

**HOPKINS CITY COUNCIL  
SPECIAL MEETING AGENDA  
Monday, December 2, 2024  
6:30 pm**

**THIS AGENDA IS SUBJECT TO CHANGE  
UNTIL THE START OF THE CITY COUNCIL MEETING**

Schedule: HRA Special Meeting at 6:30 p.m.

- I. **CALL TO ORDER**
- II. **ADOPT AGENDA**
- III. **PRESENTATIONS**
- IV. **CONSENT AGENDA**
  1. Minutes of the November 19, 2024, Regular Meeting Proceedings
  2. Amendment to the 2025 Meeting Schedule; Domeier
- V. **PUBLIC HEARING**
  1. Resolution Approving the 2025 Tax Levy, 2025 HRA Levy and Adopting the 2025 General and Special Revenue Fund Budgets; Bishop
- VI. **OLD BUSINESS**
- VII. **NEW BUSINESS**
- VIII. **ANNOUNCEMENTS**
  - Next Regular City Council Meetings: Tuesday, December 10 and 17 at 6:30 p.m.
- IX. **ADJOURN**

**HOPKINS CITY COUNCIL  
REGULAR MEETING PROCEEDINGS  
NOVEMBER 19, 2024**

**CALL TO ORDER**

Pursuant to due call and notice thereof a regular meeting of the Hopkins City Council was held on Tuesday, November 19, 2024, at 6:30 p.m. in the Council Chambers at City Hall, 1010 1<sup>st</sup> Street South.

Mayor Hanlon called the meeting to order with Council Members Garrido, Goodlund, Hunke and Kuznia attending. Others attending included City Manager Mornson, Assistant City Manager Casella, City Clerk Domeier, Finance Director Bishop, Police Chief Johnson and Deputy Fire Chief Wenshau.

**ADOPT AGENDA**

**Motion** by Hunke. **Second** by Garrido.

**Motion** to Adopt the Agenda.

**Ayes: Garrido, Goodlund, Hanlon, Hunke, Kuznia**

**Nays: None. Motion carried.**

**PRESENTATIONS**

**III.1. Introduction and Oath of Office for Police Officers; Johnson/Domeier**

Police Chief Johnson introduced Hopkins Police Officers Marianna Klochan and Joseph Martin. City Clerk Domeier will issue the Oath of Office to the officers.

**CONSENT AGENDA**

**Motion** by Garrido. **Second** by Goodlund.

**Motion** to Approve the Consent Agenda.

1. Minutes of the November 12, 2024, Regular Meeting Proceedings
2. Second Reading: Ordinance Amending Planning & Zoning Fees in Appendix A of the Hopkins City Code; Bishop
3. Approval of Opposition Letter to Federal H.R. 3557 regarding Broadband; Casella
4. Resolution Nominating Eugene Maxwell for Reappointment to the Minnehaha Creek Watershed District Board of Managers; Mornson

**Ayes: Garrido, Goodlund, Hanlon, Hunke, Kuznia**

**Nays: None. Motion carried.**

**NEW BUSINESS**

**VII.1. Resolution Approving an On Sale Wine and 3.2% Malt Liquor License for The Tee Box, LLC DBA The Tee Box; Domeier**

City Clerk Domeier summarized City Council Report 2024-143. The Tee Box, LLC applied for an on-sale wine and 3.2% malt liquor license at The Tee Box, a new golf simulator business to be located at 4 Shady Oak Road, Unit #16 (formerly Tonka Cycle). The licensed premise includes the interior space only at 4 Shady Oak Road, Unit #16.

Mayor Hanlon abstained from voting due to personal benefit with real estate transactions.

**HOPKINS CITY COUNCIL  
REGULAR MEETING PROCEEDINGS  
NOVEMBER 19, 2024**

**Motion** by Kuznia. **Second** by Hunke.

**Motion** to adopt Resolution 2024-068 Approving an On Sale Wine and 3.2% Malt Liquor License for The Tee Box, LLC DBA The Tee Box.

**Ayes: Garrido, Goodlund, Hunke, Kuznia**

**Nays: None. Abstain: Hanlon. Motion carried.**

**VII.2. Third Quarter Financial Report Update; Bishop**

Finance Director Bishop provided the third quarter operating results.

**ANNOUNCEMENTS**

Mayor Hanlon shared the City Council meeting schedule.

**ADJOURNMENT**

There being no further business to come before the City Council, and upon a motion by Hunke, second by Goodlund, the meeting was unanimously adjourned at 7:04 p.m.

