Special Assessment Manual City of Moorhead, Minnesota January, 2005

HISTORY OF REVISIONS				
RESOLUTION NUMBER	SUMMARY OF AMENDMENT			
Resolution 2012-0514-02	Sanitary Sewer; Storm Sewer; Street Pavement, Curb, Gutter and Driveway; Watermain – From 20 Year Assessment Period to 25 Year Assessment Period			

TABLE OF CONTENTS

I.	Special Assessment Policy Goals3
II.	Introduction / General Information4
III.	Definitions7
IV.	Methods of Assessment9
V.	Determination of Assessable Cost11
VI.	Determination of Assessment Rate and Terms15

I. Special Assessment Policy Goals

The goals of the City's special assessment policies and procedures are as follows:

- 1. In combination with federal, state, county, and other local financial resources available to the City, provide a *stable and continuing source of funding* within the financial capacity of the City to accommodate infrastructure needs for new development, redevelopment, and maintenance within the existing community in the most cost-effective manner.
- 2. **Balance needs and costs for new and existing infrastructure** to support and promote economic development and growth as well as maintenance within the existing community by providing for the equitable distribution of infrastructure costs to ensure that specific developments are financially selfsupporting to the extent warranted.
- 3. To provide a comprehensive, well-constructed and well-maintained infrastructure system that provides service to individual properties and takes advantage of *economies on a regional scale and flexibility in the timing of infrastructure development*.
- 4. To be *responsive to community needs and desires* for health, safety, welfare, accessibility, and mobility provided by new infrastructure and the maintenance of existing infrastructure.
- 5. To *function in harmony with the City's comprehensive plan and growth area plans* by providing the infrastructure and amenities associated with those plans thereby promoting orderly growth in areas where services are available or can be provided at the most reasonable cost.
- 6. Provide the City Council and staff with *guidelines and methods to efficiently distribute infrastructure costs to benefiting properties* in an equitable and consistent manner thereby enhancing the value of property by assigning a proportionate value of the improvements to the properties deriving benefit from the improvement.
- 7. To provide an effective tool for the management of municipal resources to support a *highly functional and well-maintained system of infrastructure* which promotes economic development and growth, fosters a sense of pride throughout the community, and facilitates the development and adoption of *short- and long-range capital improvement plans* by identifying the magnitude and sources of funding available.

The special assessment policy is intended to be a working document designed to guide the actions of the City Council and program activities of City staff. Although the special assessment policies and procedures are intended to provide for the equitable distribution of costs proportionate to the benefits accruing to each improved property, the methods, in and of themselves, do not guarantee against challenges, successful or not, to the special assessments derived from them. The true measure of benefits resulting from public improvements is the increase in market value of land as a result of the improvement.

II. GENERAL

INTRODUCTION

A special assessment is a levy on a property to defray the cost of public improvements. Chapter 429 of the Minnesota Statutes Annotated (MSA 429) grants cities the authority to use special assessments as a mechanism to finance a broad range of public improvements. The primary purpose of special assessments is to have the properties that benefit from public improvements pay as much of the cost of the improvements as is reasonable, thereby reducing a city's reliance on general property taxes. MSA 429 limits the amount that may be assessed to the amount that a property actually benefits from the improvement. In effect, this can only be determined by appraisals conducted before and after the improvements are constructed. In practice, cities base assessments on a percentage of the cost of the actual improvements, and attempt to apportion the cost equitably to each of the benefiting properties. This can be a complex and contentious process. Public improvements may be constructed without using special assessments, however, cities have limited funding options, and it is generally not economically feasible under current statutes to avoid special assessments altogether.

METHODS AND STANDARDS OF ASSESSMENT

Management of special assessment projects is a complex process and includes extensive work in engineering, design, construction, and administration of public

improvements. Because of the importance of consistency with comprehensive planning and equity in assessing benefited properties, coordination is necessary among City agencies in various phases of development. In many instances, engineering staff is engaged in the planning and design of the system and is mandated to supervise construction to assure conformity with the plans and specifications approved by the City Council. The assessment process not only addresses the feasibility of physical construction but must also deal with affordability of the improvements.

