

Moermond, Marcia (CI-StPaul)

From: Assessments (CI-StPaul)
Sent: Wednesday, April 15, 2020 11:57 AM
To: 'Elliott Knetsch'; DeMay, Patti (CI-StPaul); Assessments (CI-StPaul)
Cc: Engelbrekt, Bruce (CI-StPaul)
Subject: RE: Assessment formula based on total street frontage is not reasonable

Good Morning Mr. Knetsch,

Your emails has been added to the Council record on this matter. I also asked our Real Estate staff to review these and provide commentary and explanation on City process. Bruce Engelbrekt, the manager of this division provided the following to me, which I share with you now.

Sincerely, Marcia Moermond
Legislative Hearing Officer
Saint Paul City Council

In response to the comment from the property owner at 1201 Watson, the City has historically assessed on a street frontage basis, which is documented in its St. Paul Streets Program Policies. The key to determining assessment levels is to first analyze the special benefit to the properties along the streets being improved. That benefit is determined by an independent appraiser analyzing each classification of properties within the project area. The benefit is determined by how much the total value of properties within a particular classification increases due to the project. In the case of the Griggs/Scheffer project, the value of properties within the single family and multi family property classifications was projected to increase by up to 3.0%. When the total county-assessed value of properties in each classification is divided by total frontage in each classification, a per-foot rate is calculated. For the Griggs-Scheffer project, the City selected a per-foot rate that was well below the rate that would reflect full special benefit within the single family property classification.

In response to the comment from the property owner at 1263 Scheffer, it seems the comments about affordability are more general in nature and best addressed to the elected officials.

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From: Elliott Knetsch <EKnetsch@ck-law.com>
Sent: Tuesday, April 14, 2020 12:10 PM
To: DeMay, Patti (CI-StPaul) <Patti.DeMay@ci.stpaul.mn.us>; Assessments (CI-StPaul) <Assessments@ci.stpaul.mn.us>
Subject: FW: Assessment formula based on total street frontage is not reasonable

Hi Patti- I am sending again. I will let you know what happens.

From: Elliott Knetsch
Sent: Tuesday, April 14, 2020 11:46 AM
To: 'patti.demay@ci.stpaul.mn.us' <patti.demay@ci.stpaul.mn.us>
Subject: Assessment formula based on total street frontage is not reasonable

From: Elliott Knetsch
Sent: Friday, April 10, 2020 3:12 PM
To: 'assessments@ci.stpaul.mn.us.' <assessments@ci.stpaul.mn.us>
Subject: Assessment formula based on total street frontage is not reasonable

Griggs-Scheffer Area Paving and Lighting, Phase I (2020)

Question-

City staff has stated the city has determined the portion of the city cost to be assessed is about 20%. Is that correct?

Comment-

We believe it would be more fair to base each residential property's assessment on a per unit basis rather than on each property's street frontage. That way each benefitted property pays the same amount. A corner lot or a lot with more than the typical 40'-50' of frontage does not get more benefit from the project than the owner of the typical lot. The City Council needs to verify the reasonableness of assessments based on the benefit to each property. A lot with larger street frontage does not get more benefit than smaller lots on the same block. An appraiser will look at the market value new street, curb and lights adds to a property. The market value added by the project is not increased because the house sits on a larger lot, it is the same no matter the size of the lot.

We object to the estimated assessment. An assessment formula based upon the total street frontage in the project area is not reasonable. The formula should be based upon the total number of residential units in the benefitted area.

Please make our question and comment part of the public record of the hearing.

Elliott and Kristen Knetsch
1201 Watson Ave