



Street Maintenance Service Program, City of Saint Paul, Minnesota

The City of Saint Paul, the capital of Minnesota, is set along the shores of the Mississippi River. The historic and cultural heart has a thriving riverfront and the nation's longest preserved Victorian avenue. More than 300,000 residents live in its diverse, close-knit neighborhoods. Saint Paul is also the headquarters to many Fortune 500 companies.

Legal Challenge and Indicative Solution

The Saint Paul Public Works Department maintains and repairs more than 1,800 lane-miles of streets and 300 alleys, traditionally paid for through property taxes. In 2003, the City began a right-of-way maintenance program that charged property owners fees for street and alley work, based on the property's square footage frontage onto streets or alleys. These right-of-way assessments significantly redistributed the tax burden; buildings with a lot of street footage paid far more than ones with less, regardless of their value. The assessments were collected on all properties, including tax-exempt ones like churches and colleges.

In 2016, the program began to unravel when two churches with significant street frontage challenged the City's assessment process. In 2017, the Minnesota Supreme Court ruled that the assessments, which the City argued were fees, are actually another tax. The ruling sent City staff members scrambling to come up with a new way to pay for street work.

The City Council knew they could keep the street and alley fees that were still acceptable, such as ones for street lighting and sidewalk replacement, but those benefitting everyone could only be billed as taxes—and tax-exempt properties would not have to pay them. This led to the decision to create a street maintenance program to ensure proportional payments that would be paid only by the beneficiaries.

The Street Maintenance Service Program

In 2016, the City established the Street Maintenance Service Program. Many of the previously billed fees were changed to taxes to abide by the court ruling. Services that directly benefit properties along the streets and alleys are still charged a fee, but those that provide a general benefit to residents are paid through property taxes.

Services paid through property taxes include snowplowing, pothole patching, tree trimming, traffic signage, pavement markings, litter and illegal dumping removal, and residential sidewalk maintenance and repair.

Services paid through fees include street lighting (repair, replacement, and electricity), street and alley sweeping (frequency depends on type of street), seal coating residential streets and alleys, and mill and overlay of commercial and arterial streets.

Fees are calculated by multiplying a property's street frontage by a rate per foot. The rate is based on recovering the actual cost of the services, with two exceptions. For mill and overlay



projects, the fee is 50 percent of the cost. For one- to four-family residences with multiple street or alley frontages, such as corner homes, the fee for street lighting, sweeping, and seal coating is 50 percent of the cost. In each of these cases, the City pays the remaining 50 percent.

The City mails separate fee invoices each year for (1) street lighting and sweeping, provided annually; (2) seal coating, provided every eight years; and (3) mill and overlay, provided every 10 years. The invoices do not require public hearing notices or City Council approval.

If the fee is not paid within 30 days, it becomes a property assessment and is billed through property taxes. The City sends the property owner a notice of a City Council public hearing on the assessment, and it is considered and approved at the hearing. In late November, the assessed amount, plus interest, is placed on the owner's property tax statement for the following year. If the assessment is for multi-year projects, such as seal coating or mill and overlays, only the annual installment fee, plus interest and administrative costs, are assessed. Assessments may be paid over eight years for seal coating and over 10 years for mill and overlay.

Property owners are responsible for shoveling sidewalks, corners, and driveways; plowing alleys; mowing boulevard grass; repairing and replacing outwalks (narrow sidewalks between a main sidewalk and street); repairing and replacing driveways; and repairing and replacing hard surface boulevards (concrete or asphalt boulevard areas between a main sidewalk and street). Owners of downtown properties are responsible for replacing downtown sidewalks.

The Street Maintenance Service Program is now legally compliant and proportionate. Tax-exempt properties pay smaller fees, and the tax burden for City streets and alleys is equitably distributed according to property value.

Sources:

[Saint Paul, MN, MPR News Story](#)

[St. Paul shifting street maintenance charges, but who'll pay?](#)

[St. Paul leaders debate how to pay for street maintenance](#)

[Fair Streets St. Paul](#)