

## Moermond, Marcia (CI-StPaul)

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**From:** Engelmann, Chris (CI-StPaul)  
**Sent:** Tuesday, April 7, 2020 8:39 AM  
**To:** Ross Winberg; #CI-StPaul\_Ward3; McMahon, Melanie (CI-StPaul); Assessments (CI-StPaul)  
**Cc:** Shannon Browne; Ryan Johnson; bairdx; Brent Bergland; Engelbrekt, Bruce (CI-StPaul); Moser, Lynn (CI-StPaul)  
**Subject:** RE: Public Improvement Construction

Ross,

I received the following writeup from Bruce Engelbrekt who manages the Real Estate Section within the City's Office of Financial Services. We have used it for other similar questions regarding assessments. It appears to me to answer your questions, but if you have further questions, please let me know. Thanks!

As you probably know from the public hearing notices recently mailed to property owners in your area, the City Council will be considering approval of the project on April 15th. This approval will authorize city Public Works staff to proceed to bid the project to local contractors and begin construction this summer. The City Council will not be approving assessments to properties at the April 15th hearing. There was an assessment roll for the Griggs/Scheffer project area attached to the Council file setting the date of the 4/15 public hearing (RES 20-444, adopted 3/11/20, on the city council website), but the amounts associated with each property are estimates only.

Having said that, when project construction is substantially complete - usually in the fall of the construction year - the City Council will consider approval of the assessments. At that time the assessment rate-per-foot and the total assessment amount will be finalized.

Specifically regarding your concerns about the proposed assessment rate of \$140.40/foot, please allow me to share the following information about how the rate was established:

- 1) An analysis of the City's capacity to assess was performed by an independent appraisal firm that determined the special benefit of the road project to properties along the roadway. That analysis, which is attached to the Council file online (RES 20-444), showed that for the Griggs/Scheffer project the overall benefit to the "single family" property classification would be an increase of 3.0% in the aggregate value of single family homes in the project area. If the City were to assess an amount to reflect the total increased value, we could charge a rate of more than \$219.00/ft.

2) The City then considered per-foot assessment rates from previous years' street projects for comparison purposes. Comparative rates selected were \$141.48/ft for the 2018 Como Avenue Phase II project (that included many single-family properties), \$130.00/ft for the 2018 Woodlawn/Jefferson project (which did not go forward due to neighborhood opposition to the potential loss of trees from new sidewalk construction), \$107.00/ft for the 2018 Wheelock Parkway Phase II project, and \$80.00/ft for the 2019 Wheelock Parkway Phase III project. For the 2020 Griggs/Scheffer project we focused on project areas that seemed to be most comparable to the Griggs/Scheffer area in terms of property value, and we selected the 2018 rate for the Woodlawn/Jefferson project.

3) After selecting the Woodlawn/Jefferson rate of \$130.00/ft, the City applied an 8.0% inflation rate to account for the historic rise in annual street construction costs. That produced a new rate of \$140.40/ft. Even though the Woodlawn/Jefferson rate was two years ago, we did not apply a 16.0% increase to calculate the 2020 rate. It should also be noted that the proposed rate for mixed residential/commercial properties in the Griggs/Scheffer project area is \$152.80, which reflects an 8.0% increase over the \$141.48/ft rate for similar properties in the 2018 Como Avenue Phase II project.

4) Finally, we compared the \$140.40/ft rate to other factors: a) it was lower than the 2018 Como Avenue rate but higher than the Wheelock rates; b) when multiplied by the total frontage in the Griggs/Scheffer neighborhood, the total assessment amount generated was just over 20% of estimated construction costs, which historically has been a target for assessing for street reconstruction projects.

Based on the above information, the City in fact did conduct an analysis of past rates, plus other factors, to arrive at 2020 rates for the Griggs/Scheffer project that we believe are comparable to previous years' street projects in similar neighborhoods.



**Christopher Engelmann, PE**

**Civil Engineer IV**

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**From:** Ross Winberg <mycoleptodiscus@yahoo.com>

**Sent:** Sunday, April 5, 2020 7:47 AM

**To:** #CI-StPaul\_Ward3 <Ward3@ci.stpaul.mn.us>; Engelmann, Chris (CI-StPaul) <Chris.Engelmann@ci.stpaul.mn.us>; McMahon, Melanie (CI-StPaul) <Melanie.McMahon@ci.stpaul.mn.us>; Assessments (CI-StPaul) <Assessments@ci.stpaul.mn.us>

**Cc:** Shannon Browne <shannonbrowne123@gmail.com>; Ryan Johnson <1ryanjohnson@gmail.com>; bairdx <bairdx001@comcast.net>; Brent Bergland <brent.bergland@mortenson.com>

**Subject:** Re: Public Improvement Construction

**Think Before You Click: This email originated outside our organization.**

Melanie,

Thank you for your very thorough response.

The following questions are probably best directed to Mr. Chris Englemann.

> I understand that an estimate is not a final value, but estimates are based off of what previous, similar projects have cost. Perhaps someone at the city can provide documentation of said projects and assessments and explain why, over the course of 2 months, these estimates have changed so drastically (from \$80/lf to \$140/lf).

