



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

Date: November 17, 2003
To: Honorable Sandra Colvin Roy, Chair, Transportation and Public Works Committee

Subject: **2003 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

Prepared by: Suzette R. Hjermsstad, Real Estate Investigator II 673-2401

Approved by: _____

Klara A. Fabry, P.E., Public Works Director, City Engineer

Presenters: Suzette R. Hjermsstad, 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 2003 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 2004 is \$18,234.15.
2. 10th Street S Reconstruction Project, Special Improvement of Existing Street No. 2982. The total principal amount of the special assessments approved by the City Council on April 18, 2003 is \$200,712.14. 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 2004 real estate tax statements.
3. Nicollet Av S (46th St W to Minnehaha Parkway) Street Reconstruction Project, Special Improvement of Existing Street No. 6694. The total principal amount of the special assessments approved by the City Council on May 2, 2003 is \$368,599.30. Due to clerical error, the final assessment calculation was less resulting in a reduction to \$368,588.62. 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 2004 real estate tax statements.
4. 38th Street East Reconstruction Project, Special Improvement of Existing Street No. 6698. The total principal amount of the special assessments approved by the City Council on May 16, 2003 is \$164,019.27. 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 2004 real estate tax statements.
5. Cedar Lake Rd S/Cedar Lake Parkway Reconstruction Project, Special Improvement of Existing Street No. 9705. The total principal amount of the special assessments approved by the City Council on April 6, 2001 is \$53,010.98. Due to clerical error, the final assessment calculation was less resulting in a reduction to \$51,691.72. 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 2004 real estate tax statements.
6. South Linden Hills Street Renovation Project, Special Improvement of Existing Street No. 2964. The total principal amount of the special assessments approved by the City Council on March 21, 2003 is \$1,022,319.24. 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 2004 real estate tax statements.

7. 43rd Street E and Park Av S Street Renovation Project, Special Improvement of Existing Street No. 2212. The total principal amount of the special assessments approved by the City Council on March 21, 2003 is \$53,121.94. 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 2004 real estate tax statements.
8. Central Phillips Street Renovation Project, Special Improvement of Existing Street No. 2985. The total principal amount of the special assessments approved by the City Council on April 18, 2003 is \$1,029,150.17. 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 2004 real estate tax statements.
9. University East Street Renovation Project, Special Improvement of Existing Street No. 2986. The total principal amount of the special assessments approved by the City Council on May 2, 2003 is \$647,743.73. 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 2004 real estate tax statements.
10. Alley Reconstruction between 6th St NE and Washington St NE from Broadway St NE to 8th Av NE, Special Improvement of Existing Alley No. 2235. The total principal amount of the special assessments approved by the City Council on July 11, 2003 is \$52,200.00. 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 2004 real estate tax statements.
11. Heritage Park Redevelopment Phase I (also known as Near Northside Housing Redevelopment), Project No. 9746, petitioned by the Minneapolis Public Housing Authority and approved by the City Council on July 13, 2001 as follows:
 - a. Street Improvements - the not-to-exceed principal amount of the special assessments approved by the City Council is \$510,000. Phase I is adjusted (reduced) to \$378,455. Assessments are to be collected over 20 years starting on the 2004 real estate tax statements.
 - b. Ornamental Street Lighting - the not-to-exceed principal amount of the special assessments approved by the City Council is \$608,500. Phase I has been adjusted (reduced) to \$451,085. Assessments are to be collected over 20 years starting on the 2004 real estate tax statements.
 - c. Sidewalk Construction - the not-to-exceed principal amount of the special assessments approved by the City Council is \$270,000. Phase I is adjusted (reduced) to \$212,075. Assessments are to be collected over 20 years starting on the 2004 real estate tax statements.
 - d. Water Mains - the not-to-exceed principal amount of the special assessments approved by the City Council is \$702,000. Phase I is adjusted (reduced) to \$606,555. Assessments are to be collected over 20 years starting on the 2004 real estate tax statements.
 - e. Sanitary Sewers - the not-to-exceed principal amount of the special assessments approved by the City Council is \$639,000. Phase I is adjusted (reduced) to \$518,755. Assessments are to be collected over 20 years starting on the 2004 real estate tax statements.

12. 2003 Alley Resurfacing Program, Special Improvement of Existing Alleys No. FS03#1. The total principal amount of the special assessment approved by the City Council on July 25, 2003 is \$55,940.14. 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 2004 real estate tax statements.
13. Fremont Av S Street Lighting Project, Special Improvement of Existing Street No. 2236. The total principal amount of the special assessment approved by the City Council on April 19, 2002 is \$200,000. The final cost was less than the cost estimate resulting in a reduction to \$140,400.32. 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 2004 real estate tax statements.
14. 43rd Av N Sanitary Sewer Project No 4339. The total principal amount of the special assessments approved by the City Council on September 13, 2002 is \$23,496. Assessments of more than \$150 are to be collected over 20 years starting on the 2004 real estate tax statements.
15. Kenwood Parkway Sanitary Sewer Project No 4340. The total principal amount of the special assessments approved by the City Council on March 21, 2003 is \$51,152. Assessments of more than \$150 are to be collected over 20 years starting on the 2004 real estate tax statements.
16. Areaway Abandonment & Removal, Franklin Av E Street Construction, Special Improvement of Existing Street No 2202. The total principal amount of the special assessments approved by the City Council on August 8, 2003 is \$10,660.50. The assessment is to be collected over 20 years starting on the 2004 real estate tax statement.
17. Project No. 2004, Snow and Ice Removals from Public Sidewalks. The total amount of the special assessments approved by City Council on November 7, 2003 is \$5097.74. Prepayments have been received to further reduce the assessment rolls to \$4870.80. Assessments are to be collected in their entirety on the 2004 real estate tax statements.
18. Project No. 2004, Public Sidewalk Repair and Construction. The total amount of the special assessments approved by City Council on October 24, 2003 is \$1,415,558.58. Prepayments have been received to further reduce the assessment rolls to \$1,383,326.93. 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 2004 real estate tax statements.
19. Project No. 2004, Water Service Line Repairs. The total amount of the special assessments approved by City Council on October 24, 2003 is \$540,133 for water service line repairs. Prepayments have been received to further reduce the assessment rolls to \$523,424. Assessments of more than \$150 are to be collected over 5 years at an interest rate of 8% with the exception of the assessment for PID 09-029-24-41-0197 in the amount of \$5335.00 has been extended for collection over 10 years at an interest rate of 8%.
20. Project No. 2004, Sewer Service Line Repairs. The total amount of the special assessments approved by City Council on October 24, 2003 is \$100,644.82. Prepayments have been received to further reduce the assessment rolls to \$95,665.12. Assessments of more than \$150 are to be collected over 5 years at an interest rate of 8%.

21. 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.
22. 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.
23. There was an Assessment Bond Sale during 2003 and the total amount of the assessment bonds (Public Works Improvement Bonds) sold was \$6,130,000. An analysis was made from the interest rates from the Bond Sale. The extracted rates from the Bond Sale, as reported by the Director, Capital & Debt Management, are as follows:

The recommended interest rate for 20-year assessments is 4.0%;

The recommended interest rate for 10-year assessments is 3.3%;

The recommended interest rate for 5-year assessments is 2.7%;

The recommended interest rate for 1-year assessments is 2.5%.

State Law requires that special assessments be levied and certified to the County Auditor on or before November 30, 2003 for collection on the 2004 real estate tax statements.

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