Respectfully Submitted,



Amy Domeier, City Clerk



Administration

CITY OF HOPKINS

# City Council Report 2024-147

To: Honorable Mayor and Council Members  
 Mike Mornson, City Manager

From: Amy Domeier, City Clerk

Date: December 2, 2024

Subject: Amendment to the 2025 Meeting Schedule

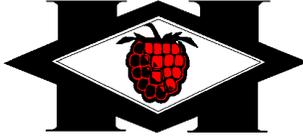
**RECOMMENDED ACTION**  
**MOTION TO** Amend the 2025 Meeting Schedule.

**OVERVIEW**  
 Regular City Council meetings are held monthly on the first and third Tuesday at 6:30 p.m. Staff is proposing a change to the previously approved meeting schedule as reflected below:

<b>December</b>	
Monday, December 1	City Council Meeting and Budget Meeting
<del>Tuesday, December 2</del>	<del>City Council Meeting</del>
Monday, December 15	Park Board Meeting
Tuesday, December 16	City Council Meeting
Tuesday, December 23	Planning Meeting
Wednesday, December 24	Christmas Eve (City Hall Closed)
Thursday, December 25	Christmas Day (City Hall Closed)

**SUPPORTING INFORMATION**

- N/A



Finance Department

CITY OF HOPKINS

## City Council Report 2024-146

To: Honorable Mayor and Council Members  
Mike Mornson, City Manager

From: Nick Bishop, Finance Director

Date: December 2, 2024

Subject: Hold 2025 Truth in Taxation Hearing and Approve 2025 Tax Levies and Budgets

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### RECOMMENDED ACTION

**MOTION TO** Adopt Resolution 2024-069 Approving the 2025 Tax Levy, 2025 HRA Levy and Adopting the 2025 General and Special Revenue Fund Budgets.

### OVERVIEW

The tax levy being recommended is \$20,648,105, a \$969,166 or 4.92% increase from 2024. City taxes on a median value home (\$378,800) will be \$2,254, a \$63 or 2.88% increase from 2024.

The tax levy being proposed has been reduced by \$135,450 since the preliminary levy was adopted on September 3<sup>rd</sup>. \$105,450 of the reductions were based on staff review and refinement of submitted budgets and have no service impacts. The remaining \$30,000 reduces Climate Solution Fund grants expenditures from \$150,000 to \$120,000.

The final levy can be adopted any time after the close of the public hearing but must be adopted and submitted to Hennepin County by December 28<sup>th</sup>.

### SUPPORTING INFORMATION

- Tax Levy and Budget Overview
- HRA/EDA Levy Overview
- Truth in Taxation Statements Summary
- 2025 Tax Levy Summary
- 2025 General Fund and Special Revenue Fund Budgets
- Truth in Taxation FAQ's – Hennepin County Assessor's Office
- Resolution 2024-069

## **Tax Levy and Budget Overview**

The Final 2025 levy would be set at \$20,648,105, a \$969,166 or 4.92% increase from 2024. City taxes on a median value home (\$378,800) will be \$2,254, a \$63 or 2.88% increase from 2024.

The two largest areas supported by the levy are public safety and capital projects & debt. This is a breakdown of City property taxes:

	<b>Median Value Home (\$378,800)</b>	<b>Percentage</b>
Public Safety	\$ 861	38.2%
General Government	\$ 344	15.3%
Public Works	\$ 276	12.2%
Parks and Recreation	\$ 159	7.1%
Pavilion	\$ 49	2.2%
Arts Center	\$ 41	1.8%
Activity Center	\$ 41	1.8%
Capital projects & debt	\$ 483	21.4%
Total	\$ 2,254	100.0%

*Public Safety* is comprised of police, fire and inspection departments. In total they make up 38.2% of the levy.

The Police Department's Mission is to serve the community with Honesty, Integrity and Respect. They accomplish this through community engagement, relationship building and providing education and youth initiatives. They also responded to 25,706 calls for service in 2023. They work diligently to prevent and deter crime.

The Fire Department makes a positive difference everyday by providing quality fire response, prevention services, emergency medical, hazardous materials handling and emergency preparedness. In 2023, they responded to 2,262 calls. Their average response time is 4.6 minutes.

Inspections – this is the smallest department within public safety and accounts for 0.8% of the tax levy. The Inspections Department budget is primarily funded through charges for service. The 2025 budget includes revenues of \$971,275 and expenditures of \$1,265,343.

Capital projects and debt is the next largest portion of the levy making up 21.4%. It supports street reconstruction, capital projects at municipal buildings and equipment purchases.

