

CITY OF BLUE EARTH

Policy Number: 11-a

BLUE EARTH, MINNESOTA

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Administrative Policy

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Assessment Policy

In order to insure that costs of public improvements such as streets, curb and gutter, sidewalk, water main and sewers are charged in the most fair and equitable manner, the City Council of the City of Blue Earth has determined the following to be the assessment policy for the City.

The procedure use by the City in leaving the assessments conform to those specified in the Minnesota Statutes, Chapters 429, 444, and 475.

1. Project Initiation

Public improvements may be initiated by any of the following method:

- 1.1 **Council Initiated** – As part of its duties, there arise situations when the City Council, on its own initiative, will desire that proposed improvements be considered. The procedure for organization and consideration is implemented by a member of the Council proposing a resolution referring the proposed improvement to the City Engineer for preliminary study and preparation of a feasibility report.
- 1.2 **Staff Initiated** – It is an administrative responsibility to bring to the attention of the City Council needed or advisable public improvement.
- 1.3 **Petitioned Improvements** – Public improvements can be initiated by petition of the affected property owners. A petition must be signed by not less than 35% of the owners in frontage of the real property abutting on the streets names in the petition as the location of the improvement.

Proper notification will be given of all public hearings. In the feasibility report, the City Engineer will designate the area to be included and will provide the legal description of the property affected by the project. The City Clerk will identify the owners of the property affected by the improvement and mail the notice at least 10 days prior to the hearing. The Council will conduct the assessment hearing, at which time a resolution may be passed adopting the assessment role.

The assessment hearing may take place after the project is constructed and all costs shall be assessed against the benefiting property.

2. Construction Classification and City Cost Participation

- 2.1 **New Construction** – A developer of a new subdivision or owner of an unimproved subdivision, lot, lots, or parcels has two alternatives in making improvements to the property. They are: Developer Installed Improvements and City Installed Improvements.
- 2.2 **Developer Installed Improvements** – The City permits installation of public improvements by developer and upon written acceptance, these become part of the municipal system. All improvements must be according to the City specifications as prepared by the City Engineer. No work shall commence until final plans and specifications have been reviewed and approved by the City Engineer. Plans and specifications will not be approved until the applicant has completed the following: Made a cash deposit for 1.25 times the estimated cost of plan inspection review, staking and inspection, and all of the City expenses expected to be incurred; and the developer has submitted an approved performance payment bond to the City Attorney, or like type of security for approval by the City Council, in the amount of 1.25 times the estimate cost of construction.
- 2.3 **City Installed Improvements** – If a developer petitions for an improvement by June 1st prior to the year of construction, the City will include the improvement in the annual improvement program upon deposit by the developer with the City Clerk an amount equal to 1.25 times the City's estimated cost for such improvements. The deposit shall be either in an escrow deposit or an indemnity bond, with sureties satisfactory to the City conditioned upon payment of all construction costs incurred in making of such improvements and all expense incurred including engineering, legal fees and other connected expenses.
- 2.4 **Assessment Methods Utilized** – All costs associated with new improvements including; construction, availability charge, engineering, legal and administrative shall be borne by the developer or assessed against the property. The City is not obligated to participate in new development unless it directs the developer to oversize an improvement or install at an additional depth for purposes outside the new subdivision. In those instances the City will only pay for the costs due to the over-sizing and/or additional depth. There will be no corner yard credits applied. If all the lots are of similar size and purpose, the unit method wherein all lots in the improvement area are assessed equally may be used. If there are disproportionate lot sizes or a combination of residential, business and industrial uses, the frontage method may be used.
- 2.5 **Reconstruction** - Each infrastructure improvement has a design life. At some point in time, all improvements will have to be reconstructed to ensure reliability and manage maintenance costs. To assist and promote the upgrading of the aging infrastructure, the Council has set a goal of replacing 2- 3% of the City's infrastructure (including street, sanitary sewer, water, storm sewer) each year. The purpose is to make replacements on a cost effective time schedule rather than wait until the City is spending more on maintaining an adequate system than it would cost to replace it.
- 2.6 **Distribution of costs of reconstructing** the infrastructure will be distributed as follows:

For the cost of street which includes; removal of curb and gutter, removal of driveways, removal of sidewalks, removal or pavement, installation of concrete curb and gutter, installation of driveways and sidewalk, installation of base and pavement, and surface overlays.

Street:

- 70% to be paid by the City through property taxes and other sources of revenue such as Local Government Aid;
- 30% to be paid by the benefited property

- a. Additionally, assessments are to be based on a 36 foot street width regardless of the actual constructed street width using the last three projects actual construction costs of a seven ton residential asphalt designed street as a basis for assessed costs.

In the event that a commercial, business, or industrial property requires a heavier street design (exp. truck route) through a residential zone to serve one or more businesses, the business(es) requiring the heavier design shall be assessed the difference between the residential design and the needed design strength for the length required to meet the need.

Further, a Downtown Business District is established to serve the businesses from Eighth Street to Fourth Street on the south and north ends and Moore Street to Nicollet Streets on the east and west. In order to provide for uniformity in the street composition and provide a commercial 9 ton design for the Downtown Business District these streets shall all be maintained in concrete of a 9 ton design. The abutting properties will be assessed based on the standard 36 foot residential design average of three year's projects.

