

RESOLUTION NUMBER \_\_\_\_\_4522, SECOND SERIES

RESOLUTION AMENDING RESOLUTION NUMBER 4522, SECOND SERIES  
RESOLUTION AMENDING RESOLUTION NUMBER 2946, SECOND SERIES  
RESOLUTION AMENDING RESOLUTION NUMBER 2757, SECOND SERIES  
RESOLUTION AMENDING RESOLUTION NUMBER 2673, SECOND SERIES  
ESTABLISHING AND PROVIDING FOR THE  
CITY OF MARSHALL SPECIAL ASSESSMENT POLICY



***CITY OF MARSHALL***  
***SPECIAL ASSESSMENT POLICY***

*(Originally Adopted: October 18, 2004)*

*(First Revision: August 1, 2005)*

*(Second Revision: March 19, 2007)*

*(Third Revision: June 12, 2018)*

*~~Third Revision: June 12, 2018~~*

*Fourth Revision: \_\_\_\_\_, 2020*

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# I. GENERAL INFORMATION

A. THE THEORY OF SPECIAL ASSESSMENTS

Special assessments are those charges levied against certain parcels of land for the cost of public improvements and for which the City Council has determined that said parcels being assessed will be specifically benefited by the improvements.

B. SPECIAL ASSESSMENT USES

Special assessments may be used to pay the cost of all or a portion of public improvement projects, including the maintenance and/or repair of the City's infrastructure. Improvement projects include, but are not necessarily limited to, the construction and/or reconstruction of streets (sub-base, base, hard surfacing), alleys, curb and gutter, sidewalks, driveway approaches, sewer service lines, water service lines, and amenities. Special assessments for reconstruction of watermains, sanitary sewer mains, and storm sewer mains will not be special assessed.

C. THE BENEFIT PRINCIPLE

Special assessments may be levied only upon property receiving a special benefit from the improvement. The rate must be uniform upon the same classes of property receiving special benefits. Assessments must be confined to property benefited, and the amount of the assessment must not exceed the benefit derived by the improved property.

## **II. GENERAL STATEMENTS OF PURPOSE, POLICY, AND LIMITS**

A. PURPOSE

The purpose of this Special Assessment Policy 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 Marshall (hereinafter called "City") pursuant to the law, the City Charter and Code of Ordinances, and the order of the City Council (hereinafter called "Council") of the City of Marshall. These policies shall serve as a guide for this and future 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, lawful, and possible, of all property owners in regard to the assessment of cost for benefits to property for the various improvements of streets and utilities within the City.

B. POLICY

The Council hereby declares:

That the assessment policies contained herein are the policies that the City is dedicated to follow, as nearly as possible and practical; and

That all improvement costs shall, whenever possible, be assessed in full against benefited property on a one hundred (100) percent basis. In order to keep the City's share of the cost of improvements to a minimum, and to avoid deferred assessments, no improvements shall be made outside the City limits unless a petition for annexation of the property to the City is signed, or the assessments against the benefited property can be collected by a voluntarily negotiated contract.

C. POLICY LIMITATIONS LIMITS

These assessment policies are designed to serve only as a general guide for the 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 which may occur in the future, or if such variance is deemed to be in the best interest of the City.

### **III. SPECIFIC POLICIES**



A. ASSESSMENTS

Special assessments for public improvement projects will be determined by taking into consideration total project costs and an assessment formula based on front footage, area, or unit basis. The total amount of assessments will not exceed the project cost, as defined in Section III.D., and will be apportioned uniformly among properties having the same general land use based on benefit. The total assessment against any parcel shall not exceed benefit. Project cost may include part or all of the cost of previously installed projects, not previously assessed, subject to legal considerations.

B. ASSESSMENT PERIOD

The standard term of assessment for public improvements shall be eight (8) years. The Council may, however, establish a shorter or longer term if it is determined to be in the best interests of the City. In no event shall the term exceed a period of twenty (20) years.

C. INTEREST RATE

The Council shall establish an interest rate to be paid on the unpaid balance of special assessments as may be necessary to meet bond principal and interest, as well as other related municipal costs. The interest rate shall generally be established at the time of the public hearing on the proposed assessment. Said interest rate shall be established at 2 percentage points above the bond interest rate incurred by the City for bond related to the project. If no bond is required, the interest rate shall be 2.5 percent as set annually in the City Fee Schedule.

D. PROJECT COST

The City Council shall determine the 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 administrative services provided by City staff or other parties; the cost of acquiring easements, 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 paid in full; and any other costs which, in the opinion of the Council, should be included as part of the total project cost.

E. DEFERRED ASSESSMENTS

Assessments deferred by resolution or agreement by the City Council will be recorded at the Office of the Lyon County Recorder's Office.

AGRICULTURAL LAND EXEMPTIONS. It shall be the policy of the City to exempt temporarily from assessments certain lands currently used for agricultural purposes.

When considering whether to grant an approval for agricultural exemption, the Council shall consider the following: the likelihood of the property being developed in the reasonably foreseeable future, the current use of the property, the ownership/management structure of the property, the size of the property, and other factors deemed pertinent.

