



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

Date: November 9, 2010

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

Subject: **Nongovernmental Tax Exempt Parcel Street Light Operations Fee Assessment – Public Hearing**

Recommendation:

Passage and summary publication of a Resolution adopting the special assessments for 2011, levying the assessment, adopting the assessment roll, and directing the City Clerk to transmit a certified copy of the assessment roll to the Hennepin County Auditor.

Previous Directives:

October 12, 2010 – Set public hearing for November 9, 2010

November 13, 2009 – Updated street light operations and street maintenance assessments on nongovernmental tax exempt parcels approved.

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Approved by:

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

Presenters: Brette Hjelle, Public Works Interagency Coordinator

Financial Impact

Special Assessments against benefited properties

Background/Supporting Information

Minneapolis has been assessing nongovernmental tax exempt parcels for street light operations and street maintenance services since 1974. In 2009, the City Council approved updates to these assessments. The update included the following changes:

1. Changing from front footage to the influence area method to determine assessable area.
2. Updating assessment rates to reflect current costs of street maintenance and street lighting services.
3. Updating list of eligible properties.

Methodology

The assessment is applied to properties via a uniform assessment rate using the influence area method. The influence area method calculates the assessable area and is expressed in terms of square footage. This is the method currently used for assessing street and street light capital construction projects.

The assessment rate is determined by dividing the street lighting operations budget by the citywide assessable square footage.

$\$3,000,000 / 764,437,240/\text{sq. ft.} = \$0.00392/\text{sq. ft.}$

The assessment for a single parcel is calculated by multiplying the parcel's assessable area, rounded to the nearest square foot, by the assessment rate, and rounding the result to the nearest whole dollar amount. The minimum assessment amount is \$1.00/year.

Assessment Results

There are 1,182 eligible parcels on the payable 2011 assessment roll. For street light operations assessments, the median (middle value) assessment for these properties is \$41/year and the mean (average) assessment is \$84/year.

Public Hearing

The street light operations assessment rate did not change from last year. Therefore, public hearing notices were only sent to properties that are either eligible for the assessment for the first time (i.e. the parcel was taxable last year and is tax exempt this year) or the parcel had property line changes in the past year that increased the assessable area and therefore increased the assessment.

Public hearing notices were sent to 84 nongovernmental tax exempt parcels for the street light operations assessment public hearing. There are 63 new parcels that were not assessed last year and 21 parcels with square footage changes.

T&PW – Your Committee, having under consideration the Street Light Operations Assessments, Project 1337L for payable 2011 and all written and oral objections and statements regarding the assessments and having held a public hearing on November 9, 2010 in accordance with the provisions of Chapter 431 of the Minneapolis Code of Ordinances, now recommends that the proposed assessments in the amount of \$106,569 be adopted and levied, that the assessment roll filed by the City Engineer with the City Clerk (Petn No _____) be adopted and that the City Clerk be directed to transmit a certified copy of said assessment roll to the Hennepin County Auditor.