

Moermond, Marcia (CI-StPaul)

From: Randal Studer <Randal_Studer@uhaul.com>
Sent: Tuesday, April 14, 2020 12:25 PM
To: Privratsky, Matt (CI-StPaul); #CI-StPaul_Ward4; *CI-StPaul_CityClerk
Cc: Kellin Sybrant; Matt Braccia; Scheila Wright; Brandon Blaskowski; Tierney, Rachel (CI-StPaul); Moermond, Marcia (CI-StPaul); Kristine Campbell
Subject: Re: St. Paul's Special Assessment of U-Haul Facility at 2520 Como Ave.
Attachments: Como Ave 2020 SPS U-Haul Property assessment within State of MN R.O.W..docx; 2520 Como Ave U-Haul Property.pdf; Saint Paul Streets Program Assessment Policies - February 2018.pdf

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

Council member Jalili & St. Paul City Clerk,

As I mentioned on April 8th, the City Council hearing to discuss the proposed \$174,000 assessment against U-Haul's property is tomorrow. We have not been given the opportunity to discuss this issue with you and attendance at the hearing is not possible due to COVID-19. We therefore would like to formally lodge the following objections:

1. **St. Paul does have the authority to assess for improvements along Hunting Valley Road.** U-Haul's 922 feet of frontage along Hunting Valley Road lies within state right of way, not city right of way (see attached 2020 ROW Map). The state is responsible for roadway maintenance or reconstruction, and only the state can assess for such projects. See Minnesota ROW Mapping and Monitoring map: <http://mndot.maps.arcgis.com/apps/webappviewer/index.html?id=63a40ebfbede4f2296c359ed67d3e63c>
2. **The assessment exceeds the benefit to the U-Haul property.** While we acknowledge that roadway projects are a benefit to society, U-Haul will not receive anywhere near \$174,000 worth of benefit from this project. The assessment is unjust.
3. **The Assessment disproportionately impacts U-Haul.** The city's method for determining the assessment by frontage rather than square footage disproportionately impacts U-Haul due to its irregular shaped lot (see attached 2520 Como Ave. map). The city has guidelines for assessing irregularly shaped lots (see attached St. Paul Streets Program Policies) and failed to apply them when assessing U-Haul's property. By contrast, the neighboring properties are being assessed at a rate significantly less, per square foot, than U-Haul, and the railroad property is being assessed \$0.00.

We would happy to discuss each objection with you in more detail and believe a compromise can be reached. If not, we are prepared to fight what we believe to be an objectively unjust and invalid assessment.

Randal W. Studer, Jr.
Assistant General Counsel
U-Haul International, Inc.
2727 North Central Avenue
Phoenix, AZ 85004
(480) 887-9819

randal_studer@uhaul.com

From: Privratsky, Matt (CI-StPaul) <Matt.Privratsky@ci.stpaul.mn.us>

Sent: Friday, April 10, 2020 8:23 AM

To: Randal Studer <Randal_Studer@uhaul.com>; #CI-StPaul_Ward4 <Ward4@ci.stpaul.mn.us>

Cc: Kellin Sybrant <Kellin_Sybrant@uhaul.com>; Matt Braccia <matt_braccia@uhaul.com>; Scheila Wright <scheila_wright@uhaul.com>; Brandon Blaskowski <brandon_blaskowski@uhaul.com>; Tierney, Rachel (CI-StPaul) <rachel.tierney@ci.stpaul.mn.us>; Moermond, Marcia (CI-StPaul) <marcia.moermond@ci.stpaul.mn.us>

Subject: Re: St. Paul's Special Assessment of U-Haul Facility at 2520 Como Ave.

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Randal,

Thank you for the email. I know the calculation of these assessments can be fairly technical and staff seeks to have a consistent process.

I've copied our city attorneys office and our hearing officer here to weigh in on how any process to adjust the amount may work. If there is truly an irregularity we would consider adjusting it if there is a fair process to do so.

Matt Privratsky (he/him/his)
Legislative Aide to Mitra Jalali
Ward 4 - City Council

From: Randal Studer <Randal_Studer@uhaul.com>

Sent: Wednesday, April 8, 2020 2:11 PM

To: #CI-StPaul_Ward4

Cc: Kellin Sybrant; Matt Braccia; Scheila Wright; Brandon Blaskowski

Subject: St. Paul's Special Assessment of U-Haul Facility at 2520 Como Ave.

