

CITY OF WASECA
SPECIAL ASSESSMENT
POLICY

January, 1999
Amended May, 1999
Amended February, 2002
Amended May, 2003
Amended November, 2003
Amended January, 2004
Amended May, 2004
[Amended June, 2011](#)

**SPECIAL ASSESSMENT POLICY
FOR
THE CITY OF WASECA**

GENERAL:

Minnesota State Statutes, Chapter 429.010 to 429.11 provides municipalities the ability to make public improvements such as installation of sanitary sewer, water, storm sewer, sidewalks, and street improvements (including grading, curb and gutter, surfacing and lighting). The procedures that Cities must follow, including reports, notices, and public hearings are well defined within the statutes.

The Statute allows municipalities to assess all or portions of the costs of any improvements to property owners based on the benefits received from the project. The Statute is not specific regarding the determination of benefits to a property, or how to apportion the costs to the benefiting properties. Rather, the law makes the municipality responsible for developing an equitable method of cost sharing among the benefiting property owners.

The purpose of this special assessment policy is to provide a guide to be used by the City Staff, for preparing assessment rolls for approval by the City Council. This policy is meant to assure uniform and consistent treatment to all properties within the City as improvements occur.

The special assessment policy will not cover all possible assessment situations. Special cases and variations of standard cases that are not specifically discussed under this policy will be evaluated during preliminary project studies, and assessments will be determined that do not violate the benefit principles as required by Statute.

No special assessments will be levied against designated flood plains, municipal storm water ponds or wetland areas on private property as determined by criteria in the Wetland Conservation Act of 1991 and the Minnesota Department of Natural Resources. The limits of wetlands will be determined by the City on a case-by-case basis at the time of preliminary project design and feasibility report preparation.

No special assessments will be levied against county highway or state highway right-of ways.

An administrative/legal/bonding fee shall be placed on special assessments in an amount of three (3.0%) percent of the total construction and engineering costs for the project to cover such costs as, but not limited to, the City Manager's salary, Director of Engineering salary, Finance Department salaries for assessments, and attorney fees for legal issues. If a bond is sold to finance the project, the costs involved with the bonding shall be in addition to the three (3%) percent.

(rev. 1/6/04 Resol 04-07)

SANITARY SEWER AND WATERMAIN ASSESSMENTS:

Reconstructed and Repairs: No special assessments will be levied for repair and reconstruction of existing sanitary sewer and watermain systems, except for properties that have not been previously been assessed for these utilities.

For properties not previously assessed that are adjacent to sanitary sewer or watermain reconstruction projects, the amount of special assessments will be calculated on a case-by-case basis at the time of preliminary design and feasibility report preparation.

Reconstructed or Upgraded for a Specific User: If a sanitary sewer or watermain must be upgraded for a specific user or purpose, other than for the general welfare of the community as a whole, a special assessment for the costs associated with the improvement may be levied by the City Council on that specific user's property.

New Construction: In areas where sanitary sewer and water utilities are not presently provided, and new lines are to be installed, the entire cost of installing, including design, inspection and associated costs, will be assessed to the abutting properties on a per foot basis. In certain instances where property is developing or redeveloping, public sanitary sewer and watermain must be installed. The developer of such properties will be responsible for the entire cost of public sanitary sewerage system and watermain distribution system to serve the area, whether construction is performed as a City Improvement Project or by the developer.

If a lift station, booster pump station, or pressure reducing zone is required for either the sanitary system or the water system, the cost of that station or zone will be assessed on a prorated basis to the areas contributing sanitary sewerage flow or requiring a potable water pressure adjustment. Any over-sizing of the lift, booster pump station or pressure reducing zone shall be carried in the respective enterprise funds and assessed at the time the area it was designed for is served, and the prorated portion shall be assessed at that time to the area served.

