

SIDEWALK REPAIR FUNDING GUIDE

A component of [Minnesota Walks](#) | May 2018



Introduction

Sidewalks in disrepair can make walking challenging and hazardous. Through [Minnesota Walks](#), a collaborative vision for improving walking in Minnesota, residents from around the state reported that sidewalks in disrepair is one of their biggest obstacles to walking year-round.

The purpose of this guide is to provide professionals and community members across Minnesota with resources for funding sidewalk repairs. Its development was funded by the Minnesota Department of Health as a response to the strategies from Minnesota Walks, which aims to make walking safe, convenient, and desirable for all.

Importance of Sidewalk Repair Funding

Sidewalks in disrepair create dangerous situations for people with assistive mobility devices, for people with visual impairments, and for many older adults.

Having a sidewalk repair funding model that works well for your community is a critical step in addressing these challenges. This guide outlines a menu of options for sidewalk funding models and summarizes advantages and disadvantages of each.

Minnesotans expressed a desire for **year-round upkeep of pedestrian facilities**, and *Minnesota Walks* identified goals and challenges related to pedestrian facility maintenance.

Goals:

- » Maintain year-round walking infrastructure by ensuring necessary repairs and clearing snow and ice in a timely fashion.
- » People of all ages and abilities are able to walk in their communities year-round without suffering mobility limitations from weather conditions or degraded infrastructure.

Challenges:

- » Sidewalks and pathways are not maintained in timely schedule, leading to cracks, uneven ground and other issues.
- » Sidewalks are part of the right of way, yet it is the only part of the transportation system that adjacent property owners typically need to fund and regularly maintain.
- » Cost of installation and replacement, and responsibility of sidewalk maintenance often falls on adjacent property owners.
- » Adopting a maintenance plan to decide who will pay for maintaining infrastructure can be a barrier to building sidewalks in the first place.



Funding Models

Sidewalk funding policies generally fall into three categories:

Individual Property Owner Funded

Property owners are responsible for funding the repair or reconstruction of sidewalks adjacent to the properties they own. This is the most common sidewalk repair funding model.

Community-Funded Repairs

The municipality takes responsibility for repairing all sidewalks, typically using general funds or transportation funds.

Hybrid Approaches

A combination of the first two models. Hybrid approaches may include special districts and cost-sharing programs.

When a sidewalk needs repair, municipalities typically provide adjacent property owners with two options:

1. The municipality addresses the required repairs and bills the adjacent property owner for the cost. Costs are either assessed on their tax bill over a certain number of years, or as a lump sum payment.
2. The adjacent property owner hires an independent contractor to address the required repairs. This option is less common.

One advantage of the adjacent property-owner funded model is that a community can directly recover construction costs as maintenance is performed. Another advantage of this model is that property owners see a direct benefit from their payments to the municipality compared to fees and taxes that enter a pool that most people do not track.

One disadvantage of the property owner-funded model is the administrative costs associated with managing the program. For example, staff resources are needed to hire and manage contractors addressing the repairs, and/or to address the repairs themselves. If

staff resources are limited, the inspections and contract management may become delayed. This, in turn, may delay sidewalk repairs and prolong sidewalk hazard issues. In addition, a community with limited staff resources may not be able to proactively inspect sidewalks for disrepair. This can result in repair prioritization relying too heavily on individual repair requests, which can lead to an inaccurate reflection of where the greatest need is.

Because both options put the financial responsibility on property owners, it risks inspiring resistance to new sidewalks in neighborhoods that previously did not have them. In addition, adjacent property owners are responsible for sidewalk repair costs regardless of their ability to pay. This can be a financial burden for lower-income property owners, who often pay a larger percentage of their income than higher-income property owner for the same amount of public benefit. This inequity may be further exacerbated in places where lower income residents live in older neighborhoods that often have the greatest need for repairs and the most people who rely on sidewalk access for transportation due to lower rates of car ownership.

Individual Property Owner Funded

Adjacent property owners are the most common funding source for sidewalk repair. In most Minnesota cities, municipal code requires that adjacent property owners¹ keep their sidewalks in good repair and safe for public travel. This usually means keeping the sidewalk clear of vegetation overgrowth and snow and ice accumulation, as well as making repairs to damaged sidewalks.