Real estate shall be eligible for the assessment exemption if it is actively and exclusively devoted to agricultural use as defined hereinafter, and either:

1. is the homestead or thereafter becomes the homestead of a surviving spouse, child, or sibling of the said owner, or is real estate which is farmed with the real estate which contains the homestead property; or
2. has been in possession of the applicant, his or her spouse, parent, or sibling, or any combination thereof, for a period of at least seven (7) years prior to application; or
3. is the homestead of a shareholder in a family farm operation. Family farm corporation for the purpose of this section means a corporation founded for the purpose of farming and owning agricultural land in which all of the stockholders are related and members of a family.

Real property shall be considered to be in agricultural use provided that it is devoted by the owner of said real property to the raising of crops, forage, produce, fruits, or horticulture/nursery stock, or the production of livestock/poultry or livestock/poultry products. Real property which is enrolled in a government conservation or set-aside program shall also be considered to be in agricultural use. Slough, wasteland, and woodland contiguous to or surrounded by those lands above-described shall be considered to be in agricultural use if under the same ownership and management.

In all cases, the temporary exemption shall be deemed to have expired at such time as the property is platted and/or developed. For sewer and water projects, a tapping fee shall be charged at the time of connection or when the final plat is approved. These tapping fees shall be based on the project year bid price per front foot or unit, or on the current year costs at the time of connection/platting, whichever is greater. For street projects, assessments will be charged when the property is developed or when the final plat is approved. These assessments shall be based on the project year bid price per front foot or unit, or on the current costs at the time of development/platting, whichever is greater.

#### AGRICULTURAL LAND DEFERMENTS.

It shall be the policy of the City to defer assessments against those lands which qualify for deferment under the Minnesota Agricultural Property Tax Law ("Green Acres" Law), M.S. 273.111, as amended.

It is the policy of the City not to defer assessments for improvements within the City unless circumstances warrant special consideration. Assessments shall be considered deferred only after the Council has ordered an improvement. The assessments shall remain in this classification until such time as they are paid in full

by the property owner or certified to the ~~county~~ County for collection. While deferred, interest will be certified to the ~~county~~ County annually at the rates as established unless the Council by resolution defers such interest with the principal, at which time it shall be added to the principal. The Council may also, by resolution, forgive interest during the period assessments are deferred. All eligible applicants must file an application on a form provided by the Finance Director. The individual application must be filed on or before September 15 of the year preceding the year in which deferral status is requested in order to implement the deferral status for such year. The estimated useful life of the improvement shall apply to the payment of deferred assessments. This paragraph does not refer to deferred assessments for elderly and low-income persons, which are addressed below.

~~DEFERRAL FOR SENIOR CITIZENS OR DISABLED HOMEOWNERS:~~

~~(a) Authority of state law provisions cited.~~ Pursuant to Minn. Stat. §§ 435.193-435.195, senior citizens OR retired disabled homeowners may defer special assessments levied against homestead property owned by the applicant if they meet the criteria of this section.

~~(b) Eligibility.~~ Any person 65 years of age or older or totally and permanently disabled, as determined by the Social Security Administration, may defer special assessments levied against real property for public improvements if the following conditions are met:

~~(1) Ownership.~~ The applicant must be a fee simple owner of the property or must be a contract vendee for fee simple ownership. If the ownership interest is split between multiple parties, all parties must be applicants. The applicants must provide either a recorded deed or recorded contract for deed with the application to establish a qualified ownership interest as required in this section.

~~(2) Homestead.~~ The property must be the applicant's principal place of domicile and classified on the city's and county's real estate tax rolls as the applicant's homestead.

~~(3) Net income.~~ The total of the applicant's net income and the net income of all other joint tenants, tenants in common or contract vendedes entitled to the property may not exceed 80 percent of the latest median family income as determined by the Department of Housing and Urban Development.

~~(4) Total assets.~~ The total net assets of the applicant may not exceed \$150,000.00, and such total assets shall include the homestead. The homestead value shall be determined by using the city assessor's value as determined for taxing purposes for the year preceding the year in which the application is made. (Marshall Ordinance 54-3 (b)(4);

~~(c) Interest on deferred assessment.~~ All deferred special assessments shall be subject to and charged simple interest at the prevailing interest rate applicable to the assessment as originally levied. Such interest shall be payable upon termination of the deferral status.

