

Engineering Division of the Public Works Department

To: Chairman Arnett & Commission Members

From: Andrew Beyer, P.E.

Date: June 19, 2025

Subject: Review and take possible action: S. Fifth Street Right-of-Way Improvements

Background

In May, the Public Works Commission reviewed the right-of-way improvements associated with the proposed development of 1013 S. Fifth Street. At that time, the Commission determined that both the cost and administration of street and utility improvements within the right-of-way would be the responsibility of the subdivider/developer. The Commission also noted that TID 7 funding could be pursued by the subdivider/developer to help offset these costs, but any such request would need to be reviewed and approved by the Finance Committee.

On June 10, 2025, the Finance Committee approved the use of Tax Increment District (TID) 7 funds to support right-of-way improvements along the 1000 block of S. Fifth Street. This investment is tied to the proposed development of 1013 S. Fifth Street by the First Brigade Band. The Band has expressed a desire to begin site work as soon as possible, having already secured materials and a contractor.

City staff, including the Mayor, Engineering, Economic Development, and Building Safety & Zoning, have met with representatives of the Band to discuss a path forward.

Project Administration Discussion

The current understanding is that public right-of-way improvements would be administered by the developer. Following discussions with the developer, City staff believes there may be efficiencies in cost and schedule if the City were to lead design and construction of these improvements. Benefits of this approach include:

- Reducing design review cycles,
- Incorporating the work into the City's Annual Street & Utility Reconstruction Project for 2026, potentially gaining bid volume discounts, and
- Ensuring City street and utility standards are met.

At this time, the City is seeking Commission feedback on whether to administer the project directly, with design beginning in 2025 and construction potentially occurring once site work at 1013 S. Fifth is complete. This would streamline project implementation while meeting the needs of the developer.

If the Commission supports this approach, Engineering will proceed with design development and coordinate closely with the First Brigade Band to finalize project scope and timing.

Staff will also prepare the necessary Common Council actions, including a budget amendment to allocate TID 7 funds and approval of the development agreement, if necessary.

Budget Goal

1. Proactively maintains and improves our parks and infrastructure to ensure safety, quality, and equity
2. Fosters community growth by assessing opportunities, stakeholder input, environmental needs, and modern code and policy priorities

Financial Impact

The Finance Committee approved amending the TID 7 budget and allocate \$110,000 in fund balance to design and construct right-of-way improvements on the 1000 block of S. Fifth Street.

There are potential cost and time savings to the project if the City would administer project design and construction.

Recommendation

City staff recommends that the City administer the design and construction of the public right-of-way improvements on S. Fifth Street to maximize cost and schedule efficiencies.

Site development at 1013 S. Fifth Street should be allowed to proceed first, with roadway improvements to follow once construction traffic has subsided.