



EAGAN

**CITY OF EAGAN
SPECIAL ASSESSMENT POLICY**

Originally approved: Feb. 19, 1991

Latest Revision: October 10, 2022

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INTRODUCTION

A **Special Assessment** is a charge imposed on real property to help pay for a local improvement that benefits the property. The state constitution allows the legislature to authorize local governments to use special assessments to help pay for local improvements based on the benefit the improvement gives the property. Since 1953, that authority has been primarily found in Minnesota Statutes, Chapter 429. Chapter 429 authorizes cities, towns, urban towns, and counties to make specific improvements and recoup the costs through assessments. Chapter 429 outlines the requirements and procedures a local government must follow to impose special assessments.

The City of Eagan (“City”) uses assessments as a tool to help finance the construction of major infrastructure (roads, bridges, traffic signals, ponds, storm sewer, sanitary sewer, watermain, etc.), as well as the rehabilitation/replacement of the infrastructure as it ages. In 1991, the city developed a special assessment policy to be used as a “guide”, so assessments are handled in a consistent, fair, and equitable manner. It provides technical direction to engineering staff and consultants to determine which projects are assessable, which properties are included in the benefitting area, how the assessments are distributed, and various methods to calculate the assessment. The policy has been amended many times over the years to reflect minor revisions to how it is interpreted, but the overall framework is, for the most part, unchanged since inception.

The original policy was not designed as a public facing document. Its intent was to give technical guidance for engineers, so it can be difficult for the general public to interpret. To make the policy more transparent and easier to understand, the City Council requested staff to consolidate the original policy and all its amendments into a reformatted “public facing” document that is easier for non-engineers to follow. The reformatting of this policy does not include substantive changes.

It should be noted that no two public improvement projects are identical, and many will have special circumstances. Even though the scope of work may be similar, the method of calculating assessments may vary between projects to distribute the costs fairly. Staff uses “best engineering judgement” to follow the intent of the policy, which may result in some variation in calculation methods. However, assessments must always be performed in strict compliance with Minnesota State Chapter 429 to ensure they are within the limits of the law and are defensible.

The language in Chapter 429 can be complicated to understand, so the League of Minnesota Cities (LMC) prepared an informational memo called the “Special Assessment Toolkit” to provide easy to follow guidance for municipalities. The toolkit provides a summary of what assessments are, when/where they’re used, and the process to follow to ensure assessments are performed correctly, consistently, and within the limits of the law. The LMC’s toolkit is among the most simplified summaries of Chapter 429 available, so a copy is attached as Exhibit A for reference.

SPECIAL ASSESSMENT PROCESS

General Information

The City uses special assessments (covered under Minnesota State Chapter 429.010-429.111) to recoup some, or all, of the costs associated with providing public improvements, such as streets, water, and sewer systems, that benefit properties. The following criteria must be met before a particular parcel can be assessed:

- a. The land/property receives special benefit from the improvement.
- b. The assessment does not exceed the special benefit measured by the increase in market value due to the improvement (unless the property owner signs an assessment waiver).
- c. The assessment is applied uniformly to the same class of property within the assessed area.

How is the amount of a special assessment determined? The special assessment cannot exceed the amount by which the property benefits from the improvement. The amount a property benefits from an improvement, called the “special benefit,” is measured by the increase in the property value due to the improvement. The assessment must be uniformly applied to the same class of property. A local improvement may benefit properties that are not abutting the improvement, and those properties may also be assessed.

How are special assessments imposed? Local governments generally follow a set of procedures outlined in chapter 429 to impose special assessments. The procedures may vary depending on the purpose for the special assessment. The process can be divided into roughly three phases: (1) initiation and preliminary assessment, (2) detailed analysis, and (3) approval of final assessment roll, certification, and collection.

During the initiation and preliminary assessment, a petitioning property owner(s) or local government initiates the proceeding, the City Council authorizes the preparation of a preliminary report, the local government prepares a report on the necessity, cost-effectiveness, and feasibility of the proposed improvement, including the proposed special assessments, gives notice of public hearing, conducts a public hearing, and adopts a resolution ordering the improvement.

Next, the local government typically prepares the plans and specifications for said improvement, solicits bids, awards a contract for the completion of the improvement, prepares details of the final cost of the completed improvement, accepts the improvement as being satisfactorily completed, prepares a proposed assessment roll, gives notice of a public hearing, notifies affected property owners of the proposed assessment, and conducts a public hearing. The final assessment hearing may also be held prior to the completion of the improvement. A property owner must file a written objection to a proposed assessment prior to the close of the public hearing to preserve the right to appeal to the district court.

Last, the local government approves and certifies the assessment roll, funds the improvement, and collects the assessment. The local government may choose to award a contract for the

improvement after certification of the roll to ensure full financing of the improvement. A property owner who has filed a written objection prior to the close of the final assessment hearing has 30 days to appeal the assessment to district court. To issue local improvement bonds without an election, at least 20 percent of the project cost must be paid with special assessments.

Can special assessments be deferred or delayed? Special assessments can be deferred for senior citizens, and people who are retired by virtue of disability (“hardship deferral”); for property that is enrolled in the Minnesota Agricultural Property Tax Program (Green Acres); and for unimproved land. In some cases, collection of assessments for street or road improvements made outside municipal boundaries may be delayed until the area is annexed.

Public Improvement Process

The Public Improvement Process is defined by state statutes. The assessment hearing portion of the process can either be held before or after construction is complete. The City typically assesses after completion, so the following outline describes the City’s process.

1. Project Initiation

Public improvement projects may be initiated in several ways. The following are the most common methods used in the City.

- a. The City Council decides an improvement is necessary or desirable for the community (usually by inclusion in the five-year Capital Improvement Plan (CIP))
- b. The project is initiated by the County, Mn/DOT, or other public agency.
- c. A developer petitions for public improvements for a particular subdivision or installation of a public street and/or utility.
- d. Property owners petition for improvements in their neighborhood.