(rev. 1/6/04 Resol 04-07)

At the time such a development project is proposed, the City Engineer will determine if the project is to be constructed publicly or privately. If the utility installation is to be constructed privately, the developer will be responsible for preparing construction plans and specifications consistent with City standards. These construction plans and specifications must be reviewed and approved by the City Engineer. The utility installation must also be inspected by the Engineering Department. The developer will be responsible for 100% of the costs of the City construction observation and plan review, which will be billed directly to the developer. Any unpaid costs incurred for these services will be assessed against the developing properties. The developer shall post an irrevocable letter of credit in the name of the City of Waseca that it may draw upon by the City of Waseca in an amount of 125% of the estimated cost of engineering review and inspection costs, as determined by the City Engineer as surety for the City recover its costs.

(rev. 5/18/04 Resol 04-58)

If a public sanitary sewer or watermain project is to be installed as a City Improvement Project, the developer will be responsible for 100% of the direct and indirect costs incurred by the City. These costs may include, but are not limited to: feasibility reports preparation, preliminary survey, preliminary design, final design, construction staking, construction observation, as-built surveying and drafting, and administrative and legal cost. The developer may elect to have these costs assessed against the property being developed or pay the costs directly to the City. If the

developer elects to have the costs assessed, the developer shall submit a letter of petition to the City waiving any rights to a public hearing in a timely manner.

STORM WATER DRAINAGE:

Street Storm Sewer: No special assessments will be levied for construction or reconstruction of storm sewer systems within the City right-of-way as part of the Pavement Management Program. However, upgrading or increasing the size of the storm sewer systems may involve an area wide assessment on a square foot basis to all contributing areas at the City Council's discretion. In addition, any new development or streets may also be subject to an assessment at the discretion of the City Council.

Rear Yard Storm Sewer: In certain instances, storm sewer is necessary in rear yard areas to correct existing drainage problems. City staff will visit such problem areas at the request of a homeowner to evaluate the situation and provide engineering assistance to encourage property owners to remedy the drainage problems with out City involvement.

If a property owner or owners cannot remedy the rear yard drainage problems, they may petition the City for installation of storm sewer. Engineering staff will determine the properties that contribute storm water runoff to the problem area. The petitioner must then circulate the petition to the contributing property owners for signatures. Each contributing property owner must be made aware that special assessments will be levied against their property for the corrective storm sewer work. A minimum of 35% of the contributing property owners must sign the petition for the City Council to consider the project. Upon receipt of the petition and after a public hearing the City Council may either deny the request or order the storm sewer improvements. If the improvements are ordered, the contributing property owners will be assessed for 100% of the construction and indirect costs for the storm sewer installation. The method of assessment and the proration of costs will be determined on a project-specific basis.

Affected property owners in rear yard drainage projects will also be required to dedicate all drainage and utility easements for the installation of the storm sewer at no cost to the City. If the City must purchase or condemn in order to obtain the easements, the entire acquisition cost will be included in the project cost for assessment.

Drain Tile: The City Council has determined that the City will require drain tile for all streets in the future for the dual purpose of collecting water before it gets under the street pavement and to provide a method of collecting sump pump discharges from adjacent properties. When a street is reconstructed, sub-grade correction is normally part of the process and the drain tile has much more benefit for the life of the street, whereas when a major overlay or reclamation project is undertaken, there is no sub-grade correction with the placement of granular sub-base material. As a result, there is a greater benefit to the street as a whole during a reconstruction than during major maintenance such as overlays and reclamation projects and the benefit falls more into the realm of benefiting the sump pump discharge collection side of benefits derived. In recognition of this benefit balance, during a total reconstruction project, and drain tile is installed, the cost of the drain tile will not be special assessed. However, for major maintenance such as overlays or reclamation projects, the drain tile will be assessed at the same rate as the street work. In the case of a new street construction, 100% of the cost of the drain tile will be assessed as with other improvements.

