



## **SPECIAL ASSESSMENT AND TRUNK AREA POLICIES 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 Minnesota Statutes, Chapter 429 which provides 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 a particular parcel is not the controlling factor in determining the amount to be assessed. However, in most cases the method for assigning the value of the benefit received by the improvement, and therefore

the amount to be assessed, shall be the cost of providing the improvement. This shall be true provided the cost does not demonstrably exceed the increase in the market value of the property being assessed. 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 or not 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 deviations from the policy for unique circumstances or situations which may require special consideration and discretion by the City Council.

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

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

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

**Subd. 2.** The City is also authorized by ordinance adopted pursuant to Minnesota Statutes Section 429.021 through 429.101 to recover, through special assessment, the following maintenance costs:

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 sewer service lines, 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.
10. Inspections relating to a municipal housing maintenance code violation.
11. The recovery of any disbursements under section 504B.445, subdivision 4, clause (5), including disbursements for payment of utility bills and other services, even if provided by a third party, necessary to remedy violations as described in section 504B.445, subdivision 4, clause (2).
12. The recovery of delinquent vacant building registration fees under a municipal program designed to identify and register vacant buildings.

### **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 at least 35% in frontage of the property abutting the proposed improvement.
2. Public improvements also may be initiated by the City Council when, in its judgment, such action is required.
3. A resolution ordering any improvements initiated by the Council or by owners of less than 35% of abutting property owners requires a four-fifths majority vote of all members of the Council. A resolution ordering any improvements initiated by owners of not less than 35% 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.

### **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.

1. Staff reviews petition or Developer's request for submission to Council.
2. Council accepts or rejects petition or request. If based upon a petition, the Council adopts a resolution declaring whether the required percentage of property owners has signed. If the petition or request is accepted, Council orders preparation of feasibility report.
3. Staff prepares feasibility report. The report shall 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. A reasonable estimate of the total amount to be assessed and a preliminary assessment roll shall be included in the report or provided at the improvement hearing. If the preliminary assessment roll reflects any proposed deviation or change from the assessment policy as to how the preliminary assessments are calculated or apportioned, the report or information provided at the improvement hearing shall describe the basis for that deviation or change. The report may also propose changes to the subsequent process or timeline specified herein, including proposing the adoption of the assessment roll prior to award of contract, as allowed by law. The Council may refer the report to the Planning Commission.

4. Council accepts or rejects feasibility report. If accepted, Council orders public hearing on the improvements.
5. Staff posts and publishes hearing notice and mails notices to affected property owners as provided in Minn. Stat. § 429.031(a).
6. Council conducts public hearing.
7. Within six (6) months of the hearing date, Council adopts or rejects resolution ordering 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 bid tabulation, makes recommendation to City Council for award. Bonds to finance project costs may be issued at any time after the improvements are ordered.
8. Council awards contract based on the bids received.
9. Council authorizes preparation of assessment roll, reviews proposed assessment roll and orders assessment hearing.
10. Staff publishes hearing notice, mails notice of hearing date and proposed assessments to the affected property owners as provided in Minn. Stat. § 429.061.
11. Council conducts assessment hearing and adopts, revises, or rejects 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.
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 as the area (s) 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 owner.

Special assessments are generally accepted as a means by which areas can obtain improvements or services; however, the method of financing these 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 produce an undue hardship on the general public of the City.

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

The cost of any improvement shall be assessed upon property by the improvements 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, plus engineering, legal, administrative, financing and other contingent costs, including acquisition of right-of-way and other property. 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 said 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, based on a benefit appraisal 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 two percent (2%) greater than the average coupon interest rate of the bonds, rounded to the nearest tenth (0.10) of a percent (ex. average coupon rate of 3.15% = assessment rate of 5.20%). If no bonds were sold, the interest rate shall be set at: 1) the prime rate, as published in the Wall Street Journal, plus 2% for a 10-year term or plus 1.5% for a 5-year term; or 2) the maximum rate allowed by State law.
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 which are to become due in the following year. Partial payments are not allowed. After the City has made the first certification of principal and interest to the County Auditor, prepayment will be accepted only for the total amount still owing including interest and must be made prior to November 15 of any year. If a parcel has two or more separate special assessments, prepayment of the remaining principal balance may be made on one or more assessment totals. Tax-exempt parcels such as churches and school properties may make only one partial prepayment to the first certification to the County Auditor. The remaining principal after the partial prepayment will be paid in equal installments over the remaining term of the special assessments.

