



City of Saint Paul

Signature Copy

Resolution: RES 11-1098

City Hall and Court
House
15 West Kellogg
Boulevard
Phone: 651-266-8560

File Number: RES 11-1098

Adopting City policies governing calculation and annual review of the Right-of-Way Maintenance Assessment.

WHEREAS, since the early 1900's the City of Saint Paul ("City") has levied assessments against benefiting properties to recover the cost of maintaining public infrastructure in city right-of-way; and

WHEREAS, the City continues to levy an annual Right-of-Way Maintenance Assessment ("ROW Assessment") through its Right-of-Way Maintenance Program to finance the delivery of maintenance services on street and alley right-of-way throughout the city; and

WHEREAS, the calculation of the ROW Assessment is based on a rate structure intended to link the cost of providing maintenance services with the benefits received by properties abutting city streets and alleys; and

WHEREAS the City Council recently conducted three work sessions to review the ROW Assessment and its rate structure, and considered options for revising rates and related frontage calculations for residential, tax-exempt and commercial property types; and

WHEREAS, as an outcome of this review the City Council seeks to establish clear and comprehensive Right-of-Way Maintenance Assessment Policies ("ROW Policies"), attached hereto as Exhibit A, to govern the calculation of the ROW Assessment now and into the future; and

WHEREAS, the Mayor and City Council have asked that the ROW Policies also provide for an annual review of individual properties to ensure that the ROW Assessments are calculated in accordance with said policies, and that the review focus on select citizen participation districts each year, as shown on the schedule attached hereto as Exhibit B, until all properties citywide have been reviewed; now, therefore be it

RESOLVED, that the Mayor and City Council hereby adopt said ROW Policies.

At a meeting of the City Council on 6/22/2011, this Resolution was Adopted.

Yea: 7 Councilmember Bostrom, Councilmember Carter III, Councilmember Harris, Councilmember Helgen, City Council President Lantry, Councilmember Thune, and Councilmember Stark

Nay: 0

Vote Attested by
Council Secretary


Trudy Moloney

Date 6/22/2011

Approved by the Mayor



Chris Coleman

Date 6/24/2011

Right-of Way Maintenance Assessment Policies

June 22, 2011

Introduction

Since the early 20th century the City of Saint Paul has levied a special assessment against properties to pay for street maintenance services. The assessment originated as a means of financing the cost of watering dirt roadways to minimize dust blowing into homes and businesses. Later, when the summer street maintenance program was created, the assessment became the primary means of financing the cost of repairing streets in the warmer months. In 2003 the program was expanded to include winter street maintenance, as well as tree trimming and sidewalk repair. It was renamed the Right-of-Way Maintenance Program. In 2005 the program was further expanded to include street lighting maintenance. Today, maintenance services include:

- Sweeping, flushing, patching, and chip sealing streets and alleys
- Patching, blading and placing crushed rock on unimproved rights-of-way
- Street overlays
- Snow emergencies, vehicle tagging and towing, snow plowing, sanding, salting, snow removal, ice control
- Boulevard tree trimming, repair and removal
- Street lighting repair, replacement, painting and electricity
- Installation, repair and replacement and removal of traffic signs
- Pavement markings
- Litter pick up
- Ordinance enforcement
- Emergency maintenance service

The Right-of-Way Maintenance Assessment (ROW Assessment) is the primary means of financing the Right-of-Way Maintenance Program. The annual assessment covers approximately 5/6 of program costs through a charge against properties – both taxable and tax-exempt – that abut city right-of-way. Funding for the remaining 1/6 comes from county and state aid sources. A major purpose of the ROW assessment is to distribute the costs of street maintenance among all properties that benefit, including tax-exempt and taxable properties.

The City of Saint Paul is authorized by state law (Minn. Stats. Ch. 429) and its home rule charter (St. Paul City Charter Ch. 14) to specially assess properties for maintenance services provided in street and alley rights-of-way. State law and city ordinances outline procedures that must be followed in order to ratify, process, invoice, collect and appeal the assessment, which affects more than 81,000 properties.

