CITY OF LAKE CRYSTAL
SPECIAL ASSESSMENT POLICY
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SECTION 1. GENERAL POLICY STATEMENT

The purpose of this policy is to establish a fair and equitable manner of assessing the special benefit associated with public improvements. The procedures used by the City for levying special assessments are those specified by Minnesota Statutes, Chapter 429 which provides that all or a part of the cost of improvements may be assessed against benefiting properties.

Three basic criteria must be satisfied before a particular parcel can be assessed. The criteria are as follows:

1. The land must have received special benefit from the improvement.
2. The amount of the assessment must not exceed the special benefit.
3. The assessment must be uniform in relation to the same class of property within the assessment area.

It is important to recognize that the actual cost of extending an improvement past a particular parcel is not the controlling factor in determining the amount to be assessed. However, in most cases the method for assigning the value of the benefit received by the improvement, and therefore the amount to be assessed, shall be the cost of providing the improvement. This shall be true provided the cost does not demonstrably exceed the increase in the market value of the property being assessed. The entire project shall be considered as a whole for the purpose of calculating and computing an assessment rate.

The assessment policy is intended to serve as a guide for a systematic assessment process in the City. There may be exceptions to the policy or unique circumstances or situations which may require special consideration and discretion by city staff and the City Council.

SECTION 2. IMPROVEMENTS AND MAINTENANCE COSTS ELIGIBLE FOR SPECIAL ASSESSMENT

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

1. Streets, sidewalks, pavement, curbs and gutters, including the beautification thereof.
2. Parking lots.
3. Water works systems and appurtenances, within and without the corporate limits.
4. Sanitary sewer and storm sewer systems including appurtenances, within and without the corporate limits.
5. Street boulevard trees.
6. Street lights, street lighting systems and special lighting systems.
7. Steam heating mains.
8. Parks, playgrounds, and recreational facilities, including the purchase of equipment, within or without the corporate limits.
9. Abatement of nuisances; including but not limited to, draining and filling swamps, marshes, and ponds on public and private property.
10. Dikes and other flood control works.
11. Retaining walls and area walls.
12. A pedestrian skyway system upon a petition pursuant to section 429.031, subdivision
14. Public malls, plazas or courtyards.
15. District heating systems.
16. Fire protection systems in existing buildings upon a petition pursuant to section 429.031, subdivision 3.
17. Highway sound barriers.
18. Gas and electric distribution facilities.
The City of Lake Crystal also retains authority to recover, through special assessment, certain other costs and expenses, some being associated with ordinance violations. These include, but are not limited to, the following:

1. Snow, ice, or rubbish removal from sidewalks.
2. Weed elimination from streets or private property.
3. Removal or elimination of public health or safety hazards from private property excluding any structure included under the provisions of Minnesota Statutes, sections 463.15 to 463.26.
4. Installation or repair of water and sewer service lines.
5. The trimming and care of trees and the removal of unsound trees from any street.
6. The treatment and removal of insect infested or diseased trees on private property.
7. The repair of sidewalks and alleys.
8. Sump pump provision or rectification.
10. Any other cost or expenses as allowed by State Statute.

SECTION 3. FINANCING OF PUBLIC IMPROVEMENTS

The City encourages public improvement projects as the area (s) benefiting and needing such improvements develop. Examples of this policy can be seen through the subdivision regulations, zoning ordinance, and building codes. Developers are required to provide the needed improvements and services before development occurs, thereby avoiding unexpected hardships on the property owners purchasing such property and the general public. However, it is recognized that certain areas of the City have developed without all needed public improvements (e.g. parks, water, sewer, and street improvements) and that methods must be found to provide these improvements without causing undue hardships on the general public or the individual property owner.

Special assessments are generally accepted as a means by which areas can obtain improvements or services; however, the method of financing these is a critical factor to both the City and the property owner. Full project costs spread over a very short term can cause an undue hardship on the property owner and, likewise, city costs and systems costs spread over a long period of time can produce and undue hardship on the general public of the City.

