



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

Date: September 23, 2014

To: Honorable Kevin Reich, Chair Transportation & Public Works

Subject: **Set Public Hearing: Non-governmental Tax Exempt Parcel Street Maintenance Assessment**

Recommendation:

Adoption of a Committee Report designating the city-wide street maintenance 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 & 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: Brett 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 maintenance assessment against nongovernmental tax exempt parcels.

The street maintenance assessment methodology and assessment role was updated in 2009. The City Council approved the methodology and assessment role with a direction to public works staff to phase in the recommended assessment rate over three years which began on payable 2010 property taxes at 1/3 the proposed assessment rate of \$0.01957 per square foot. On payable 2011 property taxes the assessments were 2/3 of the originally proposed assessment rate. The full assessment rate was assessed on the payable 2012 property taxes and the rate will remain the same for 2014 assessments.

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 maintenance (and street lighting) 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 procedures set out at Minnesota State Statutes, Section 429.101 and authority derived from special legislation applying to the City of Minneapolis, the City finds it to be in the interest of all citizens that the maintenance of the city street system 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 maintenance should be offset by imposing a street maintenance assessment upon benefited parcels that are otherwise exempt from ad valorem taxation. And further the City Engineer has presented to your committee the details required by State Statutes Section 429 in connection with Street Maintenance District #1 for assessment of the maintenance costs on Minneapolis streets 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 - \$0.01957

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 Minnesota State Statutes, Section 429, to be considered for the establishment of said proposed Street Maintenance District #1.