

CITY OF LITTLE CANADA

**ASSESSMENT POLICY GOVERNING
STREET RECONSTRUCTION/REHABILITATION
Amended 10/2010**

PURPOSE:

This document sets forth the methods and policies relating to local street improvements and special assessments practiced in the City of Little Canada. It is emphasized that this document has been prepared based on circumstances and factors known today. Without the opportunity to apply these policies to a wide variety of projects such as commercial, industrial, multiple family, etc., it is recognized that modifications may be necessary from time to time to ensure equitable treatment of affected properties and the taxpayers in general. These adjustments could take the form of City Council discretionary adjustments or formal amendment. Amendments to this policy will be made by majority vote of the entire City Council.

It is the intent and purpose of this policy to create a permanent program to manage, finance and implement the reconstruction or rehabilitation of the streets within the City of Little Canada. This policy is intended to equip the City to adequately plan for the major capital costs that will ultimately occur as the City's existing streets age and deteriorate. It is also the intent of this policy to create a financing and payment system that will be fair and equitable to all property owners within the City during the future years as it becomes necessary to reconstruct or rehabilitate the City's street system.

No street improvement project shall be initiated under this policy until all underground utilities that are or will be located within the street area have been inspected and determined to be adequate, or have been repaired and rehabilitated to a condition that will provide a projected useful life of the utility in excess of the anticipated useful life of the new or rehabilitated street. In addition, all future underground utility systems that will be required for the ultimate development and service of the project area must be installed prior to the implementation of street improvements under this policy.

The City Council shall also review proposed street projects relative to the need for sidewalks/trails/bike paths when the project proposed is within a residential area and involved an arterial street.

SECTION I

DEFINITIONS

1. **ACCESS STREET** ó Residential street that carries less than 250 ADT. Minimum construction width is 28 feet from face-of-curb to face-of-curb.

2. ACCESS STREET ó LIMITED ó Cul-de-sac residential street with 15 lots or less and no more than 150 ADT. Minimum construction width is 26 feet from face-of-curb to face-of-curb.
3. ARTERIAL/MSA STREET ó Street which carries over 3,000 ADT. Minimum construction width is 32 feet from face-of-curb to face-of-curb. This street will typically be constructed to 9-ton standards.
4. ASSESSABLE COSTS ó Project costs minus any City and/or County share as well as any other special credits which may apply.
5. AVERAGE DAILY TRIPS (ADT) ó Standard residential trip generation rates as compiled by the Institute of Transportation Engineers (appendix A).
6. COLLECTOR STREET ó Street which has between 1,000 and 3,000 ADT. Minimum construction width is 32 feet from face-of-curb to face-of-curb.
7. CORNER LOT ó A lot with frontages on two streets which are perpendicular to each other.
8. MAXIMUM ASSESSMENT RATE ó In no case will the assessable cost per lineal foot exceed \$45.00 for an urban, residential street or that amount adjusted by the Consumer Price Index (CPI) for the Twin City Metropolitan Area with 1995 serving as the base year.
9. PREVENTATIVE MAINTENANCE ó Work that involves a level of effort less than that involved in reconstruction or rehabilitation, the extent of which is to extend the life of the existing improvement. Preventative maintenance will include but not be limited to crack filling, patching, and seal coating.
10. PROJECT COSTS ó The cost of all necessary construction work required to accomplish the improvement, plus engineering, legal, administration, financing, capitalized interest, easement acquisition, and contingency costs.
11. RECONSTRUCTION ó A project whereby many or all meaningful elements of an existing street are being removed and replaced. This would include curb and gutter, sidewalks, bituminous or concrete pavement, granular base and items appurtenant to these elements.
12. REHABILITATION ó A project in which curb and gutter, sidewalks, bituminous or concrete pavement, granular base or items appurtenant to these elements is modified or supplemented in-place, to restore the serviceability of the existing street (i.e. bituminous overlays, cold-in-place recycling, etc.).
13. RURAL STREET ó Any street that has no curb and gutter and/or storm sewer, or does not otherwise meet current City design standards.