Tax Deduction for Sidewalk Repairs

Did you know that public sidewalk repair costs are tax deductible? [According to the IRS](#), you cannot deduct amounts you pay for local benefits that tend to increase the value of your property, such as the construction of new sidewalks. You can, however, deduct assessments (or taxes) for local benefits if they are for maintenance, repair, or interest charges related to those benefits. An example is a charge to repair an existing sidewalk and any interest included in that charge.

¹. Property owners are the entities that legally own the land/building. While a property owner may have tenants and a lease or contract may include stipulations about sidewalk repair, property owners themselves are ultimately responsible to the municipality regarding sidewalk repair.

Case Study: Denver, CO population 682,545

At the end of 2017, the City of Denver, Colorado unveiled a [new sidewalk repair program](#) that offers homeowners loans and income-based assistance for sidewalk repairs. The program addresses damaged, sloping, and uneven sidewalks in support of the City's goal to have a better network of safe, accessible infrastructure citywide. Per City ordinance, Denver property owners are responsible for the repair and maintenance of sidewalks adjacent to their properties.

To help with the repairs, the City will offer extended repayment assistance and affordability discounts for qualified property owners based on household income. The "affordability discounts" start at a 25 percent subsidy for families earning 80 percent to 100 percent of metro Denver's area median income. Lower-income households are eligible for 50 percent and 75 percent discounts, and families earning less than 50 percent of area median income do not pay anything—the City pays the entire cost of repairs.

Denver's Public Works department has identified 11 sidewalk regions by grouping neighborhoods into roughly comparable areas, and addresses one region per year. Denver's Public Works staff will inspect sidewalk conditions and contact property owners whose sidewalks need repair. Staff provide information on repair requirements, estimated costs, extended repayment options, and affordability programs. Adjacent property owners are required to correct violations on their own or can choose to have Public Works complete the work based on a set fee schedule. The City is also authorizing two less expensive repair methods that were not previously allowed, which are patching and grinding sidewalks in disrepair.

Community-Funded Repairs

Community-funded repairs are an option for municipalities that aim to treat all sidewalks as community-wide assets. This usually happens via the use of general fund or transportation fund budgets.

One advantage of a community-funded model is that it can ease administrative costs compared to property owner-funded programs. Another advantage of a community-paid model is that it allows a community to spread the cost of sidewalk repair over the entire community, curbing disproportionate burdens on lower income property owners and

ensuring a useable sidewalk network that serves the whole community.

One disadvantage of community-paid repair funding models is that they typically require funds specifically budgeted for the program. Funding can come from a variety of sources, which are covered in more detail in the Starter Ideas section. [Minnesota State Statute 435.44](#) gives municipalities the authority to use this model by allowing for the establishment of Sidewalk Improvement Districts.

The community-funded repair model is currently rare in Minnesota, as most municipalities typically use a hybrid version, or cost-sharing, model. It is more common in other parts of the country, such as Ithaca, New York.



Case Study: Ithaca, NY

population 30,756

In June 2014, Ithaca, New York started implementing a new sidewalk policy that funds sidewalk repair and construction work through annual sidewalk assessment fees. The policy divides the city into five Sidewalk Improvement Districts, and every property owner in the city contributes an annual fee to the district they are in. The new policy moves away from burdening adjacent property owners with the entire cost of sidewalk installation and maintenance, and spreads the cost of sidewalk repairs across all property owners in each district.

Properties are assessed an annual amount that is based on their classification type. One- and two-family homes are classified as “low foot traffic lots” and pay an annual maintenance fee of \$70. All other lots pay a base annual maintenance fee of \$140 plus additional fees based on a frontage fee and the square footage of all buildings on the lot. The building footprint fee is \$0.015 per square foot of building footprint, plus a frontage fee of \$30 for every 50 feet of linear lot frontage on the street. A theoretical calculation of this formula for three different properties is shown below in Table 1.