2. Feasibility Report

After a petition for public improvements has been submitted, or in response to the Council’s desire for a project, the City Council will authorize the preparation of a feasibility report for the proposed improvements. A feasibility report is the document that summarizes and explains the parameters of the proposed project. Some of the components included:

- a. Project Scope
- b. Proposed Improvements
- c. Cost Estimates
- d. Funding Sources
- e. Benefitting Properties
- f. Assessment Calculations and Draft Assessment Roll
- g. Feasibility/Recommendations

3. Public Hearing

After the feasibility report has been completed, the City Council holds a Public Improvement Hearing (the hearing is not needed if all impacted property owners sign an assessment waiver). Proper notifications of the hearing, in accordance with State Statutes, will be provided via advertisement in the legal newspaper and direct mailings to benefitting property owners. After

the hearing is held, the City Council will vote on authorizing the improvements and the preparation of construction plans and specifications.

4. Plans and Specifications

After the project has been authorized, preparation of the construction plans and specifications formally begins. Once complete, the City Council will approve the plans and specifications and sets a bid date (or authorizes quotes if it's a low-cost project, less than \$175,000). Council approval of the plans and specifications and setting the bid date is not required under state statute, but the City usually does this step regardless.

5. Bids

The advertisement process for bids is determined by state statutes and the city's purchasing policy. After bids/quotes are received, if acceptable, the City will enter into a contract with the successful bidder, and the project will proceed to the construction phase.

6. Construction

The contractor constructs the improvements according to the plans and specifications.

7. Assessment Hearing

After the project is complete, the assessment hearing is scheduled. State statutes allow for the assessment hearing to be held prior to construction (based on the estimated project costs after bids are received), but the City typically holds the hearing after construction is complete, based on the actual project costs.

- a. After completion of the project, a final cost report is prepared that calculates the actual project costs (construction cost plus all overhead) and the funding sources.
- b. The assessable costs are then assigned to the benefitting properties in tabular format, which is called the assessment roll.
- c. Notice for the assessment hearing (time, place, benefitting properties, and assessment amount) is performed according to state statutes. This typically includes a notice published in the local agency's legal newspaper and mailed notices to benefitting property owners.
- d. The City Council conducts the assessment hearing at a Council meeting. If approved, then a resolution is passed adopting the assessment roll.

8. Payment of Assessments

After the assessment hearing is held, there are several options for property owners to pay their assessment:

- a. Within the first 30 days after adoption of the assessment roll, property owners can pay all or part of their assessment "interest free".
- b. After the first 30 days, property owners can pay their assessment with interest charged from the date of adoption to the date of payment.
- c. After 30 days, any unpaid assessment will be certified to Dakota County and added to each parcel's property taxes, with annualized installments based on the term of the

- assessment. Assessments adopted before Oct. 31 will be included in the next year's property taxes. Certifications after Oct. 31 will be included in the following year's taxes.
- d. Payment of the remaining balance can be made at any time.

PROJECT CLASSIFICATION

Public improvements are generally divided into three classes. Categorization is based on the project's benefit to the whole City and to properties specially served by the improvement. Categorization also takes past City practice into account. Apportionment of cost and the method of levying assessments should follow the approach outlined in this document, unless the council determines that a different policy is necessary or desirable in a particular case.

Class A Improvements are those which are of general benefit to the City at large. Class A improvements include, but are not limited to:

1. Public buildings
2. Public parks, playgrounds, or recreational facilities
3. Any improvement not described in Minn. Stat. § 429.021, subdivision 1

Any such improvements are financed from the appropriate City fund and not from special assessments.

Class B Improvements are those which have special benefit to abutting and/or nearby property. Class B improvements include but are not limited to:

1. Trunk water mains, trunk sanitary sewer mains, and trunk storm sewers
2. Construction, maintenance, widening and/or reconstruction of arterial/collector streets
3. Traffic signals and streetlight systems
4. Pond improvements

Class C Improvements are those which are primarily, if not exclusively, of benefit to property abutting or in the area of improvement. Class C improvements include, but are not limited to:

1. Sidewalks/trails
2. Lateral watermains, sanitary sewer, and storm sewer
3. Construction, maintenance, widening and/or reconstruction of local streets (including, but not limited to, curb, gutter and signage)
4. Street light systems

Class A projects are funded by the City and are not subject to special assessments. The City finances Class B and Class C improvements by the methods described in this document. The apportionment of the cost between benefitted property and the City at large, and the methods of levying assessments described in this document, will be followed for each project unless authorized otherwise by the City Council.

Connection/availability charges for water/sewer services and storm water drainage are covered in Eagan City Code Chapter 3 and are not part of this document.

