



## Request for City Council Committee Action From the Department of Public Works

**Date:** November 15, 2011

**To:** Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

**Subject:** **Nongovernmental Tax Exempt Parcel Street Maintenance Assessment – Public Hearing**

**Recommendation:**

Adoption of a Committee Report adopting the special assessments for 2012, levying the assessment, adopting the assessment roll, and directing the City Clerk to transmit a certified copy of the assessment roll to the Hennepin County Auditor.

**Previous Directives:**

September 13, 2011 – Set public hearing for November 15, 2011  
November 13, 2009 – Updated street light operations and street maintenance assessments on nongovernmental tax exempt parcels approved.

**Prepared by:** Suzette R. Hjermsstad, Public Works Special Assessment Office x2401  
Don Elwood, P.E., Director, Transportation Planning & Engineering

**Approved by:**

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Steven A. Kotke, P.E., City Engineer, Director of Public Works

**Presenters:** Brette Hjelle, Public Works Interagency Coordinator

**Financial Impact**

Special Assessments against benefited properties

**Background/Supporting Information**

Minneapolis has been assessing nongovernmental tax exempt parcels for street light operations and street maintenance services since 1974. In 2009, the City Council approved updates to these assessments. The update included the following changes:

1. Changing from front footage to the influence area method to determine assessable area.
2. Updating assessment rates to reflect current costs of street maintenance and street lighting services.
3. Updating list of eligible properties.

**Methodology**

The assessment is applied to properties via a uniform assessment rate using the influence area method. The influence area method calculates the assessable area and is expressed in terms of square footage. This is the method currently used for street and street light capital construction projects.

The assessment rate is determined by dividing the street maintenance budget by the citywide assessable square footage.

$\$14,959,775 / 764,437,240/\text{sq. ft.} = \$0.01957/\text{sq. ft.}$

The City Council directed the street maintenance assessment be phased in over three years. The rate applied to parcels for payable 2012 assessments is \$0.01957, the full amount of the originally proposed rate.

The assessment for a single parcel is calculated by multiplying the parcel's assessable area, rounded to the nearest square foot, by the assessment rate, and rounding the result to the nearest whole dollar amount. The minimum assessment amount is \$1.00/year.

### **Assessment Results**

There are 1,268 eligible parcels on the payable 2012 assessment roll. For street maintenance assessments, the median (middle value) assessment for these properties is \$187/year and the mean (average) assessment is \$418/year.

### **Public Hearing**

Per the November 13, 2009 City Council action, the street maintenance assessment on nongovernmental tax exempt parcels was phased in over three years. The payable 2010 assessment rate was 1/3 the proposed rate. The payable 2011 assessment rate was 2/3 the originally proposed rate. The increased rate means all eligible parcels received notices for the street maintenance assessment public hearing.

T&PW – Your Committee, having under consideration the Street Maintenance Assessment, Project 1337M for payable 2012 and all written and oral objections and statements regarding the assessments and having held a public hearing on November 15, 2011 in accordance with the provisions of Laws 1969, Ch. 499, as amended by Laws 1994, Ch. 587, Art. 9; Laws 1973, Ch. 393, as amended by Laws 1974, Ch. 153 and Laws 2008, Ch. 154; and the procedures set out at Minn. Stat. Section 429.061, now recommends that the proposed assessments in the amount of \$531,001 be adopted and levied, that the assessment roll filed by the City Engineer with the City Clerk (Petn No \_\_\_\_\_) be adopted and that the City Clerk be directed to transmit a certified copy of said assessment roll to the Hennepin County Auditor.