Building Type	Single-Family Home	Small Business	Big Box Commercial
Maintenance Fee	\$70 (base fee)	\$140 (base fee)	\$140 (base fee)
Frontage Fee	None	\$30 (50 ft. x \$30/50 ft.)	\$900 (1,500 ft. x \$30/50 ft.)
Square Footage Fee	None	\$15 (1,000 square ft. x \$0.015/square ft.)	\$1,500 (100,000 square ft. x \$0.015/square ft.)
Total Annual Assessment	\$70	\$185	\$2,540

Table 1: A theoretical scenario of what different property owners would pay under Ithaca’s annual sidewalk assessment program.

The funds collected from the annual assessments are dedicated to sidewalk maintenance and construction within each district. Each district’s total contribution is different because the districts vary in size and property classifications, so the funds raised between districts vary. Each district’s funds are only spent for improvements within that district, and the money raised covers all sidewalk work done in Ithaca each year. The Sidewalk Improvement District policy raises an estimated \$840,000 citywide each year for sidewalk maintenance, which replaces and exceeds the average yearly amount of citywide sidewalk work that was previously performed by both City crews and private contractors.

The objectives for Ithaca’s Sidewalk Improvement policy are to:

- » Make sidewalk costs fair and predictable for property owners.
- » Make better, faster sidewalk repairs.
- » Continue to include tax-exempt property owners in sidewalk financing.
- » Treat sidewalks as a shared resource and build more sidewalks.

The City has a special policy to credit property owners for sidewalk repair work that they have paid for in the past. If a sidewalk has been constructed or repaired at the owner’s expense in the past 20 years, the owner’s annual assessment can be reduced. For 20 years after the date of construction or repair, 1/20th of the cost of the past work may be discounted from the assessment each year. The Department of Public Works reviews these applications for reduction, and owners can appeal decisions to the Board of Public Works. The City’s previous policy was to assess individual property owners for the cost of sidewalk repair adjacent to their property. The Mayor of Ithaca formed a Sidewalk Task Force in 2013 to develop the new policy.

Case Study: La Crosse, WI population 52,109

The City of La Crosse is considering a transition to 100% community-paid sidewalk repairs. In February 2018, the City's Board of Public Works voted to eliminate the assessment. The reasoning provided by the City's traffic engineer was threefold: eliminate paperwork for municipal employees, simplify the permitting process for contractors, and address unpopular assessments for property owners. La Crosse had previously removed the cost for new sidewalk installation. The City plans to budget \$50,000 annually for sidewalk repairs.

Hybrid Approaches

There are some hybrid approaches to sidewalk repair funding that blend community-funded and property owner-funded models. They typically include special districts and cost-sharing programs, and the two strategies may be combined. For example, special districts may trigger a community to contribute a specific percentage of allotted cost-sharing funds while the city covers the rest of the costs.

for sidewalk repair but pools the assessments and distributes them to meet district-wide sidewalk repair goals. They help transfer the cost of sidewalk installation and repair from individual property owners to an entire district that benefits from the infrastructure. SIDs are a system where all property owners typically pay regular, annual fees for sidewalk improvements across each district.

SIDs are relatively uncommon in Minnesota, where assessments are the more common model for sidewalk repair funding. However, some communities have developed provisions for the establishment of SIDs in the future. One example is the City of West Saint Paul.

Sidewalk Improvement Districts/Special Districts

Sidewalk improvement districts (SIDs) are a hybrid model that assesses property owners



Minnesota Community Spotlight: West Saint Paul

West Saint Paul
population 19,746

In 2016, staff from the City of West Saint Paul studied the creation of an assessment policy for all sidewalk and trail improvements in the City. This initiative was in response to the adoption of the City's 2014 Sidewalk and Trail Plan, which was estimated to need \$6.7 million to be implemented. The district would be city-wide, and would include assessments on property owners at annual rates ranging from \$20 to \$100 per year. The program would endure temporarily—for 5 to 10 years—until the Plan was fully implemented. Staff considered the most appropriate approach for establishing a tiered assessment level that reflected areas of higher demand for sidewalk repairs. The City Council passed resolutions allowing for the establishment of a special district, but as of 2018, one was not in place due to staff and elected official changes in West Saint Paul.

"The City Council finds that the City boundaries and all of its streets, sidewalks, trails, land and parcels within those boundaries are hereby established as the West St. Paul Sidewalk and Trail Improvement District (the "District").

