

**City of Falcon Heights
2077 W. Larpenteur Ave
Falcon Heights MN 55113**

**City Council Workshop
March 7, 2007
6:30 p.m.
City Hall**

WORKSHOP AGENDA

1. Discussion of Falcon Heights Assessment Policy - Continuation



CITY OF
FALCON HEIGHTS

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March 1, 2007

TO: Mayor Gehrz, Council members Harris, Kuettel, Lindstrom and Talbot

FROM: Justin Miller, City Administrator

Re: Continuation of Assessment Policy Discussion

At our February 14th City Council workshop, the council began reviewing the draft assessment policy revisions. We only made it through about half of the draft policy, so we will be discussing it again at our March 7th workshop. Attached are the original documents from the last workshop. If you have any questions, please feel free to contact me.





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January 19, 2007

To: Mayor Gehrz, Councilmembers Harris, Kuettel, Lindstrom, and Talbot

**From: Justin Miller, City Administrator; Roland Olson, Finance Director
Tim Pittman, Director of Parks and Public Works; Deb Bloom, City Engineer**

Re: Assessment Policy Discussion

BACKGROUND:

One of the items identified as a 2007 city council goal is to re-evaluate our current public improvement assessment policy. As far as staff can tell, the current policy dates back to April 1996, and as such it is in need of updating.

An assessment policy needs to address several topics, and this report is intended to serve as a starting point for discussions on how to update our current policy.

1. Street Projects

The most common type of assessment the City of Falcon Heights has used has been in connection with street improvements. Current practice calls for the city to assess \$26.50 per front foot, no matter what the cost of the project is to the city. This rate has not been adjusted for inflation since 1996, meaning that the city has been paying for a greater portion of each project every year.

For the most part, improvements fall into three categories – sealcoating, mill and overlays, and reconstructions:

- A. *Sealcoating* involves applying a thin coat of oil on the street and then laying gravel on top. Our current practice calls for all streets to be sealcoated roughly every seven years, and this is seen as a mostly maintenance type project. Staff's recommendation would be to not assess any of this type of improvement to benefiting property owners.
- B. *Mill and overlay* projects involve grinding the top few inches of roadway off and replacing it with a new layer of asphalt. This type of repair is typically done every 15 years and extends the life of the roadway without having to perform a costly reconstruction project. Funding policies vary widely in regards to this type



of project, and we have typically not assessed for mill and overlays. However, staff is recommending that we begin to assess for 40% of mill and overlay projects to residential property owners, 60% to commercial property owners, and 100% to tax-exempt properties.

- C. *Reconstruction* projects are more comprehensive and are typically performed every 30 years. This type of work involves totally removing the existing roadway, replacing the base materials, and oftentimes performing utility work (water, sewer, etc.) at the same time. Most cities assess for this type of project, and do so in a variety of methods. Methods vary from establishing an assessment rate each year to setting a percentage that properties will be assessed. Staff recommends that we begin assessing 40% of the costs of the project to benefiting residential property owners and 60% to benefiting commercial/industrial property owners. As is current policy, staff recommends that tax-exempt properties be assessed 100% of the cost of the project A survey of assessment levels in other communities is attached to this report, and staff believes that the 40% residential level is consistent with the practices of other communities and is fair to property owners and general taxpayers.

Assessing by the foot or by unit:

Cities vary on how assessments are applied, with most choosing between a per foot basis or a per unit basis. Per foot is exactly as it sounds, where the assessment rate is applied based on the actual street frontage. Per unit is determined by applying the same assessment amount for each unit on a specific project. Per unit structures are most often used by communities that have many cul-de-sacs, so that large lots on curved streets (and therefore have small street frontages) are not given preferential treatment. Since we have very few cul-de-sacs, and most of our lots are similar in size, staff recommends that we continue to use the per foot basis for our assessment policy.

Corner Lots

Corner lots create unique problems when determining how to assess them for street projects. While the homeowner receives a benefit if either street they abut is improved, it could create a financial hardship if more than one project was assessed at the same time. Current policy states that assessments will be based on the short-sided street. Staff recommends that we change this practice to assess for the street which the property uses as its address. Staff would also recommend that tax-exempt properties be assessed for projects on each street that it abuts.

Alleys

Most alleys in Falcon Heights serve a predominantly residential purpose, and as such the city has assessed 90% of the reconstruction costs to the benefiting property. Staff recommends that this practice remain the same. However, a few alleys serve both residential and commercial properties, and therefore experience more wear and tear than typical alleys. Staff recommends that these projects be looked at on a case-by-case basis due to the differing levels of impact commercial users place on each specific alley.

2. Non-Street Projects

Other assessable projects that are initiated either by the city or by petition are sanitary and storm sewers, sidewalks, street lighting, and landscaping.

- A. *Sanitary and Storm Sewers* – Current practice states that the city pays for 100% of the costs for these projects. Property owners clearly benefit from such projects, and therefore staff recommends that they be assessed in a similar fashion to street reconstructions, with the benefiting property owners paying 40% and the city paying 60%. This would pertain only to reconstruction projects, with routine maintenance being the responsibility of the city (if it is in the right-of-way). Any new utilities (such as for new developments) would be 100% assessed to the benefiting property owner.
- B. *Sidewalks* – Current practice states that the city pays for replacement of faulty sidewalk panels or even entire sidewalk systems. Staff recommends that this practice remain the same. Some areas of the city do not have sidewalks, and in order to promote a more walkable community, staff recommends that if a neighborhood or group of residents petition the city to install a sidewalk, the cost of such improvements should be shared by the residents and the city in an equal 50-50 split.
- C. *Streetlights*- Sometimes neighborhoods or groups of residents ask the city for permission to install custom streetlights. In these cases, staff recommends that the costs for such projects be entirely funded by the benefiting property owners.
- D. *Landscaping* - Periodically, opportunities arise where more decorative landscaping projects can be installed at the time of a public improvement. Staff recommends that the cost of installing such landscaping be entirely funded by the benefiting or petitioning property owners.

3. Financial Considerations

Issues to consider when assessing property owners for public improvements include how to set the interest rate and how long to spread the assessments over.

- A. *Setting the interest rate* – Current practice states that we set the interest rate at 2% over what our cost of borrowing the money is. More often than not, we have not had to bond for projects, so we set a rate a 2% over what our financial advisors estimate what our bonding costs would be for a general obligation note. Staff recommends that the city continue with setting the assessment interest rate at 2% over what the actual cost of borrowing the money would be, or if the project is not bonded for, it be set at 2% over what our financial advisors estimate the bonding costs would be.

- B. *Length of assessments* – Current practice states that we assess most projects for a period of three to fifteen years. Staff believes that for major projects (such as reconstructions), the time period be set at ten years, while smaller projects (such as mill and overlays) be spread out over a shorter five to seven year period.
- C. *Sources of city funds* – In any public improvement project, city funds may come from, but are not limited to, the following sources:
- a. State Aid funds
 - b. General tax levies
 - c. Cash reserves
 - d. Available Tax Increments

It is worth noting that we have been fortunate in past years to have reserves available to pay for many projects without having to levy taxes or bond for the city obligations. Many cities adopt a special levy, or even include as a general fund line item, city-wide property taxes to pay for portions of the project which are not assessed. This is a practice that the City of Falcon Heights may have to consider in future years due to increased pressure on capital funds.

- D. *Hardship deferrals* – Under state statute, cities are allowed to defer assessments based on criteria such as age of the homeowner or a disability. Our current policy allows for this, and staff recommends that hardships deferrals continue to be allowed in the city but that we update the policy language to adhere to state statute. Attached to this report is a copy of Arden Hills' deferral policy which can serve as a model for our policy.

