



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

Date: November 10, 2014

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

Subject: **Public Hearing: Nongovernmental Tax Exempt Parcel Street Light Operations Fee Assessment**

Recommendation:

Passage and summary publication of a Resolution adopting the special assessments for 2015, 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 23, 2014 - set a public hearing for November 10th.

November 13, 2009 - updated street light operations and street maintenance assessments on nongovernmental tax exempt parcels approved.

Department Information:

Prepared by: Suzette R Hjermstad, Supervisor, Special Assessment Office, 673-2401
Don Elwood, P.E., Director, Transportation Planning & Engineering

Approved by: _____
Steven A. Kotke, P.E., Director of Public Works

Presenters in Committee: Brette Hjelle, Director, Business Administration

Financial Impact

- Other financial impact: special assessments against benefited properties

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. Change from front footage to the influence area method to determine assessable area.
2. Update assessment rates to reflect current costs of street maintenance and street lighting services.
3. Update 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 lighting operations budget by the citywide assessable square footage.

$\$3,000,000 / 764,437,240/\text{sq. ft.} = \$0.00392/\text{sq. ft.}$

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 1,365 eligible parcels on the payable 2015 assessment roll. For street light operations assessments, the median (middle value) assessment for these properties is \$38/year and the mean (average) assessment is \$82/year.

Public Hearing

The street light operations assessment rate did not change from last year. Therefore, public hearing notices were only sent to properties that are either eligible for the assessment for the first time (i.e. the parcel was taxable last year and is tax exempt this year) or the parcel had property line or other changes in the past year that increased the assessable area and therefore increased the assessment. Hennepin County is in the process of remapping parcels using coordinate geometry. This update has made the mapping more accurate and has created modest discrepancies from past years assessment rolls.

191 non-governmental tax exempt parcels received a public hearing notice for the street light operations assessment public hearing.

By Reich

Adopting the assessments, levying the assessments and adopting the assessment roll for the 2015 Street Light Operations Assessment, Project 1337L.

Whereas, a public hearing was held on November 10, 2014, in accordance with the provisions of Chapter 431 of the Minneapolis Code of Ordinances, to consider the proposed assessments as shown on the proposed assessment roll on file in the office of the City Clerk and to consider all written and oral objections and statements regarding this matter;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the proposed assessments in the total amount of \$112,073 for the 2015 Street Light Operations Assessment, Project 1337L, as prepared by the City Engineer and on file in the office of the City Clerk, be and hereby are adopted and levied against the benefited properties.

Be It Further Resolved that the assessments be collected in their entirety on the 2015 real estate tax statements.

Be It Further Resolved that the City Clerk is hereby directed to transmit certified copies of said assessment roll to the Hennepin County Auditor.