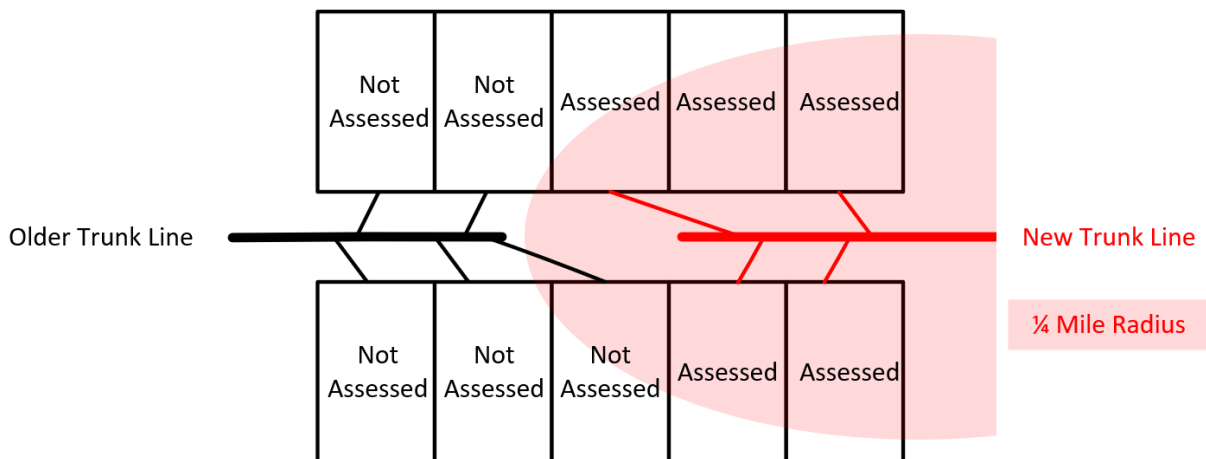
ASSESSMENT TYPES/CATEGORIES

Trunk Area Benefits

Trunk sanitary sewer, watermain, and storm sewer is primarily infrastructure constructed with large diameter pipe, pressurized sewer or pumping station (and/or regional stormwater treatment facilities) that serve large portions of the city (not just the properties immediately adjacent to the pipe). The oversized is provided to accommodate the cumulative needs of the entire service district(s) or community at large. The cost of the trunk facilities, and related appurtenances for the larger service district(s), is called the trunk area cost. This trunk area cost is assessed to all benefitting properties on an area basis and can include all unassessed costs of previous publicly installed trunk improvements providing service to the assessable benefitted property.

The assessable area for trunk watermain oversized and related trunk area improvements will incorporate all property that has at least 51% of its land lying within one-quarter mile of the trunk main, or any property that is, or will be, serviced by the trunk through the installation or extension of a lateral.

The assessable area for trunk sanitary sewer and trunk storm sewer oversized and related trunk area improvements will incorporate all property that has at least 51% of its land lying within the district(s) serviced by the trunk as defined by the most recent comprehensive sanitary or storm sewer plan (as modified by any recent topographic changes), or any property that is, or will be, serviced by the trunk through the installation or extension of a lateral.



Trunk Utility with Lateral Benefits

When a trunk sanitary sewer, water main, or storm sewer system is constructed adjacent to or within a parcel allowing direct connection of services so there is no need to construct a separate lateral system, the adjacent property shall be assessed the equivalent cost of constructing the lateral system required as if the trunk facility were not immediately available. The lateral benefit from trunk assessment will be calculated on a linear or lump sum basis and allocated to the benefitted property by one of the commonly used assessment methods in this manual.

Lateral Utilities

Lateral sanitary sewer, watermain, and storm sewer is primarily infrastructure constructed with smaller diameter pipe that is intended to serve the area within the immediate vicinity of the utility. When lateral sanitary sewer, water main, and storm sewer systems are constructed adjacent to or within a parcel allowing direct connection of services, the adjacent property shall be assessed the cost of constructing the lateral system. The lateral assessment is typically calculated on a linear or lump sum basis and allocated to the benefitted property by one of the commonly used assessment methods in this manual.

Street Improvements

When a public street is constructed, widened, rehabilitated, and/or reconstructed, some, or all, of the improvement costs are typically assessed to the benefitted properties based on their highest and best use, as defined in the City's comprehensive guide plan. Minor maintenance, like pothole and crack repairs, minor patching, seal coats, are typically not assessed.

For street rehabilitation improvements, typically only the costs related to the street surface are assessable. The curb and gutter and utility related repairs are usually funded by the city. The installation and/or repairs of concrete driveway aprons are assessable on high density residential, commercial/industrial, and public facility properties.

Other adjustments to the "street" portion of the assessable costs may be made for certain property types on certain road classifications (see attached "Street Reconstruction / Maintenance Improvements Assessable Cost Ratios" table for more detail regarding where reduction factors apply).

Sidewalks / Trails

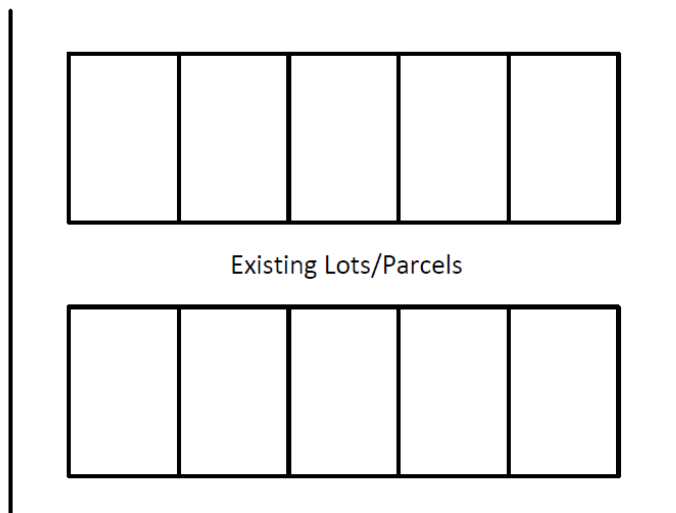
Sidewalks are generally pedestrian facilities that are 6 feet or narrower, and usually constructed out of concrete. Trails are generally 8 feet or wider and usually constructed from bituminous asphalt. Local sidewalks and trails are generally installed on lower classification roadways and are intended to serve the area in the immediate vicinity. Community sidewalks and trails are typically installed adjacent to higher classification roadways (collectors and arterials) and are intended to serve a broader area of the city. The cost of the initial construction and reconstruction on local sidewalks and trails are typically funded by the benefitting property owners, and the costs for community sidewalks and trails funded by the city. Repair costs are typically financed by the city.