SECTION 4. PAYMENT OF ASSESSMENT

1. Pre-Payment:

After the adoption by the City Council of the assessment roll, the owner of any property specially assessed in the preceding, may pay to the City all or any portion of the assessment. The full or partial pre-payment of the assessment shall be made within the timeframes specified in the assessment resolution adopted by the City Council and in the assessment notices. The remaining unpaid balance shall be spread over the period of time established by the Council for installment payment of the assessment. No interest shall be charged on the paid portion of the assessment.

2. Interest:

The City of Lake Crystal will charge interest on Special Assessments at a rate specified by resolution. If bonds were sold to finance the improvement project, the interest rate shall be two percent (2%) greater than the average coupon interest rate of the bonds, rounded to the nearest quarter of a percent. If no bonds were sold, the interest rate shall be set at the rate as determined by the City Council.

3. Length of Assessment:

Unless otherwise authorized by the City Council, assessment payments will be extended over a period of 15 years, unless a lesser term is requested by the property owner. Unless otherwise approved by the City Council, the length of the assessment will not exceed the term of the bond financing the improvement.
SECTION 5. ASSESSMENT DEFERRALS

1. Outside City Limits:
   
a. If the City installs utility facilities which benefit property which lies outside the corporate limits, that area and the allocable costs shall be included in the original public hearing for the improvement.
   
b. The City may attempt to negotiate a contract with the property owner of the property lying outside the City which will provide for payment to the City on the same basis as if the property were within the City and to be assessed for the improvement as a prepayment upon completion of the project.
   
c. If such a contract cannot be executed, the City will assume the temporary responsibility for payment of the cost allocable to the property lying outside the City limits. Upon annexation this property shall be assessed under the provisions provided in this policy. Unless otherwise determined by the City Council, interest on deferred assessments shall be included in the total cost to be assessed.
   
d. When property lies outside the City limits, no physical connection to the City's utility or drainage system will be permitted until a utility agreement and contract, including satisfaction of costs or assessments, is executed.
   
e. Termination of Deferment.

   The option to defer the payment of special assessments pursuant to this policy shall terminate and all installment amounts previously deferred, plus applicable interest, shall become due upon the occurrence of any of the following events:
   
   i. Annexation of the property.
   ii. Request of property owner.
   iii. Death of the eligible property owner, providing any surviving owner is otherwise not eligible for the deferral.
   iv. Sale, transfer or subdivision the property or any part thereof.
   v. Period of deferment shall not exceed 20 years.

2. Unimproved Property Inside City Limits:

   a. The Minnesota Agriculture Property Tax Law (M.S. 273.111), commonly referred to as the Green Acres Law, was designed for the preservation of agricultural land should it be annexed by a municipality. This law delineates specific guidelines for deferment of taxes and assessments and states that real estate consisting of 10 acres of more shall be entitled to deferment of assessment under this section if it meets the classification of class 2a under M.S. 273.13 if it is primarily devoted to agricultural use as defined in Subdivision 3 of M.S. 273.111.

   b. The payment of special assessments levied under this policy for improvements benefiting this property together with any interest thereon shall, on timely application as provided in the Subdivision 8 of M.S. 273.111 shall be deferred as long as such property meets the conditions contained in M.S. 273.111.

3. Senior Citizens/Disabled Persons:

   a. The Council may defer the payment of any special assessment on homestead property owned by a person who is 65 years of age or older, or who is retired by virtue of permanent and total disability, and the City Administrator is hereby authorized to record the deferment of special assessments where the following conditions are met:
i. The applicant must apply for the deferment not later than 90 days after the assessment is adopted by the City Council.

ii. The applicant must be 65 years of age or older, or one or more of the owners of such property must meet the definition of a "disabled person" as defined by Section 223 of the Federal Social Security Act.

iii. The applicant must be the owner of the property.

iv. The applicant must occupy the property as his principal place of residence.

v. In determining whether or not a senior citizen/disabled person is eligible for deferral of special assessment installment payments, the following criteria are established:

