



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

Date: September 13, 2011

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 October 25, 2011 before the Transportation and Public Works Committee.

Previous Directives:

None

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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

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. On payable 2011 property taxes the assessments were 2/3 of the originally proposed assessment rate. The full assessment rate will be assessed on the payable 2012 property taxes.

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 State Statutes, Section 429.101 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 State Statutes Section 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	1,262 approx.
Total assessable square footage	27,184,674 approx.
Annual cost per square foot	\$0.01957

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 October 25, 2011, in accordance with the provisions of Minnesota State Statutes, Section 429, to be considered for the establishment of said proposed Street Maintenance District #1.