The City Council shall establish an assessment policy for all sidewalk or trail improvements or repairs within the District, as long as such assessments are applied on a uniform basis as to each classification of real estate. Where sidewalk or trail widths are wider than the standard width of a typical sidewalk or trail, the additional costs may be assessed as a direct benefit to the abutting property."

- Code of Ordinance 34.06, City of West Saint Paul

Cost-Sharing Programs

A cost-sharing program is one strategy municipalities can use to ease the cost burden on property owners. Property owners are still assessed for adjacent sidewalk repairs, but a city may choose to pay all or a portion of the cost of the repair. For example, the city may choose to cover 100% of the costs for those below a certain income level.



Minnesota Community Spotlight: Owatonna population 25,773

Since 1979, Owatonna has been running a [public sidewalk replacement and repair program](#). To make the program more acceptable to its community members, the City Council decided to split the sidewalk repair cost 50/50 with adjacent property owners.

The City website describes the current policy and provides specifications on its annual inspection procedures, which are conducted by the Director of Public Works, the City Engineer, or another City employee. The inspections occur in the fall or spring prior to the year work would be conducted. The City does not inspect the entire sidewalk network each year, but rather targets particular areas one at a time. It provides residents with exact measurements of cracks and joints that would trigger a repair need (e.g. a crack or joint with a deviation or difference in elevation of 3/4 inch or more). The City is also transparent about the factors used to develop the sidewalk replacement and repair schedule. For example, it states the sidewalk location, severity of repair needs, and a history of accidents or complaints.

The City also details “special situations” and how other smaller-scale sidewalk improvements (beyond repairs) are funded. For example, the City has provisions for sidewalk gaps on blocks with partial sidewalks, which still need to be maintained according to City ordinances. If a partial sidewalk extends for 60% or more of a street segment, new sidewalk shall be constructed for the remainder of the street segment as part of the sidewalk repairs and the abutting property owners shall be assessed for 50% of the cost of the new sidewalk.

If a partial sidewalk extends less than 60% of a street segment, there is more flexibility. It may simply be repaired and left as a partial segment as long as the rest of the block along this street segment is not in the City Sidewalk Plan. However, if the partial sidewalk is on a street segment that needs sidewalk according to the City Sidewalk Plan, new sidewalk is constructed.

Case Study: Richardson, TX population 113,347

Richardson, Texas provides another example of a *cost sharing model for sidewalk repairs*. In this case, the City does not provide a blanket matching fund for sidewalk repairs (like Owatonna, MN does). Rather, its funding match is prioritized for sidewalk rehabilitation for the areas with the worst rated-conditions. In this case, vertical separations (trip hazards) exceeding 1" or surface spalling exceeding 40% of a panel surface are criteria needed to qualify for the sidewalk rehabilitation program funding match.

Beyond that, there are three other ways to gain assistance from the City for sidewalk repairs.

1. Pedestrians with disabilities can request assistance along non-accessible routes in the public right-of-way. Richardson evaluates each request on a case-by-case basis and assists accordingly.
2. Limited sidewalk improvements are often performed in conjunction with pavement rehabilitation and other capital improvement projects.
3. Richardson's Neighborhood Vitality Program assists residential neighborhoods with sidewalk maintenance on a regional basis as funding permits.

Ideas for Getting Started

Whether your community is exploring a cost-sharing program or a sidewalk improvement district model (or something in between), it is important to:

- » Evaluate your pedestrian network, and
- » Identify sidewalk repair priorities

Evaluate your pedestrian network

Evaluating the pedestrian network can happen as part of a pedestrian planning effort focused on pedestrian demand. This type of analysis can be agnostic of existing conditions, emphasizing where the needs are greatest. A community may choose to prioritize specific geographic areas

to be inspected before others based on higher population densities, low-income households, or proximity to land uses and transit services that may generate high levels of walking, such as schools and bus routes.

Identify sidewalk repair priorities

Through evaluating the general pedestrian network first, regardless of sidewalk conditions, the task of identifying repair needs becomes more focused on priority areas. For instance, if schools and downtowns are identified as the top pedestrian demand areas, a city can prioritize sidewalk inspections in those areas rather than trying to inspect the entire community. This helps address the challenge of limited staff

time for conducting inspections, and of maintaining updated information about sidewalk conditions. Some communities have been able to prioritize their inspection cycle as well as prioritize funding by using zones.