   1. The average annual payment for assessments levied against the subject property exceed one percent (1%) of the adjusted gross income of the applicant as evidenced by the applicant’s most recent federal income tax return.
   2. The average annual payment of an assessment shall be defined as the total cost of the assessment divided by the number of years over which it is spread.

vi. The deferment shall be granted for as long a period of time as the hardship exists and the conditions aforementioned have been met. However, it shall be the duty of the applicant to notify the City Administrator of any change in his status that would affect eligibility for deferment.

vii. The entire amount of deferred special assessments shall be due within sixty (60) days after loss of eligibility by the applicant. If the special assessment is not paid within the sixty (60) days, the City Administrator shall add thereto interest at a per annum interest rate of two percent (2%) above the bond interest rate and the total amount of principal and interest shall be certified to the County Auditor for collection with taxes the following year. Should the applicant demonstrate to the satisfaction of the Council, that full repayment of the deferred special assessment would cause the applicant particular undue financial hardship, the Council may order that the applicant pay within sixty days a sum equal to the number of installments of deferred special assessments outstanding and unpaid to date, including principal and interest, with the balance thereafter paid according to the terms and conditions of the original special assessments.

viii. The option to defer the payment of special assessments shall terminate and all amounts accumulated plus applicable interest shall become due upon the occurrence of any one of the following:

   1. The death of the owner when there is no spouse who is eligible for deferment.
   2. The sale, transfer or subdivision of all or any part of the property.
   3. Loss of homestead status on the property.
   4. Determination by the Council for any reason that immediate or partial payment would impose no hardship.
   5. Period of deferment shall not exceed 20 years unless, after 20 years the hardship as defined herein still exists and the deferment is extended.

4. Interest on Deferred Assessments:

   Unless otherwise directed in this policy or by the City Council, interest shall be charged on any assessment deferred pursuant to this policy at a rate equal to the rate charged on other assessments for the particular public improvement project the assessment is financing. Such interest shall also be deferred.

SECTION 6. INITIATION OF PUBLIC IMPROVEMENT PROJECTS

Public improvement projects can be initiated in the following ways.

1. Public improvement projects may be initiated by petition of owners of at least 35% in frontage of the property abutting the proposed improvement.
2. Public improvements also may be initiated by the City Council when, in its judgment, such action is required.

3. A resolution ordering any improvements initiated by the Council or by owners of less than 35% of abutting property owners requires a four-fifths majority vote of all members of the Council. A resolution ordering any improvements initiated by owners of not less than 35% of abutting property owners requires a majority vote of all members of the Council. A resolution ordering any improvements initiated by all owners of abutting property, and assessing the entire cost against their property, may be adopted without a public hearing. The Council may consider the request of a Developer to construct the improvements and assess them.

SECTION 7. PUBLIC IMPROVEMENT PROCEDURE

The following is the general procedure followed by the City Council for all public improvement projects from initiation of such a project through certification of the assessment roll to the County Auditor. Formats for the various reports and resolutions referenced in this section are made a part of the policies and procedures of the City.

1. Staff reviews petition or Developer’s request for submission to Council or project initiated by the City Council.
2. Council accepts or rejects petition or request. If based upon a petition, the Council adopts a resolution declaring whether the required percentage of property owners has signed. If the petition or request is accepted, Council orders preparation of feasibility report.
3. City Engineer prepares feasibility report. The report shall preliminary evaluate whether the proposed improvement is necessary, cost-effective, and feasible and whether it should be made as proposed or in conjunction with another project. The report shall include an estimate of the cost of the improvement as proposed. Council may refer the report to the Planning and Zoning Commission.
4. Council accepts or rejects feasibility report. If accepted, Council orders public hearing on the improvements.
5. Staff posts and publishes hearing notice and mails notices to affected property owners as provided in Minn. Stat. § 429.031(a).
7. Within six (6) months of the hearing date, Council adopts or rejects resolution ordering improvement to be constructed and advertisement of bids. If adopted, staff prepares final plans, advertises for and opens bids as provided in Minn. Stat. § 429.041, prepares bid tabulation, makes recommendation to City Council for award, and prepares proposed assessment roll. Bonds to finance project costs may be issued at any time after the improvements are ordered.
8. Council reviews proposed assessment roll and orders assessment hearing.
9. Staff publishes hearing notice, mails notice of hearing date and proposed assessments to the affected property owners as provided in Minn. Stat. § 429.061.
10. Council conducts assessment hearing and adopts, revises, or rejects resolution determining the amount of the total expense the City will pay, if any, and establishing the assessment roll. If adopted, Council authorizes certification of the assessment to the County Auditor.
11. Council awards contract based on the bids received.
12. Staff certifies the assessment roll to the County Auditor.
13. City Engineer and Staff supervises construction and prepares payments.