Please remember that the city council can set this policy as they wish, and can also amend it from project to project depending on unique circumstances. However, staff recommends that whatever policy is eventually adopted be adhered to consistently to eliminate repeated requests to provide relief.

We have included hypothetical examples of projects so that the council can see the impact of different policy decisions on assessment levels. Staff welcomes input on this topic, and after Wednesday's workshop will consolidate the discussion into a more formal assessment policy for the council to consider.

Attachments:

Hypothetical mill and overlay and reconstruction assessment impacts
Current Falcon Heights Assessment Policy
Survey of assessment policies in surrounding cities
Model hardship deferral policy

Mill and Overlay Example

Cost to Mill and Overlay One Mile
 Cost per foot

Typical Northome Lot (in front footage)

40% Assessment
 50% Assessment
 60% Assessment

	Proposed Policy
	\$ 290,400
	\$ 55
	56.00
Homeowner Portion	
40%	\$ 1,232
50%	\$ 1,540
60%	\$ 1,848

	Current Policy
	\$ 290,400
	\$ 55
	56.00
Homeowner Portion	
	\$ -
	\$ -
	\$ -

Hypothetical Iowa/Idaho Mill and Overlay Project
 Approximately 1 mile in length

Total Cost	\$	290,400	\$	290,400
Assessments	40%	\$ 116,160	0%	\$ -
City Contribution	60%	\$ 174,240	100%	\$ 290,400
Average Individual Assessment		\$ 1,232		\$ -
Annual Five Year Payment at 6.5%		\$ 278		\$ -
Annual Seven Year Payment at 6.5%		\$ 211		\$ -
Annual Ten Year Payment at 6.5%		\$ 161		\$ -

Reconstruction Example

Cost to Reconstruct One Mile
Cost per foot

Typical Northhome Lot (in front footage)

40% Assessment
50% Assessment
60% Assessment

	Proposed Policy
	\$ 1,200,000
	\$ 227
	56.00
	Homeowner Portion
40%	\$ 5,091
50%	\$ 6,364
60%	\$ 7,636

	Current Policy
	\$ 1,200,000
	\$ 227
	56.00
	Homeowner Portion
	\$26.50 per foot
	\$ 1,484
	\$26.50 per foot
	\$ 1,484
	\$26.50 per foot
	\$ 1,484

Hypothetical Iowa/Idaho Reconstruction Project
Approximately 1 mile in length

Total Cost					
Assessments	40%	\$	1,200,000		\$
City Contribution	60%	\$	480,000	18%	\$
			720,000	82%	\$
Average Individual Assessment		\$	5,091		\$
Annual Five Year Payment at 6.5%		\$	1,150		\$
Annual Seven Year Payment at 6.5%		\$	872		\$
Annual Ten Year Payment at 6.5%		\$	665		\$

Amount of Project Assessed to Residential Properties

Full Reconstruction = Upgrade to Concrete curb from no curb or bituminous curb, improvement of base material, new paving, boulevard and driveway restoration.
 Partial Reconstruction = Minor repairs to existing concrete curb, improvement of base materials, new paving
 Mill & Overlay = Grind off top portion of the existing asphalt pavement surface, repave the original or slightly thicker section.

N/A = These cities have not done this type of project.

	Columbia Heights	New Brighton	Blaine	Coon Rapids	Moundsview	Hopkins	Arden Hills	Roseville
Full Reconstruction	50%	100% of Curb + 25% of rest	N/A	50%	25%	70%	50%	25%
Partial Reconstruct	75%	25%	25%	50%	25%	70%	50%	25%
Mill & Overlay	85%	0%	N/A	N/A	25%	N/A	50%	0%
Sealcoat	100%	No	No	No	No	No	No	No
Basis of Cost Division	per Lot	per Lot	per Lot	per Lot	per Lot	front foot	per lot	front foot

Notes:
 Establish a cost for a "typical" street. Approx. 50% of reconstruct cost.

The assessment process shall be carried out in accordance with Minnesota Statutes Chapter 429. The assessment rate shall be on a per-lot unit basis and shall be calculated and processed in accordance with the current Arden Hills Pavement Management Program and Assessment Policy.

Hardship Deferrals

Minnesota Statute No. 435.193 allows the City, at its own discretion, to defer the payment of any assessment for any homestead property, that is a primary place of residence, owned by a person sixty-five (65) years of age or older, or retired by virtue of a permanent and total disability for which it would be a hardship to make the payments. Under the hardship criteria, no payment amount is reduced or eliminated, but deferred to a future date. Eventually, a payment in full with interest will be due to the City/County.

The person filing for a senior deferment must be sixty-five (65) of age on or before December 31st of the assessment year.

In order to receive such a deferment, the affected person must establish the economic hardship that would be incurred to the reasonable satisfaction of the Arden Hills City Council by providing documentation showing an annual gross income less than fifty percent (50%) of the Ramsey County median household income as determined by the most recent census.

The deferral will last for a period of not more than ten (10) years, and will terminate before ten (10) years if any one of the following conditions is present:

- ? The owner of the property dies and the spouse is not eligible for a deferment;
- ? The property is sold;
- ? The property is no longer homestead;
- ? The City Council determines that there is no longer hardship incurred in immediately requiring either full or partial payment of the assessment.

The City reserves the right to periodically request verification of continued eligibility for a hardship deferral.

It should be noted that during the term of the deferral, interest will accrue. At the termination of the deferral period, interest and principal will be due in a lump sum amount.

An application for deferment of special assessments is available at the City Offices. It is the responsibility of the resident to submit a completed deferral form, along with tax documents, to the Finance Director for approval. This application must be filed within 30 days of the assessment role. The submission of a deferral form to the City does not automatically qualify a resident for the deferral. If a resident is approved for the deferral, the City staff will notify the resident of the approval. The City staff on a periodic basis may request the resident to verify their eligibility.

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I. GENERAL

THE PURPOSE OF THIS ASSESSMENT MANUAL IS TO SET FORTH A GUIDE TO BE UTILIZED BY THE CITY OF FALCON HEIGHTS WHEN PREPARING ASSESSMENT ROLLS, SO AS TO ASSURE UNIFORM AND CONSISTENT TREATMENT OF THE AFFECTED PROPERTIES. IT IS THE GENERAL POLICY OF THE CITY OF FALCON HEIGHTS TO ASSESS ALL AFFECTED PROPERTIES ACCORDING TO THIS POLICY WITHOUT REGARD TO FUNDING SOURCE.

MINNESOTA STATE LAW, CHAPTER 429.010 AND 429.111 PROVIDES THAT A MUNICIPALITY SHALL HAVE THE POWER TO MAKE PUBLIC IMPROVEMENTS SUCH AS SANITARY SEWERS, STORM SEWERS, WATER SOURCE AND DISTRIBUTION FACILITIES, STREET IMPROVEMENTS INCLUDING GRADING, CURB AND GUTTER, SURFACING, SIDEWALKS, STREET LIGHTING, LANDSCAPING, AND RECREATIONAL FACILITIES, ETC. THE VARIOUS PROCEDURES THAT THE MUNICIPALITY MUST FOLLOW INCLUDING REPORTS, NOTICES AND PUBLIC HEARINGS ARE WELL DEFINED WITHIN THE LAW.