The law requires that the properties assessed must receive a special benefit from the assessment, that the assessment amount may not exceed the special benefit to the particular property, and that the assessment must be uniformly applied to properties in the same class. The purpose of this document is to provide policy guidance for calculating the ROW Assessment, but it does not supersede the law or the actual assessment process. Each year the assessment roll is ratified by

the city council and that ratification is what governs the assessment of each individual property for that year.

I. Calculating Assessable Frontage

The basic formula for calculating a property's ROW Assessment is "*Assessable Frontage times Assessment Rate*." This section sets forth city policies with respect to assessable frontage. A later section will focus on assessment rates.

Assessable frontage generally is the same as the actual lineal footage that a property borders along public right-of-way. Frontage is used as the primary basis for calculating the ROW Assessment because:

- It is commonly used by cities to assess for construction of public infrastructure improvements such as streets, sewers, lighting systems, sidewalks and alleys. Saint Paul historically has used frontage as its calculation basis for these types of assessments;
- It has long been accepted by the courts as a valid basis for allocating capital improvement and maintenance costs to benefiting properties;
- It distributes maintenance costs uniformly across properties situated along the right-of-way; and
- It links maintenance costs to benefits received by properties – the greater frontage, the greater the benefit and the higher the cost.

For most properties in the city assessable frontage and actual frontage are the same; however, assessable frontage can sometimes differ, depending on the property's type, shape or other circumstances.

A. Calculation by Property Type

Types of Property (based on Ramsey County Land Use Code classifications):

Residential

- 1-3 dwelling units, homestead and non-homestead (e.g., single-family homes, duplexes, double dwellings, triplexes)
- Condominiums and town homes

Tax-exempt – all non-taxable properties (e.g., schools, colleges and universities, clinics, government entities, non-profit organizations and religious institutions)

Commercial – all commercial and industrial property, including apartments of 4 or more units

1. Residential Property

a. 1-3 dwelling units

Policy: For properties with multiple street frontages (e.g., corner properties), measure full frontage on all sides abutting street and alley right-of-way, but exclude the first 150 feet of the longest abutting street and the longest abutting alley.

Basis: Residential properties benefit from the maintenance services provided on all abutting right-of-way. However, long side street and alley frontages are excluded because residential properties do not receive the same benefits from corner frontages as commercial or tax-exempt properties.

b. Condominiums and town homes

Policy: Measure full street and alley frontages on all sides of condominium or town house developments and divide the frontage by the number of dwelling units to establish a per-unit assessable frontage amount. All dwelling units must be assigned a minimum of 20 feet of assessable frontage.

Basis: Condominium and town home properties benefit from the maintenance services provided on all abutting right-of-way. The 20-foot minimum is based on using one-half of a standard 40-foot city lot as a means of apportioning the cost of maintenance services among densely-clustered parcels that generally do not directly abut right-of-way.

2. Tax-Exempt Property

Policy: Measure full frontage on all sides abutting street and alley right-of-way

Basis: Tax-exempt properties benefit from the maintenance services provided on all abutting right-of-way. All frontages should be included in the assessment calculation.

3. Commercial Property

a. Individual properties

Policy: Measure full frontage on all sides abutting street and alley right-of-way

Basis: Commercial properties benefit from the maintenance services provided on all abutting right-of-way. All frontages should be included in the assessment calculation.

b. Multiple, contiguous properties in a single complex (e.g., Town Square)

Policy: Measure full frontage on all sides abutting street and alley right-of-way. Allocate the frontage to each property within the complex based on its share of the combined square footage of all properties.

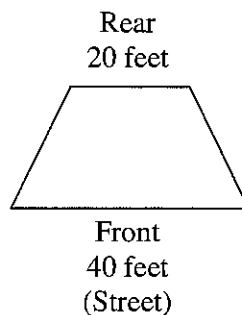
Basis: Commercial properties benefit from the maintenance services provided on all abutting right-of-way. All frontages should be included in the assessment calculation. The allocation of total frontage to each property based on its square footage is an appropriate method.

