



Request for City Council Committee Action from the Department of Public Works

Date: September 23, 2014

To: Honorable Kevin Reich, Chair Transportation & Public Works Committee

Subject: **Set Public Hearing: Non-governmental Tax Exempt Parcel Street Light Operation Fee Assessment**

Recommendation:

Adoption of a Committee Report designating the city-wide street light operations assessment against properties exempt from ad valorem taxation and directing the City Clerk to give notice of a public hearing to be held on November 10, 2014 before the Transportation and Public Works Committee.

Previous Directives:

None

Department Information:

Prepared by: Suzette Hjermsstad, Public Works Special Assessment Office, 673-2401

Approved by: _____

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

Presenters in Committee: Brette Hjelle, Director of Business Administration, Public Works

Reviews

- Permanent Review Committee (PRC): Approval N/A
- Civil Rights Approval Approval N/A
- Policy Review Group (PRG): Approval N/A

Financial Impact: No financial impact

Supporting Information

The purpose of this letter is to establish the special assessment proceedings for a street light operations fee assessment against nongovernmental tax exempt parcels.

The street lighting assessment methodology and assessment role was updated in 2009. This process included public meetings and an assessment public hearing for all assessed properties.

The 2014 assessment rate is the same as the 2009 through 2013 rate (\$0.00392 per square foot). Therefore, only two types of properties will be receiving a public hearing notice:

1. Properties that were not eligible for the assessment last year but are eligible this year. For example, if a property changed from taxable to tax exempt status in the last year, they will get a public hearing notice for the street lighting (and street maintenance) assessment.
2. Properties that have an increased assessment due to increased assessable area. There are situations where property lines changed in the past year resulting in more assessable area and therefore a higher assessment. While the rate did not change, the increased assessment necessitates notice for the public hearing.

T&PW – Your Committee reports that in accordance with Chapter 431 of the Minneapolis Code of Ordinances, passed August 14, 2009 relating to imposing a street lighting fee upon benefited parcels that are otherwise exempt from ad valorem taxation (said Chapter 431.20 determining the City finds it to be in the interest of all citizens that the establishment, construction, operation and maintenance of street lighting promotes the general health, safety and well-being of the citizenry and provides a benefit to each and every parcel within the City and further that the cost of street lighting operations should be offset by imposing a street lighting fee upon benefited parcels that are otherwise exempt from ad valorem taxation), the City Engineer has presented to your committee the details required by said Chapter 431 in connection with proposed Street Lighting Project No. 1337 for assessment of the operation costs on street lighting for the convenience and safety of the whole City of Minneapolis area.

A summary of the facts relative to this assessment is as follows:

Number of assessable parcels in the City of Minneapolis - _____1,265
approx.

Total assessable square footage - _____27,184,674 approx.

Annual cost per square foot - \$0.00392

Your Committee recommends that the City Clerk be directed to give notice of a Public Hearing to be held by the Transportation and Public Works Committee on November 10, 2014, in accordance with the provisions of Chapter 431 of the Minneapolis Code of ordinances, to be considered for the establishment of said proposed Street Lighting Project No. 1337.