~~(d) Termination of deferral status.~~ The special assessment payments deferred pursuant to the eligibility requirements set forth by this section, together with any

~~interest upon such deferred assessment, shall become immediately payable effective upon the occurrence of any of the following events: (Marshall Ordinance 54-3(d):~~

~~(1) *Sale of property.* The subject property is sold, transferred, subdivided, or in any way conveyed to another by the fee owner qualified for deferral status.~~

~~(2) *Death of owner.* The death of the fee owner qualified for deferral status unless a surviving joint tenant, tenant in common, or contract vendee is eligible for the deferral benefit provided under this section.~~

~~(3) *Nonhomestead property.* The subject property loses its homestead status for any reason.~~

~~(4) *No hardship.* The city council determines that there would be no hardship to require an immediate or partial payment of the deferred special assessment.~~

~~(e) *Filing for deferral status; fee.* All eligible applicants must file an application on a form provided by the Finance Director. All applicants must attach to their application their last federal and state income tax returns which they had to file according to the law. The individual application must be filed on or before September 15 of the year preceding the year for which deferral status is requested in order to implement the deferral status for such year. The applicant shall be charged a filing fee and/or other fee as determined by a resolution of the city council.~~

#### DEFERRAL FOR HARDSHIP

A homeowner may be eligible for an assessment deferral pursuant to Minn. Stat. 435.193 through 435.195. Senior citizens, retired disabled homeowner or a person who is a member of the MN Nation Guard or other military reserve who is ordered into active military service may defer special assessments levied against property owned by the applicant if they meet the criteria in Marshall City Ordinance Section 54-3 Special assessment deferral.

#### F. CITY SHARE OF PROJECT COST

Generally speaking, the City shall not participate in project costs for new developments. Exceptions to the rule will involve the installation of larger than normal water mains and/or sanitary and storm sewer mains for transmission purposes, or when a larger and stronger than normal street is required. In these instances, the City's participation will be limited to those costs directly attributable to the over-sizing or enhancements beyond those required to support the benefited properties. Additionally, it can be expected that the City will be a participant if it owns property in the proposed project area, except as outlined in paragraph "I" of this section.

The City will participate in the cost of street reconstruction projects. Assessments to benefited residential property owners under a reconstruction program shall be determined by establishing the total cost of reconstructing a standard residential street and assessing fifty (50) percent of the total cost to the property owners. Any costs directly attributable to over-sizing or enhancements may be paid fully or partially by the City and/or commercial or industrial properties requiring the over-sizing.

Intersections of cross streets are not considered City-owned property for the purposes of this section.

The City may, at its discretion, finance the City's share of any such improvement costs by one or more of the following methods or any combination thereof:

1. Street improvements --

- a. Pay all or portions of the reconstruction cost with ad valorem city tax levies, 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.
- b. For street reconstruction or repairs required due to a utility line relocation, repair, or replacement, the City may require partial or total cost sharing from the Marshall Municipal Utilities Commission or any other public or private utility company which may be involved.
- c. General Obligation Public Improvement Bonds, under Minn. Stat. Chapter 429, may be issued to bridge the cash flow gap between collecting funds and paying for improvements. If the City intends to utilize Chapter 429 tax-exempt bonds as a revenue source for the construction of any special assessment project, the initial estimated value of special assessments to the benefited properties may not be less than twenty percent (20%) of the total adjusted project cost.
- d. General Obligation Street Reconstruction Bonds may be used for the reconstruction of streets as per Minn. Stat. §\_475.58, Subd. 3.b.

2. Water, sanitary sewer or storm sewer improvements --

- ~~a. Pay all or portions of the project cost through an assessment as shown in Section V.~~
- ~~b. 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.~~
- c. Apply sanitary sewer service revenues from the Wastewater Treatment Fund ~~operation~~.
- ~~d. Apply storm sewer revenues from the Surface Water Management Utility Fund.~~
- ~~e. Apply water utility revenues through coordination with Marshall Municipal Utilities.~~
- ~~f. a. Pay all or portions of the project cost through an assessment as~~

shown in Section V.

g. b. 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.

d.h. General Obligation Water or Sewer Bonds may be issued under Minn. Stat. Chapter 444 to bridge the cash flow gaps between revenues, collections, and paying project costs.

G. DRIVEWAY PAVEMENT

Any driveway aprons located on the public right of way disturbed by any street/utility reconstruction project, shall be repaired and/or removed and replaced as part of the reconstruction project. The city shall pay for all associated costs for 12-FT of driveway width for one (1) driveway apron for residential properties. The city shall pay for all associated costs for 12-FT of driveway width for up to two (2) driveway aprons for each commercial/industrial property.

~~The city participation in the 12-FT of width shall include all driveway length necessary to complete the city project. In some instances, the driveway length to be replaced may extend beyond the property line, in other instances the driveway length may fall short of the property line. The repair and/or removal and replacement shall be paid one-half by the residential owner and one-half by the City on residential properties. Said driveway apron repair and/or removal and replacement shall be paid 100% by the property owner on commercial properties. Any All costs associated with driveway apron width that is greater than 12-FT or any new driveway aprons being added to the property enlargement or new additional apron shall be paid 100% by the property owner (both residential and commercial), for the additional apron portion requested by the property owner.~~

H. PRIVATE DEVELOPER PROJECTS

No special assessments for improvements shall be left pending, and the developer requesting the improvements shall be required to fund and pay the special assessments benefiting any such properties according to the Development Contract with the City. The "no pending" policy shall apply to properties lying outside the City limits as well. The Council may consider reimbursement to the appropriate parties if such property is annexed and subsequently assessed for the improvement, and if the entire assessment and accrued interest is paid within ten (10) years from the date of construction.

