



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

**Date:** November 8, 2012

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

**Subject:** **Establish 2013 Street Construction, Street Renovation, Street Resurfacing, and Alley Resurfacing Uniform Assessment Rates**

**Recommendation:**

- A. Passage of a Resolution establishing the 2013 street construction, street renovation, street resurfacing and alley resurfacing Uniform Assessment Rates.

**Prepared by:**

Don Elwood, P.E., Director, Transportation Planning & Engineering 673-3622

**Approved by:**

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

**Presenters:**

Suzette R. Hjermstad, RE Investigator II, 673-2401

**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:**

The City Council establishes yearly Uniform Assessment Rates (UAR) for Street Construction, Renovation, Resurfacing, and Alley Resurfacing projects. Streets that are constructed/reconstructed have an expected life of 40 years and are assessed over a 20 year term. Streets that are renovated have an expected life of 20 years and are assessed over a 10 year term (half the term of reconstructions). Streets that are

resurfaced have an expected life of 10 years and are assessed over a 5 year term (half the term of renovation).

The UAR is established rather than using costs specific to each project because one project area might be more costly because of poor weather during construction or poor soil conditions or other factors. Public Works is recommending adoption of the UAR at this time so we are able to share rate information during the community involvement process for 2013 projects.

**Street construction, Renovation and Resurfacing**

The City’s adopted policy is to assess 25% of the construction project cost to benefiting property owners. In implementing this policy, three baseline projects are used to calculate the UAR; two residential area projects to determine the residential UAR and one non-residential project to determine the non-residential UAR. The cost of the baseline projects were updated with the estimated 2013 unit prices for paving construction materials and related work. This process establishes what it would cost to construct those 1997 baseline projects in 2013 and the assessment rate needed to recover 25% of estimated 2013 project cost. Since the expected life of renovation and resurfacing projects is ½ and ¼ the expected life of a reconstruction project, respectively, the assessment rates are also set at ½ and ¼ the rate for reconstruction.

**Alley Resurfacing**

The current process for establishing the UAR for alley paving projects is very similar to the above paving projects, however, instead of using baseline projects it is based on comparing actual costs for the previous year alley resurfacing projects to the approved UAR and determining if we are accomplishing the 25% assessment goal.

**Proposed 2013 UAR**

Public Works is proposing the following 2013 Uniform Assessment Rates:

**Table 1 Proposed 2013 Uniform Assessment Rates**

Improvement Category	Benefited Parcel Category	2013	2012	2011	2010
		Proposed Rate per sq ft	Approved Assessment Rate	Approved Assessment Rate	Approved Assessment Rate
<b>Construction</b>	Non-Residential	<b>\$2.39</b>	\$2.21	\$2.05	\$1.96
<b>Construction</b>	Residential	<b>\$0.80</b>	\$0.77	\$0.77	\$0.75
<b>Renovation</b>	Non-Residential	<b>\$1.20</b>	\$1.11	\$1.03	\$0.98
<b>Renovation</b>	Residential	<b>\$0.40</b>	\$0.39	\$0.39	\$0.38
<b>Resurfacing</b>	Non-Residential	<b>\$0.60</b>	\$0.56	\$0.52	\$0.49
<b>Resurfacing</b>	Residential	<b>\$0.20</b>	\$0.20	\$0.20	\$0.1920
<b>Alley Resurfacing</b>	Non-Residential	<b>\$0.065</b>	\$0.065	\$0.065	\$0.065
	Residential				

Attachment #1 Potential assessments for average City lot

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

## ATTACHMENT #1

### Potential Assessment for Average City Lot

The potential assessments for an average size lot (40' x 125' or 5,000 sq ft) using the proposed 2013 uniform assessment rate are:

	<u>Non-Residential</u>	<u>Residential</u>
Construction (Assessed over 20 yrs)	@ \$2.39/ sq ft = \$11,950	@ \$.80/sq ft = \$4,000
Renovation (Assessed over 10 yr)	@ \$1.20/sq ft = \$6,000	@ \$.40/sq ft = \$2,000
Resurfacing (Assessed over 5 yr)	@ \$.60/sq ft = \$3,000	@ \$.20/sq ft = \$1,000
Alley Resurfacing (Assessed over 5 yr)	@ \$.065/sq ft = \$325	@ \$.065/sq ft = \$325

#### **Definitions:**

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.

Alley Resurfacing: mill and overlay of the alley surface.

**T&PW** – Your Committee recommends passage of the accompanying Resolution establishing uniform assessment rates for street construction, street renovation, street resurfacing and alley resurfacing improvements for the 2013 calendar year.

Your Committee further recommends summary publications of the above-described Resolution.

**Colvin Roy**

**Establishing uniform assessment rates for street construction, street renovation, street resurfacing and alley resurfacing improvements for the 2013 calendar year.**

Whereas, the City Council adopted a policy on October 31, 1980 establishing yearly uniform assessment rates for similar improvements at various locations; and

Whereas, the City Council adopted assessment policies on May 22, 1998, June 12, 1998 and December 12, 2008 relating to residential and non-residential properties and relating to Local and Other streets;

Whereas, the City Council adopted a policy on February 15, 2008 establishing the street resurfacing program and assessment policy relating to residential and non-residential properties;

Whereas, the City Engineer has submitted the recommended 2013 Uniform Assessment Rates, all as contained in Petn No \_\_\_\_\_ on file in the Office of the City Clerk;

Now, Therefore, Be It Resolved by The City Council of the City of Minneapolis;

That the following rates are hereby established as the 2013 uniform assessment rates and are to be applied in determining the assessments for the benefited parcels for certain types of work to be constructed in the 2013 calendar year:

Construction (street paving, curb and gutter and other street paving related improvements) – appropriate rate is applied to the land area of benefited parcels located within the street influence zone along the improved street:

\$2.39/sq ft – Non-Residential;

\$0.80/sq ft – Residential;

Renovation (mill and overlay of street surface and selected curb and gutter and street construction as needed) – appropriate rate is applied to the land area of benefited parcels located within the street influence zone along the improved street:

\$1.20/sq ft – Non-Residential;

\$0.40/sq ft – Residential;

Resurfacing (mill and overlay of street surface only) – appropriate rate is applied to the land area of benefited parcels located within the street influence zone along the improved street.

\$0.60 – Non-Residential;

\$0.20 – Residential;

Alley Resurfacing (overlay concrete alleys with bituminous materials) – appropriate rate is applied to the land area of benefited parcels abutting the alley being improved.

\$0.065 – Non-Residential and Residential.