



Memorandum

To: Amanda Nowezki, City Administrator
City of Long Lake

From: Rachel Scheu, WSB

Date: March 31, 2026

Re: Assessment Policy Information and Examples

This memo provides information on assessment policies from multiple cities in Minnesota and summarizes key components of each policy.

The current City of Long Lake Special Assessment Policy was adopted in 2005, and it requires that a special benefit appraisal be completed to determine the square foot assessment rate for each lot. This allows the city to demonstrate that assessments have a direct relationship to the value of the benefit received. However, completing special benefit appraisals for each lot requires additional time, effort, and cost. City Staff requested that WSB provide examples and information on other city assessment policies for the Council to reference and consider when discussing the current special assessment policy.

A table comparing different assessment policy methods and rates for surface and utility improvements is attached. The table covers the League of Minnesota Cities Draft Assessment Policy, City of Chanhassen, City of Champlin, City of Minnetrista, and City of Osseo.

When comparing methods of assessment, the total amount that will be assessed to property owners may be divided among individual property owners in a variety of ways. Typical methods include dividing the total by the total number of property units (by unit), total front footage of the improvements (front foot), or by total lot area to determine a cost per square foot (area). It is best to establish a fair and equitable method to all property owners. A by unit or per lot method simplifies the assessment calculations but does not account for different sized lots, which the front foot or area methods do. Another method to consider is a fixed rate for each lot. Both the City of Chanhassen and City of Champlin use this assessment method. Council evaluates and sets the fees based on the specific improvements. See the attachments for the City of Champlin's Typical Utility and Street Lot Fees set in January 2026. Using a fixed rate can assist in budgeting for projects and minimizes the time and effort spent on calculating assessments based on the project costs. However, with any per unit assessment rate, it does not factor in lot size differences.

Depending on the type of surface improvement, such as street reconstruction or rehabilitation, policies reviewed ranged from 30-50% of the project costs to be assessed. A few city policies assess 100% of the curb and gutter improvements if new curb was installed on an existing street. Policies varied on public utility improvements, with some not assessing for utility replacement and others assessing 25-30% of the project costs. Commonly, individual services were fully assessed to the benefited property.

Should the assessment policy be updated to not call for a special benefit appraisal of every lot in the project area, it is still good practice to complete a special benefit appraisal as needed throughout the city to ensure that the assessment rates reflect the benefit to the property owners.



3/31/2026

Rachel Scheu

Date

<p>Governmental Body or Organization</p> <p>League of Minnesota Cities- Draft Assessment Policy</p>	<p>Method of Assessment</p> <p>Adjusted Front Footage, Area, and Per Lot</p>	<p>Street/Reconstruction and Resurfacing</p> <p>Reconstruction/Overlays: 30% to abutting properties, new curb & gutter 100% Gravel Street: 100% adding pavement and curb New sidewalk 100% Replacement sidewalk 50%</p>	<p>Maintenance</p> <p>Sealcoats and other maintenance not assessed</p>	<p>Sanitary Sewer and Watermain</p> <p>Normally assessed on area wide basis, but can be per lot or adjusted front method. 30% Replacement of existing sewers and watermain</p>	<p>Storm Sewer</p> <p>Assessed on project-by-project basis. Normally assessed on an area wide basis, but can be per lot or adjusted front method. 30% replacement of existing sewers</p>
<p>City of Chanhassen</p>	<p>Residential: Flat rate, or per lot, area, or linear foot Other land use: method decided by each project to create a reasonable distribution of assessments</p>	<p>Recon/Rehab: 40% unless a flat rate is used</p>	<p>Patching, sealing, sign maintenance, lighting, and pavement markings not assessed</p>	<p>New sanitary sewer and watermain 100% Replacement is not assessed</p>	<p>Recon/Rehab storm sewer: 40%</p>

City of Champlin	Per Unit, Front Footage, or Area	Reconstruction, Reclamation, Mill and Overlay: Residential: unit rate, not to exceed 50% Non-residential: up to 100%		New sanitary assessed on area wide basis and new watermain assessed on per-lot basis Replacement of existing sewer or main is not assessed Individual services fully assessed to benefited property	New storm sewer assessed on an area wide basis Replacement is not assessed
City of Minnetrista	Per Unit Method, or alternate methods: Area, front foot	Rehab of existing street Assessable cost: 50% recon 100% overlaying rural/gravel road 100% milling/overlaying urban street New or reconstructed sidewalks/trails not assessed	Don't assess maintenance costs	100% New sewer system and watermain 25% Replacement of sewer system and watermain	50% new storm improvements 50% for replacement projects
City of Osseo	Residential: unit basis	Street improvements, including curb and gutter: 50% Alley improvements, including curb and gutter: 80%		Sewer and Main not assessed As needed, city may consider assessing improvements to private services	Not assessed