



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

Date: November 10, 2008
To: Honorable Sandra Colvin Roy, Chair, Transportation and Public Works Committee
Subject: **2008 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 with collection to begin on the 2009 real estate tax statements.

Previous Directives:

None

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Don Elwood, P.E., Director, Transportation, Planning & Engineering

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

Presenters: Suzette R. Hjermsstad, Real Estate Investigator II

Reviews

Permanent Review Committee (PRC):	Approval	NA	Date
Civil Rights Affirmative Action Plan	Approval	NA	Date
Policy Review Group (PRG):	Approval	NA	Date

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
 Business Plan: Action is within the plan. Action requires a change to plan.
 Other financial impact: Special Assessments against benefited properties
 Request provided to department's Finance Dept. contact when provided to the Committee Coordinator

Background/Supporting Information Attached

The purpose of this letter is to recommend the 2008, payable 2009, 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), Special Improvement of Existing Street No. 2897. 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 2009 is \$15,280.58.
2. 54th Street W Street Reconstruction Project (from Upton Av S to Penn Av S), Special Improvement of Existing Street No. 6733. The total principal amount of the special assessments approved by the City Council on April 18, 2008 is \$126,051.64. 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 2009 real estate tax statements.
3. Lyndale Avenue S Street Reconstruction Project Phase I (from 31st St W to Minnehaha Pkwy), Special Improvement of Existing Street No. 6729. The total principal amount of the special assessments approved by the City Council on April 4, 2008 is \$1,424,371.69 (\$840,544.12 Phase I and \$583,827.57 Phase II). 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 2009 real estate tax statements.
4. Chicago Avenue S (25th St E to 26th St E) Reconstruction Project, Special Improvement of Existing Street No. 6382. The total principal amount of the special assessments approved by the City Council on May 2, 2008 is \$205,178.04. 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 2009 real estate tax statements.
5. Lowry Avenue N Phase II (Girard Av N to Theodore Wirth Pkwy) Street Reconstruction Project, Special Improvement of Existing Street No. 2266. The total principal amount of the special assessments approved by the City Council on December 21, 2007 is \$407,122.42. 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 2009 real estate tax statements.
6. Lynnhurst (Phase IV) Street Renovation, Special Improvement of Existing Street No 5183. The total principal amount of the special assessments approved by the City Council on April 18, 2008 is \$493,725.27. 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 2009 real estate tax statements.
7. Areaway Abandonment & Removal at 1515 E Lake St in conjunction with the Lake Street E Street Reconstruction and Streetscape Project, Special Improvement of Existing Street No. 6707. The total principal amount of the special assessments approved by the City Council on June 6, 2008 is \$242,851.90. 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 2009 real estate tax statements.

8. Areaway Abandonment & Removal at 2709 Lake St E, 2629 Lake St E and 4301 Lake St E in conjunction with the Lake Street E Street Reconstruction and Streetscape Project, Special Improvement of Existing Street No. 6709. The total principal amount of the special assessments approved by the City Council on June 6, 2008 is \$33,347.37. 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 2009 real estate tax statements.
9. Areaway Abandonment & Removal at 701-703 Lake St W, 2922 Lyndale Av S and 3001 Lyndale Av S in conjunction with the Lake Street W and Lyndale Avenue S Street Reconstruction and Streetscape Project, Special Improvement of Existing Street No. 6708. The total principal amount of the special assessments approved by the City Council on June 6, 2008 is \$7,036.71. 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 2009 real estate tax statements.
10. North Hiawatha Street Resurfacing Project, Special Improvement of Existing Street No. 2269. The total principal amount of the special assessments approved by the City Council on August 8, 2008 is \$925,299.28. 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 2009 real estate tax statements.
11. Bloomington Avenue S Street Resurfacing Project, Special Improvement of Existing Street No. 5190. The total principal amount of the special assessments approved by the City Council on July 25, 2008 is \$206,927.01. 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 2009 real estate tax statements.
12. 20th Avenue S Street Resurfacing Project, Special Improvement of Existing Street No. 5191. The total principal amount of the special assessments approved by the City Council on July 25, 2008 is \$58,776. 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 2009 real estate tax statements.
13. Fuller North Street Resurfacing Project (Phase I), Special Improvement of Existing Street No. 2270. The total principal amount of the special assessments approved by the City Council on August 8, 2008 is \$696,956.86. 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 2009 real estate tax statements.
14. 54th Street West Street Resurfacing Project, Special Improvement of Existing Street No. 5187. The total principal amount of the special assessments approved by the City Council on May 2, 2008 is \$11,018.75. 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 2009 real estate tax statements.
15. 60th Street East Street Resurfacing Project, Special Improvement of Existing Street No. 5189. The total principal amount of the special assessments approved by the City Council on August 8, 2008 is \$51,834.74. Due to clerical error the correct assessment amount is \$51,757.74. 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 2009 real estate tax statements.

16. a. Lake Street E (Hiawatha Av to W River Rd) Streetscape and Street Lighting Revitalization, Special Improvement of Existing Street No. 6709. The total principal amount of the special assessments approved by the City Council on February 26, 2006, is \$3,921,922.80. The final cost was less than the cost estimate resulting in a reduction to \$3,277,831.21. Assessments of more than \$150 are to be collected over 15 years. Assessments of \$150 or less are to be collected in their entirety on the 2009 real estate tax statements.

b. Lake Street E Street Lighting District No. 1323. 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 for the properties that are non-governmental and exempt from paying real estate taxes. The rate being used in Street Lighting District No. 1323 is \$0.81 per foot to be collected yearly starting on the 2009 real estate tax statements.
17. Lake Street E Street Lighting District No. 1312. The annual maintenance and operation cost for this street lighting district are above standard costs that are paid for by all benefited properties through assessments for the properties. The annual assessment amount for Street Lighting District No 1312 is \$5,930.56 to be collected yearly starting on the 2009 real estate tax statements.
18. 2008 Alley Resurfacing Program, Special Improvement of Existing Alleys No. FS08#1. The total principal amount of the special assessment approved by the City Council on August 8, 2008 is \$47,036.02. 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 2009 real estate tax statements.
19. Project No. 2009, Snow and Ice Removals from Public Sidewalks. The total amount of the special assessments approved by City Council on September 12, 2008 is \$162,904.70. Prepayments have been received to further reduce the assessment rolls to \$149,464.62. Assessments are to be collected in their entirety on the 2009 real estate tax statements.
20. Project No. 2009, Public Sidewalk Repair and Construction. The total amount of the special assessments approved by City Council on October 10, 2008 is \$1,350,034.87. Prepayments have been received to further reduce the assessment rolls to \$1,292,044.63. 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 2009 real estate tax statements.
21. Project No. 2009, Water Service Line Repairs. The total amount of the special assessments approved by City Council on September 26, 2008, is \$460,269.70 for water service line repairs. Prepayments have been received to further reduce the assessment rolls to \$431,614.70. Assessments of more than \$150 are to be collected over 5 years at an interest rate of 8% starting on the 2009 real estate tax statements.
22. Project No. 2009, Sewer Service Line Repairs. The total amount of the special assessments approved by City Council on September 26, 2008 is \$67,853.50. Prepayments have been received to further reduce the assessment rolls to \$63,453.50. Assessments of more than \$150 are to be collected over 5 years at an interest rate of 8% starting on the 2009 real estate tax statements.
23. 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.
24. 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 12, 2008 and the proposed total amount of the assessment bonds (Public Works Improvement Bonds) to be sold is \$7,725,000. 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, 15-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, 2008 for collection on the 2009 real estate tax statements.

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