ASSESSMENT CALCULATION METHODS

Assessable costs are distributed to the benefiting parcels using one of a variety of assessment methods. The specific method chosen generally depends on the project type, parcel layout, and property types, but there are other factors taken into consideration using engineering judgement to result in fair and equitable assessment distribution. The following methods give “guidance” to calculating assessments, while meeting requirements set by state statutes. Methods of distributing assessments can broadly be broken into three categories; front footage, area, or a combination of the two. Detailed descriptions of the three methods are contained in the following pages.

Per Lot Method (typical for neighborhoods with R-1, R-2, R-3 residential properties)

When the “per lot method” is used, all lots in the improvement area with similar land uses are assessed equal amounts, independent of their size, shape, or location (cul-de-sac, corner lot, etc.). Using this method, properties of similar use will be assessed similarly. Ex: All R-1 residential properties in a neighborhood are assessed the same amount. Same goes for all properties with classifications of R-2, R-3, etc. The amount is typically determined by the amount of frontage each property type has, and then the cost for that frontage is split evenly among all similar property types. There will be exceptions to this guidance. For instance, there are several townhome developments that have a private street with only a small amount of frontage to the public street being improved, but there are numerous units in the development. In cases like this, the townhome development generates a lot of traffic for the public street system, so they may be assessed for a larger amount than just the amount of frontage they have. Also, many neighborhoods have multi-family homes where each unit is platted as a separate lot and each lot receives one unit’s worth of assessment. In some circumstances, multi-family homes are platted as one lot, and therefore a parcel may receive an assessment for each unit on the property.



EXAMPLE

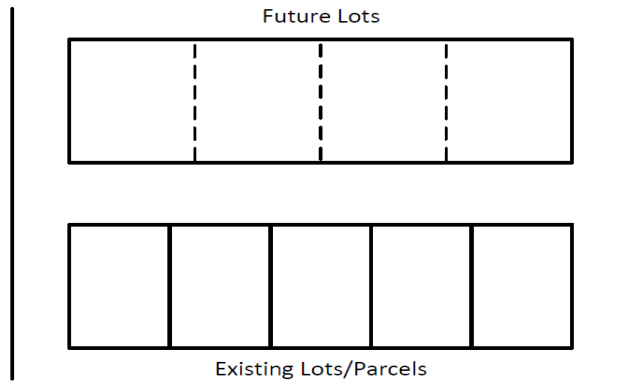
Assessable Cost: \$10,000

Number of Lots: 10

Per Lot Assessment: \$1,000

Lot Equivalent Assessment Method (typically used on large residential lots, and occasionally parks)

In circumstances where parcels can be reasonably subdivided into multiple lots, the property is typically assessed for each potential future lot. Park properties in residential neighborhoods can also be assessed based on the number of residential lots the adjacent frontage could be subdivided into.



EXAMPLE

Assessable Cost: \$10,000

Number of Lot Equivalents: 9

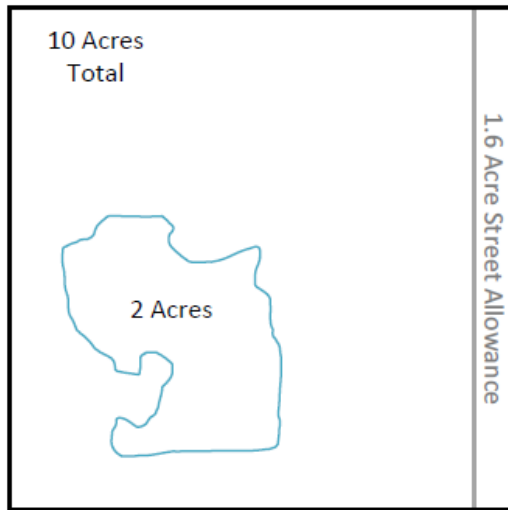
Per Existing & Potential Lot Assessment: \$1,111

Area Method (C/I, PF, R-4 are commonly assessed using a front foot or area basis)

Assessable area can be determined using any commonly used method to define area. When using the area method, the assessable area is typically considered the “total net area”, and the following will be considered:

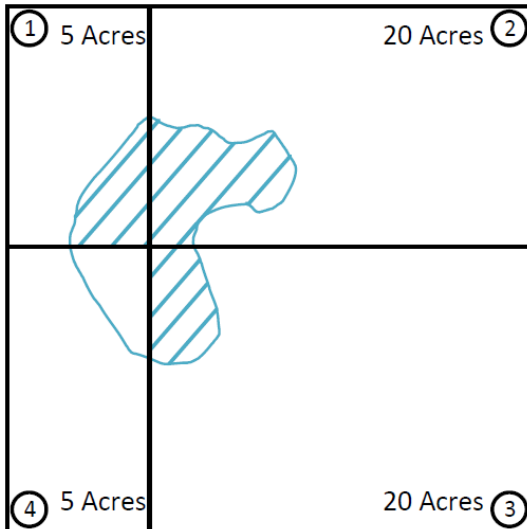
- Gross Area – the total area of the parcels in the improvement area
- Pond Credit – Lakes, ponds, and wetlands will be considered as part of the assessable area of a parcel if they are not covered with a drainage and utility easement. Credit may be given for those areas if they are covered by easement for ponding purposes. If an easement does not already exist over lakes, ponds, or wetlands that could be considered “public”, the property owner has the option to dedicate an easement according to current engineering standards, and then they may receive a credit for the easement area. No area or frontage deduction, credit and/or refund would be allowed for drainage areas without the appropriate drainage easement (Policy 82-3).
- Street Credit – Credit is given for any street right-of-way and public roadway easements. For platted parcels, the area of dedicated public right-of-way streets will be deducted. When the parcel is unplatted, and no streets have been platted within it, 20% of the gross area will be deducted as a credit for streets. If, after deducting the pond credit, the result is a parcel of less than 3 acres, the 20% street credit may not be allowed.
- Total Net Area – The total net area equals the gross area minus any ponding and street credits.