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 benefit immediately
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 Capital Improvement Fund to be applied towards other City projects. The amount or apportionment of the assessments to be levied will be consistent regardless if the projects receive the above-mentioned financial assistance or not.
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 must 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 of this 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 or not the proposed assessments exceed the special benefits to the property in question, the City Council may order benefit appraisals as deemed necessary to support the proposed assessments.
11. **Residential property:** Shall be defined as a platted, buildable, residential parcel occupied or unoccupied, in accordance with the City of Monticello zoning and subdivision ordinances. For the purposes of this policy, a residential property is defined as those that consist of three or less dwelling units per building.
12. **Non-residential property:** Shall be defined as a platted, buildable, non-residential parcels occupied or unoccupied, in accordance with City of Monticello zoning and subdivision ordinances. For purposes of this policy, a non-residential property includes commercially and, industrially zoned properties, apartment buildings (consisting of more than 3 dwelling units) and tax-exempt properties.

## **SECTION 7. METHODS OF ASSESSMENT**

**Subd. 1. General Statement.** There are different methods of assessment: per lot, adjusted front foot, and area. 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 at the time the project is ordered, which is typically the same date of the public hearing.

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

## **1. “Front Footage” Method of Assessment-Non-residential Properties.**

The front footage assessment method applies to non-residential properties and is measured at the property line. Individual parcel can differ considerably in shape and area. In these cases, the actual physical dimensions of a parcel abutting an improvement (i.e., street, sewer, water, etc.) may 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 Wright County GIS parcel data and will be rounded down to the nearest foot dimension with any excess fraction deleted. For the purpose of determining the “assessable frontage,” all properties, including governmental agencies, shall have their frontages included in such calculation.

- a. Rectangular Interior Lots. For rectangular interior lots, the footage equals the dimension of the side of the lots abutting the improvement.
- b. Cul-de-sac Lots. For cul-de-sac lots, the larger of the following shall apply:
  - i. Footage equals the lot width at the building setback line; or,
  - ii. Footage equals the average of the front and rear lot lines.
- c. Corner or Through Lot Adjustment. When improvements are made to a corner or through lot, including parcels abutting three streets, adjusted frontage will be determined by one of the following methods:
  - i. 100% of the footage, if the side of the lot abutting the improvement is the short or front side of the lot.
  - ii. 50% of the footage if the side of the lot abutting the improvement is the long side of the lot and where there is an access.
  - iii. Where there is not an access, 25% of the side lineal footage.
  - iv. If a direct access is added at a later date, the additional 25% footage will apply.
  - v. 0% of rear yard the footage, unless there is an access from a street being improved with the project, in which case a 50% of rear yard the footage shall apply.

## **2. “Per Unit” Method of Assessment- Residential Properties**

The “per unit” method of assessment applies to residential properties and shall be based on equal assessment of all dwelling units within the benefited area that have direct access to the improvement. A single family residential home is considered 1 unit. Where one property consists of 2 or 3 dwelling units, each of those units shall be assessed individually at the assessment rate per unit. Residential corner parcels are assessed per unit for the street it fronts on and has access to and not the side street(s). Residential parcels with more than one driveway access are assessed per dwelling unit regardless of the number of driveways.

Lots that can be subdivided according to the City’s prevailing Zoning and Subdivision ordinances will be assessed on a unit basis.

For the purpose of determining the “units” or “parcels” all parcels, including governmental agencies, shall be included in such calculations.

### **3. “Area” Method of Assessment**

The “area” method of assessment shall be based on the number of square feet or acres within the boundaries of the appropriate property lines of the areas benefiting from the project. 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 other governmental areas, 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.

Examples of the area method includes area wide assessments for pathway improvements, trunk fee distribution of assessment for developments, contributing drainage area for storm sewer assessments, etc.

## **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 includes, but is not limited to trees, lighting, sidewalks, trails, signing; street and accessory improvements such as drainage ponds and facilities, parking lots, parks and playgrounds.

**Policy Statement.** Prior to construction or completion of surface improvements, all utilities and utility service lines (including sanitary sewers, storm sewers, water lines,) shall be installed to all planned service locations such as residences or buildings. All installations shall also comply, to the maximum extent feasible, with nationally recognized standards such as those of the American Insurance Association.

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 curbing or curb and gutter shall be installed at the same time as street surfacing.

### ***B. Sub-Surface Improvements***

Subsurface improvements shall normally include such items as water distribution, sanitary sewer and storm sewer lines.

