

AGENDA REPORT

DATE August 3, 2004

**ITEM** RESOLUTION 9409 TO ASSESS STREET MAINTENANCE DISTRICT

**INITIATED BY** ANNUAL ASSESSMENT PROCESS

**ACTION REQUESTED** CONDUCT PUBLIC HEARING AND ADOPT RESOLUTION 9409

**PREPARED BY** JUDY BURG, ACCOUNTING TECHNICIAN

**PRESENTED BY** COLEEN BALZARINI, CITY CONTROLLER

- - - - -

RECOMMENDATION:

Following the public hearing and barring sufficient protest, staff recommends adoption of Resolution 9409.

MOTION:

"I move to adopt Resolution 9409."

SYNOPSIS:

On July 6, 2004 the City Commission set an August 3, 2004, public hearing date to hear anyone wishing to speak for or against the Street Maintenance District Assessment.

The Street Maintenance assessment for fiscal year 04/05 will increase by 10%, which is being recommended to finance street reconstruction projects; anticipated collections will total \$1,973,123.00. This will result in an assessment of \$55.44 for an average lot of 7,500 square feet.

BACKGROUND:

Section 7-12-4421, MCA states: "...assessments for the costs and expenses of maintaining streets, alleys, and public places shall be made against all of the property embraced within each district by one of the methods provided in 7-12-4422."

ASSESSMENT OPTION

Section 7-12-4425, MCA states: "...The council shall pass and finally adopt a resolution specifying the district assessment option and levying and assessing all the property within the several districts..." Section 7-12-4422, MCA provides for "assessable area" to be one of the options.

The Assessable Area method, defining assessable area by square footage caps, has proven to be the most equitable method of assessment. Assessment parameters are:

- a. Square footage caps per parcel of 12,000 square feet for residential property. The 12,000 square feet cap for residential property is consistent with the cap set for storm drain utility charges.
- b. A 'mixed use' category which consists of property equal to or greater than 112,000 square feet but less than 50% commercially developed. For the 'mixed use' category, the Planning Department shall annually identify all property equal to or greater than 112,000 square feet which are 50% or less commercially developed. Those properties shall be assessed 50% commercial and 50% at capped residential.
- c. 1 million square foot cap for all other property. The 1 million square foot cap for all other property encourages large green areas on some private properties within the City.
- d. An 'interlocal contracted maintenance' category that designates properties owned by other governments or their agencies adjacent to City streets that are maintained by the other government or their agencies. This category's assessments include a 7.5% administrative fee as well as the annual contracted cost of maintenance. The maintenance cost portion is to be agreed upon by the City and the contracting entity.

Cc: Jim Turnbow, Street Supervisor