The assessment process addresses:

- 1. Determination of the assessable share of the cost based on the type of improvements; and
- 2. Equitable apportionment of the assessable cost among the benefited property owners.

CLASSIFICATION OF IMPROVEMENTS

In meeting these responsibilities, the City of Moorhead has established a classification system for public improvement projects based on the design capacity and the level of use. Cost apportionment is based on the extent of use of the improvement by the benefiting property owners. City policies for street paving, curb, gutter, and sidewalk construction are a basic guide. The classification system groups improvements into the three categories listed below.

Type I improvements consist of projects that are mostly of benefit to the abutting properties, while Type II improvements consist of projects that benefit a larger, yet definable, area. Curb, gutter, and driveway improvements are always Type I improvements. Street construction, sidewalk, paving, storm sewer, sanitary sewer, and water mains may be Type I if solely designed to serve the abutting properties, but may also be Type II if the improvement benefits a larger area. For example, a local residential street is a Type I improvement, and therefore, the assessable cost should be wholly supported by the adjoining property owners. Collector or arterial streets, which are likely to be used by a broader segment of the public, should be proportionately assessed to a larger area.

Type III improvements consist of large-scale projects of benefit to the entire City regardless of location. The criteria for designation of any improvement as Type III is

that such facilities serve areas larger than a definable neighborhood or those areas separated by major identifiable barriers, such as the river, railroad tracks, or arterial streets. Typically, Type III Improvements are financed through a combination of Federal and State appropriations with a local match from available City funds, rather than through project assessments.

The assessment classifications are listed in Table 1 below. The City Council may from time to time adjust the classification of improvements to maintain the equitability of the assessment cost.

Type I Improvements	Type II Improvements	Type III Improvements		
Curb & Gutter	Trunk Sanitary Sewers (greater than 8" diameter)	Bridges ¹		
Sidewalks	Trunk Water Main (greater than 8" diameter) and Looped Water Main	Community Facilities ¹ Library Law Enforcement Fire Station		
Sanitary Sewer Laterals (less than or equal to 8" diameter)	Collector/Arterial Streets			
Water Main (less than or equal to 8" diameter)	Sidewalks & Boulevard Trees	Collector/Arterial Streets ¹		
Sewer & Water Services	Neighborhood Parks, Tot Lots, Playgrounds ¹	Community Parks ¹		
Local Streets/Alleys	Storm Drainage Improvements	Wastewater Treatment Facilities ²		
Storm Drainage Improvements	Pumping Stations	Water Tower ²		
Boulevard Trees, Lights	Sidewalks & Boulevard Trees	Water Treatment Plant ²		
Other improvements authorized by law ¹				