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

Hello Councilmember Jalali,

My name is Randal Studer and I am an attorney with U-Haul. We own the facility located at 2520 Como Ave in Ward 4.

We recently received from St. Paul a sobering notice (see attached). It states that we will soon be hit with a \$174,000 special assessment as part of the City's Como Avenue Reconstruction project.

Upon reviewing the calculations and discussing with City staff, we determined that U-Haul's assessment is exponentially higher than any other owner's assessment because it is calculated based upon the property's frontage rather than its total square footage.

If you are familiar with our property you will understand that it is uniquely shaped. It is a long, sprawling, 1 story business made up almost entirely of frontage (as opposed to having a 20 story building on a narrow lot

with minimal frontage). As a result of our property's shape, the special assessment is disproportionate to our size.

U-Haul has been a fixture in the community for generations. We have always been glad to pay our fair share for city improvement projects. However, in this situation, a \$174,000 special assessment places an unbearable and improper financial burden upon us.

At your earliest convenience, I would like to discuss with you the possibility of adjusting the calculation method to reduce our special assessment to a proportionate amount.

Do you have any availability on Friday, April 10th, for a call? There is a public hearing to discuss the project on April 15th, and another to discuss the special assessment in May, so we would like to discuss before hand.

Randal W. Studer, Jr.

Assistant General Counsel

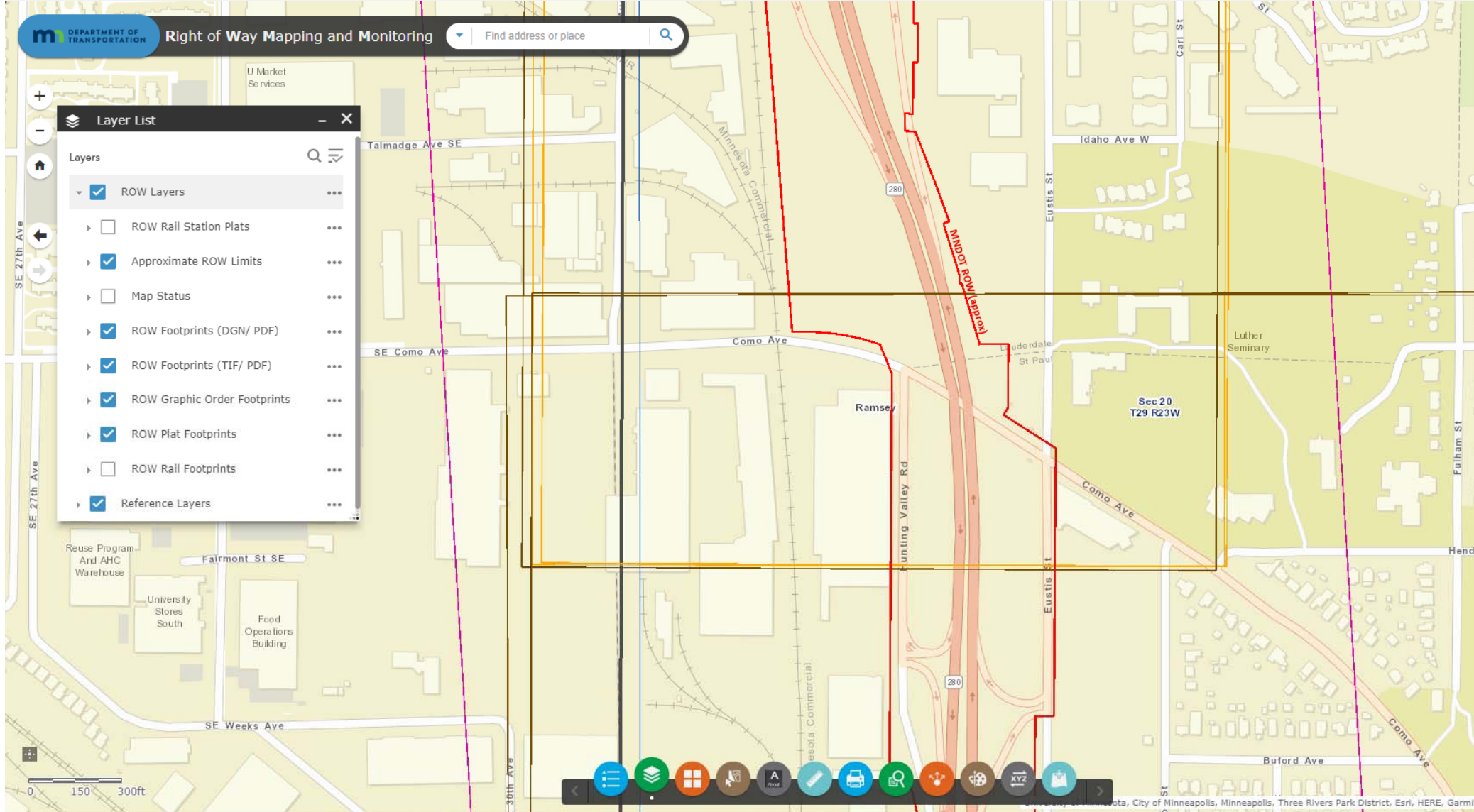
U-Haul International, Inc.