THE STATUTE FURTHER PROVIDES THAT THE COST OF ANY IMPROVEMENT MAY BE ASSESSED UPON PROPERTY BENEFITED BY THE IMPROVEMENT BASED UPON THE BENEFITS RECEIVED WHETHER OR NOT THE PROPERTY ABUTS ON THE IMPROVEMENT AND WHETHER OR NOT ANY PART OF THE COST OF THE IMPROVEMENT IS PAID FROM OTHER FUNDING SOURCES. THE LAW IS NOT SPECIFIC ON HOW THESE BENEFITS ARE TO BE MEASURED OR HOW THE COSTS ARE TO BE APPORTIONED, BUT RATHER MAKES IT INCUMBENT UPON THE MUNICIPALITY TO DETERMINE WITH ASSISTANCE OF THE CITY ENGINEER, CITY ATTORNEY, APPRAISERS OR OTHER QUALIFIED PERSONNEL, A FAIR AND EQUITABLE METHOD OF COST SHARING AMONG THE PROPERTIES INVOLVED. IT IS THE INTENT OF THIS POLICY THAT THE MAXIMUM VALUE OF AN ASSESSMENT BE BASED ON THE HIGHEST AND BEST USE OF PROPERTY.

THROUGHOUT THIS MANUAL, THE TOTAL COST OF AN IMPROVEMENT SHALL INCLUDE THE CONSTRUCTION COST PLUS ALL ASSOCIATED OVERHEAD COSTS. THE TOTAL COST OF THE ASSOCIATED OVERHEAD FOR A PUBLIC IMPROVEMENT PROJECT WOULD TYPICALLY INCLUDE CITY ADMINISTRATION, ENGINEERING, FISCAL, LEGAL, CAPITAL INTEREST, AND CONTINGENCIES.

AS A PERCENTAGE OF CONSTRUCTION COST, THESE OVERHEAD COSTS USUALLY RUN 28 PERCENT. THE ACTUAL COSTS INCURRED WILL BE TRACKED AND CHARGED TO THE PROJECT.

THE INITIATION OF PUBLIC IMPROVEMENT PROJECTS MAY HAPPEN IN TWO DIFFERENT METHODS. THE FIRST METHOD IS BY A PETITION OF THE AFFECTED PROPERTY OWNERS. THE PETITION MUST BE SIGNED BY THE OWNERS OF NOT LESS THAN 35 PERCENT OF THE FRONTAGE OF THE REAL PROPERTY ABUTTING THE PROPOSED IMPROVEMENTS. THE SECOND METHOD IS TO INITIATE THE PROCEEDINGS BY CITY COUNCIL DIRECTION, IN WHICH CASE NO PETITION IS NEEDED. AN OUTLINE OF THE PUBLIC IMPROVEMENT PROCESS IS PROVIDED IN

THE APPENDIX.

ANY REFERENCE TO LAND ZONING IN THIS MANUAL SHALL MEAN THE MOST CURRENT APPROVED CITY ZONING MAP AVAILABLE AT THE TIME. IT SHOULD BE EMPHASIZED THAT THE SPECIAL ASSESSMENT METHODS AND POLICIES SUMMARIZED HEREIN CANNOT BE CONSIDERED AS ALL-INCLUSIVE AND THAT UNUSUAL CIRCUMSTANCES MAY AT TIMES JUSTIFY SPECIAL CONSIDERATION. IF THE CITY SHOULD DETERMINE THAT THE APPLICATION OF THESE POLICIES RESULTS IN AN ASSESSMENT AMOUNT GREATER THAN THE INCREASE IN MARKET VALUE TO ANY PROPERTY, THE CITY WILL LIMIT THE ASSESSMENT TO THE INCREASE IN MARKET VALUE REGARDLESS OF POLICY. ALSO, ANY FIXED COST DATA AND RATES WILL BE ADJUSTED PERIODICALLY SO AS TO REFLECT CURRENT COSTS.

II. DEFINITIONS

A. ASSESSMENT UNITS

THE FOLLOWING DEFINITIONS REFER TO THE ASSESSMENT UNITS TO BE USED WHEN DETERMINING VARIOUS ASSESSMENT RATES AS DESCRIBED IN THE REMAINING SECTIONS OF THIS MANUAL.

1. LOT UNIT

A LOT UNIT IS DEFINED AS A PLATTED SINGLE FAMILY RESIDENTIAL LOT WHICH IN ACCORDANCE WITH FALCON HEIGHTS ZONING AND SUBDIVISION REGULATIONS, CANNOT BE FURTHER SUBDIVIDED.

2. GROSS AREA

THE TOTAL AREA, IN ACRES OR SQUARE FEET, OF A LOT OR PARCEL OF LAND INCLUDING ANY EASEMENTS. THE GROSS AREA OF A LOT OR PARCEL OF LAND DOES NOT INCLUDE ANY OF THE ABUTTING RIGHT-OF-WAY.

3. WEIGHTED AREAS

FOR THE PURPOSE OF STORM SEWER ASSESSMENTS, THE WEIGHTING OF AREAS SHALL BE BASED ON ZONING AS FOLLOWS:

SINGLE-FAMILY RESIDENTIAL	1.00
MULTI-UNIT RESIDENTIAL	1.50
COMMERCIAL	2.50

4. FRONT FOOTAGE

A. SINGLE FRONTAGE LOTS

IN PLATTED AREAS, THE FRONT FOOTAGE FOR PURPOSES OF FRONT FOOTAGE ASSESSMENTS SHALL BE DETERMINED AT THE BUILDING SET BACK LINE AS DESCRIBED IN THE FALCON HEIGHTS ZONING ORDINANCE, AND SHALL BE MEASURED PARALLEL TO THE PROPERTY LINE ABUTTING THE IMPROVEMENT.

B. CORNER LOTS

IN THE CASE OF A STREET IMPROVEMENT PROJECT WHICH ABUTS BOTH SIDES OF A CORNER LOT, THE LOT SHALL BE TREATED AS AN INTERIOR LOT AND THE FRONT FOOTAGE SHALL BE THE SHORT SIDE OF THE LOT. THERE WILL NOT BE AN ADDITIONAL ASSESSMENT AGAINST CORNER LOTS FOR

THE SIDE LOT DIMENSION. WHEN THE STREET IMPROVEMENT IS ONLY ALONG THE LONG SIDE OF THE LOT, THE SHORT SIDE OF THE LOT WILL BE USED FOR DETERMINATION OF ASSESSABLE FRONT FOOTAGE. THE ASSESSMENT FOR THE SHORT SIDE WILL OCCUR WITH THE FIRST STREET TO BE RECONSTRUCTED.

FOR ALL OTHER IMPROVEMENTS SUCH AS SANITARY SEWER OR WATER, THE FRONT FOOTAGE SHALL BE THE FOOTAGE ESTABLISHED FOR THE SHORT SIDE OF THE LOT WHEN BOTH SIDES OF THE LOT ARE BEING AFFECTED BY THE IMPROVEMENT. WHERE THE PROPOSED IMPROVEMENT PROJECT IS ONLY ALONG THE LONG SIDE OF A CORNER LOT, THE SHORT SIDE FRONT FOOTAGE SHALL BE USED FOR ASSESSMENT PURPOSES.

B. GENERAL

1. PETITION

PETITION SHALL MEAN A WRITTEN DOCUMENT PRESENTED TO THE CITY COUNCIL FOR PURPOSES OF INITIATING A PUBLIC IMPROVEMENT PROJECT. ALL SIGNATURES SHALL BE ACCOMPANIED BY THE ADDRESS OF EACH SIGNATOR, THE DATE OF THE SIGNATURE AND A PRINTING OF EACH SIGNATOR'S NAME. AN EXAMPLE OF THE USUAL FORM OF PETITION IS INCLUDED IN THE APPENDIX.