The City is completing a street reconstruction plan paid for through bond issuance, special assessments and user charges for water, sewer and storm-sewer. All streets in Hopkins are planned to be reconstructed by 2030. Continuing this program ensures the future preservation of our streets and helps maintain the quality-of-life Hopkins residents have come to expect.

In order to fully realize the benefits of Southwest Light Rail the city invested in 8th Avenue and created the Artery. The Artery is a bike, pedestrian and vehicle connection and community space between a future light rail transit station and the City's historic downtown. The \$5.7 million project leveraged \$2.6 million of grants from Metropolitan Council, Hennepin County and Three Rivers Park District.

The City has also invested in the Blake Road Corridor. The City is adding several pedestrian friendly amenities including: multi-use trails, landscaped boulevards and upgraded street lighting. The Road will also be upgraded to handle future traffic and development demands. The \$16 million project will receive reimbursements from Hennepin County (\$8 Million) and utilize Municipal State Aid of (\$3 million).

The City's share of the Artery project and Blake Road reconstruction were funded with debt. They also took advantage of limited outside funding sources in order to make needed improvements. Delaying the projects would likely result in higher costs and a larger City-share of the overall cost.

The Pavilion levy being proposed is \$448,500 or 2.2% of the levy. In 2018, the Pavilion was upgraded and expanded. The City needed to complete a project to replace a 27-year-old refrigeration system that was unreliable, developing leaks and being phased out by the EPA. The City was able to increase the scope of the project to include remodeled locker rooms, shower rooms, expanded lobby, remodeled offices, remodeled concession stand and expanded restroom facilities after receiving contributions from Hopkins School District (\$1.0 Million) and Hopkins Youth Hockey Association (\$1.0 Million). The project still required bond proceeds of \$3.1 million to complete. The debt service for the bonds will be paid with a Pavilion levy through 2033.

The Arts Center levy being proposed is \$380,000 or 1.8% of the total levy. The Arts Center is a premiere cultural and artistic destination drawing over 250,000 visitors annually. The City believes that it is an excellent economic development tool that helped make Mainstreet vibrant and authentic. With this levy, the Arts Center will continue to be an asset to the Community.

The Activity Center is a separate facility that is included in the general fund budget. The general fund levy amount being used for the Activity Center is \$378,899 or 1.8% of the levy. The Activity Center's mission is to provide pathways to "Experience the Upside of Aging". It is a gathering place for mature adults. It is also used as a rental facility and community space.

## HRA/EDA Levy Overview

The HRA/EDA Levy is the main revenue source for the City's Economic Development Fund and plays an important role in the City's continued efforts for redevelopment.

There are levy limits based on 0.01850% of the City's estimated market value. The market value used for the 2025 Levy is \$2,847,535,300, resulting in a maximum tax levy of \$526,794 which would be an increase of \$39,141 or 8.03% from 2024. The proposed levy is \$511,646 a \$23,993 or 4.92% increase from 2024.

Tax Year	Maximum Allowable Levy	HRA/EDA Levy	\$ Increase	% Increase
2020	367,951	367,951	17,797	5.08%
2021	407,727	378,070	10,119	2.75%
2022	434,750	391,302	13,232	3.50%
2023	451,531	451,531	60,229	15.39%
2024	497,414	487,653	36,122	8.00%
2025-Proposed	526,794	511,646	23,993	4.92%

### Economic Development Fund

The Fund coordinates the economic development processes not directly funded by specific project budgets and also supports Artstreet, the Arts Center, the Façade Improvement program, and marketing efforts. The main revenue sources of the fund are the HRA/EDA tax levy and excess tax increment financing. The 2025 budget includes the additions for 1/3 of the planner position focusing on micromobility, bike and pedestrian planning one mural project and increased marketing. The planner position and mural project were previously funded through federal grants.

## Truth in Taxation Summary

Based on preliminary levies, the total taxes on a median value home in Hopkins will increase by \$157 or 2.98%. Hennepin County adopted a preliminary levy increase of 5.5% and Hopkins Public Schools adopted a preliminary levy decrease of 2.7%.

<b>TOTAL TAX COMPARISON</b>			
	Actual 2024	Preliminary 2025	% Increase
Median Value Home	369,300	378,800	2.57%
Hennepin County	1,266.90	1,351.55	6.68%
City of Hopkins	2,191.22	2,270.29	3.61%
School District 270	1,493.21	1,460.52	-2.19%
Metropolitan Council	67.69	74.00	9.32%
Other Special Taxing Districts	269.23	289.26	7.44%
	5,288.25	5,445.62	2.98%

Hennepin County provides Cities with summarized data from Truth in Taxation statements. The following chart shows the percentage of each property type that will see a decrease or increase in total taxes based on preliminary levies. The changes are caused by preliminary tax levies, changes to estimated market value and changes to the homestead market value exclusion program. Residential properties include single family houses, condominiums, townhomes and duplexes. Apartments will see the largest decreases.