2727 North Central Avenue

Phoenix, AZ 85004

(480) 887-9819

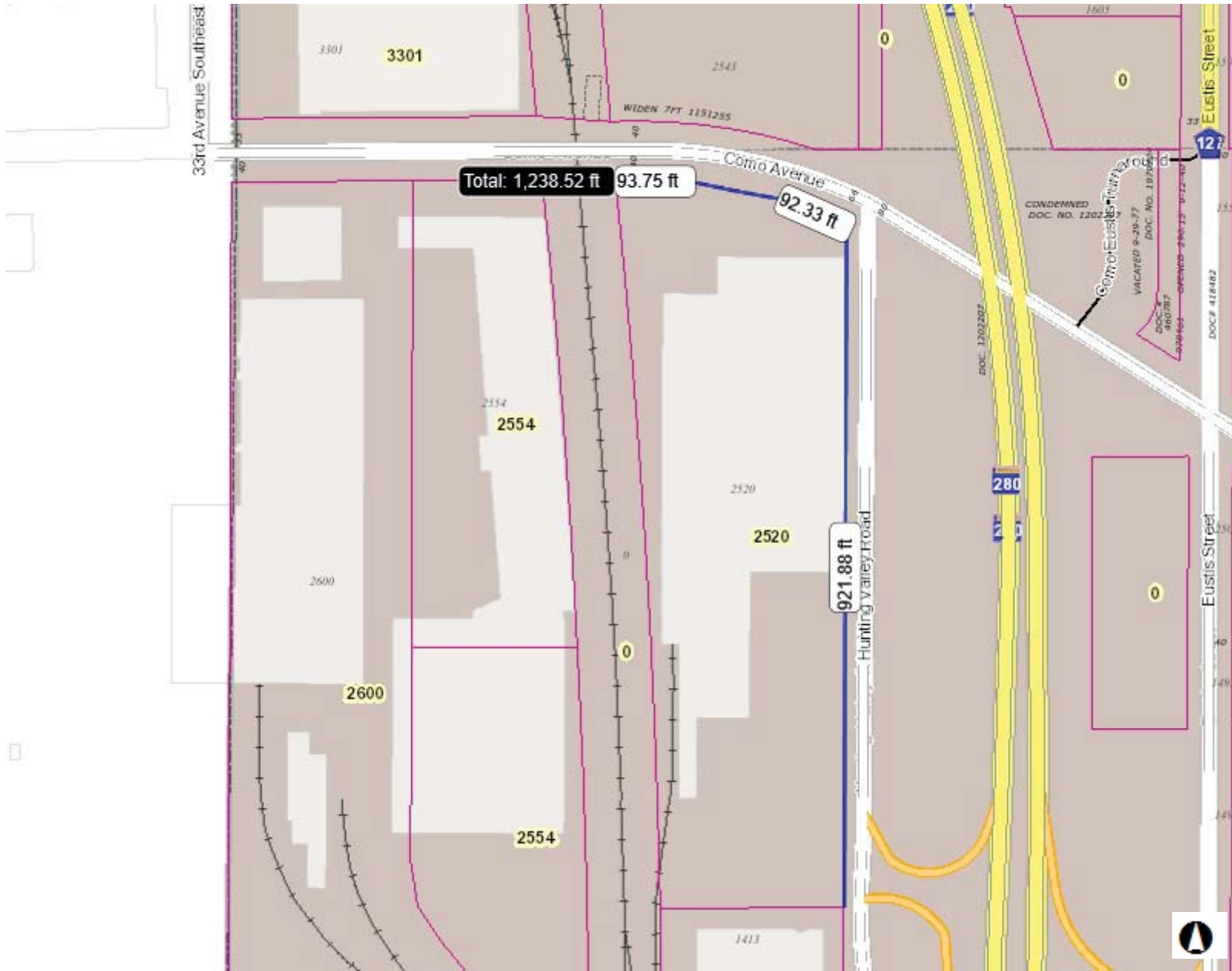
randal_studer@uhaul.com





Streets (<=16K)

