

Committee of the Whole Meeting
May 11, 2022

The Fergus Falls City Council met as a Committee of the Whole on May 11, 2022 at 7:00 am in the City Council Chambers. Mayor Schierer called the meeting to order and the following council members were in attendance: Thompson, Arneson, Gustafson, Hicks, Fish, Hagberg, Kvamme, and Rufer.

Downtown Riverfront Project Phase II

Bids for PI 9767, Phase II of the Downtown Riverfront project were opened on April 27. Comstock Construction submitted the lone base bid of \$4,990,733.53. The engineer's estimate was \$2,600,700. Bolton and Menk, along with city staff, concluded rising material costs and shortages, extended lead times, workforce availability, and quotes valid only for short periods of time were all factors in the higher than expected bid. Bid prices for similar items of work between Phase I and II increased between 40-200% and on average unit prices increased 70% between phases. After meeting as a Project Management Team, a reduced scope concept was developed to accomplish two goals: reducing cost and achieving the continuation of a regional trail up to and including a pedestrian bridge. The other project features including the splash pad, restroom, plaza spaces and parking lot improvements could be incorporated into the project at a later date once funding has been secured. Kent Louwagie identifying the construction of the Phase II trail from the Mill Street Bridge eastward to the proposed bridge location. Water, sewer and storm water utilities would be installed in areas where the trail would be constructed and minimize any rework if the additional work is constructed at a later date. The estimated re-scoped project cost is \$818,000.

If the city wants to pursue the entire project as it was bid, additional funding sources would need to be identified and secured. Awarding of the bid needs to be completed by June 27. If the city does not want to award the project as it was bid, they need to reject the bids. If the city wants to pursue the project with a revised scope, plans and specifications need to be revised and the city must advertise for bids. It was recommended the project completion date be extended to mid-summer 2023 to allow more flexibility for contractors. The pedestrian bridge could also advertise for bids this fall and start construction in 2023. The estimated construction costs are \$704,270.19 (water, sewer, sanitary sewer, parking lot, trail and retaining wall). Engineering costs are estimated at \$732,682.00 for a total project cost of \$1,436,952.19. The bridge construction and engineering estimate is \$857,000 for a grand total for the trail and bridge is \$2,293,952.19. If the city proceeds with a reduced scope option, it is anticipated maintenance or improvements to the existing parking lot would need to take place and those costs are not currently included in the total cost.

Mayor Schierer felt it was an unfortunate bidding situation and his preference is reducing the scope so some aspects of the project can proceed. If the bidding climate or availability of construction materials changes, the city would be prepared to move forward quickly in the future. He would like to see a project begin this year, but was open to the flexibility of the project in 2023 if it meant more favorable bids. Fish was opposed to the bridge project and would not vote in favor of a project if it were included. Hicks did not foresee the project cost going down and felt the city should either complete the entire project or do nothing. He said a reduced scope would be a waste of funding to have a trail and bridge that leads nowhere and felt the project should have addressed the existing riverwalk and fixing the parking lot. Kvamme asked if there are options to make up the \$3 million funding gap. Schierer talked about the origins of the project planning that began 5 years ago and said the original project

scope was connecting the downtown area to Veterans Park with a bridge. Nearly \$2 million has been committed to the project to date including \$1 million in state bonding funds and \$700,000 from the Veden Trust and he did not want to leave these funds on the table. The money from the Veden Trust was originally planned for the amphitheater, but when those plans changed, they agreed to help fund the bridge. The city needs to confirm with the trust members if the funding would continue to be available for any other use. It was also noted the state bonding dollars need matching funds and the Veden gift was going to be leveraged as the matching funds. If the Veden Trust funds were to not be available, the city would need to find another source of matching for that \$1 million allocation. There were questions clarified about what items were included in the base bid and the alternates and the overall gap between the available funds and project cost as bid is a \$2.4 million gap.

Rufer agreed the project needs to move forward, but responsibly. He too did not anticipate building prices to go down anytime soon and was open to proceeding with the reduced scope with the hope the other aspects of the project could be included in a future phase. Thompson does not want the taxpayers to be asked to pay for the bridge project. Arneson wants to see the entire project move forward, but understands the budget restraints requires the city consider a reduced scope project. Regardless of the way the project proceeds, the city needs to cover the engineering fees for the project. Hicks requested the sources and uses of funds for both Phase I and Phase II be included in the council packet for discussion on Monday night. The Veden Trust will be contacted to determine if the funds could be used for a project other than the bridge.

Downtown Riverfront Project Phase I

Parking Configuration

Prior to beginning Phase I of the downtown riverfront project, there were 199 parking stalls in the lot. They were 60 degree angled slots that were 8.5 feet wide. The lot was often empty. Knowing the Phase I riverwalk and market structure would affect the parking configuration, Bolton and Menk worked to maximize the space in their design work. The design layout is currently 90 degree stalls that are 9 feet in width. This configuration provides 127 stalls. They have received comments that drivers with larger vehicles have difficulty parking in the current configuration. A second potential layout would be 60 degree angled parking with 9 foot stalls and this design would provide 102 total stalls. Responses from the business owners is mixed, some want the current configuration to maximize the number of stalls while others requested a redesign so it is easier for customers to get in and out of the parking stalls. The top layer of the pavement in the parking lot is yet to be constructed so there is an opportunity to redesign the parking layout prior to the permanent paving marking being placed. It was noted customers at most other locations in the community use the 90 degree parking stall configuration. Council members were encouraged to speak to the adjacent business owners about their preferences and come back with a recommendation on Monday night.