2. TOTAL PROJECT COST

TOTAL PROJECT COST SHALL MEAN THE FINAL CONSTRUCTION COST PLUS ALL ASSOCIATED OVERHEAD COSTS. OVERHEAD COSTS SHALL INCLUDE BUT NOT BE LIMITED TO CITY ADMINISTRATION, ENGINEERING, LEGAL, FISCAL, INTEREST DURING CONSTRUCTION, AND LAND ACQUISITION.

3. ASSESSMENT PERIOD

THE LENGTH OF PAYMENT PERIOD ON VARIOUS TYPES OF IMPROVEMENT PROJECTS SHALL BE AS FOLLOWS:

SANITARY SEWER	10-15 YEARS
WATERMAIN	10-15 YEARS
STORM SEWER	5-10 YEARS
STREET CONSTRUCTION	10-15 YEARS
STREET RESURFACING	3-7 YEARS

IN THE CASE WHERE SEVERAL OF THE IMPROVEMENTS LISTED ABOVE ARE INCLUDED IN THE SAME PROJECT, THE ASSESSMENT PERIOD WILL BE 10-15 YEARS. IN NO EVENT SHALL AN ASSESSMENT PERIOD EXCEED 15 YEARS.

4. ASSESSMENT INTEREST RATE

THE INTEREST RATE CHARGED ON ASSESSMENTS SHALL BE SET BY THE CITY COUNCIL. TYPICALLY, THE RATE IS SET AT ABOUT 2% OVER THE GENERAL OBLIGATION BOND RATE USED TO FUND THE PROJECT.

5. MUNICIPAL STATE-AID STREETS

MUNICIPAL STATE AID STREETS ARE ROUTES DESIGNATED BY THE CITY COUNCIL AND APPROVED BY THE COMMISSIONER OF TRANSPORTATION FOR INCLUSION IN THE CITY'S STATE AID SYSTEM. ALL ROUTES INCLUDED BEGIN AND END ON ANOTHER MUNICIPAL STATE AID ROAD, COUNTY STATE AID ROAD, OR TRUNK HIGHWAY.

6. MUNICIPAL STATE AID CONSTRUCTION FUNDS

MUNICIPAL STATE AID CONSTRUCTION FUNDS ARE MONIES APPORTIONED TO THE CITY FROM THE STATE TO BE USED FOR THE CONSTRUCTION OF ROUTES DESIGNATED ON THE MUNICIPAL STATE AID SYSTEM. ALL CONSTRUCTION FUNDED WITH THESE MONIES MUST BE DONE IN ACCORDANCE WITH THE MNDOT OFFICE OF STATE AID DESIGN CRITERIA.

7. PENDING ASSESSMENT

AN ASSESSMENT IS PENDING AGAINST A PARTICULAR PROPERTY IF THE CITY HAS DETERMINED THAT THE PROPERTY IS BENEFITED BY A PUBLIC IMPROVEMENT PROJECT WHICH HAS BEEN ORDERED OR CONSTRUCTED, BUT FOR WHICH AN ASSESSMENT HAS NOT YET BEEN LEVIED AGAINST THE PROPERTY.

8. CLASSIFICATION OF LOCAL IMPROVEMENT PROJECTS

LOCAL IMPROVEMENTS ARE DIVIDED INTO THE THREE CLASSES ACCORDING TO THEIR RESPECTIVE BENEFITS TO THE CITY AS A WHOLE AND TO PROPERTY SPECIALLY SERVICED BY THE IMPROVEMENT. THEY ARE CLASSIFIED AS FOLLOWS:

CLASS A. CLASS A IMPROVEMENTS ARE THOSE WHICH ARE OF GENERAL BENEFIT TO THE CITY AT LARGE. ANY SUCH IMPROVEMENTS SHALL BE FINANCED FROM GENERAL CITY FUNDS AND NOT FROM SPECIAL ASSESSMENTS. CLASS A IMPROVEMENTS INCLUDE NON-MOTORIZED PATHWAYS.

CLASS B. CLASS B IMPROVEMENTS ARE THOSE WHICH ARE OF BOTH GENERAL BENEFIT TO THE CITY AT LARGE AS WELL AS SPECIAL BENEFIT TO ABUTTING OR NEARBY PROPERTY. CLASS B IMPROVEMENTS INCLUDE CONSTRUCTION OR RECONSTRUCTION OF COLLECTOR OR ARTERIAL STREETS.

CLASS C. CLASS C IMPROVEMENTS ARE THOSE WHICH ARE PRIMARILY, IF NOT EXCLUSIVELY, OF BENEFIT TO PROPERTY ABUTTING OR IN THE AREA OF THE IMPROVEMENT,

INCLUDING THE CONSTRUCTION OF SIDEWALKS, THE
CONSTRUCTION OF STORM SEWERS, THE CONSTRUCTION
OR RECONSTRUCTION OF RESIDENTIAL STREETS AND ALLEYS.

III. STREET IMPROVEMENTS

A. DEFINITIONS

1. FEDERAL AND STATE HIGHWAYS

THESE STREETS ARE CLASSIFIED AS EXPRESSWAYS, FREEWAYS, AND MAJOR ARTERIALS CONSTRUCTED AND MAINTAINED BY THE MINNESOTA DEPARTMENT OF TRANSPORTATION. THEY CARRY LARGE VOLUMES OF TRAFFIC AT PEAK LOADING TIMES. IN FALCON HEIGHTS SNELLING AVENUE IS IN THIS CATEGORY.

2. COUNTY STATE AID HIGHWAYS (C.S.A.H.)/COUNTY ROAD

THESE STREETS ARE CLASSIFIED AS MAJOR AND MINOR ARTERIALS AND COLLECTORS CONSTRUCTED AND MAINTAINED BY THE RAMSEY COUNTY PUBLIC WORKS DEPARTMENT. THESE STREETS TYPICALLY CARRY HIGH VOLUMES OF TRAFFIC AT PEAK LOADING TIMES. IN FALCON HEIGHTS THE STREETS IN THIS CATEGORY INCLUDE LARPENTEUR AVENUE, ROSELAWN AVENUE, HOYT AVENUE (EAST OF SNELLING), HAMLINE AVENUE, FAIRVIEW AVENUE, CLEVELAND AVENUE AND FULHAM STREET (NORTH OF LARPENTEUR).

3. MUNICIPAL STATE AID (MSA) STREETS

THESE ARE STREETS WHICH INTERCONNECT COLLECTOR STREETS, STATE OR COUNTY HIGHWAYS, OR OTHER MUNICIPAL STATE AID STREETS. THEY ARE CONSTRUCTED AND MAINTAINED BY THE CITY. BY THEIR DESIGNATION AS MSA ROUTES, THEY ARE ELIGIBLE FOR THE USE OF MUNICIPAL STATE AID CONSTRUCTION FUNDS. THE CITY'S DESIGNATED MUNICIPAL STATE AID ROUTES ARE SHOWN ON EXHIBIT 1 IN THE APPENDIX.

4. COLLECTOR STREETS

COLLECTOR STREETS ARE THOSE STREETS GENERALLY CONSIDERED TO COLLECT TRAFFIC FROM SPECIFIC AREAS OF THE CITY AND CONVEY IT TO ARTERIAL ROUTES. THESE STREETS HAVE LIMITED OR NO PROPERTY DIRECTLY ABUTTING THEM. THE DESIGNATED COLLECTOR STREETS ARE SHOWN ON EXHIBIT 2 IN THE APPENDIX.