<b>CITY OF HOPKINS</b>			
	Residential	Apartment	Commercial/ Industrial
Decrease/No Change	20.83%	8.93%	5.84%
Increase .1% - 4.9%	37.18%	62.50%	60.31%
Increase 5.0% - 9.9%	30.18%	12.50%	29.18%
Increase 10.0% - 14.9%	7.96%	7.14%	3.11%
Increase 15.0% and Over	3.85%	8.93%	1.56%
*based on total taxes			

Most Cities in Hennepin County are experiencing similar trends. This chart shows the changes in total taxes for residential properties in Hopkins and Hennepin County.

<b>RESIDENTIAL SINGLE FAMILY PROPERTIES</b>			
	City of Hopkins	Suburban Hennepin County	Hennepin County
Decrease/No Change	20.83%	22.77%	19.01%
Increase .1% - 4.9%	37.18%	39.68%	35.38%
Increase 5.0% - 9.9%	30.18%	29.14%	31.30%
Increase 10.0% - 14.9%	7.96%	6.30%	10.45%
Increase 15.0% and Over	3.85%	2.11%	3.86%
*based on total taxes			

**City of Hopkins**  
**Tax Levy**  
**For the Year Ending December 31, 2025**

**RECOMMENDED**  
**December 2, 2024**

Purpose	Actual FY2024	RECOMMENDED FY 2025	% Increase (Decrease)
General Operations			
General Fund	14,426,326	15,321,075	6.20%
Capital Levy	-	445,000	100.00%
Arts Center	345,000	380,000	10.14%
Pavilion Fund	440,000	448,500	1.93%
Equipment Replacement	360,000	180,000	-50.00%
Permanent Improvement	-	50,000	100.00%
Parking	-	75,000	100.00%
Total General Operations	15,571,326	16,899,575	8.53%
Debt Levy	4,107,613	3,748,530	-8.74%
Total Levy	19,678,939	20,648,105	4.92%

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**Tax Calculation for a Median Value Home**

	Actual FY2024	Recommended 4.92% Increase
City Taxes	\$ 2,191	\$ 2,254
Dollar Increase	\$ 3	\$ 63
Percentage Increase	0.14%	2.88%

**City of Hopkins**  
**General Fund Revenue Budget**  
**For the Year Ending December 31, 2025**

**RECOMMENDED**  
**December 2, 2024**

<b>Department</b>	<b>2024 Budget</b>	<b>2025 Budget</b>	<b>% Increase (Decrease)</b>
<b>Property Taxes</b>	<b>14,511,326</b>	<b>15,406,075</b>	<b>6.17%</b>
<b>Intergovernmental Revenue</b>			
Local Government Aid	1,081,012	1,084,775	
Intergovernmental Revenue - Other	797,000	810,000	
<b>Total Intergovernmental Revenue</b>	<b>1,878,012</b>	<b>1,894,775</b>	<b>0.89%</b>
<b>Licenses, Permits &amp; Fines</b>			
Court Fines & Penalties	176,000	176,000	
Building Permits & Inspections	563,000	693,500	
Inspection Fines & Citations	3,000	3,000	
City Clerk - Business Licenses	8,900	12,400	
PD - Liquor, Animal Licenses & Penalties	101,800	110,150	
Fire - Licenses & Permits	4,000	4,000	
Public Works - Licenses & Permits	19,615	19,615	
Planning & Zoning - Licenses & Permits	2,000	4,000	
<b>Total Licenses, Permits &amp; Fines</b>	<b>878,315</b>	<b>1,022,665</b>	<b>16.43%</b>
<b>Charges for Service</b>			
Finance Department	8,500	8,600	
Inspections	175,450	274,775	
Police	35,000	35,000	
Fire	10,500	10,500	
Public Works	3,150	3,000	
Activity Center	118,500	154,500	
Planning & Zoning	-	16,000	
<b>Total Charges for Service</b>	<b>351,100</b>	<b>502,375</b>	<b>43.09%</b>
<b>Miscellaneous Revenue</b>			
Franchise Fees	346,200	620,600	
Miscellaneous	25,250	45,000	
Finance Department	3,000	3,000	
Police	500	500	
Fire	3,500	3,500	
Public Works	10,600	8,000	
Activity Center	14,000	14,000	
<b>Total Miscellaneous</b>	<b>403,050</b>	<b>694,600</b>	<b>72.34%</b>
<b>Total Revenues</b>	<b>18,021,803</b>	<b>19,520,490</b>	<b>8.32%</b>