B. Calculation by Property Shape – (irregular-shaped properties)

Irregularly-shaped properties present a special challenge for determining assessable frontage. The measured frontage of an irregularly-shaped property could differ significantly from the measured frontage of a rectangular-shaped property that is identical in size. Irregular-shaped properties must be mathematically “adjusted” to derive an assessable frontage for a more rectangular-shaped property. The following formulas adjust frontages for the most common types of irregularly-shaped properties, and apply to all property types. These formulas are intended to establish as much uniformity as possible among property types.

1. Properties with wider front than rear

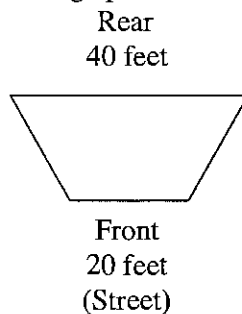
Policy: Measure rear lot dimension plus 60% of difference between street frontage and rear dimension



Example: $20 + (40 \text{ feet} - 20 \text{ feet}) \times .60 =$
 $20 + 12 = 32 \text{ feet of assessable frontage}$

2. Properties with wider rear than front

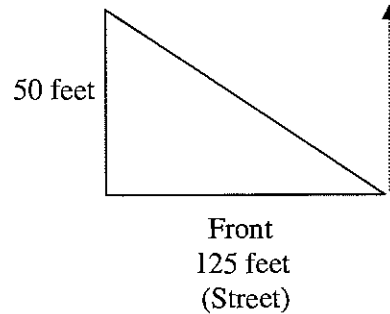
Policy: Measure street frontage plus 20% of difference between front and rear lot dimension



Example: $20 + (40 \text{ feet} - 20 \text{ feet}) \times .20 =$
 $20 \text{ feet} + 4 \text{ feet} = 24 \text{ feet of assessable frontage}$

3. Properties with right-angled triangular shape

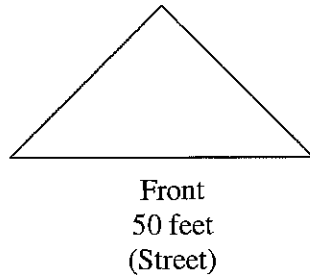
Policy: Extend lot lines to a square corner and use corner lot policy (short side plus 0% of first 150' of long side).



Example:
Short side = 50 feet of assessable frontage

4. Properties with acute-angled triangular shape

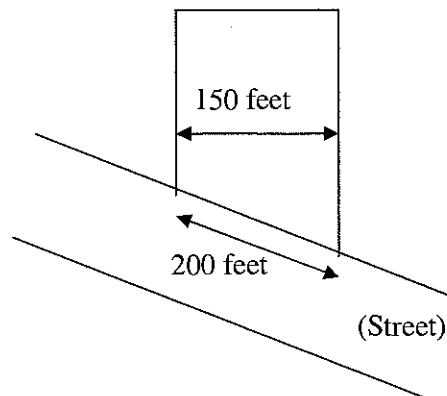
Policy: Multiply street frontage by 60% of same frontage



Example:
 $50 \text{ feet} \times .60 = 30 \text{ feet}$ of assessable frontage

5. Properties with slanted street frontage at least 10% greater than lot width measured perpendicular to the property sides

Policy: Assessable frontage equals perpendicular lot width.



Example:

Slanted street frontage = 200 feet

Perpendicular lot width = 150 feet

Perpendicular lot width + 10% = $150 \text{ ft} + (150 \text{ ft} \times 0.1) = 150 \text{ ft} + 15 \text{ ft} = 165 \text{ ft}$

200 feet > 165 feet; therefore

Assessable frontage = 150 feet

Note: In a special circumstance where an irregular-shaped property or a multi-ownership property does not conform to one of the above policies, the city Real Estate Manager may determine an appropriate assessable frontage. If, from time to time, policy changes or additions are needed, the Real Estate Manager must submit policy recommendations to the Mayor and City Council for their review and approval.