5. RESIDENTIAL STREETS

THIS IS THE MINIMUM STREET DESIGN ACCEPTABLE AS A PUBLIC STREET WITHIN NEW SUBDIVISIONS OR DEVELOPMENTS. THEY CARRY RELATIVELY SMALL VOLUMES OF LOCAL NEIGHBORHOOD TRAFFIC. THE TYPICAL URBAN RESIDENTIAL STREET IS 30 FEET WIDE WITH CONCRETE CURB AND GUTTER AND A 9-TON DESIGN IN

ACCORDANCE WITH CURRENT MNDOT STANDARDS.

6. ALLEY

THESE ARE NARROW BITUMINOUS SURFACED DRIVING AREAS CONSTRUCTED WITHIN CITY RIGHTS-OF-WAY. THEY PROVIDE A MEANS OF INGRESS AND EGRESS TO THE REAR OF PROPERTY. THEY ARE TYPICALLY CONSTRUCTED TO A 9-TON DESIGN IN ACCORDANCE WITH CURRENT MNDOT STANDARDS.

7. APPURTENANCES

A. PATHWAYS

PATHWAYS MAY BE REQUIRED BY THE CITY ON OR ADJACENT TO SELECTED STREETS. THESE ARE GENERALLY ROUTES DEEMED TO CARRY HIGHER VOLUMES OF PEDESTRIAN TRAFFIC. THE CITY DESIGNATED PATHWAY ROUTES ARE SHOWN ON EXHIBIT 3 IN THE APPENDIX.

B. SIDEWALKS

SIDEWALKS MAY BE REQUIRED BY THE CITY ON OR ADJACENT TO SELECTED STREETS OR IN SELECTED SUBDIVISIONS. SIDEWALKS WOULD TYPICALLY BE INSTALLED BASED ON A REQUEST FROM ABUTTING PROPERTY OWNERS.

C. STREET LIGHTING

STREET LIGHTS MAY BE REQUIRED ON SELECTED STREETS.

D. TREES

TREES AND OTHER TYPES OF LANDSCAPING MAY BE REQUIRED ON SELECTED STREETS.

E. SEEDING/SODDING

BOULEVARD RESTORATION BY SEEDING/SODDING IS REQUIRED AS PART OF STREET IMPROVEMENT PROJECTS.

8. MAINTENANCE/REHABILITATION PROJECTS

A. COLD IN PLACE RECYCLING AND REPAVING (CIR/REPAVING)

COLD IN PLACE RECYCLING AND REPAVING SHALL BE PAID FOR WITH THE USE OF MSA FUNDS TO OFFSET THE PROJECT COSTS, WITH ASSESSMENTS AS NEEDED.

B. BITUMINOUS OVERLAY

BITUMINOUS OVERLAY PROJECTS SHALL BE PAID FOR WITH THE USE OF MSA FUNDS TO OFFSET THE PROJECT COSTS, WITH ASSESSMENTS AS NEEDED.

C. CRACK SEALING

CRACK SEALING IS A MAINTENANCE PROCEDURE FUNDED BY THE CITY.

D. BITUMINOUS SEAL COATING

BITUMINOUS SEAL COATING IS FUNDED BY THE CITY WITH NO ASSESSMENTS TO THE ABUTTING PROPERTY.

B. DETERMINING STREET ASSESSMENT RATES

1. NEW CONSTRUCTION

ALL NEW STREET CONSTRUCTION, REGARDLESS OF CLASSIFICATION OR DESIGN, SHALL BE TOTALLY ASSESSED TO BENEFITING PROPERTIES ON A FRONT FOOT BASIS.

2. RESIDENTIAL EQUIVALENT RATE

THE RESIDENTIAL EQUIVALENT RATE IS DEFINED AS THE COST FOR A RESIDENTIAL STREET SECTION WHEN THE ACTUAL PROJECT CONSISTS OF A HIGHER STANDARD STREET EITHER IN STRENGTH OR WIDTH. THE RESIDENTIAL EQUIVALENT RATE IS THE BASIS FOR DETERMINING THE RESIDENTIAL EQUIVALENT ASSESSMENT RATE.

3. RESIDENTIAL EQUIVALENT ASSESSMENT RATE

ALL RESIDENTIALLY ZONED PROPERTIES WITH FRONTAGE ABUTTING A STREET WHICH IS RECONSTRUCTED SHALL BE ASSESSED ON A FRONT FOOT BASIS AT THE RESIDENTIAL EQUIVALENT ASSESSMENT RATE. THIS RATE SHALL APPLY REGARDLESS OF THE STREETS CLASSIFICATION (LOCAL, COLLECTOR, ARTERIAL, TRUNK HIGHWAY); DESIGNATION (COUNTY STATE AID HIGHWAY, MUNICIPAL STATE AID STREET); OR JURISDICTION (STATE, COUNTY OR CITY).

THE RESIDENTIAL EQUIVALENT ASSESSMENT RATE SHALL BE BASED ON A PORTION OF THE COST OF STREET CONSTRUCTION FOR A TYPICAL RESIDENTIAL STREET SECTION. THIS RESIDENTIAL EQUIVALENT ASSESSMENT RATE SHALL BE DETERMINED BY THE CITY

COUNCIL AND ESTABLISHED BY RESOLUTION FROM TIME TO TIME BASED UPON COMPARABLE PROJECT DATA AVAILABLE TO THE CITY.

4. TAX EXEMPT PROPERTIES

ALL PROPERTIES WITH TAX EXEMPT STATUS AND ABUTTING STREET RECONSTRUCTION IMPROVEMENTS SHALL BE ASSESSED 100% OF THE RESIDENTIAL EQUIVALENT RATE.

5. COMMERCIAL EQUIVALENT ASSESSMENT RATE

ALL COMMERCIAL ZONED PROPERTIES WITH FRONTAGE ABUTTING A STREET WHICH IS RECONSTRUCTED SHALL BE ASSESSED ON A FRONT FOOT BASIS AT THE COMMERCIAL EQUIVALENT ASSESSMENT RATE. THIS RATE SHALL APPLY REGARDLESS OF THE STREETS CLASSIFICATION (LOCAL, COLLECTOR, ARTERIAL, TRUNK HIGHWAY); DESIGNATION (COUNTY STATE AID HIGHWAY, MUNICIPAL STATE AID STREET); OR JURISDICTION (STATE, COUNTY OR CITY).

THE COMMERCIAL EQUIVALENT ASSESSMENT RATE SHALL BE BASED ON 135% OF THE RESIDENTIAL EQUIVALENT STREET ASSESSMENT RATE. THIS COMMERCIAL EQUIVALENT ASSESSMENT RATE SHALL BE DETERMINED BY THE CITY COUNCIL AND ESTABLISHED BY RESOLUTION FROM TIME TO TIME BASED UPON COMPARABLE PROJECT DATA AVAILABLE TO THE CITY.

6. ALLEY

ALL NEW ALLEY CONSTRUCTION OR RECONSTRUCTION SHALL BE ASSESSED TO THE ABUTTING PROPERTIES AT A RATE DETERMINED BY THE CITY COUNCIL. THE ASSESSMENT SHALL BE ON A FRONT FOOT BASIS FOR THE PROPERTY FRONTAGE ON THE ALLEY.

