



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

Date: January 18, 2011

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

Subject: **Establish 2011 Uniform Assessment Rates for Street Construction, Renovation, and Resurfacing and Alley Resurfacing**

Recommendation:

Passage of a Resolution establishing the 2011 street construction, street renovation, street resurfacing and alley resurfacing Uniform Assessment Rates.

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Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Suzette R. Hjermstad, RE Investigator II, 673-2401
Greg A. Schroeder, P.E., 673-3718

Reviews:

Permanent Review Committee (PRC)	Not applicable
Civil Rights Affirmative Action Plan	Not applicable
Policy review Group (PRG)	Not applicable

Financial Impact:

Action is within current department budget

Community Impact:

Neighborhood Notification: n/a
Neighborhood Meetings: n/a
City Goals: Maintain the physical infrastructure to ensure a healthy, vital and safe city
Comprehensive Plan: Not Applicable
Zoning Code: Not Applicable

Background/Supporting Information:

Proposed 2011 Uniform Assessment Rate:

The City Council establishes yearly Uniform Assessment Rates for similar improvements across the city, rather than using costs specific to each project (one project area might be more costly because of poor weather during construction or poor soil conditions or other conditions). The yearly Uniform Assessment Rates are calculated in accordance with City Council policy adopted October 31, 1980, establishing the assessment of similar improvements by yearly uniform rates.

Non Residential: The City Council approved Construction Non-Residential Uniform Assessment Rate for 2010 was \$1.96 per square foot and the recommended 2011 Non-Residential Uniform Assessment rate is \$2.05 per square foot to be applied to the land area of benefited parcels located within the street influence zone along the improved street. An average size lot of 40 x 125 or 5,000 sq ft would have an assessment amount of \$10,250, a \$450 increase from 2010 rates, for a reconstruction project which would be assessed over 20 years.

Residential: The City Council approved Construction Residential Uniform Assessment Rate for 2010 was \$0.75 per square foot and the recommended 2011 Residential Uniform Assessment rate is \$0.77 per square foot to be applied to the land area of benefited parcels located within the street influence zone along the improved street. An average size lot of 5,000 sq ft would have an assessment of \$3,850, a \$100 increase from 2010 rates, for a reconstruction project which would be assessed over 20 years.

If the City were to assess 25% of the total 2011 estimated cost for the base projects stated above, the 2011 construction assessments rates would be:

Non-Residential: \$2.32/sq ft compared to the proposed \$2.05.

Residential: \$0.77/sq ft compared to the proposed \$0.77.

Thus we are below the original goal to assess 25% of our annual paving construction projects for the Non-Residential properties.

On February 15, 2008, the City Council adopted a policy establishing the Street Resurfacing Program and the uniform assessment rates for 2008. The rates were established at one-half of the approved Uniform Assessment Rates for street renovation. Attachment No. 2 shows the rate comparisons used for the recommended rate increases.

Alley Resurfacing:

To extend the operational life of the concrete alley and to facilitate localized drainage, Public Works recommends that concrete alleys be overlaid with bituminous materials. A uniform assessment rate is used for the portion of the project cost being assessed, conforming to current City policy of using a Uniform Assessment Rate for street construction, renovation and resurfacing projects. Including the establishment of the alley resurfacing rates with the street uniform assessment rates consolidates the rate establishment process. The uniform assessment rate for alley resurfacing for 2010 was \$0.065 and the recommended 2011 rate is \$0.065.

Attachment 1 - Sample Assessment Calculations

Attachment 2 - Recommended 2011 Uniform Assessment Rates

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

Attachment No. 1

Below are assessments for an average size lot (40' x 125' or 5,000 sq ft) using the proposed 2011 uniform assessment rate.

	<u>Non-Residential</u>	<u>Residential</u>
Reconstruction (20 yr)	@ \$2.05/ sq ft = \$10,250	@ \$.77/sq ft = \$3,850
Renovation (10 yr)	@ \$1.03/sq ft = \$5,150	@ \$.39/sq ft = \$1,950
Resurfacing (5 yr)	@ \$.52/sq ft = \$2,600	@ \$.20/sq ft = \$1,000
Alley resurfacing (5 yr)	@ \$.065/sq ft = \$ 325	@ \$.065/sq ft = \$325

The 2010 uniform assessment rates calculated on the average lot size of 5,000 sq ft were:

	<u>Non-Residential</u>	<u>Residential</u>
Reconstruction (20 yr)	@ \$1.96/ sq ft = \$9,800	@ \$.75/sq ft = \$3,750
Renovation (10 yr)	@ \$.98/sq ft = \$4,900	@ \$.38/sq ft = \$1,900
Resurfacing (5 yr)	@ \$.49/sq ft = \$2,450	@ \$.19/sq ft = \$ 950
Alley resurfacing (5 yr)	@ \$.065/sq ft = \$ 325	@ \$.065/sq ft = \$325

Attachment No. 2

RECOMMENDED 2011 UNIFORM ASSESSMENT RATES

**STREET CONSTRUCTION, STREET RENOVATION, STREET RESURFACING
And ALLEY RESURFACING**

- Construction - street paving, curb and gutter and other street paving related improvements.
- Renovation - mill and overlay of street surface and selected curb and gutter and street construction as needed.
- Resurfacing - mill and overlay of street/alley surface only.
- Rate Procedure - appropriate assessment rate from table below is applied to the land area of benefited parcels located within the street/alley influence zone along the improved street.

<u>Improvement Category</u>	<u>Benefited Parcel Category</u>	<u>Recommended 2011 Rate Per Sq Ft</u>	<u>Comparative Rates</u>	
			<u>2010</u>	<u>2009</u>
			<u>Per Sq Ft</u>	
Construction	Non-Residential	\$ 2.05	\$ 1.96	\$ 1.82
Construction	Residential	\$ 0.77	\$ 0.75	\$ 0.69
Renovation	Non-Residential	\$ 1.03	\$ 0.98	\$ 0.91
Renovation	Residential	\$ 0.39	\$ 0.38	\$ 0.35
Resurfacing	Non-Residential	\$ 0.52	\$ 0.49	\$ 0.46
Resurfacing	Residential	\$ 0.20	\$ 0.19	\$ 0.18
Alley Resurfacing	Non-Residential, Residential	\$ 0.065	\$0.065	\$ 0.045