STREET IMPROVEMENTS:

Sidewalks: No special assessments will be levied for sidewalk construction that is in accordance with the goals and recommendations of the City of Waseca's Comprehensive Plan. For sidewalk construction petitioned by residents on a local residential street, special assessments will be for 100% of the project costs. Special assessments for petitioned sidewalks will be determined on a project specific basis.

Street Lighting: Street lighting is available to residents on a petition basis and an availability of resources on a planned basis to provide the facility. However, street lighting will be installed or be caused to be installed by the City taking into consideration the benefit to the general public. Street lighting is not intended to provide benefit to individual property owners. Individual property owner benefit must be installed and paid for by the affected property owner. The City Engineer will make a determination of public benefit, if any, on a case-by-case basis.

New Street Construction: As property within the City expands, develops or redevelops, it may be necessary to install new public streets. The City Engineer will determine if the project is to be installed publicly or privately. The procedures, policies and requirements for street construction will be the same as discussed for new sanitary sewer installations. With the following exception that for Minor Arterials and Major Collectors constructed primarily for this purpose, and are included on the Municipal State Aid System (MSAS), the original construction cost shall not be assessed but rather be paid entirely from MSAS Funds. Also, no special assessments will be levied against property frontages along county highway or state highway right-of-ways for work that is paid by the county or state road authority.

(revised Jun 2011 Resol 11-26)

Sealcoating: No special assessments will be levied for street seal coating.

Bituminous Milling and Overlays: Overlay projects will be assessed at the same rate as reconstructed streets for the overlay project costs. Overlays are used when called for under the Pavement Management Policy.

Reconstruction:

1. Properties with residential and duplex residential land use, parks and other city owned properties subject to reconstruction will be assessed at a rate of 35% of the total project cost. Footage used for calculation purposes is as included in Exhibit A to this policy.
2. Properties with Multiple Dwelling land use (more than duplex units) subject to reconstruction will be assessed at a rate of 40% of the total project cost. Footage used for calculation purposes is as included in Exhibit A to this policy.
3. Properties with church, school and other tax exempt land uses will be assessed at a rate of 45% of the total project cost. Footage used for calculation purposes is as included in Exhibit A to this policy.

4. All other land uses, including commercial, industrial, business and offices will be assessed at a rate of 45% of the total project cost. Footage used for calculation purposes is as included in Exhibit A to this policy.
5. Unless Concrete is required for structural reasons as determined by the City Engineer, properties adjacent to existing concrete streets subject to reconstruction will be given the option of having the street reconstructed as a concrete roadway or as a bituminous roadway as discussed in the Pavement Management Policy. If a concrete roadway is selected, the special assessment rate will be a standard residential assessment for a bituminous roadway plus 100% of the cost difference between bituminous and concrete pavement. This cost difference will include construction and indirect costs.
6. Special assessments for properties not specifically covered in any of the above cases will be addressed on a parcel specific basis at the time of the feasibility report.
(revised Jun 2011 Resol 11-26)

State Aid Streets:

1. Properties with residential and duplex residential land uses that have frontage on a Municipal State Aid Street will be assessed at 75% of the rate for the standard residential rate.
2. All other properties will be assessed at their standard rate.
3. Minor Arterials and Major Collectors constructed primarily for this purpose, and are included on the Municipal State Aid System (MSAS), the original construction cost shall not be assessed but rather be paid entirely from MSAS Funds. However, all maintenance on said streets shall be assessed as all other MSAS streets.
(revised 11/4/03 Resol 03-112)

LOW INCOME SENIOR CITIZEN AND DISABILITY DEFERMENTS:

The City shall apply any deferments in accordance with Minnesota State Statutes.