SECTION 8. GENERAL ASSESSMENT POLICIES APPLICABLE TO ALL TYPES OF IMPROVEMENTS

The cost of any improvement shall be assessed upon property by the improvements based upon benefits received. The following general principles shall be used as a basis of the City’s assessment policy:

1. **Project Cost.** The “project cost” of an improvement includes the costs of all necessary construction work required to accomplish the improvement, plus engineering, legal, administrative, financing and other contingent costs, including acquisition of right-of-way and other property. The finance charges include all costs of financing the project. These costs include but are not limited to financial consultant’s fees, bond rating agency fee, bond attorney’s fees, and capitalized interest. The interest charged to the project shall be included as financing charges.
2. **City Cost.** The “city cost” of an improvement is the amount of the total improvement expense the City will pay as determined by Council resolution. Where the project cost of an improvement is not entirely attributed to the need for service to the area served by said improvement, or where unusual conditions beyond the control of the owners of the property in the area served by the improvement would result would result in an inequitable distribution of special assessments, or for any other reason determined by the City, the City, through the use of other funds, may pay such “city cost.”

3. **Assessable Cost.** The “assessable cost” of an improvement is equal to the “project cost” minus the “city cost.”

4. **Interest.** The City will charge interest on special assessments at a rate specified in the resolution approving the assessment roll. If bonds were sold to finance the improvement project, the interest rate shall be two percent (2%) more than the average interest rate of the bonds, rounded to the nearest quarter of a percent. If no bonds were sold, the interest rate shall be set at the rate as determined by the City Council.

5. **Prepayment.** Property owners may pay their assessments in full interest free for a period of 30 days after the assessment hearing. After such period interest shall be computed from the date specified in the assessment resolution. The City will transmit a certified duplicate of the assessment roll with each installment, including interest, to the County Auditor, or in lieu of such certification, annually certify to the County Auditor by November 30 in each year, the total amount of installments of and interest on assessments on each parcel which are to become due in the following year. Prior to certification of principal and interest or the first installment thereof, to the County Auditor, a property owner may make a partial prepayment of the principal to the City. Such partial prepayment must be at least $100.00. If the partial prepayment is made after the 30-day “interest free” period allowed by state law, interest will be charged on the amount of the partial prepayment from the date specified in the resolution and paid along with the partial prepayment. After the City has made the first certification of principal and interest to the County Auditor, prepayment will be accepted only for the total amount still owing including interest and must be made prior to November 15 of any year. If a parcel has two or more separate special assessments, prepayment of the remaining principal balance may be made on one or more assessment totals. Tax-exempt parcels such as churches and school properties may make only one partial prepayment to the first certification to the County Auditor. The remaining principal after the partial prepayment will be paid in equal installments over the remaining term of the special assessments.

6. **Extensions.** Where an improvement is designed for service of an area beyond that receiving the initial benefit, the City may pay for increased project costs due to such provisions for future service extensions. The City will levy assessments to cover this cost when a new improvement is installed as an extension of the existing improvement upon identification of such additional amount in the notice of hearing for the extensions or new improvements. As an alternative, the City may assess these costs to the area of future benefit immediately.