14. SUBCOLLECTOR STREET ó Residential street which carries between 250 and 1,000 ADT. Minimum construction width is 30 feet from face-of-curb to face-of-curb.
15. URBAN STREET ó A street that has curb and gutter, storm sewer, and is constructed to current City design standards.
16. 8ö/3ö URBAN SECTION ó The basic street design section used by the City for urban, residential streets. It consists of eight inches (8ö) of Class V base and three inches (3ö) of bituminous surface for the roadway, concrete curb and gutter, as well as all incidentals normally associated with the street construction project. In some cases, this section will not be adequate due to soil conditions, traffic loading, drainage factors, etc. When a street is upgraded from this basic section in residential areas, the added costs associated with any upgrades will be borne by the City.

SECTION II

GENERAL POLICIES AND PROCEDURES

The following are general principles, policies and procedures applicable to all types of improvements:

1. Municipal State Aid (MSA) funds will not be credited to offset assessments as they will be utilized in a revenue pool fund to offset total reconstruction program costs.
2. Special assessments will be levied as soon as practical. Normally this will be within one year after substantial completion of the project.
3. Special assessments are intended to reflect the influence of a specific local improvement upon the value of the property. Where the results of applying the foregoing rules appear to result in an inequitable assessment, the comparative market values of the lots in the area shall be considered with the ultimate test being the increase in the market value of an affected parcel by at least the amount of the proposed assessment. (Special Benefit Principle.)
4. Publicly owned properties, including, but not limited to, municipal building sites, schools, parks, County, State, and Federal building sites, but not including public streets and alleys, are regarded as being assessable on the same basis as if such property were privately owned. The rate of assessment will be calculated utilizing the commercial formula.

5. Revenue sources for these types of improvements will be many, including, but not limited to assessments, MSA Funds, infrastructure replacement funds, bonded indebtedness and general tax levies.
6. Special Cases. It is recognized that these rules cannot be applied indiscriminately and variations shall be permitted or encouraged when strict adherence to the rules obviously violates the Special Benefit Principle as specified in Section II, Item 3.

SECTION III

SPECIFIC POLICIES

Project Initiation and Hearing Process

This section described the initiation of improvement projects and the administration required to receive final City Council action, pursuant to the requirements of Minnesota Statutes Chapter 429.

A. Project Initiation

1. By Petition: Citizen petition forms for initiating a street improvement will be provided by City staff upon request of property owner(s). Such petitions circulated by the affected property owners shall bear the signatures of property owners of not less than 35% of the affected frontage as measured on a lineal footage basis.

When projects are initiated through this process, the costs of doing engineering feasibility studies and associated project consideration costs may be borne by the property owner(s) so petitioning. A deposit may be required of the petitioners prior to commencement of the study to cover the costs of same if construction does not proceed. If the project proceeds through construction and assessment, those costs will be considered project costs and any deposit made would be credited accordingly to the depositors.

2. By Council Action: If the Council determines that an improvement is in the best interests of the City, it can, without petition, initiate the improvement with a four-fifths vote of the Council.

Generally, initiation will be based upon an inspection of City street conditions conducted by staff. Staff's evaluation shall then be used to determine the priority of street improvements in the City's Five Year Street Improvement Plan. The City will typically improve streets that

have the highest priority first. However, circumstances may exist which would require deviation from this objective.