EXAMPLE: Unplatted 10 acre parcel with 2 acre pond easement and no existing streets



Total Area	10.0 acres
Ponding Area	-2.0 acres
	<hr/> 8.0 acres
20% Street Credit	-1.6 acres
Net Area of Parcel	<hr/> 6.4 acres
Assessment Rate	\$500/acre
Total Assessment	\$3200

EXAMPLE: Platted parcels with pond. 3 parcels have pond easement, 1 does not



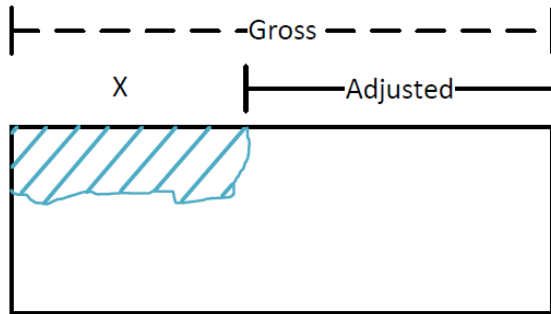
Parcel Number	Gross Area	Pond Credit	Assessable Area
1	5	1	4
2	20	4	16
3	20	3	17
4	5	0	5
	<hr/> 50	<hr/> 8	<hr/> 42

<u>Improvement Cost</u>	<u>Assessment Rate</u>
\$42,000	$\frac{\$42,000}{42} = \$1000/\text{acre}$

Parcel Number	Assessable Area	Assessment Rate	Parcel Assessment
1	4	\$1000/acre	\$4,000
2	16	\$1000/acre	\$16,000
3	17	\$1000/acre	\$17,000
4	5	\$1000/acre	\$5,000

Linear Method (C/I, PF, R-4 are commonly assessed using a front foot or area basis. Residential properties on collector/arterial roadways and parks may use front footage)

To determine the assessment for a particular parcel, the "assessment rate" is multiplied by the parcel's assessable footage (adjusted frontage). Credit is given for any non-assessable frontage (usually adjacent easements for ponding purposes or for roadway purposes).



EXAMPLE

Assessment Rate: \$10/front foot
 Gross Footage: 500 front feet
 Footage Adjacent to Pond Easement: 200 Front Feet
 Assessable Footage (Adjusted Footage): 300 Front Feet
 Assessment: 300 front feet @ \$10/front foot = \$3,000

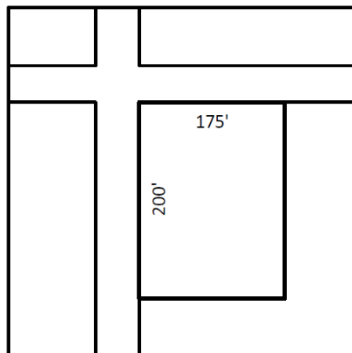
Corner Lots (street & utility laterals)

When assessing by the linear method, a corner parcel may be eligible for corner lot credit. To be eligible for a corner lot credit, improvements must abut more than one side of the affected parcel. For undeveloped parcels, credits will be granted at the time of the second or third improvement affecting the parcel.

In any assessment made using a linear method, except for water and sanitary sewer, corner lots are assessed for footage along the front side of the lot plus one half of the remaining side(s) footage up to 150 feet, for a maximum credit of 75 feet. For utility lateral assessments, corner lots are assessed for the footage along the front side of the lot and for any footage that exceeds 150 feet along the remaining side of the lot. Corner lots with a radial corner are measured to the mid-radius point when determining frontage on either side.

1. **Utility Laterals**

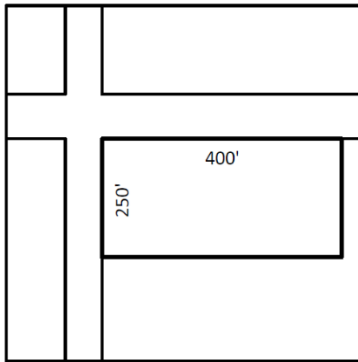
Assess along both sides of platted lots, if laterals pass both sides, with a side lot allowance of 150'. When determining front footage, measure at the building setback line.



Unadjusted front footage
 Corner lot allowance
 Adjusted front footage

$$\begin{array}{r}
 175' \\
 + \quad 200' \\
 \hline
 375' \\
 - \quad 150' \\
 \hline
 225'
 \end{array}$$

A corner lot allowance of 150' is given at the corner of all unplatted parcels, when utilities pass both sides.

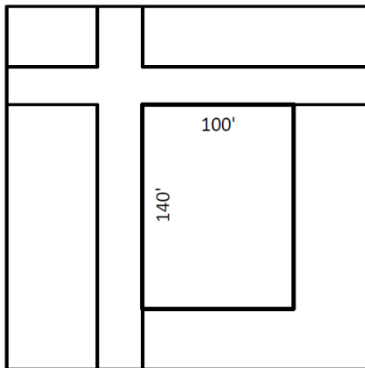


Unadjusted front footage
 Corner lot allowance
 Adjusted front footage

$$\begin{array}{r}
 400' \\
 + 250' \\
 \hline
 650' \\
 - 150' \\
 \hline
 500'
 \end{array}$$

2. Streets

Assess the short side and one-half of the long side (up to 150'), with a total credit up to 75'.