I. GOVERNMENT-OWNED PROPERTIES

Government property owners shall be responsible for assessments associated with new developments and/or reconstruction projects, or other improvements consistent with procedures of like improvements.

J. FRONTAGE ROADS

Frontage roads along highways or other arterial streets are generally deemed to be of benefit only to properties served; therefore, the entire cost of any such improvement shall be assessed totally to the property owners. The Council may consider special circumstances as appropriate to determine and adjust benefit and subsequent cost, subject to reductions by State Aid or other outside funding.

K. DELETION OF PROPERTIES

The City shall reserve the right to delete land within the improvement area from the assessment rolls if, in the opinion of the City, the land cannot be developed and/or is not benefited. In that event, no development of that property shall be permitted nor shall any physical connection to the City's water, sewer, or storm drainage facilities be made by any development on that property, unless and until a development contract is approved defining the costs to be paid by the developer/owner of the property for the connection or use of said improvements.

L. SERVICE OUTSIDE THE CITY LIMITS

If the City installs 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. The City may negotiate a contract with the owner of such property, which will provide for payment to the City on the same basis as if the property were within the City, and charge for the improvement as a prepayment upon completion of the project. No physical connection to the City's sanitary sewer or water main trunk line systems will be permitted until a development contract, including satisfaction of costs or assessments, is executed. To the greatest extent possible and practical, it shall be the policy of the City to require annexation prior to the extension of any service or facility to any property outside the City limits.

M. INTERSECTIONS

The cost of all improvements in street intersections shall be included as part of the total project and assessable costs.

N. IRREGULAR SHAPED LOTS AND CORNER LOTS, CUL-DE-SACS

Assessments for street improvements on cul-de-sacs shall be based upon the number of lots in the cul-de-sac and the assessments shall be equal and not dependent on lot frontage.

Assessments for other irregularly shaped lots may be based upon land area or frontages or a combination of both frontage and area of similar properties in the assessment area.

~~Corner lots shall typically be assessed on the same basis as any other residential lot for the frontage of the lot with the frontage determined by the address of the property.~~ all city street frontage at the project street assessment rate. Street assessment maximums as outlined in section V.G of this policy may apply.

O. USE OF CONNECTION FEES

In addition, to the normal tapping fees as set by resolution, for properties for which special assessments for utilities have not been paid, additional tapping fees are established by the City to reflect approximately the usual assessment charged for sewer and/or water in the year of connection. The Director of Public Works/City Engineer will annually calculate sewer and water tapping fees based on current project costs. The City shall collect said connection fees in total at the time a permit is issued for connection to the City sewer and/or water mains, or at the time a permit is issued for remodeling or for an addition which will increase the number of units on a parcel beyond what was originally assessed for. No part of said connection fees shall be delayed, deferred, or suspended. The estimated useful life of the improvement shall be considered when calculating each individual connection fee.



P. TAX FORFEITED PROPERTIES

Properties which have been forfeited to the State for nonpayment of taxes are subject to possible reassessment. The amount of special assessments subject to reassessment are determined by Council resolution following notice from the ~~county~~ County of the appraised value of the tax forfeited land and the date of proposed sale. A resolution of the County Board eventually authorizes and fixes the terms of the sale. Following notice of any sale of a tax forfeited property, the City will conduct an assessment hearing and certify for collection any unpaid special assessment balance for a period of five (5) years, or the remaining length of the bond issue debt service schedule, whichever is longer. These assessment terms and conditions may be modified on a case by case basis only if there is variation in the sale price established by the ~~county~~ County.

Q. MMU AGREEMENTS

An agreement between the ~~City of Marshall~~ and Marshall Municipal Utilities (hereinafter referred to as "MMU") exists for the installation and maintenance of street lights. ~~This agreement is made a part of this assessment policy.~~

R. TAX EXEMPT PROPERTIES

Private cemeteries (except as exempt per Minn. Stat. §\_306.14, Subd. 2), churches, hospitals, schools and similar institutions, and railroads must pay special assessments.

S. REAPPORTIONMENT

~~The splitting of special assessments shall only be approved if the unpaid balance of the special assessment is more than \$2,000.00. The splitting of special assessments shall only be accomplished by a resolution of the city council~~ Council after the applicant has filled in the necessary forms as provided by the City Clerk and has paid the application fee as set by ~~city council~~ Council resolution.

Property owners may apply to the City for reapportionment of special assessments for any tract of land against which a special assessment has been levied and is subsequently subdivided. The City may, on its own motion or on application of the owner of any part of the tract, equitably apportion among the lots in the tract all of the unpaid assessments. Such action must, however, be preceded by a notice served upon all owners of any part of the tract and subsequent public hearing. The public hearing may be waived upon approval of all affected property owners.

As a part of its approval process, the City will require the reapportionment of special assessments to be based on benefit and assessed equitably against the front footage, lot size, or number of units, or by whatever means the City deems appropriate.



