

Moore, Shari (CI-StPaul)

From: chad.skally@gmail.com on behalf of Chad Skally <chad@skally.com>
Sent: Tuesday, November 1, 2016 11:16 AM
To: Kantner, Libby (CI-StPaul); #CI-StPaul_Ward1; #CI-StPaul_Ward2; #CI-StPaul_Ward3; #CI-StPaul_Ward4; *CI-StPaul_Contact-Council
Cc: Chad Skally; Moermond, Marcia (CI-StPaul); Mike Schumann; Ferdinand Peters; jghoeschler@comcast.net; Michael Mischke
Subject: please add to the public record for the City Council meeting tomorrow night

11/1/2016

For the Public Record

Saint Paul City Council Meeting 11/2/2016

ROW ASSESSMENT APPEAL CONSENT AGENDA Items 34-64.

Dear City Council,

For many years myself, along with others, have presented to you specific facts showing that corner commercial properties do not benefit 2-3 times more than identical mid-block properties just because they are located on a corner. Yet corner commercial properties pay 2-3 times more in ROW assessments.

Every property on a block has equal access and equal benefit to the all streets that surround the block.
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I have attached seven facts to support this claim. Please read them.

As a citizen and small business owner of this city, I can tell you that I feel like no one cares what I think. Not only have we been ignored year after year, but last year you, the City Council, specifically stated you would look into this issue and you did not.

This year, I was told to provide factual information and the City would give me a “factual determination” on my appeal. I provided the City with 3 pages of facts. In return the City gave me the following boiler plate response “Appellant did not provide any written, oral testimony or material evidence regarding non-constitutional

objections to support a reduction or deletion of the assessments; No factual basis was established for modifying the proposed assessments”.

So, again, as a citizen and small business owner of this city, I can tell you that I feel like no one cares what I think.

The 2011 ROW policy document, not the constitution, specifically states “to distribute the costs of street maintenance among all properties that benefit”.

Every property on a block has equal access and equal benefit to the all streets that surround the block.

Please change the 2011 ROW assessment policy.

Chad Skally

Ward 3 Resident

Wards 1, 2, 3, and 4 Small Business Owner

FACT 1

Four of my corner commercial corner properties pay approximately 2.3 times more in ROW maintenance assessment than identical buildings in the middle of the block (see Table 1). On average the 2016 ROW maintenance assessment is \$1,291 more per corner property than an identical building in the middle of the block.

Table 1 ROW assessments compared to identical mid-block property.

| Corner Property Address | ROW Assessment (rounded) | Identical Mid-Block Property Assessment | Amount Difference | Times Difference |
|-------------------------|--------------------------|---|-------------------|------------------|
| 241 Brimhall | \$1,718 | \$712 | \$1,006 | 2.4 |
| 622 Grand | \$1,813 | \$886 | \$927 | 2.0 |
| 2130 Como | \$1,592 | \$616 | \$976 | 2.6 |
| 194 Summit | \$4,032 | \$1,776 | \$2,256 | 2.3 |
| Total | \$9,155 | \$3,990 | | |

| | | | | |
|---------|---------|-------|---------|-----|
| Average | \$2,289 | \$998 | \$1,291 | 2.3 |
|---------|---------|-------|---------|-----|

FACT 2

City of Saint Paul’s RES 11-1098 states:

“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;”

Later in the policy document it states:

“A major purpose of ROW assessment is to distribute the costs of street maintenance among all properties that benefit, including tax-exempt and taxable 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.”

