables

List of Exhibits

Background:

The City of Fergus Falls has requested the investigation of the sanitary sewer, water main, storm sewer and street improvements for the following project area:

Summit Avenue: Broadway to Oak Street. This project area is hereafter referred to as Public Improvements No. 5347, 7212 & 8227

Linden Street: Broadway to Oak Street. This project area is hereafter referred to as Public Improvements No. 5348, 7213 & 8228

Laurel Street: First Avenue to Broadway. This project area is hereafter referred to as Public Improvements No. 5349, 7214 & 8229

All combined into City Project No. 5960 – 2023 Street and Utility Improvements.

A map of the City and proposed project area is included in this report as Figure No. 1.

This report investigates the replacement of existing sanitary sewer, water main, storm sewer utilities and rehabilitation of deteriorated streets throughout the project area. The estimated costs and proposed assessments (if required) are presented to assist the City and affected property owners in deciding the feasibility of the project from an engineering standpoint.

Existing Conditions:

The improvement area consists primarily of residential housing along with an elementary school (Mckinley). The entire service area consists of approximately 4 blocks of urban section roadway with sanitary sewer, water main and storm sewer utilities.

The existing sanitary sewer utilities consist of 8& 10-inch vitrified clay pipe (VCP) installed in 1913 - 1939. The existing sanitary sewer has been used well beyond its design life, as documented by the problems identified in the televising reports related to excessive roots which have migrated into the line, mineral deposits, broken sections of the line, sags, offset joints and deteriorating brick manholes.

The existing water main utilities throughout the area have been in place since the 1930's. The existing water main is 4- & 6-inch diameter pipe throughout the project. The current standard for public water main requires a minimum 6-inch diameter pipe. The existing water services consist of a range of copper, lead, or iron materials.

The existing storm sewer system consists of 12-inch diameter RCP catch basin leads installed around the 1950's (Broadway) and 2005 (Oak St.). The existing storm sewer system on Laurel Street consists of 12-inch and 18-inch diameter installed in 1942.

The existing streets in the service area have deteriorated due to fatigue, are in poor condition and require reconstruction.

Proposed Improvements:

The improvements proposed to the City Project No. 5960 area will consist of the total reconstruction of the sanitary sewer, water main, sewer & water services within the street right-of-way, storm sewer, concrete curb and gutter and bituminous streets.

The streets proposed for reconstruction will have a typical section conforming to a 5-ton design for all areas. Soil borings will be performed in the design phase of the project which.

will provide the information to make a firm determination as to the specific typical section required. For estimating costs, a 5-ton section is proposed to consist of 4.5 inches of bituminous pavement and 6 inches of aggregate base (class 5).

The concrete curb and gutter throughout the project area will be B618 (standard 6" high barrier) curb. Some curb and gutter, sidewalk and driveway aprons throughout the project area will also be replaced where construction requires in order to facilitate utility replacements within the right-of-way.

The sanitary sewer collection mains and manholes will be replaced throughout the project area at the same size and new pipe installed will be PVC. The existing sanitary sewer services will be replaced throughout the project area within the right-of-way.

The water mains, hydrants, and gate valves will be replaced throughout the project area using 6-inch PVC C-900 pipe to meet the current public standards. The existing water services will be replaced throughout the project area within the right-of-way.

The storm sewer collection mains, catch basins and manholes will be replaced throughout the project area at the same size using reinforced concrete pipe.

Right-of-Way:

Most of the construction activity can be accommodated within the existing street right-of-way or on public property. Any additional instances where work is identified in final design to be constructed outside of these areas will require the acquisition of additional easements.

Cost Summary:

The following is a breakdown of the engineer's opinion of probable costs. A detailed breakdown is provided in the appendix.

