



SPECIAL ASSESSMENTS POLICY AND PROCEDURES FOR PUBLIC IMPROVEMENTS AND MAINTENANCE COSTS

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SECTION 1. GENERAL POLICY STATEMENT.

The purpose of this policy is to establish a fair and equitable manner of assessing the increase in market value (special benefit) associated with public improvements. The procedures used by the City for levying special assessments are those specified by the City Charter and Minnesota Statutes Chapter 429, which provide that all or a part of the cost of improvements may be assessed against benefiting properties.

Three basic criteria must be satisfied before a particular parcel can be assessed. The criteria are as follows:

1. The land must have received special benefit from the improvement.
2. The amount of the assessment must not exceed the special benefit.
3. The assessment must be uniform in relation to the same class of property within the assessment area.

It is important to recognize that the actual cost of extending an improvement past or through a particular parcel is not the controlling factor in determining the amount to be assessed. However, in many cases the method for assigning the value of the benefit received by the improvement, and therefore the amount to be assessed, will focus on calculating the proportionate cost of providing the improvement, provided the cost does not exceed the increase in property market value resulting from the improvement. The entire project shall be considered as a whole for the purpose of calculating and computing an assessment rate. In the event City staff has doubt as to whether the costs of the project may exceed the special benefits to the property, the City Council may obtain such appraisals as may be necessary to support the proposed assessment.

The assessment policy is intended to serve as a guide for a systematic assessment process in the City. There may be exceptions to the policy or unique circumstances or situations that may require special consideration and discretion by City staff and the City Council.

SECTION 2. IMPROVEMENTS AND MAINTENANCE COSTS ELIGIBLE FOR SPECIAL ASSESSMENT.

Subd. 1. Public improvements, and related acquisition, construction, extension, and maintenance of such improvements, authorized by Minnesota Statutes, Sections 429.021 and 459.14, subd. 7, that are eligible for special assessment within the City include the following:

1. Streets, sidewalks, pavement, curbs and gutters, including the beautification thereof.
2. Parking lots.
3. Water works systems and appurtenances, within and without the corporate limits.
4. Sanitary sewer and storm sewer systems including appurtenances, within and without the corporate limits.
5. Street boulevard trees.
6. Street lights, street lighting systems and special lighting systems.
7. Steam heating mains.
8. Parks, playgrounds, and recreational facilities, including the purchase of equipment, within or without the corporate limits.
9. Abatement of nuisances, including but not limited to, draining and filling swamps, marshes, and ponds on public and private property.
10. Dikes and other flood control works.
11. Retaining walls and area walls.
12. A pedestrian skyway system upon a petition pursuant to section 429.031, subdivision 3.
13. Underground pedestrian concourses.
14. Public malls, plazas or courtyards.
15. District heating systems.
16. Fire protection systems in existing buildings upon a petition pursuant to section 429.031, subdivision 3.
17. Highway sound barriers.
18. Gas and electric distribution facilities.

Subd. 2. The City is also authorized by ordinance adopted pursuant to Minnesota Statutes Section 429.101 to recover, through special assessment, certain costs, including the following:

1. Snow, ice, or rubbish removal from sidewalks.
2. Weed elimination from streets or private property.
3. Removal or elimination of public health or safety hazards from private property excluding any structure included under the provisions of Minnesota Statutes, sections 463.15 to 463.26.
4. Installation or repair of water service lines, street sprinkling, sweeping, or other dust treatment of streets.
5. The trimming and care of trees and the removal of unsound trees from any street.
6. The treatment and removal of insect infested or diseased trees on private property.
7. The repair of sidewalks and alleys.
8. The operation of a street lighting system.
9. The operation and maintenance of a fire protection or a pedestrian skyway system.

SECTION 3. INITIATION OF PUBLIC IMPROVEMENT PROJECTS.

Public improvement projects can be initiated in the following ways.