II. Establishing Assessment Rates

A. Rates by Street Class

As previously noted, the ROW Assessment is calculated by multiplying a property's *assessable frontage* by the appropriate *assessment rate*. This section identifies city policies governing the determination of assessment rates.

ROW Assessment rates are based on a "street class" designation that categorizes all city right-of-way according to the level of maintenance services provided. Right-of-way receiving the highest level of maintenance is located downtown. Outlying commercial and arterial streets receive less maintenance, and residential streets, alleys and unimproved right-of-way even less. The city's street class structure and the level of services provided within each class are listed as follows:

Class 1-A Downtown Streets (Paved)

Flush and sweep twice/week, street overlays, litter pick up, ordinance enforcement, emergency service, snow and ice control, snow removal, snow emergencies, sidewalk repairs, boulevard tree maintenance, streetlight maintenance, traffic signs and pavement markings

Class 1-B Downtown Streets (Brick)

Flush and sweep twice/week, brick repairs, litter pick up, ordinance enforcement, emergency service, snow and ice control, snow removal, snow emergencies, sidewalk repairs, boulevard tree maintenance, streetlight maintenance, traffic signs and pavement markings

Class 2 Outlying Commercial and Arterial Streets

Flush and sweep 6 to 10 times/year, street overlays, ordinance enforcement, emergency service, snow and ice control, snow emergencies, sidewalk repairs, boulevard tree maintenance, streetlight maintenance, traffic signs and pavement markings

Class 3 All Oiled and Paved Residential Streets

Flush and sweep each spring and fall, seal coat every 10 years, ordinance enforcement, emergency service, snow and ice control, snow emergencies, sidewalk repairs, boulevard tree maintenance, streetlight maintenance, traffic signs and pavement markings

Class 4 All Oiled and Paved Alleys

Flush and sweep each spring, seal coat every 10 years, ordinance enforcement

Class 5 Unimproved Street Right-of-Way

Patch, blade and place crushed rock as needed, ordinance enforcement

Class 6 Unimproved Alley Right-of-Way

Patch, blade and place crushed rock as needed, ordinance enforcement

Class 7 Above-Standard Lighting

Provide electricity for above-standard street light fixtures. Maintain, repair and replace fixtures as needed. Paint light poles on approximately a 7-year cycle.

Note: In 2010, billing for the annual above-standard lighting operation and maintenance assessment was combined with billing for the ROW Assessment to consolidate invoices sent to affected property owners and reduce administrative costs. Approximately 2,500 properties located within 29 above-standard street lighting districts are billed for this assessment. Separate policies govern the assessment calculation and are not included in this document.

The level of right-of-way maintenance services provided within each street class affects the cost of those services. Per-foot assessment rates are established by street class to cover maintenance costs in each street class.

B. Rates by Property Type

Properties are further categorized by type to determine separate assessment rates for each type.

Types of Property:

Residential

- 1-3 dwelling units, homestead and non-homestead (e.g., single-family homes, duplexes, double dwellings, triplexes)
- Condominiums and town homes

Tax-exempt – all non-taxable properties (e.g., schools, colleges and universities, clinics, government entities, non-profit organizations and religious institutions)

Commercial – all commercial and industrial property, including apartments of 4 or more units

Downtown – all commercial, tax-exempt and residential condominiums and town homes located within the downtown maintenance service area

For all property types listed above:

Policy: Charge at rates adopted annually by the City Council

Basis: Assessment rates for each type of property should appropriately reflect the benefits received from the maintenance services.

C. Rate Exceptions

Outside of Downtown:

1. Owner-occupied, homesteaded apartment properties (4 or more units)

Policy: Apply the residential rate to the portion of frontage corresponding to residential value, and apply the commercial rate to the portion of frontage corresponding to commercial value.