**City of Hopkins**  
**General Fund Expenditure Budget**  
**For the Year Ending December 31, 2025**

**RECOMMENDED**  
**December 2, 2024**

<b>Department</b>	<b>2024 Budget</b>	<b>2025 Budget</b>	<b>% Increase (Decrease)</b>
City Council	133,033	156,598	17.71%
Administrative Services	536,656	661,290	23.22%
Communications	-	240,000	100.00%
Information Technology	644,926	718,226	11.37%
Diversity, Equity & Inclusion	133,530	107,000	-19.87%
Finance	732,254	616,129	-15.86%
Legal	250,000	265,000	6.00%
Municipal Building	404,690	407,462	0.68%
City Clerk	339,242	327,542	-3.45%
Inspections	1,208,270	1,265,343	4.72%
Police	7,185,841	7,519,164	4.64%
Fire	1,709,014	1,982,178	15.98%
Public Works	3,858,812	4,289,317	11.16%
Recreation	276,441	276,735	0.11%
Activity Center	554,334	609,694	9.99%
Planning & Zoning	196,248	247,455	26.09%
Community Development	129,312	125,357	-3.06%
Tuition Reimbursement	19,200	19,200	0.00%
Contingency	50,000	25,000	-50.00%
Transfer to Depot/ACE Program	60,000	61,800	3.00%
<b>Total Expenditures</b>	<b>18,421,803</b>	<b>19,920,490</b>	<b>8.14%</b>

**City of Hopkins  
Special Revenue Funds Budget  
For the Year Ending December 31, 2025**

**RECOMMENDED  
December 2, 2024**

**Revenues**

<b>Fund No.</b>	<b>Fund</b>	<b>2024 Budget</b>	<b>2025 Budget</b>	<b>% Increase (Decrease)</b>
203	State Chemical Assessment	65,000	65,000	0.00%
204	Economic Development	557,706	591,646	6.09%
212	MN Public Safety	439,095	453,901	3.37%
214	Parking	125,000	164,000	31.20%
216	Hopkins Race & Equity Initiative	6,000	6,000	0.00%
217	Communications (Cable TV)	230,000	30,961	(86.54%)
219	Depot Coffee House	203,832	285,611	40.12%
231	TIF 2.11 Super Valu	2,820,000	2,820,000	0.00%
233	TIF 1.4 - Marketplace & Main	226,000	245,000	8.41%
234	TIF 1.5 - The Moline	2,515,000	1,770,000	(29.62%)
250	Arts Center	1,172,650	1,232,470	5.10%
260	Sustainability	385,000	345,000	(10.39%)

**Expenditures**

<b>Fund No.</b>	<b>Fund</b>	<b>2024 Budget</b>	<b>2025 Budget</b>	<b>% Increase (Decrease)</b>
203	State Chemical Assessment	65,000	65,000	0.00%
204	Economic Development	520,278	555,646	6.80%
212	MN Public Safety	439,095	453,901	3.37%
214	Parking	159,894	161,185	0.81%
216	Hopkins Race & Equity Initiative	6,000	6,000	0.00%
217	Communications (Cable TV)	281,487	30,961	(89.00%)
219	Depot	183,832	270,611	47.21%
231	TIF 2.11 Super Valu	2,875,266	2,900,000	0.86%
233	TIF 1.4 - Marketplace & Main	214,948	44,768	(79.17%)
234	TIF 1.5 - The Moline	2,530,195	1,729,914	(31.63%)
250	Arts Center	1,144,097	1,219,259	6.57%
260	Sustainability	385,000	345,000	(10.39%)

# Truth in Taxation FAQ's

## **Tax Questions**

### ***Why did my taxes go up?***

There are several items that affect your property taxes. Items that typically have a large impact include:

- Changes to the tax levy (amount of money a government wants to collect from property taxes) made by the city, county, school district or special taxing districts.
- Changes to the market value of your property.
- Changes in the market values for the area or a shift in values for a certain type of property.
- Legislative changes to the property classification rates, state aid formulas and other tax laws.
- Legislative unfunded mandates (usually seen as an increase in local government tax levy).
- New taxes approved by referendum.

### ***Why did my taxes go up more than my neighbors?***

Properties within the same neighborhood may show different value changes based on physical characteristics. There are numerous factors to be considered in each property, which will cause value to change differently. Some of the factors that can affect value are location, condition, size, updates or remodeling, quality of construction, number and type of amenities such as baths and fireplaces, basement finish, garages, decks, porches, and many others. Property information may have been corrected, resulting in an increase or decrease in value different from your neighbor.