7. **Frontage Roads.** Because frontage roads along highways or other arterial streets are deemed to be of benefit to commercial or industrial properties, the entire costs of any improvement on such frontage roads shall be assessable to the benefited properties, even if only those properties on one side of such frontage roads are benefited.

8. **Project Assistance.** If the City receives financial assistance from the Federal Government, the State of Minnesota, the County, or from any other source to defray a portion of the costs of a given improvement, such aid will be used first to reduce the “city cost” of the improvement. If the financial assistance received is greater than the “city cost,” the remainder of the aid will be placed in the Capital Improvement Fund to be applied towards other City projects.

9. **Assessable Property.** Property owned by the City and other political subdivisions including municipal building sites, parks and playgrounds, but not including public streets, alleys, and right-of-way, shall be regarded as being assessable on the same basis as if such property was privately owned. Private right-of-way shall be assessable.

10. **Individual Benefits.** The City must construct improvements specifically designed for or shown to be of benefit solely to one or more properties. The costs for these improvements will be assessed directly to such properties, and not included in the assessments for the remainder of the project. An example of this would be utility service lines running from the main lines to the property.

11. **Benefit Appraisals.** In the event that city staff has doubt as to whether or not the proposed assessments exceed the special benefits to the property in question, the City Council may order benefit appraisals as deemed necessary to support the proposed assessments. As a general rule, benefit appraisals may be ordered when the proposed assessment exceeds $5,000 for a standard city reconstruction on a residential lot or $20,000 per acre for commercial or industrial property.

12. **Condemnation Awards.** A property owner may elect to offset special assessments against condemnation awards. In such case, the property owner must execute an agreement (Net Assessment Agreement) with the City Council.
SECTION 9. METHODS OF ASSESSMENT

There are different methods of assessment: per lot, adjusted front foot, and area. The feasibility report will recommend one or a combination of these methods for each project, based upon which method would best reflect the benefit received for the area to be assessed. The City Council will select the preferred method of calculating the assessments at the time the project is ordered.

1. Adjusted Front Foot Method:

   Improvement costs are commonly distributed according to the "adjusted front footage" of a parcel or lot. In this method, the City determines a rate of assessment per front foot. This rate applies to each parcel as follows:

   \[
   \text{Assessment} = \text{Assessment rate multiplied by the parcel's adjusted front footage.}
   \]

   The City will choose from among the following methods to calculate adjusted front footage based on which method best reflects the benefit it received from the improvement. In every case, measurements are based upon actual lot line measurements as shown on recorded platting data. In the absence of recorded plat data for a lot, County tax parcel data may be used.

   a. Rectangular Interior Lots: For rectangular interior lots, the footage equals the dimension of the side of the lots abutting the improvement.

   b. Cul-de-sac Lots: For cul-de-sac lots, the larger of the following shall apply:
      i. Footage equals the lot width at the building setback line; or,
      ii. Footage equals the average of the front and rear lot lines.

   c. Curved Frontage: For other lots with curved frontage, the larger of the following shall apply:
      i. Frontage equals lot width at the building setback line; or
      ii. Frontage equals lot width at the front lot line.

   d. Irregular Shaped Lots: For lots with irregular shapes frontage equals the average width of the lot, or a calculation determined by the City Council to be equitable.

   e. Corner or Through Lots: When improvements are made to a corner or through lot, including parcels abutting three streets, adjusted frontage will be determined by one of the following methods:
      i. 100% of lineal footage, if the side of the lot abutting the improvement is the short side of the lot.
      ii. 50% of the lineal footage if the side of the lot abutting the improvement is the long side of the lot.
      iii. 0% of rear yard lineal footage, unless there is an access from a street being improved with the project, in which case a 50% of rear yard lineal footage shall apply.

2. Area Method:

   Assessments may be distributed according to the gross area of the benefited lot or parcel. In this method, the City determines the rate of assessment per number of acres or the number of square feet. The rate applies to each parcel as follows:

   \[
   \text{Assessment} = \text{Assessment rate multiplied by the parcel's area.}
   \]

   Where appropriate, a reduction to the assessable area will be made for right-of-way.