Curb Cuts

Businesses have also provided feedback regarding the surmountable curb and concrete pavement on the north side of the alley in Phase I. Prior to the project the existing parking lot pavement butted up to the buildings. The drainage was poor and the pavement was deteriorated. The design intent of the new curb is to control drainage in the alley and guide traffic along the buildings as the concrete pavement between the curb and buildings serves as a low maintenance boulevard. Curb cuts through the surmountable curb were not included in the design as the concrete pavement is not intended to be a sidewalk. During construction a curb cut in the surmountable curb was constructed in the center of the block at the request of the property owner. It was intended to allow a low profile curb opening for

all businesses on this block. Other business owners are now requesting additional curb cuts. To retrofit a curb cut, approximately 20 feet of curb and sidewalk needs to be removed and replaced. The estimated cost for this work is \$6,000 per curb cut. The top layer of the parking lot has not been constructed yet so there is a 1 inch drop off from the curb to the pavement that will no longer exist once the final paving is completed. This may diminish the requests for the curb cut. The owner of the Sears building has concerned with the height of the curb and their loading dock. There was a question if the work can be done at a later time. It was confirmed it can be, but it would not be in the scope of the contract if performed at a later time. Staff will talk to the concerned business owner to see their preference before making a recommendation to the council next week.

PI 6079, 2022 Sidewalk Project

The sidewalk and driveway program rates have been recommended for 2022. These rates will be applied to all concrete sidewalk and driveway work in the right of way and these projects are initiated by a 100% voluntary petition. The city annually budgets \$30,000 to cover its share of these sidewalk projects. A motion and second were made by Fish and Hagberg to recommend the council initiate PI 6079, the 2022 sidewalk and driveway program and approve the 2022 assessment rates and the motion carried.

MnDOT Master Partnership Agreement

The city's five year contract with MnDOT expires on June 30, 2022. This Master Partnership Contract allows state agencies and MnDOT to exchange goods and services and allows MnDOT to deliver small routine services to local agencies if requested. The renewed contract would be in effect from July 1, 2022 until June 30, 2027. A motion and second were made by Gustafson and Arneson to recommend the council approve the MnDOT Master Partnership Contract No. 1050241 and the motion carried.

MS4 Annual Meeting

A motion and second were made by Hicks and Arneson to recommend the council set the annual MS4 stormwater public meeting date for June 21, 2022 at 5:30 pm in the City Council Chambers and the motion carried.

Ferber Park Survey

Pedal Fergus Falls successfully received a \$75,000 grant to expand the trail system in Ferber Park for mountain bike trails. The grant required a \$25,000 match which Pedal Fergus Falls raised through private donations. Due to the location of these improvements, MnDOT is requiring an archaeological investigation. MnDOT would provide 80% of the funding for the investigation and the city would be responsible for the remaining \$5,530.49. The city's share would be paid from the Park Department's capital outlay funds. A motion and second were made by Thompson and Rufer to recommend the council agree to participate in the cost of an archaeological investigation and the motion carried.

Update on 2022 Building Permits

Building Official Jason Schuetzle provided an update on the trends the city has seen in commercial and residential building permits for 2020, 2021 and 2022. Commercial permits started slowly in the first quarter of 2020 and picked up slightly through the year. They mostly saw small new businesses, maintenance and repair projects while the residential permits took off in 2020. The city saw new 35 new homes constructed, which was the highest number in 20 years. A truss shortage prevented an additional 6 homes from being completed as planned. The new construction helped open the original

housing stock. Commercial permits in 2021 had a strong first and second quarter and many empty buildings were being remodeled for new use. Residential remodeling to the original housing stock continued in 2021. There were 16 new homes built this year and some of the decline was attributed to the material and labor shortages. To date in 2022 there is a strong start to commercial projects and there are many commercial buildings getting a new life including the old Sunmart and Hedahl's buildings. There are expectations for a very strong third quarter as the city expects 6-8 new homes this year and are hoping for a great remodeling season. There is not a lot of empty housing stock and the biggest challenge is finding available lots. Schuetzle said project valuation is not the best descriptor of the building projects due to the fluctuations but noted building permits have been on the rise since 2014. The permits have doubled over 7 years and in 2021, the city saw a 30 year high with 579 permits issued. He felt the city is healthy and moving in the right direction. The council talked about various parcels of city and Port Authority owned land such as the dairy property and Norgren property and how that land should be sold and capitalized on for housing projects. There is also a need for affordable housing stock availability in all price ranges.

Surplus Equipment

Unit 278 is a 1998 New Holland backhoe that was scheduled for replacement. It was mistakenly put on the govdeals auction site prior to being declared surplus property by the city. The bids close next week and the council needs to take action today to declare the equipment as surplus. Proceeds from the sale will go back into the equipment fund. Arneson offered **Resolution #104-2022** declaring Unit 278 as surplus equipment and authorizing the sale of the equipment, which was seconded by Hicks and was adopted.

The meeting adjourned at 8:01 am

Lynne Olson