Table 1. Assessment Classification

¹Generally supported by County-State-Federal Aid funds and/or City General funds

²Generally paid by user charges

III. Definitions

- 1. <u>Abutting Property</u>: A property directly adjacent to public improvements.
- 2. <u>Access</u>: Properties shall be considered to have access to public street improvements when they may enter onto the improvement from their own private driveway, or when the street classification would allow the property to be granted driveway access. Properties shall be considered to have access to underground utility improvements when they directly abut and are within 150 feet of the utility.
- 3. <u>Adjusted Area</u>: An area of a benefiting property that has been modified by an adjustment factor to more accurately represent the true benefit that property receives from an improvement in comparison to other properties in the assessment area. The adjustment will be based on the improvement design parameters that area applicable to that parcel, as approved by the City Council. Design parameters that may be used to determine the adjustment factor include, but are not limited to, trip generation, stormwater runoff coefficients, water use and needed fire flow.
- 4. <u>Adjusted Front Footage</u>: A modified lineal front footage designed to compensate for atypical frontage of irregularly shaped lots and corner lots to make apportionment of assessments more equitable. The adjusted front footage may be greater than or less than the actual front footage.
- 5. <u>Assessable Cost</u>: Those costs of public improvements that have been determined to benefit specific properties. The assessable cost will be equal to the project cost minus the City cost. Project costs eligible for assessment include all costs associated with the improvements, including, but not limited to, land acquisition, demolition, construction, administration, engineering, legal, fiscal and other costs as determined by the City Council.
- 6. <u>Assessable Footage</u>: For new construction projects, the assessable footage is the total adjusted front footage of all of the benefiting properties. For reconstruction and rehabilitation projects, the assessable footage is the total front and side-lot footage of all of the benefiting properties.
- 7. <u>Assessment Rate</u>: The assessment rate is determined by dividing the assessable cost of an improvement by the total number of assessment units such as the total adjusted front footage or square footage, acreage, number of lots, or number of parcels.
- 8. <u>Assessment Unit</u>: Adjusted front foot, square foot, acre, lot, unit or a parcel of land.
- 9. <u>Benefit</u>: The increase in property value as a result of a public improvement such as a street, sidewalk, curb and gutter, water main, sewer, park, or street landscaping.

- 10. <u>Deferment</u>: A process of postponing the collection of the cost of public improvements and funding them as a system cost with the intention of assessing the cost at a later date.
- 11. <u>Front Footage</u>: The distance measured along the right-of-way line that directly abuts an improvement, not counting Side-Lot Footage.
- 12. <u>Green Acres</u>: Owners of agricultural parcels meeting specific conditions established by State Statute may apply for "Green Acres" status. Parcels that have been determined to qualify as Green Acres are exempted from paying special assessments until they no longer qualify for Green Acres. Project costs that benefit Green Acres parcels may be determined to be assessable costs, and the City may defer those costs and assess them or otherwise charge them to the property after the Green Acres status no longer applies.
- 13. <u>Improvement Standards</u>: Terms and specifications for meeting the intent of the public improvement program adopted by the City of Moorhead.
- 14. Lot Definitions:
 - a. <u>Corner Lot</u>: A lot located at a street intersection having both front and side-lot footage.
 - b. <u>Double frontage Lot</u>: A lot with access to two separate non-intersecting or intersecting streets but not a corner lot.
 - c. <u>Irregularly Shaped Lot</u>: Those lots abutting curved streets, cul-de-sacs, or other lots where there is more than five feet of difference in length between the front and back lot lines.
 - d. <u>Rectangular Lot</u>: A lot with less than five feet of difference in length between the front and back lot lines.
- 15. <u>Public Improvement</u>: Capital improvements providing a special benefit to properties, including but not limited to streets, sidewalks, curb, gutter, sanitary sewer systems, storm sewer systems, water treatment and distribution systems, and other municipal facilities including offices, shops, athletic facilities, and meeting places for cultural and sport events.
- 16. <u>Side-Lot Footage</u>: In the case of corner lots, the longest distance measured along the right-of-way shall be considered the side of the lot, regardless of the address or the direction that the house faces, or the driveway location.
- 17. <u>Special Assessment</u>: A legal process whereby the benefited property is charged for all or a portion of the cost of public improvements.
- 18. <u>Street</u>: All public ways designed as means of access to the adjoining properties. Streets are classified into four groups:
 - a. Principal Arterial,

- b. Minor Arterial,
- c. Collector, and
- d. Local.
- 19. <u>System Cost</u>: That portion of the assessable cost that benefits properties whose assessments are deferred because they qualify for green acres status, are located outside of the City limits, or are unable to make full use of the improvements due to factors beyond their control. The City may reimburse itself for such system costs from the benefiting properties when the basis for the deferral is no longer valid.