B. Neighborhood Meeting and Hearing Process

1. **Neighborhood Meeting:** After a petition is filed and its adequacy determined or the Council initiates the project, the City Engineer will prepare a preliminary feasibility study. Staff will then hold a neighborhood meeting with the owners of the properties that would be benefited by the improvement. Once neighborhood input is obtained and reported to the Council, the Council will decide whether or not to order a Feasibility Report for the proposed project.
2. **Improvement Hearing:** If after reviewing the results of the neighborhood meeting, the Council feels the project may be feasible, the City Engineer will be directed to study and report as to the feasibility of the improvement. If after reviewing the feasibility report, the Council feels the project is feasible, a public improvement hearing will be scheduled, notice will be published, and persons benefited by the project will be notified in writing in accordance with applicable State Statutes. (At its discretion, the City Council may choose to hold the assessment hearing simultaneous with the improvement hearing.)

If after the improvement hearing, at which all persons are heard, the Council feels that the project is feasible, then the Council may authorize the preparation of necessary plans and specifications. Upon receipt and acceptance of those plans, the Council will authorize the advertisement for bids for the construction of the project. Following award of a contract, construction of the improvement will commence.

C. Basis of Assessment

Streets ó General

1. **Front Foot Basis.** Generally, assessments will be against the benefiting property on a front foot basis subject to modifications necessary to provide for a minimum and maximum assessment for residential lots.
2. **Residential or Commercial Formulas.** Two basic assessment formulas will be used, one for residential property (hereinafter referred to as "residential rate" or "residential property") and the second rate for commercial, industrial, school, church, nursing home property and other publicly owned property (hereinafter referred to as "commercial rate" or "commercial property").

3. Single Frontage Project. When an improvement takes place along a street with entirely single frontage on one side, the City will only assess 50% of the project costs, subject to the appropriate formulas. The other 50% of the project costs attributable to the side of the street without developable frontage shall be borne by the City. In the event the application of this formula results in an assessment that is lower than the norm based on comparisons with other improvements, the City reserves the right to adjust the assessment in order to create a more equitable situation.
4. Per Lot Assessment. The City reserves the right at its sole discretion to utilize a per lot assessment methodology when it appears to result in more equitable treatment of affected properties with similar characteristics in a project area. A per lot assessment will calculate assessable costs in the same manner as the front foot method. This amount will then be divided by the number of assessable lots within a project area to yield the assessment rate per lot. The ability to subdivide a parcel consistent with City zoning regulations will result in corresponding number of per lot assessable units.
5. Preliminary Appraisal. The City may, when it determines appropriate, consult with a qualified appraiser to prepare a preliminary appraisal. The purpose of this appraisal is to assist the City in determining whether the proposed improvement will result in an increase in market value of the property which equals or exceeds the assessment levied against the property.

D. Division of Cost Between City and Affected Property Owners

1. City-Owned Property. The City will pay its share of a street project in the amount of a sum equal to the abutting footage.
2. Cost of Intersections. The cost for intersections of streets and similar parts of public improvements not immediately fronting on private or publicly-owned property shall be distributed over the benefited property within the assessment district.

E. Amount of Assessments

1. Rehabilitated/Reconstructed Rural Streets: The costs of rural streets that are rehabilitated or are reconstructed as a rural section shall be financed 100% through assessments to the benefiting properties.
2. Upgraded Rural Streets: It is the City's desire to upgrade rural street sections where possible. Therefore, when a rural street is scheduled for an improvement, upgrading to urban design will be the objective unless otherwise determined by the City Council. In making such a

determination, the City Council may consider a petition from property owners to perpetuate a rural street.

Residential ó The affected property owners will be assessed at the residential assessment capped rate for an urban section street of up to 30 feet in width as determined by the City Council. Costs associated with providing subsurface drainage and/or heavier section will be borne by the City.

Commercial ó the commercial formula shall be determined on an 80/20 allocation of total project costs associated with street construction (less storm sewer) between the property owners and the City. The costs of storm sewer improvements will be borne 100% by the City. The costs of a new curb and gutter will be assessed 100% to the affected property owner.

Commercial Property Abutting A Residential Street ó Where a commercial property abuts a residential street and there is not access by the commercial property said street, that property shall be assessed the residential rate for the full length of property along the residential street.