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 to the property line of all planned service locations such as residences or buildings shall be installed in conjunction with the construction of the mains.

## **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.

### ***A. 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 - 20 years.
2. Street improvements, including surfacing and curb and gutter - 20 years.
3. Ornamental street lighting - 20 years.
4. Water Mains - 20 years.
5. Sanitary Sewers - 30 years.
6. Storm Sewers - 30 years.

## **SECTION 10. ASSESSMENT COMPUTATIONS**

The following is the typical city assessment for various specified improvements.

### ***A. Street and Curb and Gutter Improvements***

1. **New Constructions.** New streets in new developments are either constructed by the developer or assessed 100% to the abutting benefited lots within the development plat. Street and curb and gutter improvements will normally be assessed by the unit assessment and/or adjusted front foot method, however other methods may be utilized if conditions warrant. Oversizing costs are determined by a method authorized by the City Council.
2. **Reconstruction:** Street reconstruction is defined as all necessary removals and replacements, grading, base, subsurface drainage, hard surfacing (such as bituminous or concrete), replacement of existing curb and gutter, driveways, restoration, signage, striping, and other miscellaneous work necessary to reconstruct existing deteriorated streets.

- b. Local Roadway Reconstruction:
  - i. Residential Assessment Rate: Based on a per dwelling unit assessment rate. New curb and gutter is 100% assessed based on an equivalent front footage to unit method.
  - ii. Non- Residential Assessment Rate: Street reconstruction and new curb and gutter are 100% assessed based on the front footage assessment method.
- c. Collector Roadway Reconstruction:
  - i. Residential Assessment Rate: Based on a per dwelling unit assessment rate.
  - ii. Non- Residential Assessment Rate: Street reconstruction is 50% assessed and new curb and gutter is 100% assessed based on the front footage assessment method.
- d. Rural to Urban Conversion for Existing Local and Collector Roadways: 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 100% be assessed based on the front footage assessment method and applies to proposed development properties abutting the roadway(s).

3. **Overlays and Mill and Overlay.** An overlay is defined as the construction of a new layer of pavement (typically bituminous) applied over an existing deteriorated street or roadway surface. On streets with curb and gutter, edge milling is complete adjacent to the curb and gutter to maintain the current surface elevations and then a pavement overlay is placed. Isolated pavement patching and replacement of deteriorated curb and gutter may also be included with a street overlay project. A mill and overlay project includes either an edge mill or full width mill of the existing pavement layer.

- a. Local Roadway Mill and Overlay:
    - i. Residential Assessment Rate: 50% assessed based on a per dwelling unit assessment rate.
    - ii. Non- Residential Assessment Rate: 100% assessed based on the front footage assessment method.
  - b. Collector Roadway Mill and Overlay:
    - i. Residential Assessment Rate: Based on a per dwelling unit assessment rate.
    - ii. Non- Residential Assessment Rate: 50% assessed based on the front footage assessment method.
4. **Gravel Streets.** Upgrading of existing gravel street by adding pavement, curb and gutter is considered new construction and all costs are assessed 100%.
5. **Seal Coats.** Sealcoats are not being assessed.

## **B. Sidewalks and Trails**

- 1. **New Sidewalk and Roadside Trail Construction.**
  - a. Sidewalk and roadside trails will be assessed at the same rate where the roadside trail functions the same as a sidewalk. The term “pathway” includes both sidewalks and trails.

- b. New sidewalks and roadside trails within new developments are either constructed by the developer or assessed 100% to the abutting benefited lots within the development plat.
- c. New sidewalk and roadside trails along existing undeveloped properties are assessed 100% for non-residential properties and assessed 25% for residential properties abutting the sidewalk and roadside trail based on the front footage method. Deferral of the assessment until development will be considered upon request.
- d. New sidewalks and roadside trails along an existing streets, either as a stand-alone project or as part of a street reconstruction project, shall be assessed 25% on a per unit basis for residential properties and assessed 50% on a front foot basis for non-residential commercially zoned properties and assessed 25% for non-residential industrial zoned properties that abut the sidewalk and roadside trail.
- e. If sidewalk or trail is constructed in a residential area where there are no sidewalk or trail facilities directly serving the area, the sidewalk and trail costs will be assessed on an area wide basis to the benefitting properties.
- f. The Council may elect to not levy assessments to properties where new sidewalks and trails are constructed in order fill in a gap of the overall sidewalk and trail system, where there are already sidewalk and trail facilities in proximity to the project area or where trails are to be extended along ponds, to parks or other areas where properties do not abut the sidewalk and trail.
- g. If the sidewalk is not constructed in conjunction with street reconstruction and as a stand-alone project, the cost of any required restoration of the street, curb and gutter, sodded areas and other restoration items will be included in the assessable cost.

