

**City of Minneapolis**  
**Request for Committee Action**

**To:** Transportation & Public Works  
**Date:** 10/25/2016  
**Referral to:** N/A  
**From:** Public Works Department  
**Lead Staff:** Suzette Hjermstad, Public Works Special Assessment Office  
Bob Carlson, P.E., Principal Professional Engineer  
**Presented by:** Suzette Hjermstad, Public Works Special Assessment Office  
**File type:** Resolution  
**Subcategory:** Assessment

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**Subject:**

2017 Construction, Street Renovation, Street Resurfacing and Alley Construction and Resurfacing Uniform Assessment Rates

**Description:**

Passage of Resolution establishing the 2017 street reconstruction, street renovation, street resurfacing and alley construction and resurfacing Uniform Assessment Rates.

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**Ward/Address:**

N/A

**Background/Analysis:**

The City Council establishes yearly Uniform Assessment Rates (UAR) for Street Construction, Renovation, Resurfacing, and Alley Construction and Resurfacing projects. Streets that are constructed/reconstructed have an expected life of 40 years and are assessed over a 20 year term. Streets that are renovated have an expected life of 20 years and are assessed over a 10 year term. Streets that are resurfaced have an expected life of 10 years and are assessed over a 5 year term. The UAR is established rather than using costs specific to each project because one project area may be more costly due to poor weather during construction, poor soil conditions or other factors.

**Street Construction, Renovation and Resurfacing**

The City Council's adopted policy is to assess 25% of the construction project cost to benefiting property owners. Public Works is recommending a 3% rate increase to the 2016 street construction UAR to account for inflation associated with construction and engineering costs.

**Alley Construction and Alley Resurfacing**

The City Council's adopted policy is to assess 25% of the alley construction project cost to benefiting property owners. Public Works is recommending a 3% rate increase to the 2016 UAR to account for inflation associated with construction and engineering costs.

**Proposed 2017 UAR**

Public Works proposes the following 2017 Uniform Assessment Rates.

**Table 1 Proposed 2017 Uniform Assessment Rates**

Improvement Category	Benefited Parcel Category	2017	2016	2015	2014
		Proposed Rate per sq ft	Approved Assessment Rate	Approved Assessment Rate	Approved Assessment Rate
<b>Construction</b>	Non-Residential	<b>\$2.60</b>	\$2.52	\$2.46	\$2.39
<b>Construction</b>	Residential	<b>\$0.87</b>	\$0.84	\$0.82	\$0.80
<b>Renovation</b>	Non-Residential	<b>\$1.30</b>	\$1.26	\$1.23	\$1.20
<b>Renovation</b>	Residential	<b>\$0.44</b>	\$0.42	\$0.41	\$0.40
<b>Resurfacing</b>	Non-Residential	<b>\$0.65</b>	\$0.63	\$0.62	\$0.60
<b>Resurfacing</b>	Residential	<b>\$0.22</b>	\$0.21	\$0.21	\$0.20
<b>Alley Construction</b>	Non-Residential Residential	<b>\$0.29</b>	\$0.28	\$0.27	\$0.26
<b>Alley Resurfacing</b>		<b>\$0.07</b>	\$0.068	\$0.067	\$0.065

**Financial Review:**

**No additional appropriation required, amount included in current budget.**

**Attachments:**

1. Sample Assessments for Average City Lot

## ATTACHMENT #1

### Sample Assessments for Average City Lot

The potential assessments for an average size lot (40' x 125' or 5,000 sq ft) using the proposed 2017 uniform assessment rate are:

<b>Project Type (Assessment Term)</b>	<b>Non-Residential</b>	<b>Residential</b>
Construction (Assessed over 20 yrs)	@ \$2.60/ sq ft = \$13,000	@ \$.87/sq ft =\$4,350
Renovation (Assessed over 10 yrs)	@ \$1.30/sq ft = \$6,500	@ \$.44/sq ft=\$2,200
Resurfacing (Assessed over 5 yrs)	@ \$.65/sq ft = \$3,250	@ \$.22/sq ft =\$1,100
Alley Construction (Assessed over 10 yrs)	@ \$.29/sq ft = \$1,450	@ \$.29/sq ft =\$1,450
Alley Resurfacing (Assessed over 5 yrs)	@ \$.07/sq ft = \$350	@ \$.07/sq ft =\$350

**Definitions:**

- Construction: street or alley paving, curb and gutter and other street paving related improvements.
- Renovation: mill and overlay of street surface and selected curb and gutter and street construction as needed.
- Resurfacing: concrete rehabilitation, mill and overlay of street/alley surface only.