T. ALLEYS

Improvements to alleys will be assessed to benefited property owners for one hundred (100) percent of the cost. Exceptions will include routine maintenance as determined by the Director of Public Works/City Engineer. Improvements to be assessed include, but may not be limited to: paving, mill and overlay, overlay, drainage improvements, and major regrading efforts. Routine maintenance include, but may not be limited to, gravel alley grading, adding small quantities of gravel for maintenance, and minor pothole patching.

## **IV. PROCEDURES**

A. INITIATION OF PROCEDURES

1. By Petition: A petition for improvement by property owners may initiate proceedings. Said petition must have the signature of the owners of at least thirty-five (35) percent of the frontage of the property bordering the proposed improvements. Petitions for public improvements must be received by the City Clerk prior to November 15 of the previous year in which the construction is requested. The City may delay construction to the following year for petitions received after the deadline.
2. By Council Action: If the Council determines that an improvement is in the best interest of the City, it can, without petition, order an improvement. If the Council acts on its own initiative, a simple majority only is necessary to initiate the proceedings.
3. 100% Signed Petition: When a petition is signed by one hundred (100) percent of the property owners affected by an improvement, the Council may order said improvement without holding an improvement hearing. This can be accomplished by special resolution declaring adequacy of petition.

B. RESOLUTION ORDERING PREPARATION OF A REPORT ON IMPROVEMENT

The City Council shall order an improvement report from the Director of Public Works/City Engineer which reviews such factors as the need for the project, the availability of City funds, an estimate of total project costs, and other information necessary for the Council to make a decision.

C. PUBLIC HEARING ON PROPOSED IMPROVEMENT

In accordance with Minn. Statute §429.031, with the exception of the one hundred (100) percent signed petition, the City shall publish notice of the hearing twice in the official newspaper, with the notices appearing at least one (1) week apart. At least three (3) days must elapse between the last publication date and the date of the hearing. A notice shall be mailed to each affected property owner at least ten (10) days prior to the improvement hearing date stating hearing date, time and place information, general nature of the proposed improvements, and estimated costs to be assessed to property owners. the estimated project cost and project assessment area. The notice must also contain a statement that a reasonable estimate of the cost of the assessment will be available at the hearing.

D. RESOLUTION ORDERING THE IMPROVEMENT AND PREPARATION OF PLANS AND RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS

If improvement proceedings are initiated by petition, the Council needs a simple majority to pass a resolution for improvement. If the Council initiated the proceedings, ~~it will require a simple majority to adopt an improvement resolution. the~~

resolution may be adopted only by favorable vote of four-fifths or more of all members of the Council. The Council will then direct the Director of Public Works/City Engineer to prepare plans and specifications, followed by a call for bids.

E. RESOLUTION DECLARING THE CITY'S INTENT TO BOND FOR ALL PUBLIC IMPROVEMENT COSTS RELATED TO THE SPECIFIC PROJECT BEING APPROVED

To preserve the option to bond later, should there be cash flow gaps, the City Council should approve the reimbursement resolution allowing costs incurred no more than 60 days preceding the resolution and any future costs to be reimbursed or funded from bond proceeds.

F. RESOLUTION DECLARING COSTS TO BE ASSESSED AND ORDERING PREPARATION OF PROPOSED ASSESSMENT

Assessment rolls are prepared by City staff pursuant to provisions of M.S. §429.061. Assessment rolls will be prepared for each project involving assessments to benefited properties, and are to include parcel descriptions and estimated assessment costs.

G. WAIVERS

The City reserves the right, in certain circumstances, to obtain and enter into agreements of assessment and waiver of irregularities and appeal with property owners. Any agreement of assessment and waiver of rights is effective only for the assessment agreement upon by the City and property owners.

HG. PUBLIC HEARING ON THE PROPOSED ASSESSMENT

The assessment hearing is designed to give affected property owners an opportunity to express their concerns. The City must publish notice of the hearing, including the total cost of the improvement, in the official City newspaper one or more times at least two (2) weeks prior to the hearing date. The City will also mail a statement showing possible prepayment provisions, and the interest rate on the assessments if they are to be paid in installments, all as required by ~~Minnesota Statutes Chapter~~ Minn. Stat. Chapter § 429.

IH. RESOLUTION ADOPTING ASSESSMENT AND CERTIFICATION OF ASSESSMENT ROLLS

Following the hearing, the assessment roll shall be officially adopted by the Council and certified to the Office of the Lyon County Auditor. All adjustments to the roll shall be made by contacting the Finance Director prior to the hearing, or by the Council at the time of the hearing. The assessments will be levied in equal annual principal installments with interest set by the Council on the unpaid balance.

Jl. PREPAYMENTS

i. Partial prepayment of assessments permitted. After the adoption of an assessment roll pursuant to ~~Minn. Stat. Chapter~~ Minn. Stat. Chapter § 429, and before certification of such assessment roll to the ~~county auditor~~ Office of the Lyon County Auditor, the authorized official, is directed to accept partial prepayment of such assessment and reduce the amount certified to the ~~county auditor~~ Office of the Lyon County Auditor accordingly. Interest on unpaid special assessments will be charged beginning 30 days after the ~~estimated project completion date, but no later than October 1 of any given year~~ adoption of assessment roll. This date will be established in the resolution adopting the assessment roll.

ii. Prepayment in full. The property owner may, at any time prior to November 15 of any year, prepay to the finance director of the City of Marshall, that whole assessment remaining due with interest accrued to December 31 of the year in which said prepayment is made.

