



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

Date: November 17, 2005

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

Subject: **2005 Levy of Various Public Works Department Special Assessments and Adoption of Assessment Rolls**

Recommendation: Adoption of a Committee Report levying the special assessments upon the benefited properties, adopting the assessment rolls and directing the City Clerk to transmit certified copies of the assessment rolls to the Hennepin County Auditor.

Previous Directives: n/a

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Approved by: _____
Klara A. Fabry, P.E., Public Works Director, City Engineer

Presenters: Suzette R. Hjernstad, Real Estate Investigator II

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain): Special assessments against benefited properties
- Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information Attached

The purpose of this letter is to recommend the 2005 levy of various special assessments and to adopt the assessment rolls.

The assessments involve the following projects or charges:

1. Uptown (Hennepin-Lake Area) Streetscape Revitalization Project (including Supplemental). The project and assessment approvals in 1995 provided for 15% of the assessment total to be charged on the basis of land and building valuation, collected over 20 years with interest at 5.3% and recalculated for the properties each of the 20 years to reflect changes in valuation. This requires an annual certification to the County Auditor. The total amount of principal and interest for payable 2006 is \$17,052.73.
2. Como Avenue S Reconstruction Project, Special Improvement of Existing Street No. 6695. The total principal amount of the special assessments approved by the City Council on April 15, 2005 is \$431,505.07. Assessments of more than \$150 are to be collected over 20 years. Assessments of \$150 or less are to be collected in their entirety on the 2006 real estate tax statements.
3. Ewing Avenue Reconstruction Project, Special Improvement of Existing Street No. 2909. The total principal amount of the special assessments approved by the City Council on May 13, 2005 is \$105,571.40. Assessments of more than \$150 are to be collected over 20 years. Assessments of \$150 or less are to be collected in their entirety on the 2006 real estate tax statements.
4. Lake Street (5th Av S to Hiawatha) Reconstruction Project, Special Improvement of Existing Street No. 6707. The total principal amount of the special assessments approved by the City Council on February 25, 2005 is \$775,939.73. Due to an error in record data, the assessment is reduced by \$9,945.78 to \$765,993.95. Assessments of more than \$150 are to be collected over 20 years. Assessments of \$150 or less are to be collected in their entirety on the 2006 real estate tax statements.
5. Bryn Mawr Street Renovation Project, Special Improvement of Existing Street No. 2989. The total principal amount of the special assessments approved by the City Council on May 13, 2005 is \$658,461.83. Due to error in record data, the assessment is reduced by \$25.50 to \$658,436.33. Assessments of more than \$150 are to be collected over 10 years. Assessments of \$150 or less are to be collected in their entirety on the 2006 real estate tax statements.
6. Fremont Avenue North (Plymouth Av to Broadway) Street Renovation Project, Special Improvement of Existing Street No. 2229. The total principal amount of the special assessments approved by the City Council on June 17, 2005 is \$143,593.01. Assessments of more than \$150 are to be collected over 10 years. Assessments of \$150 or less are to be collected in their entirety on the 2006 real estate tax statements.
7. Fremont Avenue North (Broadway to Lowry) Street Renovation Project, Special Improvement of Existing Street No. 2230. The total principal amount of the special assessments approved by the City Council on June 17, 2005 is \$224,190.07. Assessments of more than \$150 are to be collected over 10 years. Assessments of \$150 or less are to be collected in their entirety on the 2006 real estate tax statements.

8. Heritage Park Redevelopment Phase III – Rental Housing, Project No. 9746, Petn No. 269104, as petitioned by the Minneapolis Public Housing Authority and approved by the City Council on October 10, 2003 are assessed as follows:
 - a. Street Improvements Phase III in the total principal amount is \$435,100. Assessments are to be collected over 20 years starting on the 2006 real estate tax statements.
 - b. Ornamental Street Lighting Phase III in the total principal amount is \$91,700. Assessments are to be collected over 20 years starting on the 2006 real estate tax statements.
 - c. Sidewalk Construction Phase III in the total principal amount is \$54,700. Assessments are to be collected over 20 years starting on the 2006 real estate tax statements.
 - d. Water Mains Phase III in the total principal amount is \$218,500. Assessments are to be collected over 20 years starting on the 2006 real estate tax statements.
 - e. Sanitary Sewers Phase III in the total principal amount is \$155,500. Assessments are to be collected over 20 years starting on the 2006 real estate tax statements.
9. 2005 Alley Resurfacing Program, Special Improvement of Existing Alleys No. FS05#1. The total principal amount of the special assessment approved by the City Council on April 29, 2005 is \$53,125.08. Assessments of more than \$150 are to be collected over 5 years. Assessments of \$150 or less are to be collected in their entirety on the 2006 real estate tax statements.
10. 2005 Alley Retaining Wall Program, Special Improvement of Existing Alleys No. FS05#2. The total principal amount of the special assessment approved by the City Council on May 27, 2005 is \$13,500. Assessments of more than \$150 are to be collected over 5 years. Assessments of \$150 or less are to be collected in their entirety on the 2006 real estate tax statements.
11. 2005 Alley Retaining Wall Program, Special Improvement of Existing Alleys No. FS05#3. The total principal amount of the special assessment approved by the City Council on August 19, 2005 is \$12,500. Assessments of more than \$150 are to be collected over 5 years. Assessments of \$150 or less are to be collected in their entirety on the 2006 real estate tax statements.
12. a. Hennepin Avenue Theatre District Street Lighting Project, Special Improvement of Existing Street No. 2221. The total principal amount of the special assessment approved by the City Council on May 17, 2002 is \$706,009. The final cost was less than the cost estimate resulting in a reduction to \$240,389. Assessments of more than \$150 are to be collected over 20 years. Assessments of \$150 or less are to be collected in their entirety on the 2006 real estate tax statements.