1. Public improvement projects may be initiated by petition of owners of not less than 50% in frontage of the property abutting the proposed improvement in accordance with the provisions of Section 8.4.2 of the City Charter.
2. Public improvements also may be initiated by the City Council when, in its judgment, such action is required and is in accordance with the provisions of Chapter 8 of the City Charter.
3. A resolution ordering any improvements initiated by the Council requires a four-fifths majority vote of all members of the Council. A resolution ordering any improvements petitioned for by owners of not less than 50% of abutting property owners requires a majority vote of all members of the Council. A resolution ordering any improvements initiated by all owners of abutting property, and assessing the entire cost against their property, may be adopted without a public hearing. The Council may consider the request of a Developer to construct the improvements and assess them.

SECTION 4. PUBLIC IMPROVEMENT PROCEDURE.

The following is the general procedure followed by the City Council for all public improvement projects from initiation of such a project through certification of the assessment roll to the County Auditor. Formats for the various reports and resolutions referenced in this section are made a part of the policies and procedures of the City. **Applicable state law and City Charter provisions take precedence over the following general procedure.**

1. Staff reviews the petition or Developer's request for submission to Council.
2. Council accepts or rejects the petition or request. If based upon a petition, the Council adopts a resolution declaring whether the required percentage of property owners signed the petition. If the petition or request is accepted, Council orders the preparation of a feasibility report.
3. Staff prepares the feasibility report. The report shall preliminarily evaluate whether the proposed improvement is necessary, cost-effective, and feasible and whether it should be made as proposed or in conjunction with another project. The report shall include an estimate of the cost of the improvement as proposed. Council may refer the report to the Planning and Zoning Commission.
4. Council accepts or rejects the feasibility report. If accepted, Council orders a public hearing on the improvements.
5. Staff posts and publishes the hearing notice and mails notices to affected property owners as provided in Minn. Stat. § 429.031(a).
6. Council conducts a public hearing.
7. Within six (6) months of the hearing date, but no sooner than sixty (60) days after per City Charter § 8.4.1, Council adopts or rejects a resolution ordering the improvement to be constructed and advertisement of bids. If adopted, staff prepares final plans, advertises for and opens bids as provided in Minn. Stat. § 429.041, prepares a bid tabulation, makes a recommendation to City Council for award, and prepares a proposed assessment roll. Bonds to finance project costs may be issued at any time after the improvements are ordered.

8. Council reviews the proposed assessment roll and orders an assessment hearing.
9. Staff publishes a hearing notice and mails notice of the hearing date and proposed assessments to the affected property owners as provided in Minn. Stat. § 429.061.
10. Council conducts the assessment hearing and adopts, revises, or rejects the resolution determining the amount of the total expense the City will pay, if any, and establishing the assessment roll. If adopted, Council authorizes certification of the assessment to the County Auditor.
11. Council awards contracts based on the bids received.
12. Staff certifies the assessment roll to the County Auditor.
13. Staff supervises construction and prepares payments.

SECTION 5. FINANCING OF PUBLIC IMPROVEMENTS.

The City encourages public improvement projects when the area benefiting and needing such improvements develop. Examples of this policy can be seen through the subdivision regulations, zoning ordinance, and building codes. Developers are required to provide the needed improvements and services before development occurs, thereby avoiding unexpected hardships on the property owners purchasing such property and the general public. However, it is recognized that certain areas of the City have developed without all needed public improvements (e.g. parks, water, sewer, and street improvements) and that methods must be found to provide these improvements without causing undue hardships on the general public or the individual property owners.

Special assessments are generally accepted as a means by which areas can obtain improvements or services; however, the method of financing assessment is a critical factor to both the City and the property owner. Full project costs spread over a very short term can cause an undue hardship on the property owner and, likewise, city costs and systems costs spread over a long period of time can cause an undue hardship on the City.

It is the policy of the City to not defer assessments except in cases where hardship to senior citizens 65 years of age or older, or persons retired by virtue of a permanent and total disability, would result. Also, the City Council may elect to defer assessments on undeveloped land for a specified length of time or until the lands are developed. Terms and conditions of any such deferral will be established in the resolution adopting the assessments.

SECTION 6. GENERAL ASSESSMENT POLICIES APPLICABLE TO ALL TYPES OF IMPROVEMENTS.