- Other Local Road
- Interstate
- US or MN Highway
- Ramp
- County Road
- Local Street
- Local Park Road
- Frontage Road
- Privately Maintained Public Road
- Transit Way
- Alleyway



400.0 0 200.00 400.0 Feet

NAD_1983_HARN_Adj_MN_Ramsey_Feet
© Ramsey County Enterprise GIS Division

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

Notes

Enter Map Description

City of Saint Paul – Office of Financial Services
Saint Paul Streets Program Policies
Updated February 2018

I. Financing Street Projects

In the City of Saint Paul, street reconstruction projects within the Saint Paul Streets program are generally financed using multiple funding sources. Each year, these sources can include:

- General obligation tax-exempt bonds issued by the City
- Funds from other government agencies (federal, state, county)
- Other non-bonded city funds (water or sewer revenues)

Beginning in 2018, the City will use Street Reconstruction Bonds as the primary funding source for street reconstruction projects.

II. Cost of Street Projects

The City’s cost of undertaking a street reconstruction project – the “Project Cost” – depends on the type of project and the extent of the improvements made. The Department of Public Works calculates all costs for street projects.

The “City Cost” of a street project is a component of the total Project Cost. The City Cost is the amount of the Project Cost that the City will pay for the street work only. The City Cost is often less than the Project Cost because other non-street construction funding sources are applied to the project (e.g., sewer utility, water utility). The City Cost is generally financed with city-issued bonds, but also may include Municipal State Aid, other city funds, or outside government agency funds.

Repayment of the bonds issued by the City for street projects is typically funded with a mix of property tax revenue and special assessments on property owners benefiting from the project.

III. Street Project Procedures

St. Paul Streets projects are initiated by the Department of Public Works based on a 5-year plan prepared by the department. When the City chooses to use street reconstruction bonds as financing source, this 5-year plan must be approved by the City Council annually (Minn. Stat § 475.58, subd. 3b (a)(1)). The 5-year plan must describe the street reconstruction or overlay to be financed, the estimated costs, and any planned reconstruction or overlay of other streets in the City over the next 5 years.

A project begins with a Summary of Engineering Recommendations submitted to the Office of Financial Services-Real Estate Section. Real Estate prepares a Preliminary Order assessment resolution for City Council approval to set the date of a public hearing on the Final Order for project assessments. These resolutions are considered each year for each project.

Property owners will be notified by mail and notice will be published at least 10 but not more than 28 days before the public hearing to approve the 5-year plan. Property owners will also be notified of the public hearing to consider the Final Order for assessments. Property owners may offer testimony at the public hearings. The City Council resolution authorizing the sale of street reconstruction bonds and approving the 5-year plan (following a public hearing) will be approved by the City Council around the time that the Final Order is considered.

When the Final Order is adopted and the 5-year plan is approved, the project is authorized to commence.

IV. Work Included in Street Projects

A. Classification of Projects

There are three kinds of street projects that can be completed as part of the Saint Paul Streets program.

- Street Reconstruction / Paving and Lighting – on residential, arterial/commercial and downtown streets
- Street Reconstruction / Paving Only – on residential, arterial/commercial and downtown streets
- New Street Construction / Paving and Lighting – on new residential, arterial/commercial or downtown streets

B. Project Improvements

The types of improvements that can be made within a Saint Paul Streets project include:

- Constructing new bituminous surfaced streets with concrete curb and gutter, concrete driveway aprons and outwalks, and boulevards landscaped with sod and trees
- Replacing existing wood pole lights with a lantern style street lighting system
- Repairing or replacing storm and sanitary sewer mains and water mains, as needed
- Replacing lead water services in the right-of-way, as needed

- Repairing or replacing sanitary sewer service lines and water service, at the request of property owners
- Bringing existing pedestrian ramps up to current ADA standards
- Installing and improving sidewalks
- Improvements to bike trails, pavement markings and signage
- Installing public art (1.0% of eligible project costs) per the City’s Public Art Ordinance

V. Methods of Assessment

The special assessments levied against benefiting properties for street projects are calculated by multiplying a property’s street frontage by a per-foot assessment rate.