## 2. **Replacement Sidewalks.**

- a. Replacement sidewalks is defined as the rehabilitation of an existing sidewalk which, for any reason, does not meet construction requirements outlined above and has become unsafe or a nuisance to the public as defined by local ordinance.
- b. Replaced sidewalks shall meet the standards determined by the City Administrator or his/her designee.
- c. The City will replace up to two sidewalk panels per property at the City's cost. If the City Administrator or his/her designee determines that additional panels are to be replaced, the subject property will be assessed 25% of the additional cost.

### ***C. Storm Sewer Improvements***

Storm sewers are assessed on a project-by-project basis. Storm sewers in new developments 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 during the first City Council meeting in January of each year.

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

The replacement of existing storm sewers is not assessed.

#### ***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.

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 to all un-platted property at the time of platting and to 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 during the first City Council meeting in January of each year. Services installed to individual properties are fully assessed to the benefiting property for new developments.

Normally, sanitary sewers are assessed on an area wide basis (square foot or acres), but in certain situations the per lot method or adjusted front 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 not assessed.

Individual service lines installed directly to specified properties are fully assessed directly to the benefited properties. Properties that have existing sanitary services, but do not have mainline sewers adjacent, across or up to their property lines pay 50% of the assessment rate for the new mainline sanitary sewer as well as 100% of the cost associated with replacing the service lines.

Any existing service lines found to be defective as part of a street reconstruction are replaced as part of the project and not assessed.

In the event street replacement is necessary as a result of underground utility construction, the City may determine to assess all or a portion of the street replacement cost based on the current condition of the street and improvement needed.

#### ***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.

Oversizing costs due to larger mains and larger appurtenance are paid for by a combination of availability charges, user charges and/or trunk area assessment charges. Trunk area water charges shall be levied to all un-platted property at the time of platting and to 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 during the first City Council meeting in January of each year. Services installed to individual properties shall be fully assessed to the benefiting property for new developments.

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

The replacement of existing watermains is not assessed.

Lateral benefit from major trunk water mains is assessed to properties benefited by the water main. Lateral water main assessments are based on the costs for an 8-inch water main for residential properties and for a 12-inch water main for commercial/industrial properties.

Individual service lines installed directly to specified properties are fully assessed directly to the benefited properties. Properties that have existing water services, but do not have mainline watermains adjacent, across or up to their property lines pay 50% of the assessment rate for the new watermain as well as 100% of the cost associated with replacing the service lines.

Any existing service lines found to be defective as part of the project are assessed directly to the property.

In the event street replacement is necessary as a result of underground utility construction, the City may determine to assess all or a portion of the street replacement cost based on the current condition of the street and improvement needed.

#### ***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***

In new developments, the City may require the developer to finance street light improvement rather than assessing the cost.

#### ***H. Traffic Signals***

Assessments to traffic signals will be based on the area method calculated by trip generation or other methods based on the City Council determination.

#### ***I. Public parking lots***

Assessments for reconstruction or other improvements to public parking lots will be based on the area method or other methods based on the City Council determination.

***J. Other Improvements***

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

**SECTION 11. DEFERMENT OF SPECIAL ASSESSMENTS**

It is the policy of the City to not defer assessments for senior citizens 65 years of age or older or persons retired by virtue of a permanent and total disability.

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 12. APPORTIONMENT OF ASSESSMENTS UPON LAND LATER SUBDIVIDED**

If a special assessment is levied against a tract of land which is later subdivided, the installments remaining unpaid can be apportioned among the various lots and parcels in the tract upon a finding that such apportionment will not materially impair collection of the balance due.

This may be done upon application of the property owner or by the Council acting upon its own motion, but notice of such apportionment and of the right to appeal must be mailed to or personally served upon all owners of any part of the tract. If the action is requested by the property owner(s), all costs associated with public notice shall be paid by the property owner(s) making the request.

The Council may, and if the assessment has been pledged towards payment of improvement warrants the Council must, require the owner(s) to furnish a cash surety or letter of credit toward total payment of all assessments.

*Adopted December 11, 2017*