

AGENDA REPORT

DATE July 5, 2005

ITEM SET PUBLIC HEARING FOR RESOLUTION 9487 TO LEVY AND ASSESS STREET MAINTENANCE DISTRICT

INITIATED BY ANNUAL ASSESSMENT PROCESS

ACTION REQUESTED SET PUBLIC HEARING

PREPARED BY JUDY BURG, ACCOUNTING TECHNICIAN

PRESENTED BY COLEEN BALZARINI, CITY CONTROLLER

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RECOMMENDATION

Staff recommends the City Commission set a public hearing date for Resolution 9487 to levy and assess the Street Maintenance District.

MOTION

“I move to set the public hearing on Resolution 9487 for August 2, 2005 at 7:00p.m.”

SYNOPSIS

An inquiry into the city’s street maintenance assessment for cemeteries was made by Hillcrest Lawn Memorial. After investigating their expressed concerns, staff acknowledged that entities of this type usually have vast acreages of property maintained and used for purposes which are not reflective of the related traffic volume to and from the property. At the present rate of growth, the city could see its limits expand out to other existing cemeteries. Staff recommends that our Assessable Area Method, for street maintenance assessments, categorized as residential properties and capped at 12,000 square feet be amended to include non-profit/cemetery organizations 501(c)(13) as defined by the Internal Revenue Code.

The City Commission has responsibility to set and adopt a resolution specifying the district assessment option and levying and assessing all property within the several districts as defined by 7-12-4421, MCA.

As part of the annual budget development and adoption procedures the Street Maintenance Assessment Resolution must be submitted for City Commission action.

A public notice and hearing is required prior to passage of the assessment resolution. Staff is requesting the City Commission order publication of such notice and set a public hearing date for August 2, 2005.

BACKGROUND

The annual assessment resolution provides for the authorization of assessments, authorization to contract for maintenance of sections of City streets adjacent to land owned by other governments or their agencies, assessment option specification, total assessment amount and listing of assessed property.

ASSESSMENT ANTICIPATED

The FY 05/06 assessment will increase by 10%, which is being recommended to finance street reconstruction projects; anticipated collections will total \$2,170,435.00. This will result in an assessment of \$60.99 for an average lot of 7,500 square feet an increase of \$5.55 from FY 04/05.

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 **and properties categorized as non-profit/cemetery organizations 501(c)(13) as defined by the Internal Revenue Code.**
- 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