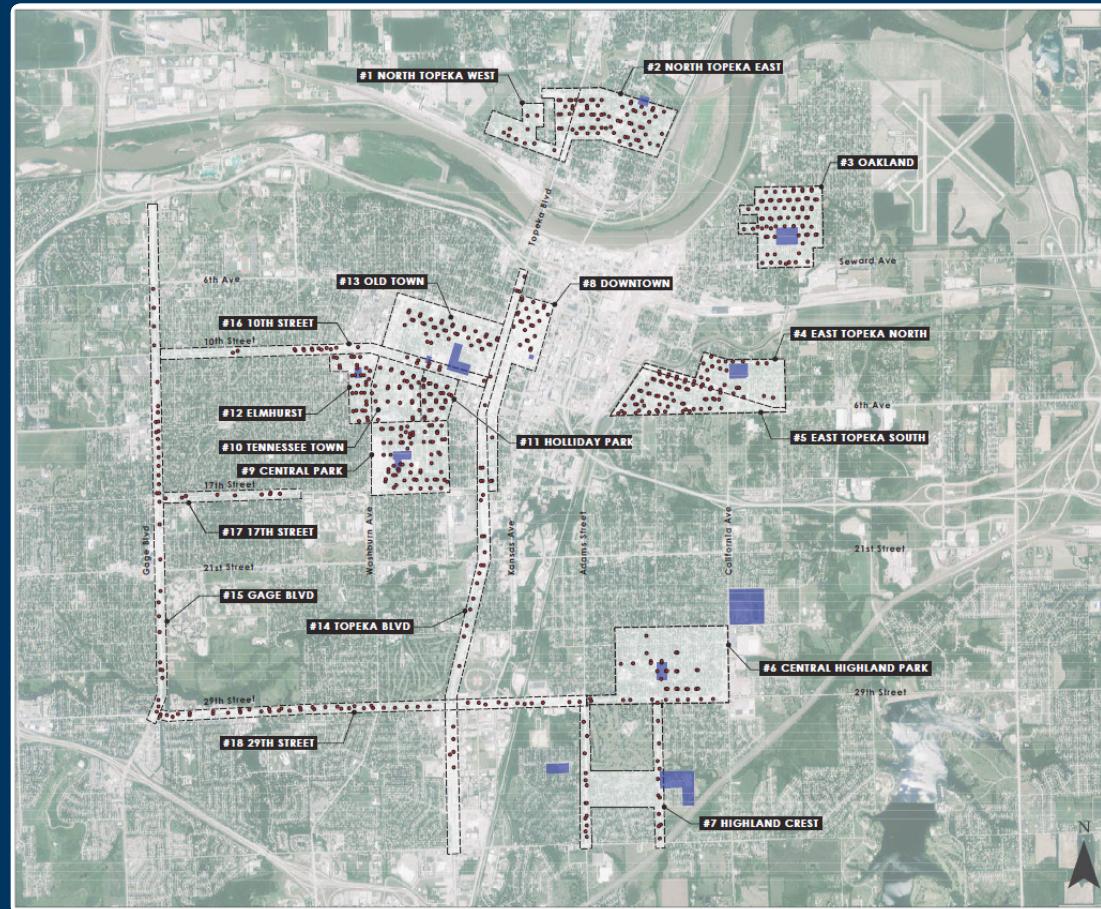
Case Study: Topeka, KS population 126,808

In 2016, the City of Topeka completed a Pedestrian Master Plan that piloted a 100% community-paid sidewalk repair program in select neighborhoods. The City started with a pedestrian demand analysis. The analysis combined 11 factors onto one map, illustrating where there was the highest demand for walking, such as elementary and middle schools, “intensive care” (i.e. severely distressed) neighborhoods, parks and trails, and streets with no sidewalks.