The cost of any improvement shall be assessed based upon benefits received. The following general principles shall be used as a basis of the City's assessment policy:

1. **Project Cost.** The "project cost" of an improvement includes the costs of all necessary construction work required to accomplish the improvement (direct costs), plus engineering, legal, administrative, financing and other contingent costs, including acquisition of right-of-way and other property (indirect costs). The finance charges include all costs of financing the project. These costs include, but are not limited to, financial consultant's fees, bond rating agency fee, bond attorney's fees, and capitalized interest. The interest charged to the project shall be included as financing charges.

2. **City Cost.** The “city cost” of an improvement is the amount of the total improvement expense the City will pay as determined by Council resolution. Where the project cost of an improvement is not entirely attributed to the need for service to the area served by the improvement, or where unusual conditions beyond the control of the owners of the property in the area served by the improvement would result in an inequitable distribution of special assessments, or for any other reason determined by the City, the City, through the use of other funds, may pay such “city cost.”
3. **Assessable Cost.** The “assessable cost” of an improvement is equal to the “project cost” minus the “city cost.”
4. **Interest.** The City will charge interest on special assessments at a rate specified in the resolution approving the assessment roll. If bonds were sold to finance the improvement project, the interest rate shall be equal to the interest rate of the bonds plus 2% (2% above bond rate), rounded to the nearest quarter of a percent. If no bonds were sold, the interest rate shall be set at the U.S. Treasury rate (10-year for 10 year assessment; 15-Year for 15 year assessment) plus 2 percentage points.
5. **Prepayment.** Property owners may pay their assessments in full, interest free, for a period of 30 days after the assessment hearing. After such period interest shall be computed from the date specified in the assessment resolution. The City will transmit a certified duplicate of the assessment roll with each installment, including interest, to the County Auditor, or in lieu of such certification, annually certify to the County Auditor by November 30 in each year, the total amount of installments of and interest on assessments on each parcel that are to become due in the following year.
6. **Extensions.** Where an improvement is designed for service of an area beyond that receiving the initial benefit, the City may pay for increased project costs due to such provisions for future service extensions. The City will levy assessments to cover this cost when a new improvement is installed as an extension of the existing improvement upon identification of such additional amount in the notice of hearing for the extensions or new improvements. As an alternative, the City may assess these costs to the area of future extension immediately based on the value of benefit received.
7. **Project Assistance.** If the City receives financial assistance from the Federal Government, the State of Minnesota, the County, or from any other source to defray a portion of the costs of a given improvement, such aid will be used first to reduce the “city cost” of the improvement. If the financial assistance received is greater than the “city cost,” the remainder of the aid will be placed in the Public Improvement Revolving Fund to be applied towards other City projects.
8. **Assessable Property.** Property owned by the City and other political subdivisions including municipal building sites, parks and playgrounds, but not including public streets, alleys, and right-of-way, shall be regarded as being assessable on the same basis as if such property was privately owned. Private right-of-way shall be assessable.
9. **Individual Benefits.** The City may construct improvements specifically designed for or shown to be of benefit solely to one or more properties. The costs for these improvements will be assessed directly to such properties, and not included in the assessments for the remainder of the project. An example would be utility service lines running from the main lines to the property.
10. **Benefit Appraisals.** In the event that City staff has doubt as to whether the proposed assessments exceed the special benefits to the property(ies) in question, the City Council may order benefit appraisals or benefit appraisal consultations as deemed necessary to support the proposed assessments. As a general rule, benefit appraisals or benefit appraisal consultations may be ordered when the proposed assessment exceeds \$5,000 for a standard city street

reconstruction project on a residential lot, or \$20,000 per acre for commercial or industrial property.

11. **Condemnation Awards.** A property owner may elect to offset special assessments against condemnation awards. In such case, the property owner must execute an agreement (Net Assessment Agreement) with the City.
12. **Subgrade Corrections.** All costs relative to subgrade soil corrections deemed necessary to construct or reconstruct City streets will be considered a “city cost” and will not be assessed.
13. **Rural to Urban Conversion.** All costs relative to converting an existing rural street section to an urban street section by filling roadside drainage ditches and adding curb and gutter and storm sewer will be considered a “city cost” and will not be assessed.
14. **Oversizing.** All costs relative to oversizing an existing City street by increasing the width of the street and/or the load carrying capacity of the pavement section will be considered a “city cost” and will not be assessed.