## **V. METHODS OF DETERMINING ASSESSMENTS**



A. GENERAL ASSESSMENT INFORMATION

It shall be the policy of the City to assess benefited properties by linear foot, area, service size, or per property, whichever is determined by the City to be the most equitable and appropriate. All facilities which represent new service to areas previously without City utility service shall be assessed at the rate of one hundred (100) percent of the cost of installation.

B. SANITARY SEWERS

New Construction Projects: Paid for by developer or 100% assessed. Generally the project costs are divided by the total number of services to determine the rate per service. The rate is then multiplied by the number of services to each individual property to determine the individual property assessment. In those projects where oversizing is required due to service for areas outside the proposed improvement area, funding for oversizing of the sewer infrastructure comes from the Wastewater Treatment Fund. These costs may be reduced by State Aid or other outside funding.

Replacement Projects:

Residential:

100% of sanitary sewer main replacement costs to be funded by the Wastewater Treatment Fund. The cost of sanitary sewer service lines shall be 100% assessed to the property that is receiving the benefit. These costs may be reduced by State Aid or other outside funding.

Industrial/Commercial:

100% of sanitary sewer main replacement costs to be funded by the Wastewater Treatment Fund. The cost of sanitary sewer service lines shall be 100% assessed to the property that is receiving the benefit. These costs may be reduced by State Aid or other outside funding.

C. WATERMAIN AND WATER SERVICES

New Construction Projects: If agreed upon by the City of ~~Marshall~~ during the development of a Development Agreement, special assessment may be used to fund a portion of the costs of water main and water service lines. The City of ~~Marshall~~ shall take a secured position in the benefited property until such time as the special assessments are paid in full for said improvement. If special assessment is utilized, the project costs are divided by the total number of services to determine the rate per service. The rate is then multiplied by the number of services to each individual property to determine the individual property assessment. In areas of the community not in a Water Area Charge or WAC zone, as determined by ~~MMU Marshall Municipal Utilities~~, the developer may receive partial funding from ~~MMU Marshall Municipal Utilities~~, as determined during the preparation of the Development Agreement for upsizing of water main to serve adjoining areas. These costs may be reduced by State Aid or other outside funding.

In a WAC zone a developer may be eligible for cost participation in the installation of water transmission mains according to the policy established by ~~MMU~~ Marshall Municipal Utilities.

Replacement Projects:

Residential:

100% of water main and service line replacement costs to be funded by the water utility.

Commercial/Industrial:

100% of water main and service line replacement costs to be funded by the water utility.

~~Special Assessments will not be used for water main and water service line replacement projects~~

D. LIFT STATIONS

All newly developed properties whose sanitary sewage or storm water runoff must be elevated by a lift station in order to reach the Waste Treatment Plant or storm water system and have not previously been assessed for a portion of the lift station, shall be assessed a lift station connection fee equal to ten (10) percent of a normal sanitary sewer assessment.

E. STORM SEWERS

New Construction Projects: Paid for by developer or 100% assessed. Generally the project costs are divided by the total square footage of the assessable lots to determine the rate per square foot. The rate is then multiplied by the square footage of each individual property to determine the individual property assessment. In those projects where significant drainage areas are outside the proposed improvement area, funding for oversizing of drainage infrastructure should come from adjacent areas or City funds. These costs may be reduced by State Aid or other outside funding.

Replacement Projects:

100% of storm sewer replacement costs to be funded by the Surface Water Management Utility Fund. These costs may be reduced by State Aid or other outside funding.

F. NEW STREET CONSTRUCTION

Paid for by developer or 100% assessed. Generally the project costs are divided by the total front footage of the assessable lots to determine the rate per front lineal foot. The rate is then multiplied by the front footage of each individual property to determine the individual property assessment. These costs may be reduced by State Aid or other outside funding.



G. STREET RECONSTRUCTION

~~Industrial/Commercial: 100% assessed to adjacent property owners. The maximum commercial/industrial assessment shall be the lesser of:~~

~~the actual project cost spread by the front footage of the property adjacent to the project~~

- ~~the equivalent number of residential parcels based upon 10,000 SF per average residential property size, multiplied by the Residential 20-Year Maximum Street Reconstruction Assessment (per the current "Resolution Approving Specific Fees to Be Charged by the City of Marshall")~~

Example:

For a 100,000 SF Industrial/Commercial property:

$$\underline{\underline{100,000 / 10,000 \times \$5,700 = \$57,000.00}}$$

- ~~the average residential front foot cost (\$5,700/80=\$71.25) (per the current "Resolution Approving Specific Fees to Be Charged by the City of Marshall") multiplied by a width factor (for street widths in excess of the 36-ft. standard residential street width) times the strength factor (10-ton divided by 7-ton) times the front footage of the property adjacent to the project~~

Example:

For a 300 LF frontage Industrial/Commercial property with a street width of 38 ft.:

$$\underline{\underline{71.25 \times 38 / 36 \times 10 / 7 \times 250 = \$32,232.14}}$$

These costs may be reduced by State Aid or other outside funding.