7. APPURTENANCES

APPURTENANCES TO STREET PROJECTS EITHER REQUIRED BY THE CITY OR REQUESTED BY THE ABUTTING PROPERTIES MAY BE ASSESSED ALONG WITH THE COST OF THE STREET WITH THE FOLLOWING EXCEPTION.

A. PATHWAYS

PAVED OFF ROAD PATHWAYS DESIGNATED ON THE CITY'S PATHWAY PLAN ARE CONSIDERED TO BE OF CITY WIDE BENEFIT AND ARE FUNDED BY THE CITY.

B. LANDSCAPING

LANDSCAPING REQUIRED BY THE CITY COUNCIL IS CONSIDERED TO BE OF CITY-WIDE BENEFIT AND IS FUNDED BY THE CITY.

8. MAINTENANCE/REHABILITATION PROJECTS

A. COLD IN PLACE RECYCLING AND REPAVING (CIR/REPAVING)

COLD IN PLACE RECYCLING AND REPAVING SHALL BE ASSESSED TO THE ABUTTING PROPERTY ON A LOT BASIS.

B. BITUMINOUS OVERLAY

BITUMINOUS OVERLAY PROJECTS SHALL BE ASSESSED TO THE ABUTTING PROPERTY ON A LOT BASIS.

C. CRACK SEALING

CRACK SEALING IS A MAINTENANCE PROCEDURE FUNDED BY THE CITY.

D. BITUMINOUS SEAL COATING

BITUMINOUS SEAL COATING IS FUNDED BY THE CITY WITH NO ASSESSMENTS TO THE ABUTTING PROPERTY.

IV. STORM SEWER IMPROVEMENTS

A. DEFINITIONS

1. STORM SEWER IMPROVEMENT DISTRICT

THE CITY COUNCIL HAS ESTABLISHED A STORM SEWER TAX DISTRICT PURSUANT TO MINNESOTA STATUTE 444.16 THROUGH 444.21. THE CITY COUNCIL MAY, AT ITS DISCRETION, CONSTRUCT AND FINANCE STORM SEWER IMPROVEMENTS BY UTILIZING THIS FUND. THESE STATUTES ARE REPRODUCED IN THE APPENDIX.

2. STORM SEWER TRUNK FACILITIES

A. PONDS

A BASIN OR WETLAND CONSTRUCTED OR NATURALLY LOCATED WITHIN A PERMANENT EASEMENT FOR THE PURPOSE OF CONTAINING STORM RUNOFF. MAY BE EITHER A RETENTION (PERMANENT) POND, DETENTION (TEMPORARY) POND, OR A COMBINATION OF BOTH.

B. PIPE NETWORK

A NETWORK OF PIPES RANGING IN SIZE GENERALLY FROM 30 INCHES THROUGH 60 INCHES. THE TRUNK PIPE NETWORKS ARE DESIGNED TO COLLECT STORM RUN-OFF FROM AN AREA GENERALLY LARGER THAN 10 ACRES.

C. CHANNELS

AN OPEN DITCH CONVEYANCE NETWORK CONSTRUCTED WITHIN PERMANENT EASEMENTS FOR THE PURPOSES OF TRANSPORTING STORM RUN-OFF.

3. STORM SEWER LATERAL FACILITIES

A NETWORK OF PIPES RANGING IN SIZE GENERALLY FROM 12 INCHES TO 27 INCHES DESIGNED TO COLLECT STORM RUN-OFF FROM A SPECIFIED SMALL AREA TO A TRUNK FACILITY. THE LATERAL FACILITIES ALSO INCLUDE STREET OVERLAND FLOW AND INLET STRUCTURES SUCH AS CATCH BASINS, MANHOLES AND FLARED END SECTIONS.

B. DETERMINING STORM SEWER ASSESSMENT RATES

1. STORM SEWER TRUNK RATES

- A. DESIGN AND ESTIMATE THE TOTAL IMPROVEMENT COST OF THE ULTIMATE TRUNK SYSTEM NEEDED TO PROVIDE COMPLETE SERVICE TO EACH PROPERTY IN THE SERVICE DISTRICT CONSIDERED. ALSO, INCLUDE THE TOTAL COST OF ANY EXISTING FACILITIES AND/OR PREVIOUS STORM SEWER ASSESSMENTS TO BE CREDITED. THEN USE ONE HALF OF THE TOTAL IMPROVEMENT COST TO DETERMINE THE BASE ASSESSMENT RATE.
- B. DETERMINE THE BASE ASSESSMENT RATE BY DIVIDING ONE HALF OF THE ULTIMATE SYSTEM COST DESCRIBED ABOVE BY THE SUM TOTAL OF THE FOLLOWING:
 - 1) GROSS AREA OF SINGLE FAMILY RESIDENTIAL PROPERTIES TIMES 1.0
 - 2) GROSS AREA OF MULTI-UNIT RESIDENTIAL, PROPERTIES TIMES 1.50
 - 3) GROSS AREA OF COMMERCIAL PROPERTY TIMES 2.5
- C. ASSESSMENT RATES WOULD BE SET AS FOLLOWS:

THE BASE RATE SHALL APPLY TO SINGLE-FAMILY RESIDENTIAL PROPERTIES.
THE BASE RATE TIMES 1.50 SHALL APPLY TO MULTI-UNIT RESIDENTIAL PROPERTIES.
THE BASE RATE TIMES 2.5 SHALL APPLY TO COMMERCIAL PROPERTY.

2. STORM SEWER LATERAL RATES

ONE HALF OF THE LATERAL STORM SEWER PROJECT COSTS SHALL BE ASSESSED ON AN AREA BASIS. THIS METHOD WOULD BE SIMILAR TO DETERMINING THE STORM SEWER TRUNK RATES AS DESCRIBED IN SECTION IV(B)(I).

3. MUNICIPAL STATE AID CONSTRUCTION FUND CONTRIBUTIONS

WHEN A MUNICIPAL STATE AID STREET PROJECT INCLUDES STORM SEWER, EITHER TRUNK OR LATERAL, WHICH THE MINNESOTA DEPARTMENT OF TRANSPORTATION DETERMINES MAY BE FUNDED BY MUNICIPAL STATE AID CONSTRUCTION FUNDS, THE AMOUNT DETERMINED TO BE ACTUALLY FUNDED BY MNDOT MAY BE DEDUCTED FROM THE TOTAL IMPROVEMENT COSTS TO BE ASSESSED.

V. SANITARY SEWER/WATER IMPROVEMENTS

A. DEFINITIONS

1. SANITARY SEWER LATERALS

A NETWORK OF PIPES, USUALLY 8 INCH IN SIZE WHICH ARE INSTALLED 8-20 FEET DEEP AND ARE DESIGNED TO SERVE THOSE BUILDINGS ABUTTING A GIVEN STREET OR EASEMENT.

2. WATERMAIN LATERALS

A NETWORK OF WATER PIPES AND RELATED APPURTENANCES USUALLY 6 OR 8 INCHES IN SIZE WHICH ARE INSTALLED WITH ABOUT 8 FEET OF GROUND COVER TO RETARD FREEZING AND ARE DESIGNED TO SERVE THOSE BUILDINGS ABUTTING A GIVEN STREET OR EASEMENT. LATERAL MAINS ARE "LOOPEDED" WHEREVER POSSIBLE TO BALANCE PRESSURES AND PREVENT PROBLEMS ASSOCIATED WITH "DEAD ENDS". APPURTENANCES TO THESE FACILITIES WOULD INCLUDE VALVES, FITTINGS, AND FIRE HYDRANTS.