SECTION 7. METHODS OF ASSESSMENT.

Subd. 1. General Statement. There are three different methods of assessment: adjusted front footage, area, and per lot. The feasibility report will recommend one or a combination of these methods for each project, based upon which method would best reflect the benefit received for the area to be assessed. The City Council will select the preferred method of calculating the assessments along with other applicable assessment criteria.

Subd. 2. Policy Statement. The following methods of assessment, as described and defined below, are hereby established as the preferred methods of assessment in the City.

A. “Adjusted Front Footage” Method of Assessment.

The “adjusted front footage” method of assessment is based on the quotient of the “assessable cost” divided by the total assessable frontage benefiting from the improvement. This method is typically applied to commercial, industrial, and multi-family residential properties. For the purpose of determining the “assessable frontage,” all properties, including those owned by governmental entities, shall have their frontages included in such calculation.

The actual physical dimensions of a parcel abutting an improvement (i.e., street, sewer, water, etc.) shall not be construed as the frontage utilized to calculate the assessment for a particular parcel. Rather, an “adjusted front footage” will be determined. The purpose of this method is to equalize assessment calculations for lots of similar size. Individual parcels by their very nature differ considerably in shape and area. The following procedures will apply when calculating adjusted front footage. The selection of the appropriate procedure will be determined by the specified configuration of the parcel. All measurements will be scaled from available plat and section maps and will be rounded down to the nearest foot dimension with any excess fraction deleted.

1. ***Rectangular Interior Lots.*** The rectangular lot is defined as having no more than 2 feet of difference between the front and rear lot lines. The adjusted front footage is the actual front footage of the lot. For rectangular lots whose frontage is greater than its depth, the “odd shaped lot” method shall be used.

2. *Odd Shaped Lots.* For odd shaped lots such as exist on cul-de-sacs and curved streets where there is more than 2 feet of difference between the front and rear lot lines, and where the lots frontage is greater than its depth, the “odd shaped lot” method of determining the adjusted front footage shall be used. The adjusted front footage shall be computed by dividing the area of the lot by 12,000 square feet to determine the equivalent number of front footage units in the parcel. The number of units multiplied by 65 feet will give the adjusted front footage.
3. *Corner Lot Adjustment.* For street and trail assessments, the short side will be assessed the actual front footage. The long side will be assessed one-half the actual side footage. Sanitary sewer and watermain will only be assessed on the short side of a corner lot.
4. *Zonal Assessment.* When the street along the long side of a corner lot is improved, the cost shall be assessed equally to all lots within ½ block in each direction of the street improved. This method may be selected rather than the “corner lot adjustment”.
5. *Double Fronting Lots.* When a lot has frontage on two streets, the lot is subject to assessments for improvements to both streets, consistent with this policy, regardless of the timing of the improvements.

B. “Area” Method of Assessment.

The “area” method of assessment is based on the number of square feet or acres within the boundaries of the appropriate property lines of the parcels benefiting from the project. This method is most often applied to commercial and industrial lots. The assessment rate (i.e., cost per square foot) shall be calculated by dividing the total assessable cost by the total assessable area. On large lots, the City Engineer may determine that only a portion of the lots receives the benefit and may select a lot depth for the calculations equal to the benefit received.

All properties included in the benefited area, including those owned by governmental entities, churches, etc., shall be assessable. The following items may not be included in area calculations: public right-of-ways, and natural waterways, swamps and lakes and other wetlands designated by the Minnesota Department of Natural Resources or the City. The City Engineer will make a recommendation on the boundaries or parameters of the benefited area in the feasibility report.

C. “Per Lot” Method of Assessment.

The “per lot” method of assessment is based on equal assessment of all lots within the benefited area. This method is typically applied to single-family residential lots with similar sizes and configurations. The “assessment per lot” shall be the quotient of the “assessable cost” divided by the total assessable lots or parcels benefiting from the improvement. For the purpose of determining the “lots” or “parcels” all parcels, including those owned by governmental entities, shall be included in such calculations.

SECTION 8. STANDARDS FOR PUBLIC IMPROVEMENT PROJECTS.

The following standards are hereby established by the City to provide a uniform guide for improvements within the City.