IV. Methods of Assessment

The City of Moorhead has adopted the following three methods for assessment of public improvements:

1. Adjusted Front Footage Method

This method computes the assessable frontage for the project and for each property. The assessment rate is obtained by dividing the total assessable cost by the assessable footage in an assessment district. The assessment for each parcel is then obtained by multiplying the assessment rate times the adjusted front footage for each property. If a project contains only rectangular lots, no irregular lots and no corner lots, the adjusted front footage shall be the same as the actual front footage. Adjusted front footage is determined as follows:

- a. For rectangular lots, the adjusted front footage shall be the same as the front footage at the right-of-way.
- b. For irregularly shaped lots, the adjusted front footage will typically be calculated as the width of the lot at a 25-foot setback from the right-of-way line, although other methods may be used at the City's discretion (such as average lot width) if they are determined to be more equitable.
- c. For corner lots, regardless of the orientation of the house, the adjusted front footage is the shorter of the two dimensions that abut City Streets. For irregularly shaped corner lots, the adjusted front footage shall be the shorter of the two abutting dimensions calculated in accordance with the policy for irregularly shaped lots. When the Adjusted Front Footage method is used, corner lots will not be assessed for improvement projects that abut only the side lot footage, unless the property has driveway access to BOTH streets, or unless otherwise approved by the City Council.

d. Double frontage lots may be assessed for any street improvement that it has direct access to. The adjusted front footage for each improvement will be determined in accordance with the above-described policies, whichever is appropriate.

2. Area Method

This method computes cost on a square foot or acreage basis. The assessment rate is determined by dividing the total assessable cost by the total benefiting area. A parcel's assessment is then determined by multiplying the assessment rate times the benefiting area of the parcel. When the benefiting area includes both platted and unplatted properties, the gross benefiting area will be used to apportion the benefit among the properties. An adjustment factor reflecting land use may be applied to a parcel's benefiting area in some cases. For example, for storm sewer design, the assumed rate of runoff per acre from a commercial lot is greater than the runoff rate from a residential lot. If all uses are the same in a project area (single family, multi-family, commercial, or industrial), the assessment rate is the same for all. Where there is variation in residential density or uses, the assessment rate may be adjusted to reflect the corresponding differences in benefit.

3. Fixed Cost Method

This method computes the costs on the basis of individual assessment units. For example, sewer and water services, sidewalks, parks, street trees, and street lights typically are considered independent units. The total project cost is divided by the total number of assessment units to calculate the fixed cost. Assessment units could be determined on a per lot or per unit basis, or any combination thereof. For lots that may be further subdivided, the City may determine the number of assessable units based on the number of equivalent lots that could be created from a particular parcel.

V. Determination of Assessable Cost

- 1. Sanitary Sewer: Assessments shall be based on engineering design standards. The assessable cost for installing sanitary sewer improvements shall be based on the level of service required by the property. In residential areas, 100% of the cost of installing sanitary sewer that is 8-inches in diameter shall be assessed to The cost of pumping stations, force mains, and the abutting properties. oversizing the sanitary sewer to provide service to properties that do not directly abut the improvements shall be proportionally assessed to the entire design service area. Where larger diameter sanitary sewers are required to serve commercial, industrial or institutional properties, the increased cost of installation shall be assessed to those properties. Where improvements are designed to serve an area beyond that of direct benefit, the City may defer that portion of the assessment and fund it as a system cost. The system cost shall be assessed or otherwise charged to the newly developing area as a system charge together with direct benefits for other services.
- 2. <u>Storm Sewer</u>: The assessment for the construction of storm drainage improvements shall be based on the level of service required by the property. The assessable cost shall be 100% of the total project cost for new or expanded storm drainage improvements, and up to 50% for reconstruction, in accordance with Section V of this policy. Assessment may be based on the area method and the following design standard for runoff:

Type of Development	Impervious Area	Design Runoff Coefficient
Single family residential	30%	50%
Multi-family residential	30-90%	50-90%
Commercial / Industrial / Other	90-100%	90-100%

Where improvements are designed to serve an area beyond that of direct benefit, the City may defer the assessment and fund the increased project cost as a system cost. The system cost shall be assessed to the newly developing area as a system charge together with direct benefits for other services.

