



Legislation Text

File #: 18-583, **Version:** 1

City Council Meeting Date: November 20, 2018

To: Mayor and City Council
City Administrator

From: Sean Simonson, Engineering Manager
David Bennett, P.E., Public Works Director/City Engineer

Subject:
2019 Street Reclamation Project Assessment Discussion.

Action Requested:
The Northfield City Council discusses the assessment process for the 2019 Street Reclamation Project.

Summary Report:
At the October 16, 2018 City Council meeting, City Council directed Staff to bring a discussion item forward at the November 20, 2018 City Council meeting to discuss the process for levying assessments on the 2019 Street Reclamation Project (Attachment 1).

Benefit Appraisals

Chapter 66 - Special Assessments (Attachment 2) of the Northfield City Code Section 66-25 states:

Unless another method is authorized by law and approved by the city council, the amount to be assessed to properties benefited by an improvement project shall be calculated by the city engineer, subject to approval by the city council, based upon assessment rates adopted by the city council after considering a preliminary benefits appraisal prepared by a licensed certified general real property appraiser. In the event that a preliminary benefits appraisal is used to calculate assessments rates for a category of assessable projects, such benefits appraisal shall be updated at least every three years. Nothing in this section shall preclude the city from commissioning a preliminary benefits appraisal for any specific individual improvement project authorized by law and calculating assessment amounts for such project based on the preliminary benefits appraisal.

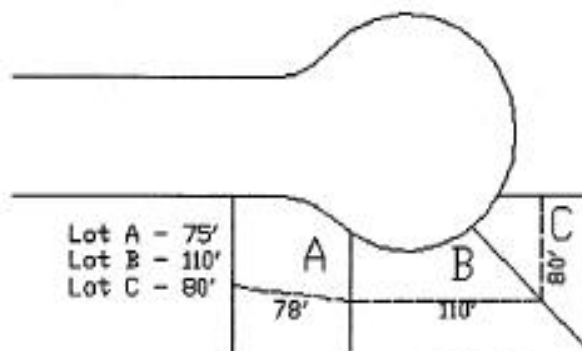
With that being said, the City of Northfield currently has three benefit appraisals that were completed in January 2017 for the 2017 Street Reclamation Project that fall within the three-year requirement mentioned in Chapter 66 of the Northfield City Code. Staff compared the average residential estimated market value (EMV) of the three benefits appraisals completed in 2017 with the EMV of the proposed 2019 Street Reclamation Project (Attachment 3). Below is a table comparing the three EMV's with the proposed 2019 project area.

ESTIMATED MARKET VALUE		
PROJECT AREA	ESTIMATE MARKET VALUE AVERAGE RESIDENTIAL	ASSESSMENT RATE RESIDENTIAL
2019 Reclamation North Area	\$202,077	N/A
2019 Reclamation South Area	\$232,952	N/A
Marvin Lane Area	\$183,133	\$45
Nevada and Ninth Area	\$178,291	\$55
Sibley View Lane Area	\$267,535	\$58

Cul-de-Sac Lots

City Council also requested additional information on cul-de-sac lots at the October 16, 2018 City Council meeting. City Council adopted Motion 2009-0076 at the July 6, 2009 City Council meeting (Attachment 4). This motion adopted the “Standards for Adjusting Front footage for Special Assessment Purposes”. Cul-de-sac lots are specifically detailed in the depiction below:

(4) Cul-de-sac lots. The adjusted front footage for a lot on a cul-de-sac shall be calculated by measuring the line from the midpoint of one side lot line to the midpoint of the other side lot line.



Attachment 5 shows how Staff has proposed to apply the above-mentioned adopted policy to the proposed 2019 Street Reclamation Project.

Front Foot Method vs Per lot Method

Article IV - Methods of Assessment in Chapter 66 of the Northfield City Code details two methods of calculating assessments. They are the *Front Foot Method* and the *Per Lot Method*. Staff looked at the 2017 Street Reclamation benefit appraisals and noted that the report showed an approximate value benefit on the lots appraised from \$3600 on Marvin Lane to \$4700 on Sibley View Lane. Attachment 6 shows what the typical cul-de-sac assessments would be using the \$3600 Per Lot Method appraised on Marvin Lane vs the Front Foot Method of \$45 per linear foot on Marvin Lane.

APPROXIMATE VALUE BENEFIT	
PROJECT AREA	TYPICAL SINGLE-FAMILY LOT VALUE BENEFIT
Marvin Lane	\$3,600
Nevada and Ninth Area	\$3,800
Sibley View Area	\$4,700

Institutional Properties

This particular project also includes Public/Institutional Properties along the project corridor. Attachment 3 also shows the location of these properties. Past practice has not been consistent with which rates are applied to these properties. Recent projects, such as the Second Street Reconstruction Project in 2015, and the Maple Street Reconstruction Project in 2014 utilized residential rates for these types of properties. With the recent Division and Seventh Street Reconstruction, and Washington Street Mill and Overlay, these types of properties were assessed using the Commercial and Multi-Family rates. Staff would like some direction on what rates should be levied to these properties.

Alternative Options:

None at this time.

Staff has begun research on potential alternative options to using a 429 process to finance infrastructure projects. Generally, we are looking at this as a policy discussion to bring forward in early 2019 for council discussion with potential implementation to begin with projects in 2020 depending on interest of the City Council.

Financial Impacts:

None related to the discussion item.