Basis: Since owner-occupied homesteaded properties are assessed at different rates than commercial apartment properties, properties that include a combination of the two types should be assessed using both residential and commercial rates.

Example: Total property value = \$200,000, residential value = \$50,000, commercial value = \$150,000. Residential value = 25% of total property value, commercial value = 75% of total property value. Frontage = 100 feet, frontage assigned residential rate = 25 feet [100 feet X 25%], frontage assigned commercial rate = 75 feet [100 feet X 75%].

2. Corner apartment properties (4 or more units)

Policy: Charge at the lowest improved street class for both sides

Basis: Apartment properties with 4 or more units generally do not receive the same benefits as other commercial property. Assessment rates for this type of property should appropriately reflect the benefits.

Example: If the property borders a Class 2 street and Class 3 street, both sides are charged at the lower Class 3 commercial rate.

3. Tax Exempt Property

Hospital systems (hospitals, related clinics and other properties)

Policy: Charge at the commercial rates within each street class

Basis: This type of tax exempt property generally receives the same benefit from maintenance of the abutting right-of-way as commercial property. Assessment rates should appropriately reflect these benefits.

Downtown:

1. Residential condominiums and town homes

Policy: Charge at rates lower than rates applied to all other downtown properties

Basis: Residential condominium and town home properties generally receive the same benefit from maintenance of the abutting right-of-way as other downtown properties. However, these are often densely-clustered parcels in a single complex that do not directly abut right-of-way. Assessment rates for these properties should reflect these unique circumstances.

III. Properties NOT Assessed

Certain properties abutting right-of-way are exempt altogether from the ROW Assessment, based on their type and their proximity and accessibility to the right-of-way.

A. Type of Property

1. Storage units associated with a condominium or town home

Policy: Do not assess.

Basis: Storage units are ancillary to the primary residential dwelling units and are incorporated into the charges for those units.

2. Garage units associated with condominiums or town homes

Policy: Do not assess.

Basis: Garage units are ancillary to the primary residential dwelling units and are incorporated into the charges for those units.

3. Platted outlots

Policy: Do not assess.

Basis: Platted outlots are typically undevelopable parcels that serve no practical purpose other than to assist a development in satisfying zoning, building code or storm water management requirements. These properties do not derive any benefit from right-of-way maintenance services and should not be included in the assessment calculation UNLESS their assessable frontage exceeds 10% of the total assessable frontage of other adjacent lots having the same property owner.

B. Proximity to right-of-way

1. Land-locked parcels (not abutting any street or alley right-of-way)

Policy: Do not assess.

Basis: Properties that do not abut city right-of-way do not derive any benefit from right-of-way maintenance services and should not be assessed.

2. Parcels abutting unimproved right-of-way, if the right-of-way is not used to access abutting properties.

Policy: Do not assess.

Basis: Properties that cannot be accessed via unimproved right-of-way do not derive a benefit from maintenance services provided within that right-of-way and should not be assessed.

C. Accessibility to right-of-way

Property abutting either improved or unimproved right-of-way where the grade difference between property and right-of-way is so substantial that the right-of-way can provide no practical access to the property. If the right-of-way is still reasonably accessible but the property owner chooses not to use it to access the property, the frontage abutting the right-of-way is still subject to the assessment. Final determination of accessibility is made by the Public Works Street Maintenance Engineer.

Policy: Do not assess.

Basis: Properties that have no practical access to the right-of-way do not derive any benefit from maintenance services and should not be assessed.

D. Legally Exempt

Property owned by the federal government is exempt by federal law from paying local assessments. Certain properties under public ownership (e.g., Metropolitan Council) and cemeteries are also exempt by state law from paying local assessments. Approximately 50 parcels citywide are legally exempt.

Policy: Do not assess.

Basis: Properties that are exempt by law from paying assessments should not be charged, even if such properties derive a benefit from the maintenance services.