Commercial Properties with Multiple Frontages ó Where a commercial property has multiple frontages, frontages without direct access to the street may be assessed at the residential assessment rate if in the City's opinion the assessment results in an equitable treatment of all properties being assessed.

3. Rehabilitated Urban Streets:

Residential and Commercial ó The costs of rehabilitated streets shall be assessed 50% to the benefited properties, including any cost associated with installation or repair of curb and gutter. In allocating the 50% assessed cost between residential and commercial properties, assessments to commercial properties will be double the assessment of residential properties. Any costs associated with improvements to the storm sewer system will be borne by the City.

4. Reconstructed Urban Streets:

Residential ó When an urban street is reconstructed, the affected property owners will be assessed at the residential assessment capped rate for an urban section street of up to 30 feet in width as determined by the City Council. Costs associated with providing

subsurface drainage and/or heavier section will be borne by the City.

5. Preventative Maintenance: The City shall perform routine and regular preventative maintenance to the extent practical on all streets in the City, until such time as the street has aged or deteriorated to the extent that such maintenance is no longer cost effective.

When the City has determined a street has surpassed its useful life, no additional preventative maintenance shall be performed. The only work performed will be the minimum amount necessary to keep the street reasonably safe for vehicular traffic.

All preventative maintenance shall be funded by the City for streets where preventative maintenance is cost effective. On deteriorated streets, no preventative maintenance shall be performed except at the sole expense and request of the adjoining property owners.

6. Assessment rates will be determined on an annual basis by the City Council for each cycle of projects. The rates may be based on factors such as assessment formulas contained in this policy, appraisal recommendation, construction costs, construction cost indexes, and advice of City staff.
7. In the event trunk line improvements for storm drainage are made as part of a street improvement project, the City's determination of the portion of costs attributable to an undeveloped parcel may be assessed to that parcel in order to avoid a City subsidy to the development.

F. Residential Lots (Single Family, Doubles/Duplexes, or Townhome Projects up to four units in size each unit having a separate PID number)

1. Residential Lot Guidelines. A residential lot shall only be assessed for its frontage as determined in accordance with the rules set forth below:
 - a. Minimum/Maximum. The street improvements will be assessed on a front footage basis for the footage abutting the street surface, with a 75-foot minimum and a 125-foot maximum applying. In the event a lot exceeds 150 feet in width and can be subdivided pursuant to zoning and subdivision requirements and existing site conditions, the property will be assessed on the basis for each individual lot which could be created. Access to a street will, at a minimum, generate a 75-foot frontage for assessable purposes. (See Appendix B)

- b. Odd-Shaped and Rectangular Lots. For odd-shaped lots (such as exist on cul-de-sacs, triangular intersections, curved streets) or rectangular lots, or a lot where an improvement does not extend across the entire frontage of a parcel, such as an "L" intersection, etc., the adjusted front footage is computed by dividing the square footage (area) of the lot by 10,000 square feet to determine the equivalent number of 75 front footage units in the parcel. The equivalent unit figure multiplied by 75 feet will give the adjusted front footage. Minimums and maximums set forth in F.1.a. above will apply in this case. (See Appendix C and Appendix D)

- c. Approximately Rectangular Lots. For a lot which is approximately rectangular, the adjusted front footage is computed by averaging the front and rear sides of the lot. If the lot is deeper than 150 feet, the width at the 150-foot depth is used for the rear line dimension. This method is used only where the divergence between the front and rear lot lines is ten (10) feet or less. Where divergence is greater than ten (10) feet, the "odd shaped lot" formula should be applied. Minimums and maximums set forth in F.1.a. apply. (See Appendix E)

- d. Interior Lots. Interior lots benefiting by an improvement shall be assessed at 100% of the front footage subject to the minimums and maximums set forth in F.1.a.