EXHIBIT A

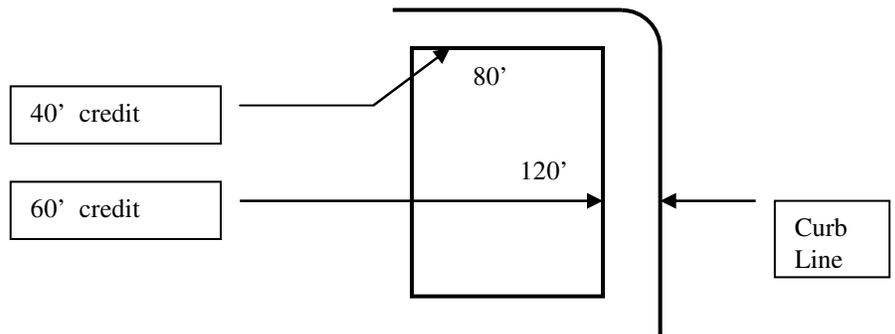
METHOD OF CALCULATING FOOTAGES FOR ASSESSMENTS

In order to have consistency in calculating footages to be used to establish assessments for various municipal projects, the following method shall be used. This is not intended to cover every possible condition, but is intended to provide guidelines for the City Staff to calculate assessments.

1. For purposes of calculating assessments, a parcel of land eighty feet (80') by one hundred and twenty feet (120') is being used as a basis.
2. For corner lots, a credit will be given on each side at the time a project is constructed on either one side or both sides, but only for the side being constructed at the time. The intent of the credit is to recognize the extra burden placed on these parcels, while at the same time providing an equitable recognition of the benefit of extra frontage on a street. The credit given will be one half (1/2) the length of the frontage on each street, but the credit will not exceed forty feet (40') on the short side of the parcel, and will not exceed sixty feet (60') on the long side of the parcel. Double-frontage lots will be assessed using the same method as corner lots. Examples are included below.

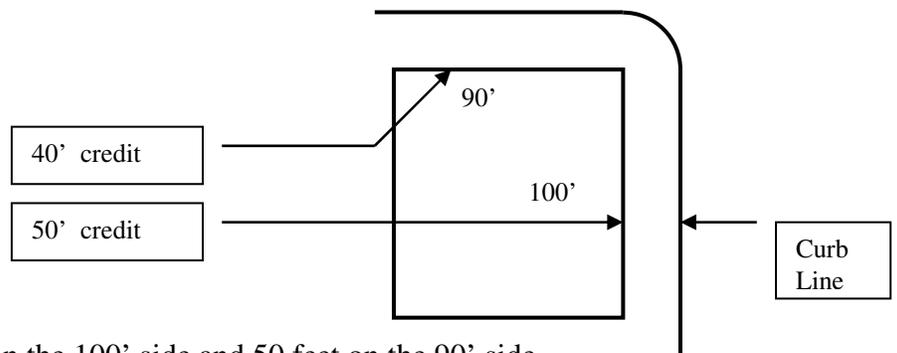
(revised Jun 2011 Resol 11-26)

Example #1



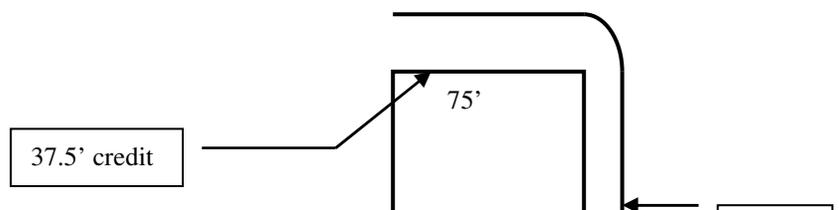
Property would be assessed 60 feet on the 120' side and 40 feet on the 80' side.

Example #2



Property would be assessed 50 feet on the 100' side and 50 feet on the 90' side.

Example #3



Property would be assessed 37.5 feet on the 75' side and 90 feet on the 150' side.

- 3 For cul-de-sac lots, flag lots and other irregular lots, the assessable footage will be calculated on an adjusted front footage basis, using the lot width at the front building setback line to determine the assessable footage.

(revised Jun 2011 Resol 11-26)