3. Lot Method:
When the City Council determines that the assessable cost for items such as sewer or water laterals would be more equitably distributed on a unit basis, all lots in the area to be included will be assessed equally.

**Assessment = Assessment rate multiplied by the number of lots.**

SECTION 10. STANDARDS FOR PUBLIC IMPROVEMENT PROJECTS

The following standards are hereby established by the City to provide a uniform guide for improvements within the City.

1. Surface Improvements:

   Surface improvements shall normally include all improvements visible on or above the ground within the right-of-way, and includes, but is not limited to trees, lighting, sidewalks, signing; street and accessory improvements such as drainage ponds and facilities, parking lots, parks and playgrounds.

   Prior to construction or completion of surface improvements, all utilities and utility service lines (including sanitary sewers, storm sewers, water lines, gas and electric service) shall be installed to all planned service locations such as residences or buildings.

   When practicable, no surface improvements to less than both sides of a full block of street shall be approved except as necessary to complete partially completed improvements initiated previously. Concrete curbing or curb and gutter shall be installed at the same time as street surfacing.

2. Sub-surface Improvements:

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

   Main lines are the publicly owned and maintained lines or facilities such as trunk lines, interceptors, mains, and laterals. Service lines are those privately owned lines or facilities extending from the main line to the property line.

   Sub-surface improvements shall be made to serve current and projected land use. All installations shall conform to applicable standards established by local, state and/or federal agencies of competent jurisdiction. All installations shall also comply, to the maximum extent feasible, with nationally recognized standards such as those of the American Insurance Association.

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

SECTION 10. POLICIES OF REASSESSMENT

The City shall design public improvements to last for a definite period. The life expectancy or service life shall be as stated in the policy statement of this section, or if different, shall be as stated in the resolution ordering improvement and preparation of plans.

1. Policy Statement:

   The following are the “life expectancies” or “service lives” of public improvements except as may be otherwise stated in the resolution ordering improvement and preparation of plans.

   a. Sidewalks - 20 years.
   b. Street improvements, including surfacing and curb and gutter - 20 years.
   c. Ornamental street lighting - 20 years.
d. Water Mains - 20 years.

  e. Sanitary Sewers - 30 years.

  f. Storm Sewers - 30 years.

2. The City Council may, at its discretion, change the formula for assessing replacement costs when a facility’s full useful life has not been available to the original benefitted property.

SECTION 10. ASSESSMENT COMPUTATIONS

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

1. Street, Alley, Curb and Gutter Improvements:

   a. New Constructions: New streets are assessed 100% to the abutting benefitted properties. Street and curb and gutter improvements will normally be assessed using the adjusted front foot method, however other methods may be utilized if conditions warrant. Cost of construction of streets shall be assessed based on the minimum design of 7-ton axle load in residential areas and 9-ton axle load in commercial and industrial areas. Oversizing costs which are incurred in excess of the above may be paid by: (1) State funds, (2) larger assessment rates to other benefitted properties, (3) general obligation funds, or (4) any other method or combination of methods authorized by the City Council.

   b. Reconstruction: All street reconstructions are assessed 50% to abutting benefitted properties.

   c. Gravel streets: Upgrading of existing gravel street by adding pavement, curb and gutter is considered new construction and all costs are assessed 50%.

   d. Alleys: Upgrading existing gravel alleys by adding pavement is assessed 100% to all lots abutting on the alley in the block being improved. Reconstructing existing paved alleys are 100% assessed also.

   e. Overlay, seal coats, etc.: Bituminous overlay and reclamation projects, seal coats, patching, crack sealing, and filling potholes are not assessed when completed as part of the street system’s maintenance activities.

   f. Driveway approach: Driveway approaches are constructed in conjunction with street or sidewalk construction. A driveway approach will be of standard size and no wider than 32 feet in width. Driveway approaches are part of the front footage assessment with no additional cost to the property owner.

