

ORDINANCE NO. 2-21-95

AN ORDINANCE RELATING TO LOCAL IMPROVEMENTS AND SPECIAL ASSESSMENTS AND ESTABLISHING A GENERAL POLICY THEREFOR.

The City Council of the City of Lanesboro, Minnesota, does ordain as following:

SECTION 1. PURPOSE. The purpose of this Special Assessment Ordinance is to set forth the policies and procedures for the determination of benefit and the assessment of cost of the various public improvements which are constructed and installed by the City of Lanesboro pursuant to law or order of the City Council. These policies shall serve as a guide for this and future City Councils, for administrative personnel, and as a source of information for all persons concerned with such matters. It is the intent and purpose of these policies to provide for and insure consistent, uniform, fair, and equitable treatment, insofar as is practical and possible in regard to the assessment of cost for benefits to property for the various public improvements within the City of Lanesboro.

SECTION 2. GENERAL STATEMENT OF POLICIES. The City Council of the City of Lanesboro hereby declares that these assessment policies contained herein are the policies that the City of Lanesboro is dedicated to follow as nearly as possible and practical, and that all improvement costs shall, whenever possible, be assessed against benefited property to the extent of benefits contributed to such property as set forth in these policy statements, and that any assessable share of cost against properties or lands outside the City limits shall be deferred until such area is annexed to the City and then the assessments shall be spread for collection as set forth in these policies.

SECTION 3. SCOPE AND LIMITS. These assessment policies are designed to serve only as a general guide for the City Council in allocating benefits to properties for the purpose of defraying the cost of installing public facilities. The Council reserves the right to vary from these policies if the policies act to create obvious inequities, or where the assignment of benefit to a particular property is difficult because of an extreme and unusual situation, or if such variance is deemed to be in the best interests of the City of Lanesboro.

SECTION 4. ELIGIBLE COST FOR ASSESSMENT PROCEEDINGS. The City Council shall determine the total cost of the improvement by adding: The amount of contract cost; the cost of labor and materials furnished by the City if not

contained in contract costs; the cost of engineering, legal, fiscal, and administration services provided by the City staff or other parties; the cost of acquiring property or right-of-way required by the improvement; interest costs incurred by the City between the time money is borrowed for the improvement and special assessments are levied for collection; and any other costs which in the opinion of the City Council should be included as part of the total project cost.

SECTION 5. RATE AND TERMS OF ASSESSMENTS. The terms of the assessment shall be determined by the City Council for each separate project. The Council shall establish an interest rate to be paid on unpaid balances as may be necessary, but not less than the amount required to meet the bond principal and interest payments.

SECTION 6. STORM SEWER. Storm sewer improvements shall be classified as storm sewer trunks and storm sewer laterals. Historically, all storm sewer reconstruction costs have been borne by an ad valorem tax on all of the property within the municipal limits. It is the intent of this policy statement to continue this practice.

SECTION 7. STREET PAVING, ALLEY PAVING, AND CURB AND GUTTER. One hundred percent (100%) of the cost of street paving, alley paving, and curb and gutter improvements shall be assessed against benefited property. The number of front feet assigned to each property shall be the linear footage abutting (or benefited by) the street improvement, determined by measuring at the front of each property the distance between the property lines. Irregular or odd shaped lots shall be given an average width. This average width may be determined by using the average of the front and rear widths, an average of the other lots in the general area being improved, or a width based on average lot area or depth based on the existing plat (if any). In the event that the municipality constructs or develops roads in a newly platted area, the Clerk-Treasurer shall keep a record of such expenditures and, when that area is improved by the construction of curb, gutter and paving, the costs of constructing the original street shall be included in and considered a part of the overall cost of the project and assessed back against the benefited property.

A. CORNER LOTS: The front footage assigned to corner lots shall be the short side of such property in residential areas. In commercial and industrial areas (use or zone) however, all improved street frontage shall be assessed in full as set forth in Section 5.

B. CORNER LOTS: SIDE LOT ASSESSMENTS (LONG SIDE) ON CORNER LOTS SHALL BE ASSESSED IN THE FOLLOWING MANNER: Fifty percent (50%) of the curb and gutter and paving improvement for the side lot (long side) footage of a corner lot shall be assessed against the respective corner lot. The remaining Fifty Percent (50%) of the side lot footage shall be assessed against all lot front footage abutting the improvement project.

All side lot frontage of a corner lot on property beyond 150 feet shall be considered as front footage.