Side Lot Credit

$$\frac{140'}{2} = 70'$$

Unadjusted front footage
 Corner lot allowance
 Adjusted front footage

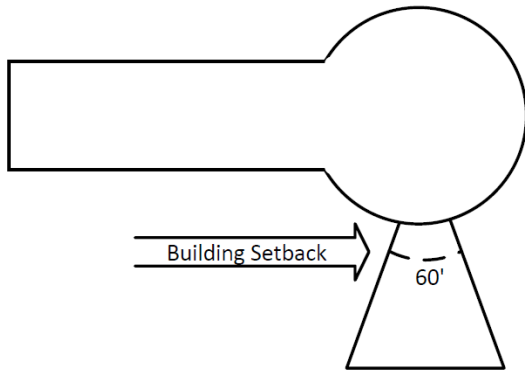
$$\begin{array}{r}
 140' \\
 + 100' \\
 \hline
 240' \\
 - 70' \\
 \hline
 170'
 \end{array}$$

Curved Streets and Irregularly Shaped Lots

When the amount of an assessment is determined using a linear method, an equivalent front footage may be determined according to the following rules when an irregularly shaped lot requires such an adjustment to maintain fairness and equity in an assessment:

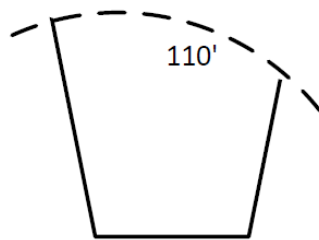
- Front footage is measured at the setback line on cul-de-sacs, sharply curved streets, and irregularly-shaped lots.
- Equivalent front footage is determined by dividing the area of the irregularly shaped lot by the general lot depth of the other lots within the subdivision where other rules do not apply.
- Where frontage curves so greatly as to give a general appearance of a corner, the lot is considered a corner lot and equivalent front footage, as well as side footage where required, determined on the basis of an irregularly-shaped lot.

1. Cul-de-sac Lots

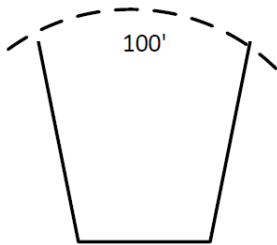


Measure lot width at building setback line
Adjusted Front Footage - 60'

2. Lots with Curved Frontage



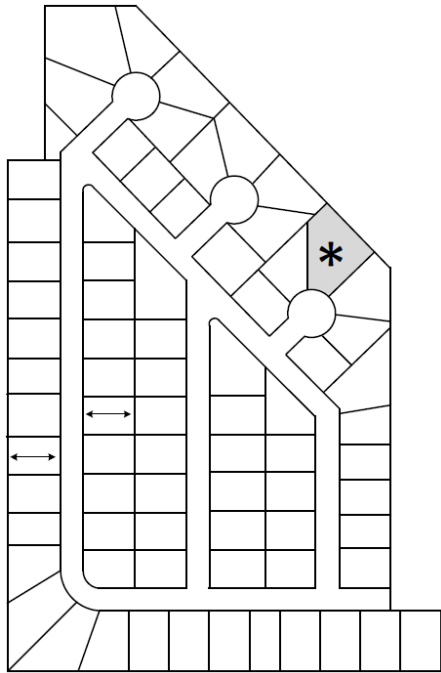
Adjusted Front Footage – 110'



Adjusted Front Footage – 100'

3. Adjusted Frontage

Equivalent front footage is determined by dividing the area of the irregularly shaped lot by the general lot depth of other lots in the subdivision



* Area = 14,856 square feet

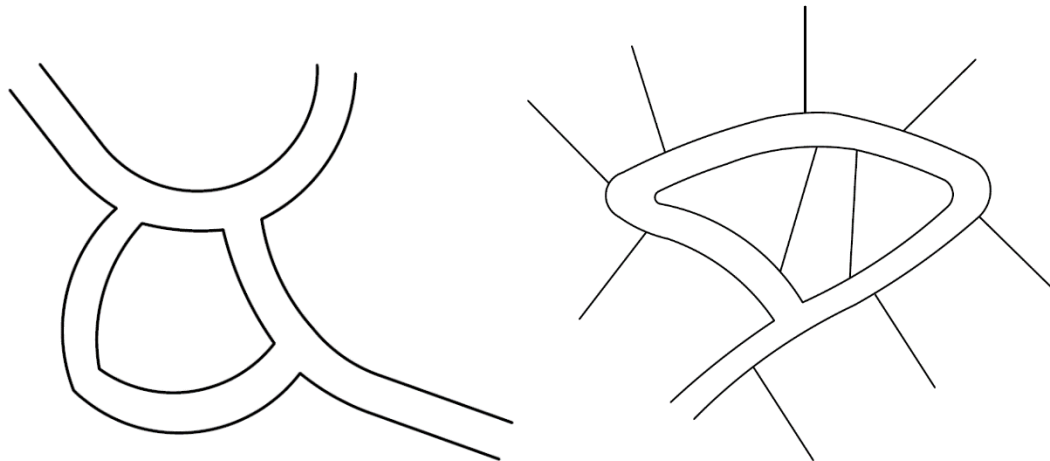
↕ General lot depth = 132'