### ***My neighbor doesn't keep his house up and I do—And I get penalized for it in the form of higher taxes. Why? It's not fair!***

Property taxes are calculated using the market value. Market values are based on what your home could sell for on the open market. A home that is well maintained should sell for more than a home that is not.

## ***Who do I talk to about why my taxes increased or how to lower my taxes?***

There are three entities that have a role in determining your property tax.

- The State Legislature establishes property classes and class rates, determines levels of state aid to local units of government, sets the state general tax rate, and mandates unfunded programs to local government.
- Local units of government determine their tax levy amount.
- The county assessor assigns each property a market value and property classification as provided by state statute.

The property tax is the result of actions taken by all three entities. The times and dates for the appropriate budget meetings impacting your property are on the TNT notice. The purpose of these meetings is for the taxing authorities to gain feedback and guidance to help finalize their budgets.

## ***Are there any programs out there, where can I get some property tax relief?***

<https://www.revenue.state.mn.us/property-tax-refund>

Minnesota has two types of property tax refunds for homeowners: the regular property tax refund and the special property tax refund.

You may be eligible for one or both, depending on your income and the size of your property tax bill.

- The [regular property tax refund](#) is based on your household income and the amount of property tax you pay on your principal residence.
- The [special property tax refund](#) requires your net property tax to have increased by more than 12% and at least \$100. The special property tax refund is not based on income.
- [Senior Citizens Property Tax Deferral Program](#): This program allows people 65 or older to defer a portion of their homestead property taxes and is also administered by the State of Minnesota.

## ***Is it likely that the amount on my proposed property tax notice will be different than the amount on my tax statement?***

The amount on the proposed tax notice is an estimate. The actual amount will likely differ due to:

- New school referendums could cause the estimate to be higher or lower than the estimated tax amount depending on if the referendum passes or not.
- Change in homestead classifications.
- Jurisdictions lowering their levy. The statement currently contains the maximum levy the taxing authorities can pass, this is usually very close to the actual tax amount, but it could change based on input received at the meeting.
- Special assessments and other non-tax charges that may be billed on the tax statement.

## **Value Questions**

### ***How can you raise my value this much?***

There is no limit on the amount your property value can increase in any given year. Values are based on the market and what the property would sell for as of January 2<sup>nd</sup> of each year.

### ***I haven't done anything to my house in 10 years, but my value and taxes keep going up. Why?***

The estimated market value is what the assessor estimates your property would likely sell for on the open market. The estimated market value on your property indicates the value as of January 2, 2024, for taxes payable in 2025. Property values can increase or decrease depending on the market even if no improvements have been made to the property.

### ***I just bought my property and want to know why you have my value more than my purchased price. I want to appeal the value, what is my option? Is it too late to appeal my value?***

The sale itself may not be a good, arm's length transaction. The sale could have been a purchase of a foreclosure or a transaction between related parties. Refer to the sales verification document to guide you in more specific questions about the sale.

Every spring, value notices are mailed out to property owners. Some cities have local board meetings and others have open book meetings. If your city has a local board meeting, you have from the time you receive your notice to the date of the meeting to appeal your value. If your city has an open book meeting, you have from the time you receive your notice until mid-May to appeal your value.

Once this window has passed the only option is to appeal to tax court.

- Depending on the type of appeal, you may take your case to either the Small Claims Division or the Regular Division of Tax Court. You have until April 30 of the year in which the taxes are payable to file an appeal with the Small Claims Division or the Regular Division of Tax Court for your valuation and classification.
- For more information, contact the Minnesota Tax Court:
- Phone: 651-539-3260 or for MN Relay call 1-800-627-3529
- On the web: <https://mn.gov/tax-court/forms/>

### ***Why do I have an improvement on my property when I didn't do anything?***

This is the assessor's estimate of the value of new or previously unassessed improvements made to your property. This amount is included in the estimated market value of your property.

## ***How do you assess my property and what is it based on? How do I know it's fair?***

Assessors value properties using a mass appraisal process to review sales of similar properties in the area over a set time period. This "estimated market value" represents what your property would sell for in an "arms-length" sale on the open market.

To estimate a property's 2024 market value, the assessor reviews property sales from October 1, 2022, to September 30, 2023. They adjust the prices for market trends to estimate the market value of your property on the next assessment date, January 2, 2024.

Property owners can also look at the Hennepin County website and see what neighboring properties are valued at and what nearby properties have sold for.