C. RATE AND TERM. The cost per front foot shall be determined by dividing the total assessable front footage into the total project cost and assessed as set forth in Section 5.

D. LIFE: For the purpose of establishing a replacement policy for streets, it is hereby determined that the estimated usable life of a street shall be thirty (30) years from the date of initial construction to the date of proposed reconstruction.

E. STANDARD RESIDENTIAL DESIGN: Whenever it is necessary for the City to construct a street with a width in excess of 40' or with an axle load bearing capacity of more than 5 tons in a residential district, it shall be the policy of the City of Lanesboro to assess residential properties only for the costs which would have been incurred had the standard residential street specification been utilized. The City of Lanesboro shall bear the responsibility for any cost exceeding that normal residential cost, except that the City may assign all or a portion of its excess cost to nonresidential properties abutting the street, if in the judgment of the City the existing or projected use of that property required the increased expenditure for the additional street construction requirements.

F. RECONSTRUCT: When the condition of a street surface has deteriorated to the point where excessive maintenance cost is incurred by the City, or a majority of abutting residents request an improvement, the City Council may order a public hearing on proposed improvements for that street. If the City Council, following the hearing, decides that improvements are necessary, it may elect to completely reconstruct the street and assess 100% of the cost of such improvement against abutting property owners in the manner as set forth in Section 5.

G. OVERLAY: As an alternate to F, the City may resurface, or "overlay"

the street in accordance with the recommendation of the City Engineer. In this event, the City shall assume 25% of the total cost of such minor improvement, with the remaining 75% to be assessed to the abutting property owners in the manner as set forth in Section 5.

SECTION 8. SIDEWALK.

- A. One hundred percent (100%) of the cost for the initial installation for sidewalk facilities, up to but not more than the benefit bestowed upon the benefited abutting property, shall be assessed against abutting properties as set forth in Section 5.
- B. Repair and/or Replacement: Fifty percent (50%) of all costs for sidewalk repair and/or replacement in residential areas, but not more than the benefit bestowed upon the benefited abutting property, shall be assessed against the abutting property owners and the remaining 50% shall be assumed by the City. The Street Commissioner or Superintendent is charged with the responsibility of checking all sidewalks periodically to determine when and where such repairs and/or replacements shall be made. When it is determined that repairs and/or replacements are to be made, the City Council may order a public hearing on the matter and, following the hearing, order the improvements made. The costs of such improvements shall be assessed as set forth in Section 5.
- C. One hundred percent (100%) of all costs for sidewalk repair and/or replacement in nonresidential areas, but not more than the benefit bestowed upon the benefited abutting property, shall be assessed against the abutting property owners. The Street Commissioner or Superintendent is charged with the responsibility of checking all sidewalks periodically to determine when and where such repairs and/or replacement shall be made. When it is determined that repairs and/or replacements are to be made, the City Council may order a public hearing on the matter and, following the hearing, order the improvements made. The costs of such improvements shall be assessed as hereinbefore described.
- D. Life and Specification: The average estimated useful life of a sidewalk shall be 30 years. All sidewalk repair, replacement or new construction shall be coordinated as to specifications.

9. SANITARY SEWER AND WATERMAIN - TRUNK LINES AND LATERALS. All water and sanitary sewer facilities which represent new service to areas previously without City utility service, shall be assessed at the rate of one hundred percent

(100%) of their cost of installation against benefited property as set forth in Section 5.

A. SANITARY SEWER: In the event oversized or trunk lines in an area are necessary to provide adequate service and capacity for areas beyond the specific area in question, then, and in this event, the oversize or trunk line* additional cost shall be assumed by the City. This policy, however, shall not prevent the City from assessing special benefits or creating special sanitary sewer trunk line assessment districts if deemed advisable and proper in any particular situation. The method of assessment shall be based on the following: Front foot charge, residence benefit charge, and area assessment. The exact method shall be determined by the City Engineer and presented to the City Council for its approval. The Council reserves the right to choose whatever method would be most equitable to the benefited property owners. Benefits shall be assessed against the benefited property in the manner as set forth in Section 5.

*Normally 8" or larger in residential areas.

