

City of Saint Paul
Street Maintenance Service Program
Policies and Procedures
FINAL – November 24, 2021

Policies

In 2017 the City of Saint Paul replaced the Right-of-Way Maintenance Program with the Street Maintenance Service Program (SMSP). The SMSP was authorized in the City’s street maintenance ordinance (Ch. 62, Administrative Code) as amended by Ordinance No. 17-8, and the special assessment ordinance (Ch. 64, Administrative Code). This document sets forth the policies for the SMSP, including services, costs, calculation of fees, adjustments to fees, properties exempt from fees, and the procedures for billing and collecting fees and assessments for SMSP services. All previous city policies pertaining to the former Right-of-Way Maintenance Program regarding street, alley, right-of-way maintenance, or any other related services are no longer in effect and do not apply to the SMSP.

I. SMSP Services

- Street Lighting – Repair, refurbishment and replacement of light fixtures, bulbs, poles, underground infrastructure and electricity. Includes all lighting types.
- Street and Alley Sweeping – Removal of sand, leaves and debris. Services provided 2 times per year to several times per year, depending on the type of street. Alleys are swept once annually.
- Sealcoating – Asphalt skim patching, pothole filling, oil and aggregate/rock chips to re-seal, recovery of material not imbedded (reclamation). Applies to residential streets and all paved alleys. Services are provided every eight (8) years.
- Mill and Overlay – Removal of the top layer of a street (usually 1 ½ - 2 inches) by a milling machine and applying a new layer of bituminous/asphalt pavement in its place. Includes re-installation of traffic signal loops and pavement re-striping. Applies to commercial/arterial and collector streets.
- Sidewalks – Removal and replacement of cracked, broken or heaved panels within city right-of-way in downtown only.

II. Cost of Services

The City’s cost of providing SMSP services depends on the type of service provided, as described in Sec. I, and the type of street or alley maintained, as listed below.

Improved Street/alley types (and frequency of service):

- Class 1 – Downtown Streets (highest frequency of service)
- Class 2 – Outlying Commercial/Arterial Streets (high frequency of service)
- Class 3 – Residential Streets (moderate frequency of service)
- Class 4 – Oiled/Paved Alleys (lower frequency of service)

The Department of Public Works calculates all costs for SMSP services.

III. Calculating SMSP Fees

The fees charged to property owners for SMSP services within streets and alleys bordering their properties are calculated by multiplying the property's street or alley frontage by a per-foot rate for a given service. The rate is generally established to recover 100% of the cost of providing the SMSP service, with some adjustments noted in Section IV.

In the case of downtown sidewalks, the fee to bordering properties is established to recover 100% of the City's cost to replace deficient, sub-standard, or non-compliant panels. Due to varying sidewalk widths, the fee is not based on a per-foot rate.

A. Calculating Frontage

Frontage is the basis for calculating all SMSP service fees. Frontage is defined as the actual lineal footage that a property borders a street or alley being serviced. No adjustment to frontage is made for irregularly-shaped properties (i.e., non-rectangular properties) or irregularly-oriented properties (i.e., rectangular properties where lot dimension along the street is greater than lot depth).

Note 1: If a street or alley exists as a platted or conveyed easement but is not a constructed and operating right-of-way used by the public (i.e., "improved"), it does not receive SMSP lighting, sweeping, sealcoating or mill and overlay services and bordering properties are not charged for SMSP services. If a street is improved but does not have street lighting, there is no SMSP fee for lighting. Alley lighting is not provided by the City.

Note 2: Frontage for residential and commercial condominium and townhome association developments is determined by dividing total association ("CIC") frontage along the abutting improved streets by the number of condominium or townhome units.

B. Establishing Rates

The per-foot billing rate charged to properties bordering streets and alleys receiving SMSP services is derived by dividing 100% of the cost of the service, as calculated by the Department of Public Works, by the total street or alley frontage, as determined by the Office of Financial Services – Real Estate Section.

IV. Fee Calculation Adjustments

- A. SMSP fees will be adjusted for certain properties, depending on the type of service being provided and the type of property receiving the service:

Mill and Overlay Service

All property types receive a 50% reduction of the total cost of service. The amount billed to property owners reflects the 50% reduction. No additional adjustments are provided for any property type.

Street Lighting Service

Residential properties with multiple improved street frontages (typically corner properties) receive a 50% reduction of the total cost of service. The amount billed to property owners reflects the 50% reduction.

Note 3: Alley lighting is not provided by the City or billed by the City.

