

LEGAL REQUIREMENTS FOR VALID SPECIAL ASSESSMENTS

1. Special assessment requirements:
 - (a) Land must receive a special benefit from the improvement being constructed,
 - (b) Assessment must be uniform upon the same class of property, and
 - (c) **Assessment may not exceed the special benefit.**
2. Value of special benefit from an improvement should be calculated based on the market value of the land before and after improvement.
3. Four methods traditionally used by court are:
 - (a) Market-data approach based on comparable sales,
 - (b) Income-capitalization approach,
 - (c) Reproduction-cost, less depreciation, approach, and
 - (d) Development-cost approach.**THERE FOUR METHODS ARE NOT EXCLUSIVE.**
4. **Any method resulting in fair approximation of the increase in market value for a benefited parcel may be used. A method which on its face appears to be a fair approximation will be presumed valid. Burden on objector to show its invalidity.**
5. MN law clearly states that the front-footage method of assessment is valid as long as it is based on the cost of the municipal improvement. Front-footage method of assessment meets constitutional and statutory requirements.
6. Benefits which may be demonstrated by a mathematical exactness are not always required in order to support an assessment. Precise accuracy has never been required and the determination of the extent of benefits has constitutionally and by legislation been committed to the city council as the assessment board.
7. MN case law has never required that only expert testimony is sufficient to overcome the presumption that the city's assessment is valid.
8. Apportionment of assessment among the various properties is a legislative function on the part of the council and will not be overturned except on a showing that it was clearly erroneous.
9. Assessment may not be arbitrary, capricious or unreasonable.
10. Assessment void as arbitrary where the front-footage calculation did not consider the cost of the improvement. (Assessment was based on previous three-years average construction costs.)
11. Special assessments may be based on a combination of projects, they may not be based on projects undertaken in different years.
12. Municipality's assessment roll generally constitutes prima facie proof that the assessment does not exceed special benefit.
13. Burden of demonstrating amount of assessment exceeds increase in value of property is on the property owner. To meet burden, owner must submit evidence demonstrating assessment exceeds increase in value as result of improvement.

SPECIAL ASSESSMENT AMOUNT CALCULATION PROCEDURES

STEPS

1. Actual cost amount

- (a) Engineering staff shall calculate the estimated cost of the proposed project. The assessable costs of the project will be allocated to each of the benefited property parcels on a frontage-foot basis.

Assessable Cost Per Frontage-foot = (Total Assessable Project Cost)/(Total Frontage-feet of All Parcels in Project)

Actual Costs Assess to Parcel "A" = (Assessable Cost Per Frontage-foot) X (Front-feet of Parcel "A")

2. Maximum assessable amount

- (a) A maximum assessable amount for each parcel will be calculated. The maximum assessable amount per parcel will be the lesser of the amounts in (1) or (2):

(1) Fixed amount per parcel

(a) Residential parcels

- i. \$5700/Parcel

(b) Commercial/Industrial parcels

- i. \$5700 X (Equivalent Number of Residential Parcels*)

(2) Fixed frontage-foot amount

- (a) (Standard Frontage-foot Rate**) X (Street Width Factor***) X (Street Strength Factor****) X (Frontage Feet)

3. The amount assessed against a particular parcel will be the lesser of the actual cost amount calculated in step 1 or the maximum assessable amount calculated in steps 2a(1) or 2a(2).
4. The maximum assessed amount in step 3 does not include the individual improvements for the sanitary sewer service line, sidewalk walk-ups, or new, additional driveway improvements within City right-of-way. The cost of any ad-ons to the project that are requested by the property owner shall be assessed to that particular property parcel in addition to the amount calculated in step 3 above.

NOTES

*Equivalent Number of Residential Parcels = (Square Feet of Parcel)/(10,000 Square Feet)

**Standard Frontage-foot Rate = (Maximum Fixed Amount Per Residential Parcel)/(Average Frontage-feet of Residential Parcel)

***Street Width Factor = (Width of Proposed Street)/(36 Feet)

****Street Strength Factor = (Strength of Proposed Street in Tons)/(7 Tons)

The fixed amount per parcel and the fixed amount per frontage-foot shall be adjusted on an annual basis.

ASSUMPTIONS

1. Average residential parcel area is 10,000 square feet.
2. Average frontage per parcel is 80 feet.
3. Average street width is 36 feet.
4. Average street is a 7-ton street.