3. SANITARY SEWER BUILDING SERVICES

THOSE PIPES, USUALLY 4 INCH OR 6 INCH IN SIZE LEADING FROM LATERALS WHICH SERVE INDIVIDUAL BUILDINGS. THESE SERVICES ARE PLUGGED AT THE PROPERTY LINE UNTIL SUCH TIME THAT A BUILDING IS CONNECTED TO THE SEWER SYSTEM. THE PROPERTY OWNER MUST MAKE ARRANGEMENTS WITH A LICENSED, BONDED PLUMBER TO COMPLETE THE SERVICE CONNECTION.

4. WATERMAIN BUILDING SERVICE

THOSE PIPES, USUALLY 3/4 TO 6 INCH IN SIZE LEADING FROM LATERALS WHICH SERVE INDIVIDUAL BUILDINGS. THE LINES TERMINATE AT THE PROPERTY LINE WITH A SHUT OFF VALVE AND ARE PLUGGED UNTIL SUCH TIME THE BUILDING IS CONNECTED TO THE WATER SYSTEM. THE PROPERTY OWNER MUST MAKE ARRANGEMENTS WITH A LICENSED, BONDED PLUMBER TO COMPLETE THE SERVICE CONNECTION.

5. SANITARY SEWER AVAILABILITY CHARGE (SAC)

THIS IS A CHARGE BILLED TO ALL PROPERTIES AT THE TIME OF CONNECTION TO THE SANITARY SEWER SYSTEM. THE CHARGE IS THE INDIVIDUAL PROPERTY SHARE OF THE COST OF THE INTERCEPTOR TRUNK AND TREATMENT FACILITIES WHICH MAKE SEWER SERVICE AVAILABLE. THE CHARGE IS BASED ON AN EQUIVALENT UNIT BASIS. THE METHOD USED TO CALCULATE THE

TOTAL NUMBER OF UNITS FOR ANY SPECIFIC PROPERTY AND THE CURRENT UNIT CHARGE ARE PROVIDED IN THE APPENDIX. THIS CHARGE MAY NOT BE ASSESSED AGAINST THE PROPERTY.

6. INFRASTRUCTURE REHABILITATION PROJECTS

ANY PROJECT OR PORTION OF A PROJECT WHICH RECONSTRUCTS AN EXISTING SANITARY SEWER/WATER FACILITY. A REHABILITATION PROJECT MAY OCCUR ON THE EXISTING ALIGNMENT OF THE SEWER/WATER LINE OR ON A NEW ALIGNMENT, THUS ALLOWING THE EXISTING LINE TO BE ABANDONED.

B. DETERMINING SANITARY SEWER ASSESSMENT RATES

1. NEW CONSTRUCTION

ALL NEW SANITARY SEWER AND WATER CONSTRUCTION SHALL BE TOTALLY ASSESSED TO THE BENEFITING PROPERTIES ACCORDING TO THE FOLLOWING METHOD:

A. SANITARY SEWER/WATER LATERAL RATES

THE BUILDING SERVICE ASSESSMENTS DESCRIBED BELOW WILL BE DEDUCTED FROM THE TOTAL IMPROVEMENT COST TO BE ASSESSED. THE AMOUNT REMAINING AFTER SAID DEDUCTIONS WILL BE ASSESSED BY THE FOLLOWING METHOD. THE RESULTING ASSESSMENT WILL BE KNOWN AS A LATERAL BENEFIT ASSESSMENT.

1) FRONT FOOTAGE BASIS

DETERMINE THE TOTAL ASSESSABLE FRONT FOOTAGE OF ALL LOTS RECEIVING LATERAL BENEFIT AND DIVIDE THE PROJECT COST BY THE TOTAL OF ASSESSABLE FRONT FOOTAGE. EACH LOT ASSESSMENT IS EQUAL TO THE TOTAL ASSESSABLE FRONT FOOTAGE PER UNIT MULTIPLIED BY THE FRONT FOOTAGE ASSESSMENT RATE.

B. BUILDING SERVICE

THE ASSESSMENT RATE FOR EACH SIZE OF BUILDING SANITARY/WATER SERVICE SHALL BE DETERMINED BY ADDING ALL THE COSTS ASSOCIATED WITH EACH SIZE OF SERVICE AND DIVIDING BY THE TOTAL NUMBER OF SERVICES CONSTRUCTED. EACH UNIT WILL BE ASSESSED AT THE DETERMINED RATE FOR EACH SIZE AND NUMBER OF SERVICES INSTALLED. THIS WILL BE KNOWN AS THE BUILDING SERVICE ASSESSMENT.

2. SANITARY SEWER RECONSTRUCTION

THE CITY HAS ESTABLISHED A "CAPITAL IMPROVEMENTS" FUND WHICH MAY BE USED FOR SANITARY SEWER RECONSTRUCTION PROJECTS.

3. WATER RECONSTRUCTION

THE CITY HAS ESTABLISHED A "WATER SURCHARGE" FUND WHICH MAY BE USED FOR WATER RECONSTRUCTION PROJECTS.

VI. HARDSHIP DEFERRAL OF ASSESSMENTS

A. ELIGIBILITY FOR DEFERRAL

1. THE CITY COUNCIL MAY APPROVE DEFERRAL OF PAYMENTS FOR HOMESTEAD PROPERTY AS AUTHORIZED BY MINNESOTA STATUTES 435.193 IF THE OWNER:
 - A) IS AT LEAST 65 YEARS OLD OR ON PERMANENT TOTAL DISABILITY RETIREMENT, AND
 - B) HAS ANNUAL GROSS INCOME FROM ALL SOURCES LESS THAN 50% OF THE LATEST MEDIAN INCOME AS DETERMINED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, AND
 - C) IS A PERSON FOR WHOM IT WOULD BE A HARDSHIP TO MAKE THE PAYMENTS.
2. THE DEFERRAL WILL LAST FOR NOT MORE THAN TEN YEARS AND WILL TERMINATE BEFORE TEN YEARS IF THE OWNER DIES AND THE SPOUSE IS NOT ELIGIBLE OR THE PROPERTY IS SOLD OR THE PROPERTY IS NO LONGER HOMESTEAD OR THE CITY COUNCIL DETERMINES THERE IS NO LONGER HARDSHIP TO REQUIRE IMMEDIATE OR PARTIAL PAYMENT.
3. THE CITY MAY DETERMINE THE AMOUNT OF INTEREST ON THE DEFERRED ASSESSMENT, WHETHER IT WILL BE SIMPLE INTEREST OR COMPOUND INTEREST, AND THE TIME THAT INTEREST PAYMENTS ARE TO BE MADE.

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IMPROVEMENT PROJECT PROCESS

1. PROJECT INITIATION

- A. PETITION OF MORE THAN 35 PERCENT OF AFFECTED PROPERTY OWNERS.
- B. CITY COUNCIL ACTION.

2. **RESOLUTION** ORDERING PREPARATION OF REPORT ON IMPROVEMENT AND DECLARING ADEQUACY OF PETITION IF APPROPRIATE.

NOTE: THIS RESOLUTION SHOULD BE PUBLISHED IN THE OFFICIAL NEWSPAPER AFTER ADOPTION. UNLESS THERE IS A CHALLENGE TO THE DETERMINATION OF ADEQUACY WITHIN 30 DAYS, THE DETERMINATION CANNOT BE CHALLENGED IN THE FUTURE.

3. ENGINEER'S REPORT

- A. FEASIBILITY OF PROPOSED IMPROVEMENT.
- B. WHETHER IMPROVEMENTS SHOULD BE MADE AS PROPOSED OR WITH OTHER IMPROVEMENT.
- C. COST OF IMPROVEMENT AS RECOMMENDED.

