

Carleton

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May 27, 2020

Ms. Deb Little
City Clerk, City of Northfield
City Hall
Northfield, MN. 55057

Re: Concerning Special Assessment for the 2020STRT – A45 Mill and Overlay Project.

Dear Ms. Little,

In follow-up to our letter of May 14 and the City Council public hearing of May 19, we are submitting the following additional information. This letter is in response to questions raised by members of Council at the hearing and to be more specific about our request for adjustment. We look forward to working through a mutual understanding and agreement of how to best support this important work of the City.

A. Questions Raised by Members of City Council

1. Why was the Small Educational Institutional property assessed less than the Large Educational Institutional Property?

These two properties were appraised at the exactly same value of \$2.67 per sq ft. The assessed increase in value was calculated the same way, as if it were 6%. Because the two parcels were of a different size the total assessment was different, based only on their square footage. On an equivalent area basis they were assessed the same.

As the appraiser noted, the Small Educational Institutional parcel has frontage on four streets whereas the Large Educational Institutional parcel fronts on only one. The proration to the linear feet of frontage was different because of their different shape and relationship to the street and thus different amount of frontage. The assessment for these two types of property was determined based on their land area not their frontage because they are unique types in the appraisal.

2. Why were the houses on Union St, for example 107 or 109 Union assessed at such a low rate - \$530 or \$430 each in total, versus a typical residential property that would have been assessed at \$65 per foot of frontage?

These properties were included in the CD-S Zone Carleton College Property assessment. This 75.5 acre portion of the Carleton campus was assessed at a total increase in value of \$250,600. This value was then prorated across each of the 21 tax parcels in the 75.5 acres. Because the

two properties on Union St are small in relationship to the total area in this assessment, they received a small allocation.

Other Carleton parcels in this same property type were assessed at a larger value. For example the portion of tax parcel 22.31.40.0001 was assessed a value of \$131,410 although none of parcel 22.31.40.0001 actual fronts on the project area.

3. Shouldn't Carleton pay extra because of the additional 'wear and tear' from truck traffic during the recent campus construction?

Carleton worked with the City of Northfield public works staff to identify an appropriate and limited truck route from the nearby state highways to the campus. As confirmed by our contractor, McGough, all trucks making deliveries to the campus were required to adhere to the Minnesota Department of Transportation guidelines for over the road truck travel.

We have asked for any information available to the City that would indicate that the truck route streets were exceptionally deteriorated or requiring additional reconstruction. We believe that they were not. This is consistent with the requirement that all construction traffic meet the Minnesota Highway standards, as those standards are intended to prevent damage from excess loads. If there is documentation to substantiate this issue we would appreciate reviewing it with City staff.

B. What is Carleton asking to have done as an adjustment for the proposed assessments?

As noted in our letter of May 14, 2020 to the City Clerk, Carleton has two principal objections to the assessment calculations.

1. Carleton believes that the assumed 6% increase in value for all properties in the Benefit area is too large and unrealistic. We believe that this unsubstantiated conclusion excessively assesses all parcels in the Benefit Area, including but not limited to Carleton.

We would propose a reduction to 3% as a more realistic increase. We believe that the current 6% estimate constitutes an unfair taking of value from all of the affected property owners, including Carleton.

2. Carleton believes that the 75.5 acres of the campus which were assessed, arriving at the assessment for the main campus land of \$250,600, is based on an excessive estimate of land potentially benefiting from the project. This area includes 25 acres that are in the Spring Creek valley, are lower lying or hillside and/or have direct frontage on Highway 19 or Wall Street Road. Some of this area is actually designated as flood plain or is the actual roadway accessing Highway 19.



C. How would these objections affect the proposed assessment calculations?

We believe that the residential rate and the educational rates should all be set lower. While it is not our place to appeal on behalf of other property owners, we believe that all assessments based on a 6% increase in value from this project are overstated. At an increase rate of 3%, the frontage rates for the Single Family, Small Educational Institution and Large Educational Institution would all be reduced as shown below.

	Estimated Current Value	Discount Rate %	Estimated "Before" Value	Estimated Increase To Be Assessed	Frontage	Frontage Rate
Residential						
BRKW Assessment	\$76,800	6%	\$72,453	\$4,300	66	\$65
Alternative	\$76,800	3%	\$74,563	\$2,237	\$66	\$34
Small Educational						
BRKW Assessment	\$203,900	6%	\$192,358	\$11,500	760	\$15
Alternative	\$203,900	3%	\$197,961	\$5,939	760	\$8
Large Educational						
BRKW Assessment	\$373,700	6%	\$352,547	\$21,200	431	\$49
Alternative	\$373,700	3%	\$362,816	\$10,884	431	\$25

In addition, we believe that the campus assessment should not be based on land that is remote from and does not benefit from the street improvements on First St.

The following table of examples focuses only on the CD-S Zoned Carleton College Property type in the appraisal. This proposed \$250,600 assessment (rounded) is a portion of the total \$397,765 total proposed assessments for all Carleton parcels in the Benefit Area.

	Campus Area (acres)	Value/Sq Ft	Estimated Current Value	Discount Rate %	Estimated "Before" Value	Estimated Increase To Be Assessed
BRKW Assessment	75.5	\$1.60	\$5,261,797	5%	\$5,011,235	\$250,562
Alternatives						
One	75.5	\$1.60	\$5,261,797	3%	\$5,108,541	\$153,256
Two	50.5	\$1.65	\$3,629,637	3%	\$3,523,919	\$105,718
Three	50.5	\$1.65	\$3,629,637	6%	\$3,424,186	\$205,451



D. What would be a fair adjustment in light of all of the circumstances?

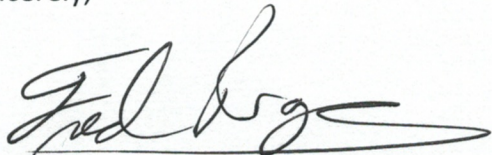
As we believe this analysis shows, all properties in the Benefit Area are over-assessed. We believe that the Residential, Small Educational and Large Educational rates should all be adjusted downward, as illustrated in the examples above.

We also believe that the CD-S Zoned Carleton College Property is over-assessed as shown by the above analysis. In Alternative Two above we assumed that the lower acreage of 50.5 acres would be valued higher than the full acreage per sq ft. (\$1.65 vs \$1.60). Using the lower increase of value of 3% this would result in an assessment of \$105,718 for these 21 parcels. In Alternative Three we also assumed the lower acreage was appraised higher per sq foot and we assumed that full 6% increase would apply since we had removed property from the acreage,. Even with these adjustments in the direction of a higher assessment, Alternative Three results in an assessment of \$205,450 for the CD-S Zoned Carleton Property parcels. While we believe that Alternative Two is a fairer outcome, we understand that that is an extreme adjustment.

We ask that the City Council reduce the Carleton campus CD-S district assessment to the level of Alternate Three above. We ask that the other Carleton properties be adjusted downward at the same rate as is granted to other, non-Carleton properties in the other three property types in the Benefit Area.

I would be pleased to speak with you or others and to address questions from members of Council about the issues presented in this letter.

Sincerely,



Frederick A. Rogers
Vice President and Treasurer

cc: D Bennett, J Hargis