2. Sidewalks and Trails:

   a. New construction: New sidewalks are assessed 100% to the abutting property on which the sidewalk is located.

   b. Reconstruction: Replacement sidewalks are assessed 50% to the abutting property and 50% City funded.

   c. Trails: Bituminous walkways or bicycle trails to be installed will not be assessed, but rather funded 100% by the City. Bituminous walkways or bicycle trails requested by abutting properties will be assessed 100%. Trail reconstruction projects will be 100% City funded.

3. Storm Sewer Improvements:

   a. New construction: New storm sewers installed in conjunction with new street construction where no storm sewer previously existed are assessed 100% and included in the street assessment to benefiting properties. If the facilities are oversized to accommodate drainage from outside the assessment area, the City will pay for oversizing.

   b. Reconstruction: Any replacement costs or reconstruction of existing storm sewers in conjunction with street reconstruction projects are assessed 50% and included as part of the street assessment to benefiting properties. Stand-alone storm sewer replacement costs will not be assessed unless the improvements are being completed at the request of the benefitting properties to enhance drainage to private property.
4. Sanitary Sewer Improvements:

a. New construction: New sanitary sewer facilities are assessed 100% to the benefitted properties. Sanitary sewer improvements will normally be assessed using the lot method, however other methods may be utilized if conditions warrant. Assessments for sanitary sewer in residential areas are based upon the cost of construction of 8 inch mains, which is the smallest size installed in residential areas of the City. Assessments for sanitary sewers in commercial and industrial areas are based upon a standard size of 12-inch mains. The City will pay for all oversizing costs.

b. Reconstruction: The replacement of existing sewers is assessed 30% with the remaining costs paid for by user fees.

c. Sanitary Sewer Service Lines: Individual service lines installed directly to specified properties are fully assessed directly to the benefited properties. Any existing service lines found to have surface water in the line or otherwise determined to be defective are to be replaced and assessed directly to the property at the time of the reconstruction project.

d. Foundation Drains/Sump Pump Systems: All foundation drains and sump pump systems must be disconnected from the sanitary sewer line at the time of the reconstruction project.

e. Lift Stations: Wastewater lift stations are defined as facilities designed to move wastewater from lower to higher elevation, particularly where the elevation of the source is not sufficient for gravity flow and/or when the use of gravity conveyance will result in excessive excavation depths and high sewer construction costs. The cost for installation of lift stations to serve new development areas is 100% assessable to the benefited properties. Unless the City Council determines there is a direct benefit to individual parcels, the costs for replacement, upgrading and/or rehabilitation of existing lift stations will be paid for by the City through user fees.

5. Watermain Improvements:

a. New construction: New watermain facilities are assessed 100% to the benefitted properties. Watermain improvements will normally be assessed using the lot method, however other methods may be utilized if conditions warrant. Assessments for watermain in residential areas are based upon the cost of construction of 8 inch mains. Assessments for watermain in commercial and industrial areas are based upon a standard size of 12-inch mains. The City will pay for all oversizing costs.

b. Reconstruction: The replacement of existing watermains is assessed 30% with the remaining costs paid for by user fees.

c. Water Service Lines: Individual service lines installed directly to specified properties are fully assessed directly to the benefited properties. Any existing service lines found to be defective are to be replaced and assessed directly to the property.

d. Primary system improvements: Primary system improvements are those improvements attributable to water supply, treatment and storage, including wells, water towers, ground storage reservoirs, treatment facilities, etc. Unless the City Council determines there is a direct benefit to individual parcels, the costs for improvements to the primary water system as defined above will be paid for by the City through user fees.

6. Street Lights:
All costs for new street lights installed as part of constructing new streets or street lights relocated as part of reconstructing streets will be included in the street assessment to benefiting properties.

7. Boulevard Trees:
All boulevard trees installed as part of new street construction or in reconstruction shall be paid by the City.

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

Passed and adopted this 6th day of November, 2017.

Brad Ashenstorff, Mayor

Dennis McCoy, Public Utilities Commission Chairman

ATTEST:

Taylor Gronau, City Administrator