A. Street Frontage

Street frontage used in the assessment calculation is generally defined as a property’s actual lineal footage that borders a street reconstruction project. This applies to all properties being assessed through the SPS program. For condominium and townhome associations, the frontage assigned to each unit is the total association street frontage divided by the number of dwelling units.

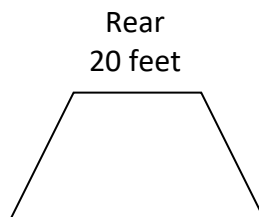
Generally, a property’s frontage will be equal to the actual lineal footage of the property. There are a few exceptions to using actual lineal footage to calculate a property’s assessment, as noted below:

Exception 1: Irregularly-Shaped Properties

Irregularly-shaped properties present a special challenge for determining how to fairly assess. The measured frontage of an irregularly-shaped property could differ significantly from the measured frontage of a rectangular-shaped property that is identical in area. Irregular-shaped properties will be mathematically “adjusted” to determine the comparable frontage for a more rectangular-shaped property. The following formulas adjust frontages for the most common types of irregularly-shaped properties, and will apply to all property types. These formulas are intended to establish as much uniformity as possible among property types.

1. Properties with wider front than rear

Policy: Measure rear lot dimension plus 60% of difference between street frontage and rear dimension



Front
40 feet
(Street)

Example: $20 + (40 \text{ feet} - 20 \text{ feet}) \times .60 = 20 + 12 = 32 \text{ feet of frontage}$

2. Properties with wider rear than front

Policy: Measure street frontage plus 20% of difference between front and rear lot dimension

Rear
40 feet

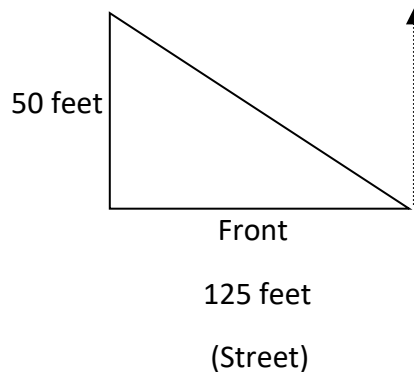


Front
20 feet
(Street)

Example: $20 + (40 \text{ feet} - 20 \text{ feet}) \times .20 = 20 \text{ feet} + 4 \text{ feet} = 24 \text{ feet of frontage}$

3. Properties with right-angled triangular shape

Policy: Extend lot lines to a square corner and use corner lot policy (short side plus 0% of first 150' of long side).

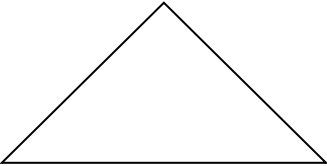


Example:

Short side = 50 feet of frontage

4. Properties with acute-angled triangular shape

Policy: Multiply street frontage by 60% of same frontage



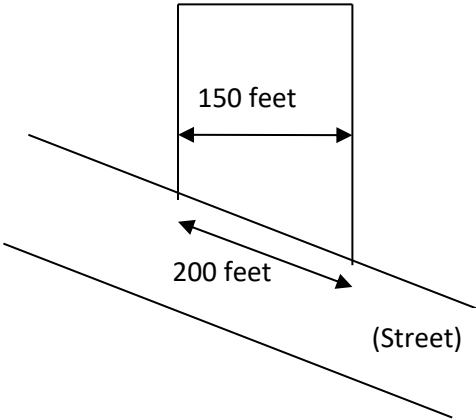
Front
50 feet
(Street)

Example:

50 feet x .60 = 30 feet of frontage

5. Properties with slanted street frontage at least 10% greater than lot width measured perpendicular to the property sides

Policy: Assessment calculated based on perpendicular lot width.



Example:

Slanted street frontage = 200 feet

Perpendicular lot width = 150 feet

Perpendicular lot width + 10% = 150 ft + (150 ft x 0.1) = 150 ft + 15 ft = 165 ft
200 feet > 165 feet; therefore

Assessment = 150 feet of frontage

Note: In a special circumstance where an irregularly-shaped property or a multi-ownership property does not conform to one of the above policies, the city Real Estate Manager may determine an appropriate assessment. If, from time to time, policy changes or additions are needed, the Office of Financial Services must submit policy recommendations to the Mayor for review and approval.