Street Sweeping Service

Residential properties with multiple improved street frontages (typically corner properties) receive a 50% reduction of the total cost of service. The amount billed to property owners reflects the 50% reduction.

Alley Sweeping Service

Residential properties with multiple improved alley frontages receive a 50% reduction of the total cost of service. The amount billed to property owners reflects the 50% reduction.

Street Sealcoating Service

Residential properties with multiple improved street frontages (typically corner properties) receive a 50% reduction of the total cost of service. The amount billed to property owners reflects the 50% reduction.

Alley Sealcoating Service

Residential properties with multiple improved alley frontages (typically corner properties) receive a 50% reduction of the total cost of service. The amount billed to property owners reflects the 50% reduction.

Sidewalk Repair Service – Outside of Downtown

The City does not charge a fee for sidewalk repair to properties bordering sidewalks outside of downtown.

Note 4: For properties that receive fee calculation adjustments, the difference between the full cost of the service and the reduced cost to property owners resulting from the adjustments is calculated and paid for through other city resources.

B. Basis for determining if a property is residential 1-4 units:

Ramsey County assigns a “Land Use Code” to each property in the county based on its use. The City has identified certain Land Use Codes associated with residential property types. The applicable codes for these property types are:

401 – Apartments 4-6 Rental Units

(Properties with 4-6 rental units in SMSP projects are manually reviewed by the Office of Financial Services – Real Estate Section to exclude properties with more than 4 units.)

500 – Residential, Vacant Land, Lot

505 – H&B Use SF Classed as Duplex

510 – Single Family Dwelling, Platted Lot

515 – Two Residences on One Parcel

517 – 2nd Residential 4+ Units, Classed Apartment

520 – Two Family Dwelling, Platted Lot

530 – Three Family Dwelling, Platted Lot

540 – Double Dwelling

545 – Half Double Dwelling

547 – Other Residential

550 – Condominium

559 – Residential, Condo Vacant

560 – Residential Co-Op

570 – Townhome - Inner

573 – Townhome - Detached

574 – Townhome - Tico

575 – Townhome - Outer
579 – Townhome Vacant
599 – Other Residential

Note 5: Some properties that physically appear to be residential 1-4 units may have a different county Land Use Code than listed above. For example, a single-family dwelling operated as a rental property may be designated with a commercial Land Use Code. This type of property does not receive the 50% fee adjustment.

C. Adjustment Formula

Frontage adjustment (excluding mill and overlay projects): For residential properties with multiple street or alley frontages, the adjustment is applied by reducing the frontage by 50%. The reduced frontage amount is then multiplied by the established per-foot rate.

If only one street or alley bordering a residential multi-frontage property receives an SMSP service, the property owner is charged for only the street or alley being serviced, and the frontage used to calculate the fee is reduced by 50%.

Residential properties with a single alley frontage and/or single street frontage do not receive an adjustment.

Street Example: Single-family dwelling, corner lot, both streets being serviced. Side A street frontage is 40 feet, Side B street frontage is 120 feet. With the adjustment applied, the reduced Side A frontage is 50% of 40 feet, or 20 feet; the reduced Side B frontage is 50% of 120 feet, or 60 feet. To calculate the SMSP fee, reduced Side A frontage (20 feet) is multiplied by the appropriate rate per foot for that street, and reduced Side B frontage (60 feet) is multiplied by the appropriate rate per foot for that street.

Alley Example: Single-family dwelling bordering two sides on an “H-shaped” alley, both sides being serviced. Side A alley frontage is 40 feet, Side B alley frontage is 120 feet. With the adjustment applied, the reduced Side A frontage is 50% of 40 feet, or 20 feet; the reduced Side B frontage is 50% of 120 feet, or 60 feet. To calculate the SMSP fee, reduced Side A frontage (20 feet) is multiplied by the appropriate rate per foot for the alley, and reduced Side B frontage (60 feet) is multiplied by the appropriate rate per foot for the alley.

V. Properties NOT Charged for SMSP Services

The following properties bordering streets or alleys are not charged for SMSP services based on property type, proximity and accessibility to the street or alley, or status as a “legally-exempt” property.

A. Property Type

- i. Storage units associated with condominiums or town homes
- ii. Garage units associated with condominiums or town homes
- iii. Platted outlots

B. Proximity

- i. Land-locked parcels (not bordering a street or alley right-of-way)
- ii. Parcels bordering unimproved right-of-way (Class 5 streets, Class 6 alleys) that is used only for access to/from improved right-of-way.

