



CITY COUNCIL MEETING

AGENDA ITEM

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| Prepared By: <i>Allie Polsfuss, City Administrator</i> | Meeting Date: <i>11/3/2025</i> | Item Name: <i>Special Assessment Policy</i> |
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BACKGROUND

The City Council has been discussing the special assessment policy over the last few months. At the City Council meeting on October 6, 2025 the Council directed staff to proceed with drafting a policy.

OVERVIEW

The consensus of the City Council was to include shared cost between the City and property owners for assessable project, a maximum assessment cap, and the inclusion of a special benefit appraisal. When discussing the council's direction with Joe Langel (legal Counsel,) he advised to not include special benefit appraisal requirement unless it is completed for each project. If only completed every 3-5 years, there is concern about the validity of the report if there is a challenge or an appeal, with defeats the purpose of the appraisal.

With that in mind, the City Attorney recommended including language authorizing the Council to order a special benefit appraisal when warranted, such as for projects that are complex, potentially controversial, include additional improvements (e.g. curb and gutter), or involve various types of adjacent properties. Upcoming projects are anticipated to be relatively straightforward. Therefore, staff believes the shared-cost model and assessment cap discussed will provide equitable outcomes for property owners.

Below is what is included in the proposed policy as discussed by Council:

| Project | Property Owner Share | City Share | Cap |
|---------------------------|----------------------|------------|----------|
| Full Depth Reconstruction | 50% | 50% | \$10,000 |
| Full Depth Reclamation | 50% | 50% | \$7,000 |
| Overlay or Mill & Overlay | 25% | 75% | \$4,000 |

Attachment A includes the proposed revisions to Section V of the Special Assessment Policy. As this is a policy, the Council retains the ability to review and amend it as needed in the future.

STAFF RECOMMENDATION

Staff recommends the City Council review the proposed policy and either approve as presented, approve with minor changes, or direct staff to come back at a future meeting to make additional changes.

SUPPORTING DOCUMENTS

Attachment A- Draft Special Assessment Policy