Equivalent front footage

$$\frac{14,856}{132} = 112.5 \text{ feet}$$

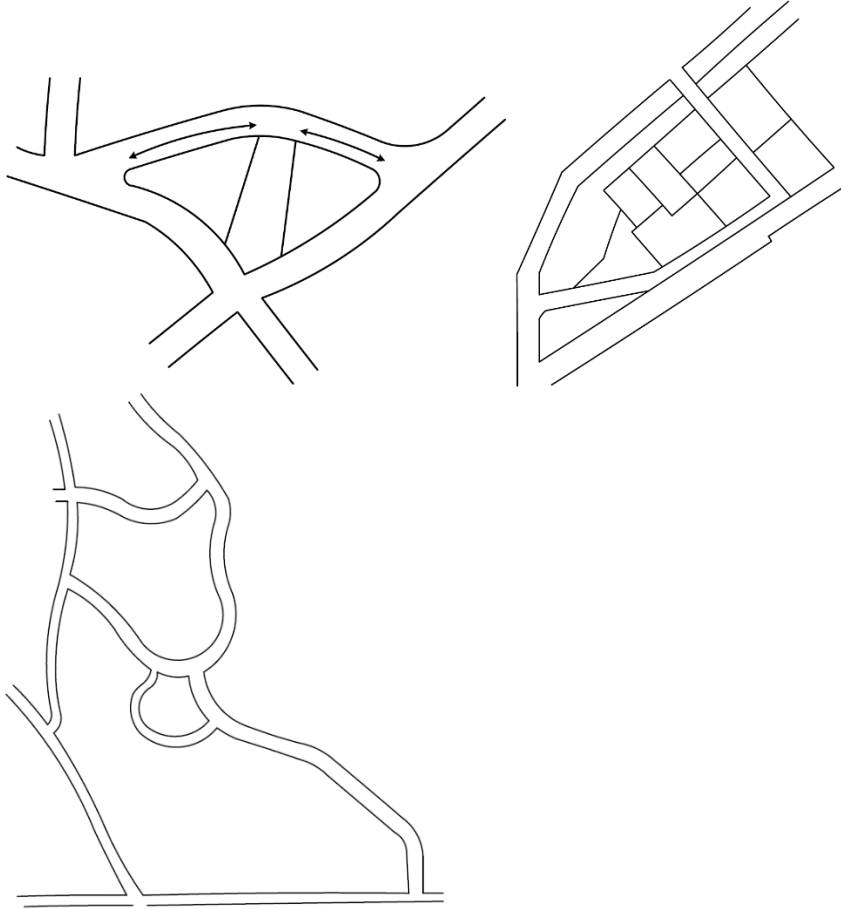
4. Adjusted Frontage Pt. 2

Where frontage curves so greatly as to give the general appearance of a corner, the lot is considered a corner lot. Frontage is adjusted in the manner of a corner lot.



5. Adjusted Frontage Pt. 3

Where irregularly shaped lots exist, the amount of linear frontage is generally taken at the setback line.



SPECIAL REGULATIONS

1. **Utility Service Lines**
Water and sanitary sewer lines are typically installed from the main if available to the property line of the property to be served before any permanent street surfacing is constructed in the street.
2. **Intersections**
The cost of sanitary sewer, storm sewer, water mains, and street improvements in street intersections shall be part of the assessable cost.
3. **Deferment of Special Assessment for Senior Citizens (meeting minimum requirements)**
Such requirements are defined in Eagan City Code 2.75. Through Ordinance 66, the City allows for the deferment of special assessments against homestead property owned and occupied by a person 65 years of age or older, if such payment would create a hardship for the property owner. Further information may be obtained from the City clerk. Citizens have the right to appeal an assessment to the District Court, in accordance with Minn. Stat. § 429.081.
4. **Trunk Area Storm Sewer Assessments for Parklands**
Trunk area storm sewer special assessments against property zoned or designated for park purposes is calculated based on benefit received from a particular project. Benefit is determined at one-half the single family/agricultural zoned rate in effect at the time of the public hearing for all passive, undeveloped, open-space parkland. Any portion of parkland that is developed to a higher intensity use is assessed at a comparable zoning equivalent by comparing the volume and rate of surface water run-off. An incremental area calculation is performed to define the difference in assessment rates if applicable. (Policy 86-2)
5. **Federal, State and County Aid Use**
Pursuant to Minn. Stat. §429.051, properties adjacent to roadway improvements that incorporate cost participation by the City in combination with Federal, State, and/or County funds should be assessed an amount equal to the benefit received as determined by the predetermined equivalent front foot assessment rate for the appropriate zoning classification of the benefitted property regardless of the ratio of financial contribution by an outside funding source involved.
6. **Dakota County Park Property**
A separate agreement has been reached with Dakota County when assessing any regional park property.

GLOSSARY

Adopted Assessment – An assessment that has been approved by the City Council.

Area Assessment Method – The assessable cost of the improvement is allocated to benefitted parcels using a ratio of the assessable area of the improvement.

Assessable Area – The area of parcels adjacent to, and/or with direct access to, an improvement.

Assessable Cost – The portion of the improvement cost to be financed by special assessments.

Assessable Footage – The linear frontage of a parcel adjacent to an improvement, minus any non-assessable frontage and/or corner lot credits.

Assessment Method – The method of distributing assessable costs to benefitting parcels.

Commonly used methods include:

1. Per lot
2. Lot equivalent
3. Area
4. Linear
5. Lump sum
6. Access/connections
7. Volume generation factors

Assessment Rate – The assessable cost calculated by the assessment method used. May be weighted to apportion the benefits of the improvement fairly and equitably to properties of different zoning and/or ultimate designated land use.

Certified Assessment – An assessment that has been adopted and forwarded to the County Auditor for inclusion on the property tax rolls.

Connection/Availability Charge – A fee to connect to a City utility. This fee compensates the City for expenses incurred to provide and maintain the utility.

Deferred Assessment – A certified assessment for which levy will be delayed.

Equivalent Assessment – An assessment levied against a property when an oversized utility or street improvement abuts the property. The assessment rate is adjusted to reflect the cost of a utility lateral or local street based on the property's zoning and/or ultimate designated land use.

Equivalent Residential Unit (ERU) – In some instances, the assessments to higher density residential properties are prorated based on the assessment amount to lower density residential properties. In some neighborhoods with both R-1 and R-2 residential properties, the R-2 units are considered 0.75 of a R-1 lot based on R-2 properties generally being smaller in size and generating fewer vehicle trips compared to R-1 lots.

Front Side – The side of a property from which primary access is taken (in the case of street improvements) or the side of a property that is addressed (in the case of utility laterals and services). If the parcel is undeveloped, the front side is the side abutting the actual improvement.

Improvement – The construction, major maintenance, or reconstruction of public infrastructure.

Improvement Cost – The total cost of the improvement which shall include, but not be limited to: construction, engineering, administrative, legal and bonding, interest, right-of-way, easement, and other costs associated with the improvement.

