## Moermond, Marcia (CI-StPaul)

From: Engelmann, Chris (CI-StPaul)
Sent: Monday, April 13, 2020 10:30 AM

**To:** Sharon Barthel

**Cc:** Assessments (CI-StPaul)

**Subject:** RE: concerns for meeting 4/15/2020 Gregg-Scheffer Paving Project Phase 1

## Sharon,

Thank you for reaching out and I apologize for the confusion. The \$80/LF is an example from a previous project in 2019. The assessments are developed each year with a special benefit analysis specific to the project area - please see the below write up that walks through the process for this year's assessments. We always emphasis that the project specific rates are provided as part of a future mailing and a public hearing and all that we can provide is historically examples and not to rely on them as true numbers.

The following is write up for the assessment rate development process provided by the City of Saint Paul assessment office.

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 conducts 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.

If you have any further questions, now or in the future, please call or email me (Chris Engelmann) with them. I will generally be able to answer the design and construction questions, or will help you connect with the right person for any other questions. Thank you!

## Chris

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----Original Message----

From: Assessments (CI-StPaul) < Assessments@ci.stpaul.mn.us>

Sent: Thursday, April 9, 2020 11:36 AM

To: Sharon Barthel <barth004@umn.edu>; Assessments (CI-StPaul) <Assessments@ci.stpaul.mn.us>

Subject: RE: concerns for meeting 4/15/2020 Gregg-Scheffer Paving Project Phase 1

This email has been added to the public record as testimony for this item.

----Original Message-----

From: Sharon Barthel <barth004@umn.edu>

Sent: Friday, April 3, 2020 4:46 PM

To: Assessments (CI-StPaul) <Assessments@ci.stpaul.mn.us>

Subject: concerns for meeting 4/15/2020 Gregg-Scheffer Paving Project Phase 1

When I attended a meeting at Cretin Durham H.S. on 2/12/20, a question was raised about how much we would have to pay for this paving project or at least what was charged in 2018 so we could have an idea.

It was estimated that residents in 2018 paid about \$80 a foot.

The estimate I received (notification date:03/30/2020) was totaling \$6037.20: \$119.29/ft for paving; \$21.11/ft for lighting, totaling \$140.40 a foot, a \$60.00 increase per foot. Why the huge increase?

I also will probably choose to pay the \$3294.00 for the sewer service connection. Now my grand total would be: \$9,331.20! Of course, this could go even higher.

So why the huge increase?

Respectfully,

Sharon Barthel Homeowner at 593 Griggs Street