Exception 2: Residential Properties with Multiple Frontages

Residential properties 1-4 units with multiple street frontages (generally corner properties) are assessed differently than other similar properties with only one street frontage. The basis for determining if a property is residential 1-4 units is the “Land Use Code” assigned to each property by the Ramsey County Department of Property Records and Revenue. If the project improves one of the abutting streets, the frontage used in the assessment calculation is the property’s short side. If the project improves two or more abutting streets, the frontage used in the assessment calculation is 50% of each side being improved.

Exception 3: Previously-assessed (“20-year rule”)

For residential properties 1-4 units with multiple street frontages, if a previous street reconstruction project improved one of the abutting streets and the property was assessed for that improvement, the property will not be assessed again under a later project that improves a different abutting street if the new assessment occurs within 20 years after approval of the previous assessment.

Beginning in 2018, Public Works will plan Saint Paul Streets projects such that no property will be part of a Saint Paul Streets project area more than once within a 20-year period.

Properties with a split residential/ commercial use are not eligible for the above exceptions.

B. Assessed Costs

Each year, the City will identify the portion of the City Cost of each Saint Paul Streets project that will be assessed to benefiting properties within each project area. The portion to be assessed will be finalized after considering a variety of factors including inflation, growth in City project costs, project specific factors, benefit

received by properties, the current construction environment, feasibility and affordability.

To allocate the assessed costs to each property within each Saint Paul Streets project, a per-foot assessment rate will be annually established by dividing the assessed costs by the property frontage in the project area. This rate will be used to determine the assessment cost for each individual benefiting property, and will be applied uniformly by class to all properties within the project area. A property's identified frontage (either actual frontage or mathematically adjusted frontage) will be multiplied by the rate to determine each property's assessment.

Rates will be set by project, and the annual growth in assessed costs will be reviewed each year by Public Works, the City Attorney's Office, and the Office of Financial Services. Final assessed amounts will be subject to Council approval.

VI. Properties NOT Assessed for SPS Projects

Certain properties abutting streets within SPS project areas are not assessed based on their property type, proximity and accessibility to the street, and status as a "legally-exempt" property:

A. Property Type

1. Storage units associated with condominiums or town homes
2. Garage units associated with condominiums or town homes
3. Platted outlots

B. Proximity

1. Land-locked parcels (not abutting street right-of-way) with no physical access to street
2. Parcels abutting unimproved right-of-way, if the right-of-way is not used to access abutting properties

C. Accessibility

Properties abutting either improved or unimproved right-of-way where the grade difference between property and right-of-way is so substantial that the right-of-way can provide no practical access are not subject to the SPS assessments. If the right-of-way is still reasonably accessible but property owners choose not to use it to access their properties, the frontage abutting the right-of-way is still subject to the SPS assessment.

D. Legally Exempt

Properties owned by the federal government are generally exempt by federal law from paying local assessments. Certain other properties under public ownership and certain cemeteries are also exempt by state law from paying local assessments; these are evaluated on a case-by-case basis in consultation with the city attorney.

VII. Payment of Assessments

When the City Council approves a street assessment, property owners are allowed 30 days to pay the charge in full without interest. Any unpaid balance will be collected with the owner's property taxes over 20 years, plus interest and a flat fee for administration.

VIII. Assessment Appeals

As authorized by the Saint Paul City Charter, property owners may appeal City Council-adopted assessments in Ramsey County District Court. Property owners must file a notice stating the grounds for the appeal with the City Clerk within 20 days after the order adopting the assessment. Property owners must file the same notice with the Clerk of District Court within 10 days after filing with the City Clerk.

(Note: Please refer to Sec. 14.01.4 of the Charter for full details.)

IX. Deferment of Assessments

As authorized by city ordinance, homesteading property owners at least 65 years old or permanently disabled may qualify for deferred payment of special assessments for SPS projects after the assessments are ratified by the City Council. This is not a forgiveness of payment. It is a deferred payment plan in which interest continues to accrue. The deferment may not exceed the term of the assessment.

(Note: Please refer to Sec. 64.07 of the Saint Paul Administrative Code for full details.)

X. Reassessments

As authorized by the Saint Paul City Charter, if the City Council finds an assessment or part of an assessment to be defective, inadequate or invalid, the Council may notify the affected property owner(s) and, upon a subsequent public hearing, make a reassessment or a new assessment or a supplemental assessment.

(Note: Please refer to Sec. 14.01.3 of the Charter for full details.)