



MAYOR & COUNCIL COMMUNICATION

DATE: December 17, 2013

CONSENT

ITEM #: 17

AGENDA ITEM: Special Assessment Policy – Resolution to Adopt Minor Revisions

SUBMITTED BY: Jack Griffin, City Engineer

THROUGH: Dean A. Zuleger, City Administrator

REVIEWED BY: Cathy Bendel, Finance Director

SUGGESTED ORDER OF BUSINESS:

- Introduction of Item City Engineer
- Report/Presentation..... City Engineer
- Questions from Council to Staff..... Mayor Facilitates
- Open Public Improvement Hearing; Public Input Mayor Facilitates
- Call for Motion Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

POLICY RECOMMENDER: Engineering

FISCAL IMPACT: None.

SUMMARY AND ACTION REQUESTED:

The City Council is respectfully requested to consider approving Resolution No. 2013-110, adopting minor revisions to the City of Lake Elmo Special Assessment Policies and Procedures for Public Improvements. The recommended motion for this action is as follows:

“Move to approve Resolution No. 2013-110, adopting minor revisions to the City of Lake Elmo Special Assessment Policies and Procedures for Public Improvements.”

LEGISLATIVE HISTORY/BACKGROUND INFORMATION:

On November 16, 2010, the City Council adopted the Special Assessment Policies and Procedures for Public Improvements. The policy was developed by an assessment policy review Subcommittee working with the City Administrator, City Engineer and City Attorney to review and develop an updated policy based upon the following goals/objectives established by the Council:

- To establish a policy that will result in the benefiting properties from the public improvement paying as much of the cost of the improvement as reasonable, reducing the city's reliance on general property taxes.
- To remain fair and equitable for the benefit received.
- To be defensible, able to hold up against appeal.
- To balance the assessable costs to the benefitting properties with the city costs for the better good of the community.
- To promote public support for the city to install improvements deemed desirable for the betterment of the community.
- To be comprehensive and flexible, able to be fairly applied to differing circumstances.
- To deter the undesirable subdivision of land for the purpose of paying assessments.

In addition, the Subcommittee identified that while Special Assessments remain an important financing tool for public infrastructure, they remain highly regulated and are becoming more and more litigated. Therefore policy recommendations were made to create a policy that is in greater conformity with current laws and practices, including the following Statutory Rules:

- The assessments must be uniform in relation to the other properties (fair and equitable).
- On the high end – the amount of the assessment is limited – it cannot exceed the increase in fair market value of the property (special benefit).
- On the low end – the total amount of the project to be assessed must exceed 20% of the total project costs, in order to purchase bonds to fund the improvements.

Over the past few years staff and Council have applied the assessment policy for the levy of special assessments for several projects. From these experiences, staff has identified a desire to incorporate minor amendments as they relate to the assessment of street improvement costs against corner properties with direct access to two public streets. Staff has therefore prepared amended language to assess corner properties 50% of the per unit basis when each street is improved; in lieu of levying 100% for each street. Staff is further recommending that the per unit assessment basis be increased to 70% for the second access if that access is to a collector street. The proposed policy is intended to promote roadway safety throughout the community through improved access management principals along collector routes. The added assessment amount is intended to encourage a property owner with two public accesses to consider the removal of the collector street access at the time of the improvement.

In addition, the amended policy corrects the levy period for water and sewer assessments from 20 years to 15 years, which is the current practice for the city.

RECOMMENDATION:

Staff is recommending that the City Council consider approving Resolution No. 2013-110, adopting minor revisions to the City of Lake Elmo Special Assessment Policies and Procedures for Public Improvements. The recommended motion for this action is as follows:

“Move to approve Resolution No. 2013-110, adopting minor revisions to the City of Lake Elmo Special Assessment Policies and Procedures for Public Improvements.”

ATTACHMENT(S):

1. City of Lake Elmo Special Assessment Policies and Procedures for Public Improvements; Amended December 17, 2013.