## ***The building right next door to mine is valued lower but it is the same, why?***

There are multiple reasons why two similar buildings may be valued differently. First, the building may be the same, but the use is different which could constitute a different value. Or the outside of the structures are similar, but the inside of one of them may have gone through a major remodel and the interior quality of construction may be superior. Also, the site the structures sit on could be different in size or even location such as on a lake versus the non-lakeshore one across the street.

## ***Why is my value increasing when the market is declining?***

To estimate a property's 2024 market value, the assessor reviews property sales from October 1, 2022, to September 30, 2023. They adjust the prices for market trends to estimate the market value of your property on the next assessment date, January 2, 2024.

Sales that have occurred between October 1, 2023, and September 30, 2024, will be analyzed and reviewed for the 2025 assessment for taxes payable in 2026. The Notice of Valuation and Classification will be sent out in the spring of 2025 and any changes to the market will be reflected on that notice.

## **Homestead Questions**

### ***Why is my property non-homestead / Why is my property changing from homestead to non-homestead?***

If there has been a change in the ownership or occupancy of your property, this could be why the status changed. Even something as simple as a name change can affect your homestead status. Please note, anytime there is a change in ownership and occupancy, a new application is required. You can apply for homestead at: [www.hennepin.us/homestead](http://www.hennepin.us/homestead)

### ***I just purchased my home, and it isn't showing homestead on my notice or the public website? why?***

Our systems can take up a couple of weeks to update, but just to confirm, have you reapplied for homestead at this new web address? Anytime there is a change in ownership and occupancy, a new application is required. If needed, you can apply for homestead at: [www.hennepin.us/homestead](http://www.hennepin.us/homestead)

***Why is my Homestead exclusion going down? Why do I no longer have a homestead credit on my taxes?***

For a homestead residence valued at \$95,000 or less, the exclusion is 40 percent of market value, yielding a maximum exclusion of \$38,000, at \$95,000 of market value. For a homestead valued between \$95,000 and \$517,200, the exclusion is \$38,000 minus 9 percent of the value over \$95,000. The exclusion is therefore phased out for properties valued at \$517,200 or more. Typically, the homestead exclusion will save you no more than a few hundred dollars on your annual property taxes.

The homestead credit that was applied to your taxes was replaced by this homestead market value exclusion and is now applied prior to taxes being calculated.

## **Classification Questions**

***Why is my classification Residential Lakeshore when I don't live on a lake?***

The classification of a property is based on the use of the property. It is possible for a property that has deeded access to a lake to be classified as residential lakeshore because the property has the ability to use the lake/dock. The tax rate for a residential classification and a residential lakeshore classification is the same at 1% up to \$500,000 and 1.25% over any value over \$500,000.

***My neighbors have an AG property classification, why don't I when I have 2 acres of field? What can I do to get AG class? If I can get AG class how much will my taxes go down?***

Per MN Statute 273.13 subd. 23, In order for a property with a house on it to get the agricultural classification, the property must have at least 10 acres in production on the property. The statute also defines what qualifies as ag production. <https://www.revisor.mn.gov/statutes/cite/273.13> The tax rate for agricultural classification will be determined by if it is homestead or not. If it is homestead, the rate is 0.5% and non-homestead is 1%.

***Why is my property classified as seasonal? What does that mean?***

The seasonal class is for properties that are not the primary residence of the owner and is not rented to anyone else. This property is typically a 'cabin'. This class cannot change back to residential unless the original owner files for homestead or it sells. This cannot be homesteaded by a relative of the original owner.

## **Miscellaneous Questions**

### ***Why did my mortgage payment go up?***

It would be our recommendation that the property owner call their mortgage company to find out the specifics, but it could be that their escrow amount has changed. This change could be because of the taxes or their insurance.

### ***No specific questions, homeowner just wants to vent about taxes and value.***

Be polite and let them talk. Answer questions as needed and do your best to address their concerns.

### ***The value of my property increased 10% even though interest rates are higher than they have been in years. Inflation is high, prices are high – when is this going to stop and start to go down again?***

Assessors value properties using a mass appraisal process to review sales of similar properties in the area over a set time period. This “estimated market value” represents what your property would sell for in an “arms-length” sale on the open market.

To estimate a property’s 2024 market value, the assessor reviews property sales from October 1, 2022, to September 30, 2023. They adjust the prices for market trends to estimate the market value of your property on the next assessment date, January 2, 2024.

If outside factors such as interest rates start to affect the sale prices, we will follow those sales once we see the market show the affect.

### ***My business is terrible this year, why is my value so high?***

Any current adverse impacts to business operations are not directly relevant to the valuation of the real property in the same year. Market sales and data from the previous period are considered when setting the current value.

