



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

Date: November 6, 2007
To: Honorable Sandra Colvin Roy, Chair, Transportation and Public Works Committee

Subject: 2007 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 2008 real estate tax statements.

Previous Directives: n/a

Prepared by: Suzette R. Hjermstad, Real Estate Investigator II 673-2401
Don Elwood, P.E., Director, Transportation, Planning & Engineering

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

Presenters: Suzette R. Hjermstad, Real Estate Investigator II

Permanent Review Committee (PRC)	Approval _____	Not applicable	<u> X </u>
Policy review Group (PRG)	Approval _____	Not applicable	<u> X </u>

<p>Financial Impact (Check those that apply)</p> <p><input checked="" type="checkbox"/> No financial impact - or - Action is within current department budget. (If checked, go directly to Background/Supporting Information)</p> <p><input type="checkbox"/> Action requires an appropriation increase to the Capital Budget</p> <p><input type="checkbox"/> Action requires an appropriation increase to the Operating Budget</p> <p><input type="checkbox"/> Action provides increased revenue for appropriation increase</p> <p><input type="checkbox"/> Action requires use of contingency or reserves</p> <p><input checked="" type="checkbox"/> Other financial impact (Explain): Special assessments against benefited properties</p> <p><input type="checkbox"/> Request provided to the Budget Office when provided to the Committee Coordinator</p>

Background/Supporting Information Attached

The purpose of this letter is to recommend the 2007, payable 2008, 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 2008 is \$15,871.37.
2. W Lake Street Reconstruction Project (from Dupont Av S to Blaisdell Av S) and Lyndale Av S (from 29th St to 31st St), Special Improvement of Existing Street No. 6708. The total principal amount of the special assessments approved by the City Council on March 30, 2007 is \$829,822.02. Due to clerical error in record data entry, the correct assessment amount is \$820,471.28. 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 2008 real estate tax statements.
3. 50th Street E Street Reconstruction Project, Special Improvement of Existing Street No. 6732. The total principal amount of the special assessments approved by the City Council on April 13, 2007 is \$410,916.44. 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 2008 real estate tax statements.
4. 27th Avenue S Reconstruction Project, Special Improvement of Existing Street No. 6217. The total principal amount of the special assessments approved by the City Council on June 29, 2007 is \$87,020.92. 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 2008 real estate tax statements.
5. Mid-City Industrial Street Reconstruction Project, Special Improvement of Existing Street No. 2919. The total principal amount of the special assessments approved by the City Council on July 20, 2007 is \$211,513.50. 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 2008 real estate tax statements.
6. Lake Street E (5th Av S to Hiawatha Av S) Streetscape & Street Lighting Revitalization, 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 \$3,819,293. The final cost was less than the cost estimate resulting in a reduction to \$2,639,127.40. 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 2008 real estate tax statements.
7. Areaway Abandonment & Removal at 1717-1725 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 April 27, 2007 is \$6,525.84. 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 2008 real estate tax statements.

8. Miscellaneous I-35W Frontage Road Reconstruction Project, Special Improvement of Existing Street No. 9761. The total principal amount of the special assessments approved by the City Council on April 28, 2006 is \$433,313.37. 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 2008 real estate tax statements.
9. Lynnhurst (Northeast Area) Street Renovation Project, Special Improvement of Existing Street No. 5181. The total principal amount of the special assessments approved by the City Council on April 13, 2007 is \$252,531.81. 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 2008 real estate tax statements.
10. Lynnhurst (Phase III) Street Renovation Project, Special Improvement of Existing Street No. 5182. The total principal amount of the special assessments approved by the City Council on July 20, 2007 is \$128,674.26. 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 2008 real estate tax statements.
11. 2nd Street SE Sanitary Sewer Project, Special Improvement of Existing Street No. 4421. The total principal amount of the special assessments approved by the City Council on October 6, 2006 is \$91,450. 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 2008 real estate tax statements.
12. 2007 Alley Resurfacing Program, Special Improvement of Existing Alleys No. FS07#1. The total principal amount of the special assessment approved by the City Council on August 3, 2007 is \$45,211.52. 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 2008 real estate tax statements.
13. a. Glenwood Street Lighting Project, Special Improvement of Existing Street No. 2257. The total principal amount of the special assessment approved by the City Council on May 27, 2005 is \$269,910. The final cost was less than the cost estimate resulting in a reduction to \$229,609.04. 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 2008 real estate tax statements.

b. Glenwood Street Lighting District No. 1316. The annual maintenance and operation cost for this street lighting district are 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. 1316 is \$0.35 per foot to be collected yearly starting on the 2008 real estate tax statements without interest.
14. a. Nicollet Avenue South Street Lighting Project, Special Improvement of Existing Street No. 2258. The total principal amount of the special assessment approved by the City Council on July 22, 2005 is \$65,000. The final cost was less than the cost estimate resulting in a reduction to \$42,573.09. 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 2008 real estate tax statements.

b. Nicollet Avenue South Street Lighting District No. 1318. 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. 1318 is \$0.49 per foot to be collected yearly starting on the 2008 real estate tax statements without interest.

15. Project No. 2008, Snow and Ice Removals from Public Sidewalks. The total amount of the special assessments approved by City Council on September 21, 2007 is \$57,759.70. Prepayments have been received to further reduce the assessment rolls to \$54,352.30. Assessments are to be collected in their entirety on the 2008 real estate tax statements.
16. Project No. 2008, Public Sidewalk Repair and Construction. The total amount of the special assessments approved by City Council on October 5, 2007 is \$812,109.32. Prepayments have been received to further reduce the assessment rolls to \$771,530.01. 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 2008 real estate tax statements.
17. Project No. 2008, Water Service Line Repairs. The total amount of the special assessments approved by City Council on October 19, 2007, is \$546,562.50 for water service line repairs. Prepayments have been received to further reduce the assessment rolls to \$528,742.50. Assessments of more than \$150 are to be collected over 5 years at an interest rate of 8% starting on the 2008 real estate tax statements.
18. Project No. 2008, Sewer Service Line Repairs. The total amount of the special assessments approved by City Council on October 19, 2007 is \$39,600. Prepayments have been received to further reduce the assessment rolls to \$36,795. Assessments of more than \$150 are to be collected over 5 years at an interest rate of 8% starting on the 2008 real estate tax statements.
19. 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.
20. 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 14, 2007 and the proposed total amount of the assessment bonds (Public Works Improvement Bonds) to be sold is \$5,400,000. 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, 2007 for collection on the 2008 real estate tax statements.

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