B. WATERMAIN: In the event oversized or trunk lines 6" or larger are required for distribution purposes, as determined by the Public Utilities Commission, in a particular area, and which benefits for said trunk or oversized portion of the cost are applicable to more than the area or development under consideration, then such oversize or trunk line share of this cost shall be assumed by the Public Utilities Commission. This share of cost, the excess of lateral benefits shall be determined by the City Engineer. Hydrant valves, fittings, and intersection costs are determined to be a cost against the total project. The method of assessment shall be based on the following: Front foot charge, and residence benefit charge. The exact method shall be determined by the City Engineer and presented to the City Council for its approval. The Council reserves the right to choose whatever method would be most equitable to the benefited property owners. Benefits shall be assessed against the benefited property in the manner as set forth in Section 5.

C. OUTSIDE CITY: Any project which benefits land outside the corporate limits shall be subject to the same assessment procedure as hereinbefore outlined. The benefit and cost accruing to the land outside the City limits shall be included in the original public hearing. The City shall

assume the temporary responsibility for payment of the allocable cost. The City shall maintain a register on that property outside the City limits, and when the property is annexed, the City shall file and certify the assessment to the County Auditor for collection. In lieu of such assessments, the City at its discretion, may require a cash payment for the original principal at the time a request for connection to the City's system is made. No physical connection to the City's sanitary sewer or watermain trunk line systems will be permitted until a utility agreement, including satisfaction of costs or assessments, is executed.

10. REPLACEMENT OF STREET AND UTILITY FACILITIES.

A. AMORTIZED: When any municipal facility, with the exception of sanitary sewers, must be reconstructed or replaced, and that facility has provided a period of use equal to or more than the estimated useful life of a facility as hereinbefore described, all costs for such replacement or reconstruction shall be 100% assessed against benefited abutting properties as provided for in original construction proceedings.

B. NOT AMORTIZED: Any public facility, with the exception of sanitary sewers, which must be reconstructed or replaced before the stated normal estimated useful life of the facility shall be shared by the City and benefiting abutting property owners on the following bases:

- a. The City's share of the project cost shall be the percentage of the total improvement cost related to the estimated useful life of the project which has not been available considering the date of installation, the date of reconstruction or replacement and the normal expected useful life.
- b. The benefiting or adjacent property shall pay the balance of the total improvement cost.

C. SANITARY SEWER REPLACEMENT: For sanitary sewers in place 40 years or more abutting properties shall be assessed 60% of the costs for an 8" sewer to a 10' depth, and any dewatering, if necessary, to the 10' depth. All costs of street replacement shall be assessed 100% to the benefiting properties. The minimum cost assessed shall be 20% of the total project cost. If the street had been constructed, or reconstructed, through a special assessment project within the past 20 year period, the street replacement costs would be assessed on a pro-rata basis. The City will bear 40% of all costs of an 8" sewer to a 10' depth, all costs of pipe oversizing over 8" diameter,

trench depth over 10', dewatering over 10', pumping station and force line costs, and if applicable a portion of the street replacement costs. For sewers in place less than 40 years the sewer costs will be assessed on a pro-rata basis.

D. OBSOLESCENCE - CAUSES: The 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 benefited property if the Council determines that:

- a. Streets - A street or alley no longer serves its original design use due to changes in traffic conditions, or has been subjected to conditions unforeseen at the time of the initial construction (e.g. installation of or replacement of utility line, truck route, through street, etc.)
- b. Sewer or Water - The capacity of a utility facility has been reduced below acceptable minimum standards because of changes in land use or service demand which could not be reasonably foreseen at the time of original constructions (e.g. new industry, hospitals, etc.)

E. CITY SHARE: The City Council may, at its discretion, finance its share of any such improvement costs in one or more of the following methods or any combination:

a. Street Improvements:

- i. Pay all or portions of the reconstruction costs with ad valorem City tax funds, municipal, State Aid Street funds (if applicable), reserves, or such other funds which may be appropriate and available to the City from time to time.
- ii. For street reconstruction or repairs required due to a utility line relocation, repair, or replacement, the City shall require a total cost sharing from the Public Utility Commission or whatever other public or private utility company may be involved.

b. Water or Sewer Improvements:

- i. Pay all or portions of the project cost through an assessment of all properties which have contributed to the inadequacy of the original project and/or who are benefited by the project.
- ii. Require payment from utility revenues of Public Utilities Commission.

- iii. Levy an ad valorem tax to pay all or a portion of the City's share of any project or use such other funds as may be available to the City from time to time.
- iv. Sewer service revenues from the Wastewater Treatment Plant operation.

Passed by the City Council this 21st day of February, 1995

Vernon W. Groen
Vernon Groen, Mayor

Attested:

Stephen Sarvi
Stephen Sarvi, City Administrator/Clerk

(SEAL)

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