IV. Right-of-Way Maintenance Assessment Review Policies and Procedures

A. Objective

Establish review policies and related procedures to ensure that ROW Maintenance Assessment charges for all 84,000 properties in the city of Saint Paul are reviewed and updated on a regular basis.

B. Policies

1. Each year OFS/Real Estate staff will review all properties within 2 of the city's 17 neighborhood planning districts to verify the accuracy of the ROW charge. Downtown properties will be reviewed every 5 years. This schedule provides for the review of all properties citywide within a 10-year period, with downtown properties reviewed twice during that period.
2. Any incorrect charges identified by staff will be submitted to the Finance and Public Works directors for review by September 1 of each year. Adjustments to the charges will be made only after both directors' approval.
 - a. Approved adjustments resulting in a decrease of the charge will be applied immediately. Note: No refunds for prior-year overcharges will be provided.
 - b. Approved adjustments resulting in an increase of the charge will not be applied until the next year's assessment billing cycle. OFS/Real Estate and Public Works staff will communicate with property owners by letter and meet with owners as needed to explain the increases and timing of their implementation.
3. OFS/Real Estate will continue to identify ROW charge adjustments by means other than the annual review process (e.g., parcel divisions, select reviews, responses to property owner inquiries). Any adjustments resulting in decreases will be applied immediately, as will adjustments due to parcel divisions from Ramsey County. Adjustments resulting in increases will be applied in the same manner as the annual review (i.e., next year's assessment billing cycle), which is a departure from current practice.

C. Procedures (parcel-by-parcel review steps)

1. Using electronic and paper maps available from Ramsey County and Public Works, along with select site visits, OFS/Real Estate staff will identify the proper street class for each property and measure the street or alley frontage.
2. Properties with irregular boundaries or multiple street frontages will be reviewed to ensure compliance with current city assessment policies (e.g., no long-side charge for residential parcels, adjustments by formula for triangular-shaped parcels).
3. Properties with multiple contiguous parcels in the same complex (e.g., Town Square) will be reviewed to ensure that total assessable frontage for all properties equals total actual street frontage. Actual frontage will be allocated to individual parcels based on the area of each parcel.
4. The results for each property will be compared to data in the computer database.
5. If discrepancies are found, staff will log the items and indicate the magnitude and direction of the adjustments needed.

6. Following approval by the Finance and Public Works directors, staff will make the adjustments in the computer database according to the schedule established above.

Note: Assessment review policies and procedures do not supersede or mitigate state law and charter requirements pertaining to assessment procedures or appeals.

Exhibit B

Schedule for annual review of Right-of-Way Maintenance Assessment Charges By Citizen Participation District

Citizen Participation District	Number of Properties
1	5,344
2	7,748
3	4,679
4	4,809
5	8,032
6	6,791
7	3,664
8	4,716
9	4,477
10	3,950
11	3,760
12	2,297
13	4,621
14	6,704
15	7,044
16	2,162
17	3,344
TOTAL	84,142

Review Year	Citizen Participation Districts	No. of Properties
2010	Dist 17 Ward 2	3,344
2011	Dist 4 Dist 9 Wards 6, 7 Ward 3	9,286
2012	Dist 15 Dist 7 Ward 3 Ward 1	10,708
2013	Dist 2 Dist 12 Wards 6, 7 Ward 4	10,045
2014	Dist 6 Dist 3 Ward 5 Ward 3	11,470
2015	Dist 17 Ward 2	3,344
2016	Dist 1 Dist 8 Ward 7 Ward 1	10,060
2017	Dist 10 Dist 14 Wards 4, 5 Wards 3, 4	10,654
2018	Dist 5 Dist 16 Wards 3, 5, 6 Ward 3	10,194
2019	Dist 13 Dist 11 Wards 1, 4 Ward 4	8,381
2020	Dist 17 Ward 2	3,344

Planning Districts & Council Wards

