



**Item:** Resolution 10026 to Levy and Assess Street Maintenance District

**From:** Judy Burg, Taxes and Assessments

**Initiated By:** Annual Assessment Process

**Presented By:** Melissa Kinzler, Fiscal Services Director

**Action Requested:** City Commission conduct public hearing and adopt Resolution 10026

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**Public Hearing:**

1. Mayor conducts public hearing, calling three times each for opponents and proponents.
2. Mayor closes public hearing and asks the will of the Commission.

**Suggested Motion:**

1. Commissioner moves:  

“I move the City Commission (adopt/deny) Resolution 10026.”
  2. Mayor calls for a second, discussion, and calls for the vote.
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**Staff Recommendation:** Staff recommends the City Commission adopt Resolution 10026.

**Background:** The Street Department maintains approximately 383 miles of streets and alleys within the city limits. Maintenance consists of pavement rehabilitation and restoration, street cleaning, snow and ice removal, alley maintenance, nuisance weed program and the Traffic Division which is responsible for the maintenance of all roadway signs and signals. Information is gathered regarding the actual and anticipated expenses, future projects, goals and objectives of the department. Street Maintenance contracts with other local governmental agencies are reviewed and/or updated. After determining financial factors pertinent to the operation of the Street Department, an assessment amount for the next fiscal year is calculated, budgeted and presented to the City Commissioners for approval.

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 final passage of the assessment resolution.

## ASSESSMENT OPTION

Section 7-12-4425 M.C.A. 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 ...". The City uses the "assessable area" option under Section 7-12-4422, M.C.A. to assess its street maintenance. The Assessable Area method, defines assessable area by square footage caps. Three options for assessments exist:

**Residential:** 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.

**Mixed-Use:** 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 commercial developed. Those properties shall be assessed 50% commercial and 50% at capped residential.

**Commercial:** 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.

**Concurrences:** Public Works staff is responsible for the operation expenses of the Street Department. Fiscal Services staff is responsible for assessing and collecting the street maintenance revenues.

**Fiscal Impact:** Adoption of Resolution 10026 will allow the City to fund the cost of work, improvements, and maintenance each year in the street maintenance district. The current proposed budget will allow the City to continue its current maintenance and replacement activities. The current maintenance and replacement activities are lower than the recommended levels in terms of years between major updates. If more money were available, additional street work could be accomplished that would be more in line with recommended maintenance and replacement.

## ASSESSMENT ANTICIPATED

The anticipated assessment amount for Street Maintenance funds for the next fiscal year is the amount projected through the Budget Development Process. For Fiscal Year 13/14 the assessment will remain the same as last Fiscal Year. This equates to an assessment of \$0.011934 per square foot, for a total of \$3,630,779 and will result in an assessment of \$89.51 for an average size lot of 7,500 square feet (7,500 sq ft x 0.011934 factor = \$89.51.)

**Alternatives:** The City Commission could choose to deny Resolution 10026 to Levy and Assess Street Maintenance; however, the reduction in services to the community could be hazardous to the safety and welfare of the general public.

**Attachments/Exhibits:** Resolution 10026

Cc: Jim Turnbow, Street Supervisor  
Jim Rearden, Public Works Director

## **RESOLUTION 10026**

A RESOLUTION LEVYING AND ASSESSING THE COST OF STREET MAINTENANCE FOR STREETS AND ALLEYS IN THE CITY OF GREAT FALLS, MONTANA FOR THE FISCAL YEAR BEGINNING JULY 1, 2013 AND ENDING JUNE 30, 2014

WHEREAS, the Commission of the City of Great Falls did provide for street maintenance by Ordinance 1687 (12.16.010, et seq., OCCGF) on September 7, 1971 in accordance with Sections 11-2263 through 11-2268, RCM, 1947 (now Section 7-12-4401 through 7-12-4427, MCA, 1989); and,

WHEREAS, the Commission of the City of Great Falls did amend and expand the scope of Street Maintenance services authorized by final passage and adoption of Ordinance 2584 on February 5, 1991, in accordance with Sections 7-12-4401 through 7-12-4427, MCA, 1989; and,

WHEREAS, the Commission of the City of Great Falls hereby finds, fixes and determines that each and every lot or parcel within said district has been or will be specially benefited by said maintenance; and,

WHEREAS, on July 16, 2013, the Commission of the City of Great Falls adopted its annual budget resolution in which the estimated costs of maintenance not offset by other revenues, in the Street Maintenance District at a total of THREE MILLION SIX HUNDRED THIRTY THOUSAND SEVEN HUNDRED SEVENTY-NINE DOLLARS (\$3,630,779.)

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA:

### Section 1 – Continuance

The City of Great Falls continues to maintain streets in the Street Maintenance Districts.

### Section 2 – Assessment Authorization

Section 7-12-4428, M.C.A., authorizes the City Commission to assess the cost of the work, improvements, and maintenance authorized by 7-12-4405 against the property in maintenance districts in the manner and as provided in 7-12-4421 and 7-12-4422 to meet the payments required to be made each year.

### Section 3 – Assessment Option

In accordance with Sections 7-12-4422 and 7-12-4425, M.C.A., each lot or parcel of land within the Street Maintenance District shall be assessed according to its assessable area. Assessable area shall be set with a square footage cap 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, and a 1 million square feet cap for all other property. The Planning Department shall annually identify all mixed-use property equal to or greater than 112,000 square feet which are 50% or less commercially developed. Those mixed-use properties shall be assessed 50% commercial and 50% at capped residential.

Section 4 – Costs Assessed

The costs of said maintenance, not offset by other revenues, in the street maintenance district, totaling THREE MILLION SIX HUNDRED THIRTY THOUSAND SEVEN HUNDRED SEVENTY-NINE DOLLARS (\$3,630,779) are hereby levied and assessed upon the property in said district for the fiscal year ending June 30, 2014. The description of each lot or parcel of land within the street maintenance district and the respective assessments are set forth in the records of the Fiscal Services Department of the City of Great Falls, Montana and by this reference incorporated herein as if set forth in full.

Section 5 – Assessment Method

The Street Maintenance District shall be assessed according to factors based on the property classification and square footage with caps. No proration of the street maintenance assessment shall be made for any reason, including the fact that a particular property did not have paved streets for the entire taxable year.

Section 6 – Assessments Due Date

These assessments are payable in two payments and will become delinquent at 5:00 o'clock p.m. on November 30, 2013 and May 31, 2014.

Section 7 – Assessment Hearing

On August 6, 2013 at 7:00 p.m., in the Commission Chambers of the Civic Center Building, Great Falls, Montana, the Commission did meet and hear all objections to the final adoption of this resolution.

Section 8 – Notice of Hearing

In accordance with Section 7-1-4127, the City Clerk is hereby authorized and directed to provide for two publications of the Notice of Resolution for Assessment with at least six days separating each publication. This publication of the Notice of Resolution for Assessment also complies with Section 7-12-4426, MCA, which requires last publication of notice to be at least 5 days preceding the assessment hearing.

PASSED AND ADOPTED by the Commission of the City of Great Falls, Montana, August 6, 2013.

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Michael J. Winters, Mayor

ATTEST:

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Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

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Sara R. Sexe, City Attorney