C. Access to Right-of-Way

Properties where there is no practical access to the bordering right-of-way. Examples of barriers to practical access include, but are not limited to, hills, bluffs, rocks, ditches, ravines, rivers, ponds and densely-wooded areas. If the right-of-way is reasonably accessible but property owners have configured their properties to block access to it, the properties are still subject to SMSP fees. Examples include, but are not limited to, fences, structures, modest retaining walls, trees, shrubs, equipment and materials. Final determination of accessibility is made by the manager of the Real Estate Section of the Office of Financial Services in consultation with the manager of the Right-of-Way Division of the Department of Public Works.

D. Legally Exempt

Properties exempt by law from being charged SMSP fees. Evaluated on a case-by-case basis in consultation with the Office of City Attorney.

VI. Above-Standard Lighting Operation and Maintenance (O&M)

The City charges an annual fee to several thousand properties for the cost of operating and maintaining above-standard twin lantern-style, globe-style, and other special lighting systems over the life cycle of the systems, which are located in special lighting districts throughout the city. This fee is in addition to the SMSP street lighting fee charged to properties citywide where lighting exists. The O&M

fee covers the incremental cost of maintaining the above-standard system that exceeds the cost of maintaining the standard system.

O&M costs for each special lighting district are determined annually by the Department of Public Works and per-foot rates for each district are calculated and applied to properties based on street frontage as defined in Section III. A.

The O&M fee is included in the annual invoice for SMSP street lighting and street and alley sweeping services.

Procedures

I. Invoicing of SMSP Fees

A. The City mails invoices for each of the SMSP services as follows:

- i. Street Lighting and Street/Alley Sweeping – once each year in late August or early September
- ii. Sealcoating – after the work is completed, at the end of the calendar year in which the service is provided
- iii. Mill and Overlay – after the work is completed, in January of the year after the service is provided

Key information contained in the invoice includes: property charged, SMSP service provided, basis for calculating the fee, payment due date, and right to appeal the charge through a subsequent assessment process.

Note 6: Once invoices for SMSP services are mailed to property owners, the charges are visible on the City's assessment web page.

- B. Property owners have 30 days following the invoice mailing date to pay the fees to the City without an interest charge.
- C. If property owners do not pay the fees within 30 days, the City refers the bill to the assessment process.

II. Assessment of Unpaid SMSP Fees

- A. Soon after the 30-day payment deadline has passed, the City sends property owners a notice of a public hearing before the City Council to approve the assessment of their unpaid SMSP service fees. The notice also describes the procedure, under Minnesota Statutes Chapter 429, for property owners who desire to appeal the assessment to do so. The notice also states that qualifying

property owners may be eligible for a hardship deferral of sealcoating and mill and overlay assessments.

- B. The City Council reviews and approves or modifies the assessment at a public hearing. After approval, the City does not send another invoice to property owners.
- C. In late November of each year the City sends to Ramsey County the appropriate amounts of unpaid, Council-approved SMSP assessments. The County places the amounts on property owners' tax statements the following year. The amounts are comprised of three components – principal, interest and flat fee – which are established as follows:
 - i. Annual Principal Installment:
 - Street Lighting and Street/Alley Sweeping assessments – entire levied amount (1-year assessment)
 - Sealcoating assessments – 1/8 of the levied amount (8-year assessment)
 - Mill and Overlay assessments – 1/10 of the levied amount (10-year assessment)

Note 7: The minimum annual principal installment for Sealcoating and Mill & Overlay assessments is \$40.00.

- ii. Annual Interest:
 - Street Lighting and Street/Alley Sweeping assessments – calculate interest by multiplying the approved interest rate (city investment pool* rate plus the city administrative rate**) by the assessment balance.
 - Sealcoating assessments – calculate interest by multiplying the approved interest rate (city investment pool* rate only) by the assessment balance. For the first annual installment also add the amount of interest accruing between levy date and end of the same calendar year.
 - Mill & Overlay assessments – calculate interest by multiplying the approved interest rate (pool* rate only), by the assessment balance. For the first annual installment also add the amount of interest accruing between levy date and end of the same calendar year.

* The pool rate is the average interest earned by the City on its pooled investments. The City Treasury Manager determines the pool rate each year.

** The city administrative rate is a rate applied to assessment balances to generate income to cover the City's cost of administering SMSP assessments. The Real Estate Manager determines this rate each year.

iii. Annual Flat Fee:

A separate flat fee is charged to cover the City's cost to administer the SMSP program and applied when an assessment is sent to Ramsey County. The flat fee is applied only to the following services:

- Sealcoating assessments – determined by real estate manager and treasury manager.
- Mill & Overlay assessments – determined by real estate manager and treasury manager.