Lateral – The portion of a utility improvement that provides direct service to a limited area as necessary to provide a minimum standard service to meet its immediate or future demands.

Lateral Assessment – The assessable cost of that portion of the improvement that relates to the lateral.

Lateral Benefit from Trunk – The portion of a trunk facility that provides direct lateral service (and associated benefit) to abutting parcels.

Levied Assessment – An adopted assessment that is placed onto the property tax rolls for collection by the County.

Linear Assessment Method – The assessable cost of the improvement is allocated to the benefitted parcels based on the amount of assessable frontage to the improvement.

Linear Improvement Rate – The assessable cost of the improvement divided by the adjacent assessable footage of the improvement.

Local Street – Any public thoroughfare that is designed and built at the minimum standard requirements to serve the adjacent property and/or immediate surrounding area. Typically, local streets are 28- to 32-foot-wide residential streets.

Lot Assessment Method – The assessable cost of the improvement is allocated to each property based on the classification of the land use of the property (ex. R-1, R-2, R-3, etc.).

Lot Equivalent Assessment Method – When considering larger residential lots that could be further subdivided, or park properties, the assessable cost of the improvement may be allocated to those properties based on the number of residential parcels the property could be further subdivided into. The number of lots is typically based on the size of surrounding residential properties in the area.

Lump Sum Method – The assessable cost of the improvement is allocated to a single parcel.

Major Street – Any street that is oversized beyond what is necessary to provide minimum standard service to the abutting property. These streets are generally identified in the Functional Classification of City Streets in the Comprehensive Guide Plan as collector or arterial roadways.

Minimum Standard – Those dimensions as defined in the City's adopted Engineering Standards Manual.

Net Assessable Area – The gross area of the parcel minus any dedicated pond easements and reduced by all dedicated public right-of-way or roadway easements. In addition, if any unplatted parcel exceeds 3 acres after applying these credits, then a potential future right-of-way dedication will be further credited based on 20% of the residual assessable area.

Oversizing – The increase in size of infrastructure beyond what is necessary to provide minimum standard service to the immediate serviceable property.

Postponed Assessment – A commonly used term which means an improvement obligation that was not certified to the county, but will be enforced through contractual agreement between the City and the property owner. The amount of the assessment, interest rate, and term may be determined when the assessment is levied.

Reallocation of Special Assessments – An allocation of special assessments to parcels other than those specifically benefitted under provisions outlined in Appendix B.

Sidewalk – A pedestrian walkway accommodating 2-way walking traffic, usually constructed of concrete, brick, or other masonry material, and usually 6 feet or less in width.

Special Assessment – An apportionment of the determined cost of the improvement to a benefitted property.

Trail – A pathway to accommodate 2-way pedestrian and nonmotorized traffic, usually constructed of bituminous, gravel, or landscape material, and usually 8 feet or greater in width.

Trunk Assessment – An assessment for a trunk facility based upon assessable area and the trunk facility rate.

Trunk – Facilities and related equipment and appurtenances where the utility mains are greater than the minimum standard requirements for laterals. Trunk utilities (or oversize laterals) provide for lateral service availability to a defined service district or the community at large. Trunk facilities include but are not limited to sanitary sewers, water mains, ponds, and storm sewers as defined by the adopted Comprehensive Engineering Study.

Trunk Area Cost – The cost of trunk improvements less the cost of any minimum lateral requirements included in the trunk improvement.

Trunk Storm Sewer – Ponds, pipes, equipment, facilities and related appurtenances that are designed to accommodate the surface water runoff from specific drainage districts, as identified in the City's adopted Comprehensive Storm Water Management Plan. It also includes all pipes which serve as connectors between ponds as well as the outlet systems from designated pond areas as identified in said Comprehensive Plan.

Utility Service Line – A small sized pipe extended from the utility lateral to the abutting property line or easement line as necessary to allow a private connection for utility service. Service lines are extended to the house/building for direct connection.

Utility Service Assessment – The assessable cost of that portion of the improvement that relates to the utility service line.

Exhibit A
Street Reconstruction / Maintenance Improvements
Assessable Cost Ratios

(2) Land Use	Functional Street Classification	TYPE OF IMPROVEMENT					
		(1) Upgrade To City Standards (Rural, Gravel, Widening, Curb & Gutter)	(1) Full Depth Pavement Removal & Replacement and Full Reconstruction	Resurface / Overlay	(6) Local Sidewalks/ Trails (Construction/ Reconstruction)	(6) Community Sidewalks/ Trails (Construction/ Reconstruction)	Sealcoat
Low & Medium Density Residential (R-1,2,3) Neighborhood Parks	Local	100%	75%	50%	100%	0%	0%
	Collector	100%	75%	50% (3)(4)	100%	0%	0%
High Density Residential (R-4) Public Facilities Community Parks	Local	100%	100%	75%	100%	0%	0%
	Collector	100%	100%	75% (3)(4)	100%	0%	0%
Commercial / Industrial	Local	100%	100%	100% (5)	100%	0%	0%
	Collector	100%	100%	100% (5)	100%	0%	0%

(1) Includes storm sewer installations / modifications, as necessary.

(2) Assessment based on highest & best use of property and ultimate land use designation. Undeveloped properties receive a credit for any previous assessment for pre-improvement condition.

(3) Pavement Width and/or Thickness Adjustment Factor equates work performed on wide roads and thicker overlays to a typical residential street (i.e., width: 32'/44', 32'/52'; pavement thickness: 1.5"/2", etc.)

(4) Early Deterioration Credit provided if overlay occurs before its 20 year life expectancy. Credit equals 5% per year (i.e. 18/20, etc.).

(5) Early Deterioration Credit provided if overlay occurs before its 15 year life expectancy. Credit equals 5% per year (i.e. 14/15, etc.).

(6) Routine maintenance and repairs of sidewalks/trails is funded 100% by the city