b. Hennepin Avenue Theatre District Street Lighting District No. 1290. The annual maintenance and operation cost for this street lighting district are above standard costs that are paid for by the benefited properties through assessments. The rate being used in Street Lighting District No. 1290 is \$7.21 per foot to be collected yearly starting on the 2006 real estate tax statements without interest.
13. a. Loring Park (West Side) Street Lighting Project, Special Improvement of Existing Street No. 2250. The total principal amount of the special assessment approved by the City Council on April 8, 2003 is \$57,000. The final cost was less than the cost estimate resulting in a reduction to \$24,638.06. Assessments of more than \$150 are to be collected over 20 years. Assessments of \$150 or less are to be collected in their entirety on the 2006 real estate tax statements.

- b. Loring Park (West Side) Street Lighting District No. 1296 The annual maintenance and operation cost for this street lighting district are above standard costs that are paid for by the benefited properties through assessments. The rate being used in Street Lighting District No. 1296 is \$0.62 per foot to be collected yearly starting on the 2006 real estate tax statements without interest.
14. a. Lowry Hill East Street Lighting Project, Special Improvement of Existing Street No. 2249. The total principal amount of the special assessment approved by the City Council on February 18, 2003 is \$1,290,000. The final cost was less than the cost estimate and contributed NRP funds resulted in a reduction to \$665,308.21. Assessments of more than \$150 are to be collected over 20 years. Assessments of \$150 or less are to be collected in their entirety on the 2006 real estate tax statements.
- b. Lowry Hill East Street Lighting District No. 1295. The annual maintenance and operation cost for this street lighting district are standard costs that are paid for by the city out of the General Fund, therefore, only non-governmental properties exempt from real estate taxes will pay for street lighting maintenance and operation costs through assessments. The rate being used in Street Lighting District No. 1295 is \$0.27 per foot to be collected yearly starting on the 2006 real estate tax statements without interest.
15. Irving Avenue N Sanitary Sewer Project, Special Improvement of Existing Street No. 4376. The total principal amount of the special assessments approved by the City Council on May 27, 2005 is \$59,954.96. The final cost was less than the cost estimate resulting in a reduction to \$55,783.52. Assessments are to be collected over 20 years starting on the 2006 real estate tax statements.
16. Project No. 2006, Snow and Ice Removals from Public Sidewalks. The total amount of the special assessments approved by City Council on October 7, 2005 is \$30,809.61. Prepayments have been received to further reduce the assessment rolls to \$29,895.06. Assessments are to be collected in their entirety on the 2006 real estate tax statements.
17. Project No. 2006, Public Sidewalk Repair and Construction. The total amount of the special assessments approved by City Council on October 21, 2005 is \$1,084,174.42. Prepayments have been received to further reduce the assessment rolls to \$1,072,212.10. Assessments of more than \$1500 are to be collected over 10 years. Assessments of more than \$150 up to \$1500 are to be collected over 5 years and assessments of \$150 or less are to be collected in their entirety on the 2006 real estate tax statements, with the exception of the assessment for PID 19-029-23-21-0034 in the amount of \$874.68 be collected over 10 years.
18. Project No. 2006, Water Service Line Repairs. The total amount of the special assessments approved by City Council on November 4, 2005, is \$408,052.70 for water service line repairs. Prepayments have been received to further reduce the assessment rolls to \$399,263.70. Assessments of more than \$150 are to be collected over 5 years at an interest rate of 8% .
19. Project No. 2006, Sewer Service Line Repairs. The total amount of the special assessments approved by City Council on November 4, 2005 is \$66,105.55. Prepayments have been received to further reduce the assessment rolls to \$60,935.55. Assessments of more than \$150 are to be collected over 5 years at an interest rate of 8%.
20. Street Maintenance annual assessments against non-governmental real property exempt from real estate taxes at approved rate of \$0.45 per front foot. There is no interest charge applied.

21. Street Lighting Operation and Maintenance annual assessment against non-governmental real property exempt from real estate taxes as per enclosed list of approved Street Lighting Districts and Assessment Rates. There is no interest charge applied.

There is an Assessment Bond Sale scheduled for November 16, 2005 and the proposed total amount of the assessment bonds (Public Works Improvement Bonds) to be sold is \$4,350,014. An analysis will be made from the interest rates from the Bond Sale. The extracted rates from the Bond Sale, as reported by the Director, Capital & Debt Management, will be used to set the interest rates for the 20-year, 10-year, 5-year and 1-year assessments.

State Law requires that special assessments be levied and certified to the County Auditor on or before November 30, 2005 for collection on the 2006 real estate tax statements.

Cc: Jack Qvale, Secretary, Board of Estimate and Taxation