



## 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 Maintenance Assessment**

**Recommendation:**

Passage and summary publication of a resolution adopting the 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

Presenter 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 maintenance budget by the citywide assessable square footage.

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

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 maintenance assessments, the median (middle value) assessment for these properties is \$190/year and the mean (average) assessment is \$410/year.

## **Public Hearing**

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.

231 non-governmental tax exempt parcels received a public hearing notice for the street maintenance assessment public hearing.

**By Reich**

**Adopting the assessments, levying the assessments and adopting the assessment roll for the 2015 Street Maintenance Assessment, Project 1337M.**

Whereas, a public hearing was held on November 10, 2014, 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, 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 \$559,465 for the 2015 Street Maintenance Assessment, Project 1337M, 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.