4. **RESOLUTION** RECEIVING THE FEASIBILITY REPORT AND CALLING FOR HEARING ON THE IMPROVEMENT.

NOTE: IF 100% OF AFFECTED PROPERTY OWNERS PETITION FOR THE IMPROVEMENT, THEY MAY ALSO WAIVE THEIR RIGHTS TO THIS PUBLIC HEARING.

5. NOTICE OF PUBLIC HEARING

- A. TIME AND PLACE OF HEARING.
- B. GENERAL NATURE OF IMPROVEMENT.
- C. ESTIMATED COST OF IMPROVEMENT.
- D. PROPOSED AREA TO BE ASSESSED.
- E. NOTICE MUST BE PUBLISHED TWICE (ONE WEEK APART) IN THE OFFICIAL NEWSPAPER; 3 DAYS MUST ELAPSE BETWEEN THE LAST PUBLICATION DATE

AND THE HEARING.

F. NOTICE MUST BE MAILED TO OWNER OF EACH PARCEL WITHIN THE AREA TO BE ASSESSED NOT LESS THAN 10 DAYS PRIOR TO THE HEARING.

6. **RESOLUTION** ORDER THE IMPROVEMENT AND PREPARATION OF PLANS AND SPECIFICATIONS.

NOTE: THIS ACTION MAY BE TAKEN ANY TIME WITHIN 6 MONTHS AFTER THE PUBLIC HEARING. BEYOND THAT A NEW PUBLIC HEARING MUST BE HELD. IF THE PROJECT WAS INITIATED BY PETITION OF THE OWNERS OF LESS THAN 35 PERCENT OF THE FRONTAGE, THIS RESOLUTION MUST BE ADOPTED BY AT LEAST A 4/5 VOTE.

7. **RESOLUTION** APPROVING THE PLANS AND SPECIFICATIONS AND ORDERING THE ADVERTISEMENT FOR BIDS.

NOTE: IF THE ESTIMATED CONSTRUCTION COST IS UNDER \$100,000 AT LEAST 10 DAYS MUST ELAPSE BETWEEN THE FIRST ADVERTISEMENT AND THE BID OPENING. OVER \$100,000 AT LEAST THREE WEEKS (21 DAYS) MUST ELAPSE.

8. **RESOLUTION** ACCEPTING THE BIDS AND DIRECTING THE MAYOR AND CITY ADMINISTRATOR TO ENTER INTO A CONTRACT WITH THE LOWEST RESPONSIBLE BIDDER MUST BE DONE WITHIN ONE YEAR OF RESOLUTION ORDERING IMPROVEMENT.

9. CONTRACTOR/CITY PAPERWORK PRIOR TO COMMENCING CONSTRUCTION.

- ISSUE NOTICE OF AWARD AND CONTRACT
- CONTRACTOR RESUBMITS SIGNED NOTICE OF AWARD, CONTRACT, PERFORMANCE BOND AND INSURANCE DOCUMENTS.
- PRE-CONSTRUCTION MEETING
 - DISCUSS SCHEDULING OF CONSTRUCTION
 - STAKING
 - CONFLICTS WITH UTILITIES
 - SPECIAL PROBLEMS
- ISSUE NOTICE TO PROCEED
- CONTRACTOR RESUBMITS SIGNED NOTICE TO PROCEED
- CONSTRUCTION BEGINS

10. DURING CONSTRUCTION PHASE, PARTIAL PAY ESTIMATES AND CHANGE ORDERS ARE PRESENTED TO THE CITY COUNCIL FOR ACTION.
11. **RESOLUTION** DETERMINING COST TO BE ASSESSED AND ORDERING THE PREPARATION OF PROPOSED ASSESSMENT ROLL.
12. CITY STAFF AND CITY ENGINEER PREPARE AND FILE ASSESSMENT ROLL.
13. NOTICE OF HEARING ON PROPOSED ASSESSMENT.

A. NOTICE MUST BE PUBLISHED ONE OR MORE TIMES IN THE OFFICIAL NEWSPAPER AT LEAST TWO WEEKS PRIOR TO THE MEETING. NOTICE MUST CONTAIN THE FOLLOWING ITEMS:

- 1) DATE, TIME AND PLACE OF HEARING.
- 2) GENERAL NATURE OF THE IMPROVEMENTS.
- 3) AREA PROPOSED TO BE ASSESSED.
- 4) TOTAL AMOUNT OF THE PROPOSED ASSESSMENT.
- 5) THAT THE PROPOSED ASSESSMENT ROLL IS ON FILE WITH THE CLERK.
- 6) THAT WRITTEN AND ORAL OBJECTIONS WILL BE CONSIDERED.
- 7) NO APPEAL OF THE AMOUNT OF ANY ASSESSMENT MAY BE MADE UNLESS A WRITTEN OBJECTION SIGNED BY PROPERTY OWNERS IS FILED WITH THE CLERK PRIOR TO THE HEARING OR PRESENTED TO THE PRESIDING OFFICER AT THE HEARING.
- 8) THAT AN APPEAL TO DISTRICT COURT MAY BE MADE BY SERVING NOTICE UPON THE MAYOR OR CLERK WITHIN 30 DAYS OF THE ADOPTION OF THE ASSESSMENT ROLL AND FILING SUCH NOTICE WITH THE DISTRICT COURT WITHIN 10 DAYS AFTER SERVICE UPON THE MAYOR AND CLERK.

9) WHETHER THE CITY HAS ADOPTED ANY DEFERMENT ORDINANCE OR RESOLUTION AND ITS BASIC SUBSTANCE.

10) SUBSTANCE OF MINNESOTA STATUTE 435.193 THROUGH 435.195.

B. NOTICE MUST BE MAILED TO EACH PARCEL OWNER DESCRIBED ON THE ASSESSMENT ROLL NOT LESS THAN TWO WEEKS PRIOR TO THE HEARING. IN ADDITION TO THE ITEMS LISTED ABOVE, THE MAILED NOTICE MUST INCLUDE THE FOLLOWING:

- 1) AMOUNT TO BE ASSESSED AGAINST THE PARTICULAR PARCEL.

- 2) THAT THE ASSESSMENT AMOUNT MAY BE PREPAID AND TO WHOM.
- 3) WHETHER PARTIAL PREPAYMENT HAS BEEN AUTHORIZED BY ORDINANCE.
- 4) TIME WITHIN WHICH PREPAYMENT MAY BE MADE WITHOUT INTEREST.
- 5) RATE OF INTEREST TO BE ACCRUED IF ASSESSMENT IS NOT PREPAID.

14. PUBLIC HEARING AND **RESOLUTION** ADOPTING ASSESSMENT ROLL

15. APPEALS TO DISTRICT COURT.

NOTE: IN ORDER TO APPEAL TO DISTRICT COURT, THE PROPERTY OWNER MUST SERVE NOTICE UPON THE MAYOR OR CITY CLERK WITHIN 30 DAYS OF ADOPTION OF THE ASSESSMENT ROLL. THEY CAN ONLY DO THIS AFTER HAVING FILED A WRITTEN SIGNED OBJECTION PRIOR TO THE ASSESSMENT HEARING OR HAVING PRESENTED SAME TO THE PRESIDING OFFICER AT THE HEARING. THE NOTICE OF APPEAL MUST BE FILED WITH THE CLERK OF THE DISTRICT COURT WITHIN TEN (10) DAYS AFTER SERVICE ON THE CITY.