## Contact

Assessor’s Office  
Office: 612-348-3046  
Assessor.AO@hennepin.us

## Website

<https://www.hennepin.us/residents/property/property-taxes>

**CITY OF HOPKINS  
HENNEPIN COUNTY, MINNESOTA**

**RESOLUTION 2024-069**

**RESOLUTION APPROVING THE 2025 TAX LEVY, 2025 HRA LEVY AND ADOPTING  
THE 2025 GENERAL AND SPECIALREVENUE FUND BUDGETS**

**THEREFORE BE IT RESOLVED**, that the City Council of the City of Hopkins hereby approves the following sums be levied for 2024 upon the taxable property in the City of Hopkins, for the following purposes:

**General Levy**

General	\$16,899,575
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**Special Levies**

Debt Levies

2014A GO Street Reconstruction Bonds (3011A)	68,000
2014A GO Improvement Bonds (3011B)	29,000
2015B GO Tax Abatement (3013)	105,000
2015A GO Street Reconstruction Bonds (3014)	240,000
2016A GO Improvement Bonds (3017)	85,000
2016B GO Tax Abatement Bonds (3018)	10,000
2016C GO Bonds (3020B)	125,000
2017A GO Street Reconstruction Bonds (3021)	990,000
2017B GO Tax Abatement Bonds (3022A)	158,020
2018A GO Street Reconstruction Bonds (3024A)	80,000
2018A GO Improvement Bonds (3024B)	295,000
2018A GO Equipment Certificates (3024C)	52,794
2019A GO Street Reconstruction Bonds (3025A)	92,000
2019A GO Improvement Bonds (3025B)	252,889
2019A GO Capital Improvement Bonds (3025D)	40,000
2019B GO Refunding Bonds (3026B)	165,000
2020A GO Improvement Bonds (3027B)	141,000
2020A GO Street Reconstruction Bonds (3027D)	15,934
2020B GO Refunding Bonds (3029)	238,627
2021A GO Improvement Bonds (3030A)	197,113
2021A GO Street Reconstruction Bonds (3030C)	16,925
2022A GO Equipment Certificates (3031A)	123,742
2022A GO Improvement Bonds (3031B)	197,486
2023A GO Temporary Improvement Bonds (3032)	30,000

Subtotal Special Levies	<b><u>\$3,748,530</u></b>
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**TOTAL LEVY**

**\$20,648,105**

**HRA LEVY**

Housing & Redevelopment Authority Levy

**\$511,646**

This levy is made based on current law and the 2025 General Fund Budget of \$19,920,490

That based upon staff analysis of special assessments currently levied for Permanent Improvement Bonds, alternative revenue sources for the Capital Improvement Bonds and Equipment Certificates, and available reserves within all debt service funds listed below, that the debt service levies for 2025 for the following issues be levied at amounts less than provided by the bond covenants.

**Bond Issue**

2014A GO Street Reconstruction Bonds (3011A)	68,000
2014A GO Improvement Bonds (3011B)	29,000
2015B GO Tax Abatement (3013)	105,000
2015A GO Street Reconstruction Bonds (3014)	240,000
2016A GO Improvement Bonds (3017)	85,000
2016B GO Tax Abatement Bonds (3018)	10,000
2016C GO Bonds (3020B)	125,000
2018B GO Tax Abatement (3023)	-
2018A GO Street Reconstruction Bonds (3024A)	80,000
2018A GO Improvement Bonds (3024B)	295,000
2018A GO Equipment Certificates (3024C)	52,794
2019A GO Street Reconstruction Bonds (3025A)	92,000
2019A GO Improvement Bonds (3025B)	252,889
2019A GO Capital Improvement Bonds (3025D)	40,000
2020A GO Equipment Certificates (3027A)	-

**BE IT FURTHER RESOLVED**, that the following amounts are budgeted for the Special Revenue Funds:

State Chemical Assessment	\$65,000	Economic Development	\$555,646
MN Public Safety	\$453,901	Parking	\$161,185
Race & Equity Initiative	\$6,000	Communications	\$30,961
Depot	\$270,611	TIF 2.11 Super Valu	\$2,900,000
TIF 1.4 Marketplace and Main	\$44,768	TIF 1.5 The Moline	\$1,729,914
Arts Center	\$1,219,259	Sustainability	\$345,000

Adopted by the City Council of the City of Hopkins this 2<sup>nd</sup> day of December, 2024.

By: \_\_\_\_\_  
Patrick Hanlon, Mayor

ATTEST:

\_\_\_\_\_  
Amy Domeier, City Clerk