> Chapter 429 of the Legislative code specifies that a special assessment cannot exceed the amount by which the property benefits from an improvement ([special benefit](#)), measured by the increase in market value of the land due to the improvement. The taxable value of each property will increase by \$7000 as well, correct? Who determines this amount and how is this determination made?

Thanks for your time and understanding.

Ross  
1209 Hartford Ave.

On Saturday, April 4, 2020, 11:03:35 AM CDT, McMahon, Melanie (CI-StPaul) <[melanie.mcmahon@ci.stpaul.mn.us](mailto:melanie.mcmahon@ci.stpaul.mn.us)> wrote:

Ross,

Thanks so much for reaching out about the upcoming Griggs Scheffer paving project. I'm glad Elizabeth Wefel pointed you in my direction, and hope I can be of assistance.

I live in the project area as well (as does Councilmember Tolbert) so I also recently received a similar public hearing notice with the estimated assessment included. I've also attended the neighborhood meetings, both last year's at the Highland Park Community Center, as well as the one this winter at Cretin Durham Hall. I do remember at the meeting at Cretin Durham Hall that the representative from the Assessments division of the Office of Financial Services mentioned that some of the previous bids for residential street reconstructions had come in at around \$80/linear foot after people asked for estimates as to what our street reconstruction project would cost, but also remember that she noted that was just a rough estimate of what previous years projects had come in at, and that construction costs have been increasing by large amounts each year and that each project is different, so it was hard to predict what the Griggs Scheffer project would come in at.

The Project Manager for our paving project is Chris Engelmann from the Department of Public Works, and he would be a good resource to start with to learn more about the general costs as they relate to the work being done and services provided, and he would also be able to connect you with someone from the Office of Financial Services who would best be able to discuss your individual property parcel and how the estimated assessment applies to you specifically. I also wanted to note that if you are 65 or older you may qualify for deferred payment of this special assessment and everyone in the project area has the option of paying the assessment over 20 years. The individual from the Office of Financial

Services can walk through various payment options with you, while looking at your specific property.

I've included contact information for Mr. Engelmann below, and have also copied him on this email so he can see your concerns outlined below.

Chris Engelmann  
(651) 266-6084

Additionally, I wanted to make sure you had the information to be able to submit public comment to the entire City Council prior to the April 15th public hearing. Due to COVID19 the City Council is conducting virtual meetings and cannot have the traditional public hearing where you come speak in person before the Councilmembers. However, they are still accepting public testimony that all Councilmembers have access to, and will review, this submitted testimony prior to any vote occurring. You can email written comments or material to [assessments@ci.stpaul.mn.us](mailto:assessments@ci.stpaul.mn.us) or leave a voicemail at (651) 266-6804 (all voicemails are translated if needed, transcribed, and included as public comment).

Obviously, I will make sure to pass along your concerns noted below to Councilmember Tolbert, but I wanted to make sure you had access to share the concerns with the entire City Council. As I mentioned above, Councilmember Tolbert also lives in Phase I of the Griggs Scheffer project area, so he received a similar estimated assessment and public hearing notice as a resident.

I hope the information above is helpful, and you're staying safe and healthy during this time. Please feel free to follow up if you have any additional questions or there's any additional information I could provide that would be helpful.

Sincerely,  
Melanie

Melanie McMahon  
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-----Original Message-----

From: Ross Winberg <[mycoleptodiscus@yahoo.com](mailto:mycoleptodiscus@yahoo.com)>  
Sent: Saturday, April 04, 2020 8:13 AM  
To: McMahon, Melanie (CI-StPaul) <[Melanie.McMahon@ci.stpaul.mn.us](mailto:Melanie.McMahon@ci.stpaul.mn.us)>  
Cc: Shannon Browne <[shannonbrowne123@gmail.com](mailto:shannonbrowne123@gmail.com)>; Ryan Johnson <[1ryanjohnson@gmail.com](mailto:1ryanjohnson@gmail.com)>; bairdx <[bairdx001@comcast.net](mailto:bairdx001@comcast.net)>; Brent Bergland <[Brent.Bergland@mortenson.com](mailto:Brent.Bergland@mortenson.com)>  
Subject: Public Improvement Construction

Think Before You Click: This email originated outside our organization.

Melanie,

I was referred to you by Elizabeth Wefel, a good friend of mine. My family and I reside at 1209 Hartford Avenue, in Councilmember Tolbert's Ward. We recently received a letter from the City with an estimated assessment at \$140 per foot of street frontage. My wife attended a public meeting on January 12th where the project manager stated an estimated cost of \$80 per foot. I'm in the process of drafting a letter to the City Council with several neighbors (cc'd) objecting to this cost, which is almost double what we were told just a few months ago. In addition, I spoke with my brother-in-law who is a civil engineer and estimates these sorts of projects for a living and he said \$140 a foot would be more appropriate for a 4-lane road. We recognize that this construction benefits our neighborhood, but we have some very valid concerns about the costs to do so.

If you could recommend how to best proceed with this matter that would be greatly appreciated. Thanks.  
Ross Winberg

Sent from my iPhone