Table 1 Opinion of Probable Cost (City Project			
	Total Project	City Cost	Assessable Cost
Construction	$1,696,000	$1,421,000	$ 275,000
Misc. Costs*	$ 593,000	$ 497,000	$ 96,000
Grand Total	$2,289,000	$1,918,000	$ 371,000

*Misc. Costs include legal, fiscal, admin, engineering, contingency, and soil borings.
The City's portion of the "Total Assessable Costs" shown is approximately $48,000 (Street, Alley R/W, etc.).

Special Assessments:

The special assessments were calculated in accordance with the City policy for funding reconstruction projects. This policy allows for a residential property to be assessed on a per lineal foot basis for a 36-foot-wide street (standard width with parking on both sides) as follows: Street width = 33-feet without curb & gutter of which a 24-foot contributing street width (12' width assessed to each side) is assessed to the abutting properties with the City responsible for the center 9-foot width. This is for a 5-ton street design with traffic counts less than 2,000 vehicles per day (vpd) on all streets. Residential corner lots and residential lots with multiple frontages are typically assessed based on the short side of the lot regardless of if the short side is abutting the improvement.

The assessable footage was broken down by parcel and denotes the assessable footage for each parcel as derived from the Otter Tail County records. Additional footage is also accounted for the City in multiple areas. These areas include instances where the City owns property, at street intersections, alleys, etc.

A "Special Benefits" property appraisal report has been prepared by the firm of Patchin Messner Valuation Counselors for this project area. This report established general criteria to be used in preparing the proposed special assessments in order to meet the requirements of the Chapter 429 Statutes for special assessments. The proposed special assessments for this project have been prepared in conformance with the established valuations, criteria and methods noted in the report.

The following table breaks down the total assessable footage with respect to the proposed improvements:

Table 2
Breakdown of Project Footage
(C.P. No. 5960)

Total Project Footage (Residential)	4,404.40 L.F.
Total Assessable Footage	3,832.90 L.F.

The residential front foot assessment rate for street (residential 5-ton design with a traffic count of less than 2,000 vehicles per day) is determined by dividing the total associated street improvement costs (24 foot wide street)by the total benefitting front footage. Based on this methodology the residential costs per foot yields an estimated $84.28 per lineal foot of assessable footage.
NOTE: this special assessment unit rate is based on the total cost of City Project No. 5960

Examples of estimated special assessments for various lot widths are as follows:

Table 3
Estimated Assessments for Various Size Lots

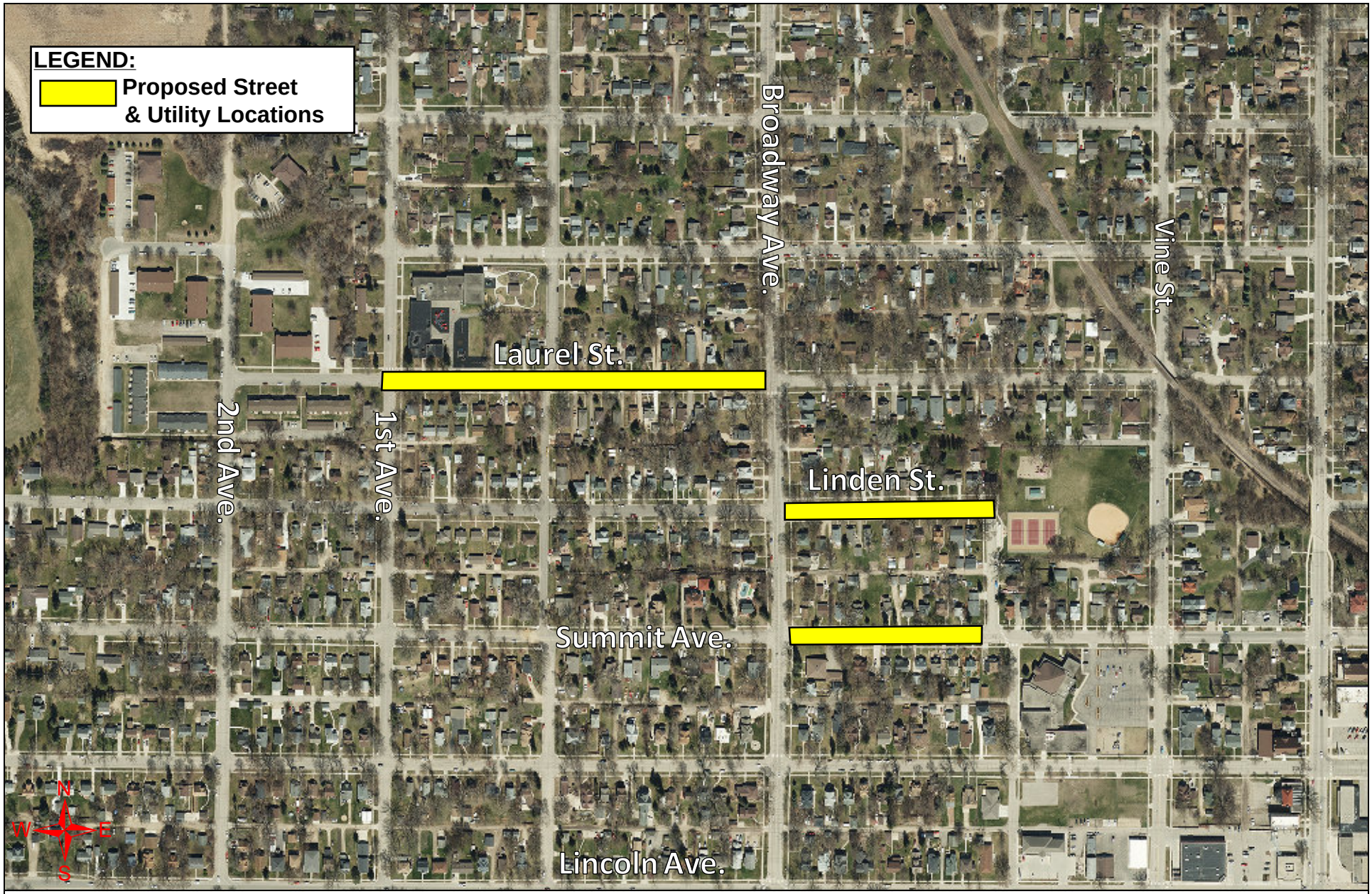
	50' Residential Lot	75' Residential Lot	100' Residential Lot
Estimated Assessment	$4,214	$6,321	$8,428

Project Cost Breakout:

PIR – Special Assessment (Street)	$ 323,000
PIR – City Share (Street)	$ 499,000
Storm Water Fund	$ 144,000
Sanitary Sewer Fund	$ 631,000
Water Fund	$ 692,000
Total Project Cost	$2,289,000

Conclusion & Feasibility:

Having investigated the facts relating to construction of the proposed improvements, it is my opinion, from an engineering standpoint, this project is feasible, cost effective, and necessary. Feasibility is contingent upon City Council findings with respect to project financing.



City of Fergus Falls Minnesota

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2023 Street & Utility Reconstruction Improvement Project C.P. No. 5960

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Memo

Meeting Date:
February 15- COW

Subject:
Discussion regarding FM Bank Tax Increment Financing request

Background/Key Points:
FM Bank has entered into an agreement with River's Edge Investment for the purchase of the former Shopko site. TIF is requested to offset demolition costs for the removal of blight (i.e., the old Shopko building). FM Bank is therefore pursuing the creation of a redevelopment TIF district through the city. The city is working with Tom Denaway of Baker Tilly to perform necessary financial analysis, the process of which has generated a couple questions regarding possible TIF structuring. Tom will join us virtually to introduce discussion on the length of TIF and the size of the district.

Originating Department:
Community Development

Respectfully Submitted:
Klara Beck, Community Development Manager