- ~~Residential: 50% assessed to adjacent property owners. The City will contribute the remaining 50%. In areas that street sections have additional strength requirements, the added base and surfacing thicknesses are paid for by the City. These costs may be reduced by State Aid or other outside funding.~~

~~The Residential 20-Year Maximum Street Reconstruction Assessment is in accordance with the current "Resolution Approving Specific Fees to Be Charged by the City of Marshall".~~

~~For multiple-lot properties or properties with frontages greater than 120 LF (average 80-ft. frontage residential lot x 1.5) times the Residential 20-Year Maximum Street Reconstruction Assessment will be increased by the actual front footage divided by the average front footage.~~

Example:

For a multiple-lot or single-lot of 200 LF

$$\underline{\underline{200 / 120 \times 5,700 = \$9,500.00}}$$

Residential: The residential street assessment shall be the lesser of the following methods:

1) Actual Project Cost

The actual project cost spread by the front footage of the property adjacent to the project. In areas that street sections have additional strength requirements, the cost of the added base and surfacing thicknesses shall not be borne by residential properties. These costs may be paid through city funding, State Aid or other outside funding, and/or commercial/industrial street assessments.

2) Fixed parcel amount

(Maximum standard street reconstruction assessment amount per residential parcel<sup>(6)</sup>)

Industrial/Commercial: The maximum commercial/industrial street assessment shall be the lesser of the following methods:

1) Actual Project Cost

The actual project cost spread by the front footage of the property adjacent to the project.

2) Fixed frontage-foot amount

(Standard frontage-foot rate<sup>(1)</sup>) x (street width factor<sup>(2)</sup>) x (street strength factor<sup>(3)</sup>) x (frontage feet<sup>(5)</sup>)

3) Fixed parcel amount

(Maximum standard street reconstruction assessment amount per residential parcel<sup>(6)</sup>) x (equivalent number of residential parcels<sup>(4)</sup>) x (street strength factor<sup>(3)</sup>)

Notes & Definitions:

As it pertains to this policy, churches, non-profits, schools, and parks shall be considered as commercial properties with the exception that the street strength and street width factors shall not be used in any of the maximum assessment calculations.

The maximum street assessment amount as determined by the lesser of methods 1-3 above does not include the amounts to be paid by this policy for sanitary sewer service line, sidewalk walk-ups, property owner share of driveway improvements, or any other individual improvement that is assessed to a property owner. The assessed cost of any of the improvements listed in the prior sentence shall be assessed in addition to the maximum street assessment amount determined by methods 1-3 that are identified above.

Because of unique characteristics of certain parcels, from time to time it may be necessary to make adjustments to the above procedures. In the event that the literal application of the procedures stated above would result in an inequitable distribution of special assessments, the Council reserves the right to adjust the procedures to achieve a more equitable distribution.

(1) Standard frontage-foot rate = (standard amount per residential parcel)/(frontage feet for average residential parcel)

(2) Street width factor = (width of proposed street)/(width of average street)  
**- In computing this factor, the width of proposed street amount cannot exceed 42 feet.**

(3) Street strength factor = (strength of proposed street in tons)/(strength of average street in tons)

(4) Equivalent number of residential parcels = (square feet of parcel)/(area of average residential parcel)  
**- This factor is only used for lots that exceed the area of average residential parcel in size. If the parcel area is less than the average residential parcel in area, default is 1.**

(5) For corner lots and multiple frontage lots, use the amount of frontage on the specific project for the purpose of this calculation.

(6) The maximum street reconstruction assessment amount per residential parcel shall be set annually by the City Council through the "Resolution Approving Specific Fees to be Charged by the City of Marshall".

For residential properties with frontage greater than 115 LF (1.5 times Marshall average lot size of 77 LF), the residential 20 year maximum street reconstruction assessment shall be increased by the actual front footage divided by 115 LF. Frontage is defined by the property address; this provision does not apply to side or rear yard frontages.

Example:

172.50 LF frontage, 20 year standard maximum residential street reconstruction assessment is \$5,700 (2020).

(172.50' / 115') x \$5,700 = \$8,550

The following factors should be reviewed on an annual basis and adjusted accordingly in the yearly Fee Schedule:

1. Standard assessment amount per residential parcel,
2. Frontage feet for average residential parcel,
3. Area of average residential parcel,
4. Standard street width, and
5. Standard street load rating.

A 20-year look-back rule shall apply to parcels (residential and commercial/industrial) that have multiple frontage sides (corner lots). The current year maximum assessable amount shall be reduced by actual assessment amounts occurring within the previous 20-year period.