- e. Corner Lots. Frontage for corner lots is to be determined by City Staff utilizing factors such as orientation of neighboring houses, lot configuration, and driveway access in order that the affected parcel will be treated in an equitable manner with other properties to be assessed as a result of a project, unless stated otherwise in this policy.
 - (1) Corner lots bordered by two City streets. Corner lots having a City street on both sides shall be assessed at 100% of the front footage if the improvement is of the front street and at 20% of the side footage if the improvement is of the side street, except that any footage on the side deemed subdividable pursuant to zoning and subdivision code requirements will be assessed at 100%. The 20% factor to be applied only to the point of the potential lot split. (See Appendix F)

 - (2) Corner lots bordered by a non-City street on one side and a City street on the other side. (See Appendix G)

- i. If the house fronts on the City street with frontage determined by primary driveway access, then the property will be assessed for 100% of the affected frontage, subject to the minimums and maximums in F.1.a.
 - ii. If the house fronts on a non-City street and there is no access to the City street being improved, then the City street frontage (side yard) shall be assessed at 20% of the actual footage, except that any footage on that side deemed subdividable pursuant to zoning and subdivision code requirements will be assessed at 100% of the actual footage subject to the minimums and maximums in F.1.a.
 - f. Streets Front and Back. If a lot faces on one street and backs onto another, it shall be assessed 100% of the front footage if the improvement is in the front and at 20% of the rear footage if the improvement is to the rear street; except that any footage to the rear deemed subdividable pursuant to zoning and subdivision code requirements will be assessed at 100% of the footage. This provision is subject to the minimums and maximums set forth in F.1.a. (See Appendix H)
 - g. Triple Frontage Lots. For a lot which has streets on three sides of its boundaries, primary driveway access frontage will be assessed at 100%, with one side assessed at 20% (same as a corner lot), and the third side will not be assessed. (See Appendix H)
 - 2. Unusual Cases. Lots with unusual circumstances involving residential uses on a non-residentially zoned property and residentially zoned lots.
 - a. Higher Use Zoning. If a residential home is located on property zoned for a higher use, the property will be assessed at the residential rate. The City may choose to assess at the commercial rate and defer the difference between the higher rate and the residential rate with the deferred amount to become payable when the property use intensifies pursuant to the zoning classification.
- G. Multiple Residential (Other Than Single Family, Double/Duplexes, or Townhome Projects up to four units in size each unit having a separate PID number)
- 1. General Guidelines. Any resident property other than single, two-family residences, or townhome projects up to four units in size each unit having a separate PID number will be assessed as follows:

Multiple residential units are to be assessed at 100% of actual frontage for all sides of a property affected by a project. The assessment rate will be determined on an 80/20 allocation of total project costs associated with street construction (exclusive of storm sewer) between the property owners and the City. The costs of new curb and gutter will be assessed 100% to the affected property owner. Maximum assessment rate, 30ø width and 8ö/3ö urban section factors do not apply.

Extra street width attributable to these units shall also be included in the allocation of project costs between the City and the property owners. For example, in the case of a collector (32ø wide) street fronted by multiple residential units on one side and single family units on the other side, the multiple residential units would be responsible for 17ø of street width as opposed to 50% of 32ø if the street would fall under the sub-collector category (30ø wide) assuming single family units on both sides. In any event, the maximum width to be assessed to one side is 21ø on a street with only two lanes of traffic. For multiple lane streets (in addition to two lanes), the maximum assessment will be ½ of the street width. In no event will an assessment exceed .594 x assessment cost for a single-family residential lot of 75 feet in width multiplied by the total number of units.

In the case where multiple residential units are existing on commercially designated roads, they shall be subject to their share of project costs in a manner equal to the other affected parcels.

2. Unusual Cases. A deviation might be required should there be a condition where access to an abutting street is specifically restricted by public conveyance or by law or ordinance.

H. Church, School, Nursing Home, Commercial, Industrial, and Publicly-Owned Property (All Property Other Than Residential)

1. All Abutting Footage. The facilities listed above are classified as other than residential, and will be assessed for all benefiting footage at the commercial formula. No corner lot or other allowance shall apply to these properties.
2. Unusual Cases. A deviation in the assessment policy may be required should there be a condition where access to an abutting street is specifically restricted by public conveyance or by law or ordinance.