- b. Curb and gutter and sidewalk may be petitioned for by individual property owners if not included in the project. The total assessment to the property owner petitioning the improvement shall cover 100 percent of the costs except that approach sidewalk to corner lots at street intersections and alley crossings shall be paid by the City.

If the improvement is part of a street reconstruction project, the improvement will be assessed on the same basis as the street above or 70% paid by the City and 30% paid by the benefited property. Property owners that had replaced the sidewalk on their property within the last 15 years and can prove the sidewalk replacement (exp. right-of-way permit) will not be assessed for any cost of replacement of the sidewalk as part of the street construction project.

- c. Corner Lots – The length of the short side and one-half the length of the long side shall be the basis of assessment of street reconstruction, and bituminous overlays on the side of a corner lot which abuts the reconstruction, bituminous overlay.
- d. Property owners may petition the city to improve alleys. The cost shall be assessed to cover 100 percent of the cost of the work. Alleyway petitions may arrange an assessment allocation in a manner agreed upon by the abutting neighbors. Alternatively, alleyway petitions may be accepted by the City Council when at least 51 percent of the abutting frontage property owners sign the petition. The Assessment to properties with indirect benefit (potential garage access) shall be 25 percent of the assessment rate for properties with direct benefit (garage access). The total assessment to all property owners must cover 100% of the costs.

- e. Maintenance costs of improved alleys shall be assessed 100 percent to the property owners on the same basis as the assessment of the alley improvement.

Sanitary Sewer Main:

- a. The cost of construction and reconstruction of sanitary sewer mains shall be funded through sanitary sewer rates.
- b. The cost of construction and reconstruction of sanitary sewer service lines from the main sanitary sewer to the home or building shall be assessed 100 percent to the benefited property. The Service Line from the Sanitary Sewer Main will be stubbed into each buildable empty lot when a reconstruction project for the adjacent street is constructed and the assessment deferred by the City until the lot is developed. The property owner must complete a petition to defer the assessment until the lot is developed.

Storm Sewer Main:

- a. The cost of construction and reconstruction of storm sewers mains, leads, and catch basins/manholes will not be assessed, but will be paid for 100% through storm sewer utility fund or other sources of revenue.

Water Main:

- a. The total cost of removal and installation of water main line shall be funded through water rates.
- b. The cost of construction and reconstruction of water service lines from the water main pipe to the house or building shall be assessed 100 percent to the benefited property. The Service Line from the Water Main will be stubbed into each buildable empty lot when a reconstruction project for the adjacent street is constructed and the assessment deferred by the City until the lot is developed. The property owner must complete a petition to defer the assessment until the lot is developed.

3. Calculating Assessable Front Footage:

- 3.1 **Rectangular Lots** – for the normal rectangular lot, the assessable front footage is the actual footage from lot line to lot line.

Cul-De-Sac Lots – For lots which are created by a cul-de-sac, the assessable front footage will be computed by calculating the footage at a point 30 feet to the rear of the front property line.

Lots with Curved Frontage – For lots which are on curvilinear alignment street, the assessable front footage will be the actual front footage.

Trapezoidal and Approximately Rectangular Lots – For a lot which is approximately rectangular, the assessable front footage will be computed by adding the front and rear lot lines and dividing by two. If the lot is deeper than 150 feet, the width at the 150 foot depth will be used for the rear lot line. This method is only to be used where the difference between the front and rear lot lines is five feet or greater.

Corner Lots – The length of the short side and one-half the length of the long side shall be the basis of assessment of street reconstruction, bituminous overlays and bituminous seal coats on the side of a corner lot which abuts the reconstruction, bituminous overlay or seal coat. Corner lots that abut on a trunk highway, shall be assessed that actually abuts the street being improved.

Large Tracts and Unplatted Parcels – may have assessable front footage on two or more sides. The assessable front footage will apply only to improvements on the particular street upon which improvements are made at this time. A distance of 150 feet back from the corner on each side of the street at each intersection will be considered as corner lots, with assessable front footage as determined in Corner Lots. For remaining lengths between corner lots, the assessable front footage is the actual footage at the lot line.

General:

- a. The above policy statements supersede all previous assessment policies in effect upon the adoption of this Assessment Policy by the City Council. All storm and sanitary sewers, curb and gutter, sidewalk, watermain, and catch basins and catch basin leads, and streets will be deemed to have been new construction commencing upon the date they were originally constructed.
- b. Construction of improvements in new additions and subdivisions to the City shall conform with the provisions of Section 1120 and 1130 of the City Ordinance and 100 percent of the cost shall be paid by the developer or property owners in accordance with Section 1130. The City Council reserves the right to deviate from this policy for construction of improvements in new development areas and to formulate Development Agreements with alternate payment methods.
- c. This Assessment Policy shall not constitute reason of public knowledge or otherwise a contract or agreement binding upon the City of Blue Earth.
- d. The City, within the extent permitted by law, shall have full power to modify, change or abrogate any part of portion of these policy standards.