For example, in year 1, assume that improvements are made to the first corner street that cost \$10,000 and that the YEAR 1 MAXIMUM STANDARD ASSESSMENT AMOUNT PER RESIDENTIAL PARCEL is \$6,000. The maximum special assessment amount for year 1 for this parcel cannot exceed \$6,000. In year 15, improvements that cost \$10,000 are made to the second corner street and the YEAR 15 MAXIMUM STANDARD ASSESSMENT AMOUNT PER RESIDENTIAL PARCEL has increased to \$8,000. The maximum special assessment for year 15 for this parcel cannot exceed \$2,000 (\$8,000 - \$6,000). In year 21, assume that improvements are again made to the first corner street in the amount of \$10,000 and the YEAR 21 MAXIMUM STANDARD ASSESSMENT AMOUNT PER RESIDENTIAL PARCEL is \$9,000. The maximum special assessment amount for year 21 for this parcel cannot exceed \$7,000 (\$9,000 - \$2,000).

#### H. SIDEWALKS AND BIKE PATHS

All costs for installing sidewalk facilities may be assessed against abutting properties based on the same formula applicable to street or curb and gutter improvements.

City-Ordered Sidewalk: In any case where a sidewalk is planned and constructed upon order by the Council, the cost of that improvement may be assessed, may be part of a development agreement, or may be paid in full by the City.

Bike Paths: Bike Paths shall be assessed according to the sidewalk provisions above with the additional width over the normal sidewalk width paid by the City. The City participation may be reduced by State Aid or other outside funding.

#### I. CALCULATING CONNECTION FEES (FOR WATERMAINS NOT PREVIOUSLY ASSESSED)

Connection fees are established by the Council, upon recommendation by ~~MMU~~Marshall Municipal Utilities, and reviewed annually to assure that amounts accurately reflect comparable assessment amounts for sewer and/or water from recent improvement project. The estimated useful life of the improvement shall be considered when calculating each individual connection fee, and the amount charged shall reflect the pro-rated fee based on useful life theory (see section VI.A.).

For property on which multiple residential units are constructed, the connection fee shall include the initial amount for the first living unit, and, for each unit thereafter, an amount equal to twenty (20) percent of the initial amount or standard fee for a residential unit. The amount for additional units in a multiple family structure shall be due the City regardless of previous assessments and shall be payable at the time the building permit is obtained. In no event shall the connection fee exceed the cost of installing an eight (8)-inch water main based on current year prices.

Remodeling projects which result in the number of living units in a structure being increased shall be subject to the connection fee described above.

## **VI. LIFE EXPECTANCY OF IMPROVEMENTS**



A. IMPROVEMENT CLASSIFICATION

Watermain: The estimated useful life of watermain facilities shall be thirty (30) years from the date of initial construction.

Sanitary Sewer: The estimated useful life of sanitary sewer facilities shall be thirty (30) years from the date of initial construction.

Storm Sewer: The estimated useful life of a storm sewer system involving installation of pipe and appurtenances shall be thirty (30) years from the date of initial construction.

Streets: The estimated useful life of a street shall be twenty (20) years from the date of initial construction.

Street Lights: The estimated useful life of street lights shall be twenty (20) years from the date of initial construction.

Sidewalks: The estimated useful life of a sidewalk shall be twenty (20) years from the date of initial construction.

B. USEFUL LIFE APPLICATION

Street and Utility Infrastructure: When any municipal infrastructure must be reconstructed or replaced, and that infrastructure has provided a period of use equal to or more than the estimated useful life of a infrastructure as hereinbefore described, all costs for such replacement shall be according to assessment procedures appropriate to the improvement constructed or reconstructed.

Assessments for any public infrastructure which must be reconstructed or replaced before the estimated useful life of the infrastructure shall be multiplied by the percentage of useful life attained for the respective infrastructure. This shall not include street overlay projects.

If failures are caused by changes in use, the Council may, at its discretion, assess one hundred (100) percent of the replacement cost to benefited properties.

## **VII. WORK BY OTHERS**

A. WORK BY PRIVATE DEVELOPERS

Work by private developers shall occur only within the boundaries of private property. Any public utility or street construction work within a public right-of-way shall be done only by contract with the City, or by the provisions of an approved Development Contract.

B. PRIVATE INSTALLATIONS ON PUBLIC RIGHT-OF-WAY

Property owners are strongly discouraged from placing any improvement in, or in any way altering, the public right-of-way, except that a driveway may be installed at the expense of the property owner to the curb when approved and permitted by the City.

All private installations on public right-of-way shall be the responsibility of the property owner, and any damages to such private installations shall be the full responsibility of the property owner. This includes, but is not limited to, mailboxes and their supports, sprinkler systems, storm drains and landscaping. All such items may not be included in any special assessment project.

The foregoing was duly adopted by the Common Council of the City of Marshall at its regular meeting held on the 22<sup>nd</sup> day of December, 2020~~day of June 12, 2018~~.

THE COMMON COUNCIL

\_\_\_\_\_  
Mayor of the City of Marshall, MN

ATTEST:

\_\_\_\_\_  
City Clerk