SECTION IV

ASSESSMENT DEFERRAL POLICY

Deferral of Special Assessments

- A. Purpose ó To indicate in certain instances the City may allow deferral of special assessments levied under this policy.
- B. Conditions of Deferral ó Application for deferral of special assessments under these provisions must be filed within thirty (30) days from the date the assessment roll is adopted. Applications granted shall continue in effect for subsequent years until the property no longer qualifies. Applications shall be filed with the City.
- C. Situations of Discretionary Deferral
1. Senior citizen/low income deferral. Pursuant to City ordinance, the City may defer assessments against any homestead property owned by a person 65 years of age or older or retired by virtue of a permanent and total disability and for whom it would be a hardship to make the assessment payments. The standards and guidelines governing what constitutes hardship are established by City ordinance, Chapter 2901.020.
 2. Unimproved property deferral. The City may also defer the assessments for improvements with respect to property which is not directly and immediately affected by the improvement for which the assessment is levied. If applicable, at such time as extensions or connections regarding the improvement directly benefit such unimproved property, the City may require payment of the deferred assessment as well as those relating to the connection or extension.

In a case such as this, the property owner may, at the discretion of the City Council, be given the option of having a deferred assessment placed against a "subdividable" piece of property or executing a recordable deed restriction which would prohibit the further subdivision of the parcel in question in return for the elimination of a potential assessment against the splitable portion.

Any such deferral shall be subject to such other items and conditions including accrual of interest, and shall be subject to termination, all as determined by City Council. (See City Ordinance No. 372)

SECTION V

CONSTRUCTION STANDARDS

Minimum Design Standards

The following are minimum design standards applied to the design and construction of improvements in the City of Little Canada and are for reference to this policy.

A. Streets

Streets shall be classified pursuant to the hierarchy listed under definitions in Section I. Urban streets shall be constructed to a minimum seven (7) ton design based on characteristics of the underlying subsoils. Curb and gutter on City streets shall typically be B618. Arterial/MSA streets shall be nine (9) ton design and shall normally be constructed to Municipal State Aid (MSA) standards.

Rural streets are not desirable. Therefore, for any rural street reconstruction project the City shall proceed as if the rural street is to be upgraded to urban design. Rural streets that are not upgraded will generally be rehabilitated via a bituminous overlay of 1.5" to 2" subject to the condition of the existing street.

B. Storm Sewer

Storm sewer improvements are considered to be an integral part of the street reconstruction. The Minnesota Department of Transportation uses a storm frequency of ten (10) years in designing highway drainage systems. The City of Little Canada uses a five (5) year storm for design of storm sewer systems. A storm frequency of 50 or 100 years is used if extensive damage would result from an inadequate storm sewer. A lesser storm frequency may be used for design purposes if an adequate overflow drainageway is present.

C. Sidewalks, Trail, and Bikeways

Concrete 4" thick, 5' wide, w/4" Class 5, 100% crushed rock.

Bituminous 2" thick, 8' wide, w/6" class 6, 100% crushed rock

Sidewalks and trails are to be located 1' off the property line where possible. Pedestrian ramps and curb drops will be installed according to MN/DOT Standards and Americans with Disabilities Act (ADA) requirements.

APPENDIX A

Residential Trip Generation Rates

	Vehicle Trips Per Dwelling Unit		Number Of Studies
	Weekly	Peak Hour	
Single-Family Detached	10.1	1.0	320
Apartments			
All	6.1	.7	120
Low-Rise	6.6	.7	22
High-Rise	4.2	.4	9
Townhomes & Single Family Condos	5.9	.6	53

Source: Institute of Transportation Engineers, 1987. (Note: These are not recommended design standards, but a compilation of observations.)