In my particular case, with these four properties, I do not receive an average of \$1,291, or 2.3 times, in more benefits than an identical building in the middle of the block. Compared to identical mid-block properties, my:

- corner properties do not have 2.3 times more access to street parking
- corner properties do not have 2.3 times more revenue (Table 2 lists comparable rents)
- corner properties do not have a property value 2.3 times higher

Table 2 Income from corner versus mid-block properties

| Address | 1 Bedroom Market Rent | Comparable Mid-Block Properties |
|--------------|-----------------------|---------------------------------|
| 241 Brimhall | \$930 | \$880 - \$960 |
| 622 Grand | \$865 | \$865 |
| 2130 Como | \$895 | \$895 |
| 194 Summit | \$925 | \$810 - \$1,200 |

FACT 3

This is the list of ROW maintenance services provided:

“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; and emergency maintenance service”

All properties on each block benefit equally from the maintenance of the streets surrounding it. The mid-block properties benefit equally with the corner properties for these services. If the City were to stop these services on just the ends of the blocks, every property on the block would be equally effected. I believe these are factual statements:

- people who access properties in the middle of the block, drive on the streets around the block,
- people who visit properties in the middle of the block, park on the streets around the entire block,
- people who bike and walk to the properties in the middle of the block, walk on the sidewalks around the block, and
- people who use the alley to access behind their mid-block properties, use the streets around the block for access.

FACT 4

There are a lot of false perceptions about the benefit corner commercial properties receive because of more “street access and visibility”, and especially how this relates to charging a fee based specifically on benefits from City services. Here are quotes from the 2015 ROW City Council Hearing:

“Commercial (corner properties) benefits more from access.” -Council President Stark

“Although, I suspect no corner commercial property owner would switch with a mid-block owner. You would rather be on the corner. More access, two areas to park on, better visibility, easier delivery. (There is a) Huge advantage of corner properties. Patina is an example.” -Councilmember Tolbert

“I agree with Councilmeber Tolbert, there is some additional advantage to being on the corner, but it is not 3 times.” -Council President Stark

Specific factual comments I have to Councilmember Tolbert’s 2015 comments:

“no corner commercial property owner would switch with a mid-block owner“ - I own many mid-block properties and would be completely open to switching my corner properties for an identical mid-block property.

- “More Access” - A corner property would only have more access if there is a side entrance. Most commercial corner properties are similar to mid-block properties and have only a main entrance, and a rear entrance.
- “Two areas to park” - This is completely false because the streets are for public parking only. It is against the law for anyone to designate the street parking in front of their home or business for their own use. People can and do park around the entire block when going to a property in the middle have the block.
- “Better visibility” - In some cases a corner property has better visibility, specifically if it is on the corner of 2 arterial streets. However, in most cases corner commercial properties are along a residential street and the main visibility in on only one side.
- “Easier delivery” - This has nothing to do with street assessments, or a value of a building. Any business, whether on a corner or mid-block, has access for deliveries.

- “Huge Advantage” aka Patina - This is the biggest myth. Take a look at the Bibelot, Irish on Grand, and St.Patrick's Guild. They are all successful gift shops that are not on a corner. In Saint Paul I know of mid-block salons, barber shops, restaurants, hardware stores, and apartment complexes that all have the same benefit from the streets, and similar values as identical corner properties.

FACT 5

In 2011 I brought this issue to City Council and nothing was changed.

At the October 7th 2015 City Council Meeting, during the ROW assessment discussion (item #47) Councilmembers specifically stated:

“I continue to agree that we should make a fix for this and get more votes to do it.” -Council President Stark

“I think we should take another look at it.” Concilmember Finney - “I agree with you.” -Council President Stark

“I am not sure there is any advantage at all to properties for being on the corner.” -Councilmember Bostrom

“It might be time for another ROW policy session. Maybe we will set that up for some time soon.” - Council President Stark

“We really need to take a look at this again.” -Councilmember Thao

However, nothing has changed.

FACT 6

I believe there are several easy options to fix this inequity:

- Option 1 – charge commercial properties based on the address side of their property (as is done with residential properties).
- Option 2 – charge commercial properties based on the square footage of their lot.
- Option 3 – charge commercial properties based on property designation and square footage of their building(s).

FACT 7

In the ROW policy document, it states:

“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.”

The ROW policies of Saint Paul conflict with state law and do not meet the standard of increasing the value of my properties directly with the cost of the assessments I pay.