



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

Date: November 18, 2014

To: Honorable Kevin Reich, Chair Transportation & Public Works Committee

Subject: **Establish 2015 Street Construction, Street Renovation, Street Resurfacing and Alley Construction and Resurfacing Uniform Assessment Rates**

Recommendation:

Passage of a Resolution establishing the 2015 street reconstruction, street renovation, street resurfacing and alley construction and resurfacing Uniform Assessment Rates

Department Information:

Prepared by: Suzette Hjermstad, Supervisor, PW Special Assessment Office 673-2401
Bob Carlson, P.E., Principal Professional Engineer 673-3614
Don Elwood, P.E., Director, Transportation Planning & Engineering 673-3622

Approved by: _____
Steven A. Kotke, P.E., Director of Public Works

Presenters in Committee: Suzette Hjermstad, Supervisor, PW Special Assessment

Financial Impact

- Action is within current department budget

Community Impact

- City Goals: a City that works: city government runs well and connects to the community it serves.

Supporting Information

The City Council establishes yearly Uniform Assessment Rates (UAR) for Street Construction, Renovation, Resurfacing, and Alley Construction and 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. Streets that are resurfaced have an expected life of 10 years and are assessed over a 5 year term. The UAR is established rather than using costs specific to each project because one project area may be more costly due to poor weather during construction, poor soil conditions or other factors.

Street Construction, Renovation and Resurfacing

The City Council's adopted policy is to assess 25% of the construction project cost to benefiting property owners. Public Works is recommending a 3% rate increase to the 2014 street construction UAR to account for inflation associated with construction costs.

Alley Construction and Alley Resurfacing

The City Council's adopted policy is to assess 25% of the alley construction project cost to benefiting property owners. Public Works is recommending a 3% rate increase to the 2014 UAR to account for inflation associated with construction costs.

The Public Works and Finance and Property Services Departments are recommending a change in the assessment term for alley construction from 20 years to 10 years. All other assessment terms will remain the same.

Proposed 2015 UAR

Public Works proposes the following 2015 Uniform Assessment Rates.

Table 1 Proposed 2015 Uniform Assessment Rates

Improvement Category	Benefited Parcel Category	2015	2014	2013	2012
		Proposed Rate per sq ft	Approved Assessment Rate	Approved Assessment Rate	Approved Assessment Rate
Construction	Non-Residential	\$2.46	\$2.39	\$2.39	\$2.21
Construction	Residential	\$0.82	\$0.80	\$0.80	\$0.77
Renovation	Non-Residential	\$1.23	\$1.20	\$1.20	\$1.11
Renovation	Residential	\$0.41	\$0.40	\$0.40	\$0.39
Resurfacing	Non-Residential	\$0.62	\$0.60	\$0.60	\$0.56
Resurfacing	Residential	\$0.21	\$0.20	\$0.20	\$0.20
Alley Construction	Non-Residential	\$0.27	n/a	n/a	n/a
Alley Resurfacing	Residential	\$0.067	\$0.065	\$0.065	\$0.065

Attachment #1 Sample Assessments for Average City Lot

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

ATTACHMENT #1

Sample Assessments for Average City Lot

The potential assessments for an average size lot (40' x 125' or 5,000 sq ft) using the proposed 2015 uniform assessment rate is:

Project Type (Assessment Term)	Non-Residential	Residential
Construction (Assessed over 20 yrs)	@ \$2.46/ sq ft = \$12,300	@ \$.82/sq ft = \$4,100
Renovation (Assessed over 10 yrs)	@ \$1.23/sq ft = \$6,150	@ \$.41/sq ft = \$2,050
Resurfacing (Assessed over 5 yrs)	@ \$.62/sq ft = \$3,100	@ \$.21/sq ft = \$1,050
Alley Construction (Assessed over 10 yrs)	@ \$.27/sq ft = \$1,350	@ \$.27/sq ft = \$1,350
Alley Resurfacing (Assessed over 5 yrs)	@ \$.067/sq ft = \$335	@ \$.067/sq ft = \$335

Definitions:

Construction: street or alley 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.

T&PW – Your Committee recommends passage and summary publication of the accompanying Resolution establishing uniform assessment rates for street construction, street renovation, street resurfacing and alley construction and resurfacing improvements for the 2015 calendar year.

Reich

Establishing uniform assessment rates for street construction, street renovation, street resurfacing and alley construction and resurfacing improvements for the 2015 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 Council adopted a policy on November 12, 2013 establishing the alley construction program and assessment policy relating to residential and non-residential properties;

Whereas, the City Engineer has submitted the recommended 2015 Uniform Assessment Rates, as on file in the Office of the City Clerk and with the City Engineer's Special Assessment Office;

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

That the following rates are hereby established as the 2015 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 2015 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:

\$2.46/sq ft – Non-Residential;

\$0.82/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:

\$1.23/sq ft – Non-Residential;

\$0.41/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.

\$0.62 – Non-Residential;

\$0.21 – Residential;

Alley Construction (paving and other alley paving related improvements) - appropriate rate is applied to the land area of benefited parcels abutting the alley being improved.

\$0.27 – Non-Residential and 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.

\$0.067 – Non-Residential and Residential.