A. Surface Improvements

Surface improvements shall normally include all improvements visible on or above the ground within the right-of-way, and include, but are not limited to, trees, lighting, sidewalks, trails, signing, street and accessory improvements such as drainage ponds and facilities, parking lots, parks and playgrounds. Surface improvements shall also normally include aggregate or granular base materials for bituminous and concrete pavements.

Policy Statement. Prior to construction or completion of surface improvements, all utilities and utility service lines (including sanitary sewers, storm sewers, water lines, gas and electric service) shall be installed to all planned service locations such as residences or buildings.

When practicable, no surface improvements to less than both sides of a full block of street shall be approved except as necessary to complete partially completed improvements initiated previously. Concrete or bituminous curbing, or concrete curb and gutter, shall be installed at the same time as street surfacing.

B. Sub-Surface Improvements

Sub-surface improvements shall normally include such items as water distribution, sanitary sewer and storm sewer lines and appurtenant infrastructure, and electric and gas utilities.

Main lines are the publicly owned and maintained lines or facilities such as trunk lines, interceptors, mains, and laterals. Service lines are those privately owned lines or facilities extending from the main line to the property line.

Policy Statement. Sub-surface improvements shall be made to serve current and projected land use. All installations shall conform to applicable standards established by local, state and/or federal agencies of competent jurisdiction. All installations shall also comply, to the maximum extent feasible, with nationally recognized standards such as those of the American Insurance Association.

Service lines from the lateral or trunk utility to the property line of all planned service locations such as residences or buildings on properties whose owner has requested service shall be installed in conjunction with the construction of the mains.

C. Subgrade Improvements

Subgrade improvements shall normally include such items as subgrade corrections (removing layers/pockets of unsuitable soils and replacing them with aggregate base, select granular material, or other more suitable soils) and installation of geotextile fabrics.

Policy Statement. Prior to construction or completion of subgrade improvements, all utilities and utility service lines (including sanitary sewers, storm sewers, water lines, gas and electric service) shall be installed to all planned service locations such as residences or buildings.

SECTION 9. POLICIES OF REASSESSMENT.

The City shall design public improvements to last for a definite period. The life expectancy or service life shall be as stated in the policy statement of this section, or if different, shall be as stated in the resolution ordering improvement and preparation of plans.

Policy Statement

The following are the “life expectancies” or “service lives” of public improvements except as may be otherwise stated in the resolution ordering improvement and preparation of plans.

1. Sidewalks and Trails – 30 years.
2. Street improvements, including surfacing and curb and gutter – 60 years.
3. Ornamental street lighting – 30 years.
4. Water Mains – 60 years.
5. Sanitary Sewers – 60 years.
6. Storm Sewers – 60 years.

SECTION 10. ASSESSMENT COMPUTATIONS.

The following is the typical city assessment for various specified improvements. The City Council reserves the right to vary from the following computations when conditions warrant. All computations are subject to the criteria set forth in Section 1.

A. Street and Curb and Gutter Improvements

1. **New Construction.** New streets are assessed 100% to the abutting benefited properties. Street and curb and gutter improvements will normally be assessed by the adjusted front footage method for commercial, industrial and multi-family residential properties, or by the per lot method for single-family residential properties, however other methods including the area method may be utilized if conditions warrant. Cost of construction of streets shall be assessed based on the minimum design of 7-ton axle load in residential areas and 9-ton axle load in commercial and industrial areas. Oversizing costs that are incurred in excess of the above may be paid by: (1) State funds, (2) larger assessment rates to other benefited properties, (3) general obligation funds, or (4) any other method or combination of methods authorized by the City Council.
2. **Reconstruction and Overlays.** Street reconstructions and overlays, including the associated removal and replacement of curb and gutter, are assessed 25% to the abutting benefited properties or as otherwise determined by Council ordered benefit appraisals.
3. **Gravel Streets.** Upgrading existing gravel streets by adding pavement, curb and gutter, and storm sewer are assessed 50% to the abutting benefited properties or as otherwise determined by Council ordered benefit appraisals.
4. **Seal Coats.** Sealcoats are not assessed.
5. **Alleys.** Upgrading existing gravel alleys by adding pavement is assessed 50% to all lots abutting on the alley in the block being improved or as otherwise determined by Council ordered benefit appraisals. Reconstructing existing paved alleys is 25% assessed to all lots abutting on the alley or as otherwise determined by Council ordered benefit appraisals.

