



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

Date: October 12, 2010
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Subject: **Nongovernmental Tax Exempt Parcel Street Maintenance Assessment – Set Public Hearing**

Recommendation:

Adoption of a Committee Report designating the Citywide street maintenance assessment against properties exempt from ad valorem taxation and directing the City Clerk to give notice of a public hearing to be held on November 9, 2010 before the Transportation and Public Works Committee.

Previous Directives:

None

Prepared by: Brette Hjelle, Public Works Interagency Coordinator x2365
Suzette R. Hjermstad, Public Works Special Assessment Office x2401

Approved by:

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

Presenters: Brette Hjelle, Public Works Interagency Coordinator x2365

Financial Impact

Special Assessments against benefited properties

Background/Supporting Information

The purpose of this letter is to establish the special assessment proceedings for a street maintenance assessment against nongovernmental tax exempt parcels.

The street maintenance assessment methodology and assessment role was updated in 2009. The City Council approved the methodology and assessment role with a direction to public works staff to phase in the recommended assessment rate over three years.

Eligible properties were assessed on payable 2010 property taxes at 1/3 the proposed assessment rate of \$0.01957 per square foot. In accordance with the City Council direction, assessment amounts for the payable 2011 assessments will be 2/3 the originally proposed rate.

All eligible properties will receive notice for the public hearing because of the increased assessment rate. Any properties that changed from taxable to tax exempt in the past year will be receiving their first notice for this assessment. Properties that changed from tax exempt to taxable are no longer eligible for this assessment.

T&PW – Your Committee reports that in accordance with procedures set out at Minnesota Statute § 429.061 and authority derived from special legislation applying to the City of Minneapolis, the City finds it to be in the interest of all citizens that the maintenance of the city street system promotes the general health, safety and well-being of the citizenry and provides a benefit to each and every parcel within the City and further that the cost of street maintenance should be offset by imposing a street maintenance assessment upon benefited parcels that are otherwise exempt from ad valorem taxation. And further the City engineer has presented to your committee the details required by Chapter 429 in connection with Street Maintenance District #1 for assessment of the maintenance costs on Minneapolis streets for the convenience and safety of the whole City of Minneapolis area.

A summary of the facts relative to this assessment is as follows:

Number of assessable parcels in the City of Minneapolis	1,266
Total assessable square footage	27,186,249
Annual cost per square foot	\$0.01305

Your Committee recommends that the City Clerk be directed to give notice of a Public Hearing to be held by the Transportation and Public Works Committee on November 9, 2010, in accordance with the provisions of Chapter 429 of the Minneapolis Code of Ordinances, to be considered for the establishment of said proposed Street Maintenance District #1.