The resulting map highlighted areas with the highest demand for walking. This map was then reviewed by neighborhoods in the highest demand areas, and neighborhood representatives used their local knowledge to prioritize sections of their neighborhood for walkway infrastructure improvements. Improvements included not only sidewalk repairs, but also new sidewalks, curb ramp repairs, and crosswalk upgrades. The cost estimate for the improvements is \$6.1 million, and the City plans

to implement the improvements over a period of 10 years. The City is currently funding 100% of the cost of both repairs and new sidewalks in these areas (\$600,000 per year) while using a 50/50 cost share model in other parts of the City. The City of Topeka pays for this program using General Funds.

Figure 1: This map from the City of Topeka shows sidewalks that are in disrepair in neighborhood focus areas and around schools.



Funding Sources

There are many creative funding sources available for a community-funded or hybrid sidewalk repair program. These funding sources can go toward a community-wide sidewalk repair program or some version of a hybrid approach involving districts or cost-sharing with individual property owners. Some of the descriptions below have been adapted from the FHWA's *A Guide for Maintaining Pedestrian Facilities for Enhanced Safety*.



General Funds

Sidewalk repair and replacement is sometimes paid for through a City's general fund, which is typically funded by property and sales tax revenues. This is consistent with the way many agencies consider funding street repairs. Generally, sidewalk repair is considered separately from road repair and resurfacing funding. In some cases, sidewalk repair projects (typically sidewalk replacement) may be lumped together in a sidewalk repair program and included as a line item in the capital improvement program.

Special Community-wide Assessments

Some communities can target the funding of pedestrian facilities with voter-approved special assessments. Minnesota Statute allows municipalities to establish special assessments, and the assessments may be dedicated to a specific use such as sidewalk repair.

Bonds

Bonds are often used by governments to address significant funding gaps by leveraging existing revenues to pay for large capital expenditures. Communities may use bonding to fund sidewalk repair or replacement programs, usually for an entire neighborhood or large section of the community. These bonds often must be approved by residents through a referendum.

Utility Fees

Utility fees are used by some municipalities to fund street and sidewalk maintenance. Such fees are often voter-approved. Typically, the utility fee an individual household pays is relatively small, but the steady funding source enables municipalities to plan and execute maintenance activities in a systematic way. Utility fees may be specific line items, such as a sidewalk maintenance fee collected directly by the municipality, or may be a tax on electric or natural gas service collected by the utility.

Sales Tax

Many communities indirectly use sales tax revenues to fund pedestrian facility maintenance by way of the general fund. Minnesota Statutes provide authority to local municipalities or counties to impose local sales taxes. These tax revenues may be earmarked: for example, Hennepin County had a Transit Improvement Tax until September 2017. Sales tax revenue, direct or indirect, is a common source of funding for street maintenance, and there are also communities that use these revenues to fund sidewalk repair and replacement programs.

Federal Funds

Federal transportation funds are a common source of financing for pedestrian facility construction and maintenance. Such funding may be used to supplement other available financial resources, and it targets projects such as replacing large segments of sidewalks, installing ADA-compliant curb ramps, and installing and upgrading pedestrian signals.

Tax Incremental Financing (TIF)

Tax incremental financing (TIF) is a method to use future expected gains in taxes to subsidize current improvements. In Minnesota, TIF is used for two main purposes: to induce development or redevelopment and to finance public infrastructure. In these cases, a developer may be required to pay for infrastructure through special assessments.

Leveraging Funding

One of the best ways to maintain sidewalks is to leverage sidewalk repair/replacement projects with other improvements within the public right-of-way. For example, a municipality may require utilities to install or replace sidewalk segments within a certain

distance of a project that involves digging up the right of way. The cost of replacing sidewalks can also be folded into large projects such as utility line replacements and street resurfacing. Also, accessibility-related improvements can also target sidewalks, curb ramps, and paths most in need of repair.





More Information

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Acknowledgements

Special thanks to staff from communities across Minnesota who shared insight and information about sidewalk repair funding, including:

- » Ben Boike, City of West Saint Paul
- » Ross Beckwith, City of West Saint Paul
- » Michael Healy, City of Big Lake
- » Jennifer Moses, City of Duluth
- » John Kelley, City of Duluth
- » Russell Habermann, Arrowhead Regional Development Commission

Consultant:





[Minnesota Walks](#) is a collaborative effort between the Minnesota Department of Health and the Minnesota Department of Transportation.

