

INFORMATIONAL MEETING

Assessment Roll 2014-1

2014-101 PMP Street Reconstruction Project

MEETING MINUTES

Tuesday, October 7, 2014, 2:00 PM and 5:30 PM

Bloomington Public Works (Training Room)

Staff Present: Jen Desrude, Bob Simons, Julie Long

Public in Attendance: 9 property owners (See attendance list at the end)

These meetings were held in the form of a short PowerPoint presentation, followed by questions and answers with staff. Below are the meeting minutes:

Jen Desrude presented the PowerPoint presentation which is attached to these minutes. The agenda for the meeting was as follows:

- Calculating Adjusted Front Footage
- Calculating Assessments
- Assessment Payment Options
- Questions

Questions asked by the property owners included the following:

Q: Will the project be done this year?

A: Yes, we anticipate completion of all paving and restoration work this Fall.

Q: How much interest will we end up paying over the life of the assessment?

A: The interest rate is 5%. Staff offered to send payment calculator spreadsheets.

Q: Is interest tax deductible?

A: No, neither the special assessment nor the interest is tax deductible.

Q: Can a separate payment plan be set up other than taxes?

A: The City collects special assessments through Hennepin County property tax collection and the City is not set up to have a separate special assessment collection system.

Q: When will the stumps in the Baillif neighborhood be ground out?

A: The stumps will be ground out after the first layer of bituminous is paved in the entire area and staff expects this work to be done over the next two weeks.

Q: How is it determined how much of the front yard is disturbed?

A: When curb and gutter is installed, some disturbance of front yards is required to match into the existing ground. The variation in the slopes of front yards is the reason why the disturbance limits are different for each property. The goal is to obtain a smooth transition from new turf to existing turf.

Q: Who pays the assessment for an apartment building?

A: The special assessment is sent to the apartment building owner and they decide how they want to recover the costs from their tenants.

Q: How is the assessment handled if the house is sold?

A: The City does not get involved in those transactions. The assessment payment is negotiated between the buyer and the seller. Typically, the title company wants clear title when the house is sold and will require the assessment to be paid in full prior to the closing.

Q: The gas company did work before the PMP and they patched the hole that they dug with pavement. A week or so later, the City project came through and tore up all of the pavement, including the patch. Why did the gas company patch their work just for the City to remove it a short time later?

A: CenterPoint Energy is informed of proposed City projects prior to construction so that they can inspect their facilities to see if any repairs are needed before the street is reconstructed. By having CenterPoint Energy in front of the City project, they should not need to disturb the new road with repair work later. Oftentimes, the City requires that the gas company patch their work so the road is drivable for the period of time between gas main replacement and the City project. CenterPoint Energy pays for both the gas repair work and surface restoration. It is not part of the special assessment or the City construction costs.

Q: My street hasn't gotten sod yet, isn't it too late for sod to be laid?

A: No, this is a good time for sod. Sod can be laid up until the ground freezes. If the sod does not establish itself before winter, it will go dormant until spring. When the ground thaws, the sod will then begin to establish itself. The 30 day sod warranty period stops in early-mid November, depending on the weather and resumes again on April 15 or when the weather allows for sod growth.

The meetings ended at about 2:30 PM and 6:15 PM.

ATTENDANCE

<u>Name/Company</u>	<u>Address</u>
Helmuth Schmidt	3600 West Old Shakopee Rd
Mike & Helen Mudgett	10509 Drew Avenue S.
Rayola & Roy Knudsen	3701 Baillif Place
Lynette Kapel	10449 Abbott Avenue S.
Jim Woychik	10723 Upton Avenue S.
Geraldine Barth	10625 Upton Avenue S.
Mary Rubbelke	3208 Baillif Place
Don Durenberger	8307 – 4 th Avenue S.
Ray & Aimee Eck	10533 Abbott Avenue S.

ANALYSIS

- 9 Property Owners attended the Informational Meetings
- 427 Property Owners Assessed for 2014 PMP
- 2.1% of the Assessed Properties were represented at the Informational Meetings

OTHER CORRESPONDANCE

Staff received phone calls from property owners with construction and assessment questions from the time the notice was sent until the time these notes were prepared. In most cases, staff was able to answer the property owner's question or address their concern.



PAVEMENT MANAGEMENT PROGRAM (PMP)

ASSESSMENT INFORMATIONAL MEETING

Tuesday, October 7, 2014
2:00 PM and 5:30PM
Public Works Training Room

MEETING AGENDA

- Calculating Adjusted Front Footage
- Calculating Assessments
- Assessment Payment Options
- Questions
 - Relevant for the entire group
 - Staff will be available to answer specific questions pertaining to your property after the meeting



CALCULATING ADJUSTED FRONT FOOTAGES

- Policy in place since 1962
- Calculation equates all lots to a rectangular lot
- Adjusted Front Footage does not necessarily equal actual length of property touching street
- Total Adjusted Front Footage is used to determine Assessment Rate

CALCULATING ADJUSTED FRONT FOOTAGES

- Typical Lot Descriptions
 - Rectangular
 - Odd-Shaped
 - Shallow
 - Corner
- See me after the meeting if you want me to show you how your lot was calculated

CALCULATING ASSESSMENTS

- Actual Project Cost Used
 - Divide cost into categories
 - Surfacing and Curb & Gutter
- Determine the 100% rate for each Category
- Single Family & Two Family
 - 25% rate (cost per foot)
- Other Properties
 - 50% rate (cost per foot)
- City of Bloomington
 - Remaining cost through Citywide Property Taxes

CALCULATING ASSESSMENTS

- **2014 Cost Breakdown**

- 35,762 ft. – Surfacing

- 23,547 ft. - Curb & Gutter

- Total Surfacing Cost - \$4,465,254.49

- Total Curb & Gutter Cost - \$1,466,719.52

- 100% Surfacing Rate = $\frac{\$4,465,254.49}{35,762 \text{ ft.}} = \mathbf{\$124.86 / ft}$

- 100% Curb & Gutter Rate = $\frac{\$1,466,719.52}{23,547 \text{ ft.}} = \mathbf{\$62.29 / ft}$

CALCULATING ASSESSMENTS

- Surfacing (100% Rate = \$124.86/ft)
 - Single & Two Family Rate (25%) = **\$31.22/ft**
 - Other Properties Rate (50%) = **\$62.43/ft**
- Curb & Gutter (100% Rate = \$62.29/ft)
 - Single & Two Family Rate (25%) = **\$15.57/ft**
 - Other Properties Rate (50%) = **\$31.15/ft**

ASSESSMENT PAYMENT OPTIONS

- Pay in full prior to **November 28, 2014**
- Pay a partial lump sum prior to **November 28, 2014**, then allow rest to be paid over 10 years with interest (5%)
- Pay over 10 years with interest (5%)
 - At any time, remainder may be paid in full as long as entire portion of assessment is paid.

HARDSHIP DEFERRAL

- Age 65 or older or retired by virtue of a permanent and total disability
- Applicant's income is below "very low income" limit
 - \$29,050 or less for one person
 - \$32,200 or less for two people
- Parcel is homesteaded and valued at less than current average value of a single family home in the City of Bloomington
 - \$206,900 or less
- Contact Mae Lewis in Assessing Division (952-563-4744) to determine eligibility.

INFORMATION ON CITY WEBSITE

www.BloomingtonMN.gov

- On left side of page “Jump to Department”
- Scroll to “Assessing”
- Answers to your assessing questions
 - Special Assessments
 - Special Assessment Deferments

QUESTIONS?

- Please ask questions relevant for the entire group
- Staff available for one-on-one questions following meeting.