B. Sidewalks and Trails

1. **New Construction.** New sidewalks and trails are not assessed to the abutting property on which the sidewalk is located, but rather are funded 100% by the City. In new subdivisions, the City will require the developer to finance sidewalk and trail improvements rather than assessing the cost.
2. **Reconstruction.** Replacement sidewalks are assessed 25% to the abutting property owner and 75% City funded.

C. Storm Sewer Improvements

Storm sewers are assessed on a project-by-project basis. Storm sewers in new subdivisions are considered an assessable improvement on an area basis.

Oversizing costs due to larger mains and larger appurtenances are paid for by a combination of availability charges, user charges and/or trunk area assessment charges. Trunk area storm sewer charges are levied to all unplatted property at the time of platting, to re-plats that have not been charged trunk area charges when the land was originally platted, and to re-plats that have been charged trunk area charges when the land was originally platted but where the use is increasing (only the cost difference based on current and prior use is charged). The charges will be set in the annual fee schedule approved by the City Council.

Normally, storm sewers are assessed on an area basis (square foot or acres), but in certain situations the per lot method or adjusted front footage method may be utilized at the City Council's discretion.

The replacement of existing storm sewers is paid for entirely through the Stormwater Utility Fund.

D. Sanitary Sewer Assessments

Assessments for sanitary sewer in residential areas are based upon the cost of construction of 8-inch mains, which is the smallest size installed in residential areas of the City. Assessments for sanitary sewers in commercial and industrial areas are based upon a standard size of 12-inch mains. Sanitary sewer assessments must conform to Chapter 8 of the City Charter.

Oversizing costs due to larger mains and larger appurtenances will be paid for by a combination of availability charges, user charges and/or trunk area assessment charges. Trunk area sanitary sewer charges shall be levied on all un-platted property at the time of platting and on re-plats that have not been charged trunk area charges when the land was originally platted. The charges will be set in the annual fee schedule approved by the City Council. Services installed to individual properties are assessed to the benefiting property as allowed under Chapter 8 of the City Charter.

Normally, sanitary sewers are assessed on an area basis (square foot or acres), but in certain situations the per lot method or adjusted front footage method may be utilized at the City Council's discretion.

Lateral benefit from major trunk sewers or interceptors is assessed to the properties benefited by the sewer. Any oversizing cost is assessed as described above.

The replacement of existing sewers is funded entirely by the City through the sewer enterprise funds.

Individual sanitary sewer service lines installed directly to specified properties are fully assessed directly to the benefited properties. Properties that have existing private sanitary services, but do not have mainline sewers adjacent to, across or abutting their property lines pay 0% of the assessment rate for the new mainline sanitary sewer, and 100% of the cost associated with replacing the service lines.

Any existing sanitary sewer service lines found to be defective as part of a project are replaced as part of the project and are assessed to the benefiting property as allowed under Chapter 8 of the City Charter.

Property owners electing to connect to City sewer during street reconstruction projects will receive a credit to offset those costs that would have been incurred by the City to reconstruct the street and boulevard after connecting to City sewer if the street were not being reconstructed. The amount of the credit will be set in the annual fee schedule approved by the City Council. Connecting to City sewer requires a City water connection.

E. Watermain Assessments

Assessments for watermains in residential areas are based upon the cost of construction of 8-inch mains, which is the smallest size installed in residential areas of the City. Assessments for watermains in commercial and industrial areas are based upon the standard size of 12-inch mains. Watermain assessments must conform to Chapter 8 of the City Charter.

Oversizing costs due to larger mains and larger appurtenances are paid for by a combination of availability charges, user charges and/or trunk area assessment charges. Trunk area water charges shall be levied on all un-platted property at the time of platting and on re-plats that have not been charged trunk area charges when the land was originally platted. The charges will be set in the annual fee schedule approved by the City Council. Services installed to individual properties shall be fully assessed to the benefiting property.

Normally, watermains are assessed on a per lot basis, but in certain situations the area or adjusted front footage method may be utilized at the City Council's discretion.

The replacement of existing watermains is funded entirely by the City through the water enterprise funds.

Lateral benefit from major trunk watermains is assessed to properties benefited by the watermain. Lateral watermain assessments are based on the costs for an equivalent 8-inch diameter watermain for residential properties and for an equivalent 12-inch diameter watermain for commercial/industrial properties.

Individual water service lines installed directly to specified properties are fully assessed directly to the benefited properties. Properties that have existing private water services, but do not have

mainline watermain adjacent to, across or abutting their property lines pay 0% of the assessment rate for the new watermain but 100% of the cost associated with replacing their service lines.

Any existing water service lines found to be defective as part of the project, are replaced as part of the project and are assessed directly to the benefiting property as allowed under Chapter 8 of the City Charter.

Property owners electing to connect to City water during street reconstruction projects will receive a credit to offset those costs that would have been incurred by the City to reconstruct the street and boulevard after connecting to City water if the street were not being reconstructed. The amount of the credit will be set in the annual fee schedule approved by the City Council.

F. Street Boulevard Trees

All street boulevard trees installed as part of new street constructions or in reconstructing existing streets shall be included as part of the overall project costs included in the assessment calculations.

G. Street Lights

All costs for new streetlights installed as part of constructing new streets or streetlights relocated as part of reconstructing streets are included in the overall project costs and included in the assessment calculations, unless otherwise directed by the City Council. In new subdivisions, the City will require the developer to finance street light improvements rather than assessing the cost.

H. Other Improvements

Based on the City Council's determination, any other eligible improvements may be fully assessed or assessed in part.

SECTION 11. DEFERMENT OF SPECIAL ASSESSMENTS.

Subd. 1. The Council may defer the payment of any special assessment on homestead property owned by a person who is 65 years of age or older, or who is retired by virtue of permanent and total disability, and the City Clerk is hereby authorized to record the deferment of special assessments where all of the following conditions are met:

1. The applicant must apply for the deferment not later than 90 days after the assessment is adopted by the City Council.
2. The applicant must be 65 years of age or older or retired by virtue of permanent and total disability at the time the assessment is adopted.
3. The applicant must be the owner of the property.
4. The applicant must occupy the property as his or her principal place of residence.
5. The average annual payment for assessments levied against the subject property exceed one percent of the adjusted gross income of the applicant as evidenced by the applicant's most recent federal income tax return. The average annual payment of an assessment shall be the total cost of the assessment divided by the number of years over which it is spread.

Subd. 2. The deferment shall be granted for as long a period of time as the hardship exists and the conditions in subdivision 1 remain true. It shall be the duty of the applicant to notify the City Clerk of any change in his or her status that would affect eligibility for deferment.

Subd. 3. The entire amount of deferred special assessments shall be due within sixty days after loss of eligibility by the applicant. If the special assessment is not paid within the sixty (60) days, the City Clerk shall add thereto interest accruing from the first date the applicant loses eligibility at the rate as defined in section 6.4 and the total amount of principal and interest shall be certified to the County Auditor for collection with taxes the following year. Should the applicant demonstrate to the satisfaction of the Council, that full repayment of the deferred special assessment would cause the applicant particular undue financial hardship, the Council may order that the applicant pay within sixty days a sum equal to the number of installments of deferred special assessments outstanding and unpaid to date, including principal and interest, with the balance thereafter paid according to the terms and conditions of the original special assessments.

Subd. 4. The option to defer the payment of special assessments shall terminate and all amounts accumulated plus applicable interest shall become due upon the occurrence of any one of the following:

1. The death of the owner when there is no spouse who is eligible for deferment.
2. The sale, transfer or subdivision of all or any part of the property.
3. Loss of homestead status on the property.
4. Determination by the Council for any reason that immediate or partial payment would impose no hardship.

State Law References(s): Minn. Stat. § 435.193, Senior Citizens or retired & disabled persons hardship special assessment deferral.

*Original Adoption: 12/9/14 by Resolution #14-12-250

*Amended: 1/13/15 by Resolution #15-01-016 – *Section 6 - #4 Interest to reflect interest rate on bonded projects*