- 3. <u>Water System</u>: The assessable cost for installing watermain improvements shall be based on the level of service required by the property. In residential areas, 100% of the cost of installing watermain that is 8-inches in diameter or less shall be assessed to the benefiting properties. The cost of oversizing the watermain for general distribution purposes shall not be assessed. Where larger diameter watermains are required to serve commercial, industrial or institutional properties, the increased cost of watermain replacement shall be at the discretion of the Moorhead Public Service Department. Where improvements are designed to serve an area beyond that of direct benefit, the City may defer the assessment and fund the increased project cost as a system cost. The system cost shall be assessed to the newly developing area as a system charge together with direct benefits for other services.
- <u>Curb and Gutter</u>: The assessable cost of curb and gutter installation shall be 100% for new construction, and up to 50% for reconstruction, in accordance with Section V of this policy. The benefited property shall be assessed on adjusted front footage.
- 5. <u>Street Paving</u>:
 - a. The assessable cost of new street paving projects shall be 100% of the cost of constructing the street. The paving of local streets shall be assessed to the abutting properties on the basis of adjusted front footage, fixed cost method, or as approved by the City Council. New collector and arterial streets shall be assessed to a wider area on an adjusted front footage basis, with the benefiting area to be determined by the City and approved by the City Council. Parcels that have access to new collector and arterial streets may be assessed on the adjusted front footage basis for the cost of constructing a local street in addition to the area-wide assessment, as approved by the City Council.
 - b. The maximum assessable cost of local street reconstruction or rehabilitation projects shall be 50% of the total project cost necessary to construct a street

36-feet wide from face of curb to face of curb to the current City typical section for local streets. The remaining cost shall be a City cost. The reconstruction or rehabilitation of collector and arterial streets may be assessed using the area-wide or local adjusted front footage method, or a combination of both. The local adjusted front footage method will only be used for those properties that both abut and have direct access to the limited access streets. The local adjusted front footage assessment for arterial and collector streets shall be calculated the same as if it were a local street. For the area-wide adjusted front footage method, up to 50% of the total project cost, regardless of street width and typical section, may be assessed to all properties that are located within the benefiting area. City Staff will determine the limits of the benefiting area for each arterial and collector street and recommend it for the Council's approval. The remaining cost shall be a City cost.

- c. For multi-family, commercial, industrial and institutional properties, the adjusted front footage may be multiplied by a factor representing the traffic volume generated by these uses as compared to single family residential.
- d. The assessable cost of frontage roads and alleys will be the same as for local streets, and should be wholly assessed against the abutting properties.
- <u>Sidewalk</u>: The adjusted front footage or fixed cost method may be the basis for assessment. The assessable cost for sidewalk improvements shall be 100% for new construction, and up to 50% for reconstruction, in accordance with Section V of this policy.
- 7. <u>Driveway Approaches</u>: The assessable cost for driveway approaches, both new and reconstructed, shall be 100% except when the reconstruction is required by changes in street grade.
- Sewer and Water Services: The assessable cost for the construction or replacement of sewer and water services shall be 100% of the project cost. The fixed cost method will be used to calculate the assessment.

- 9. Assessment Deferral Procedure for Green Acres Parcels: In cases where improvement projects are determined to benefit properties that have been certified to qualify for Green Acres exemption, the City will determine that portion of the project cost that benefits those properties, and finance that portion of the project cost as a system cost. During the period of deferral, interest shall be applied annually to the unpaid balance at a rate equal to the bond rate for that project. An alternative interest rate may be adopted by resolution of the City Council at the time the original assessment is adopted. Once the benefiting properties no longer qualify for Green Acres status, the City may recover the system cost either through assessments (for utility projects) or connection charges (for street, curb, gutter and sidewalk improvements). The City Council may elect to continue deferral of assessments for underground utilities for properties that are not able to directly connect to the utilities. Connection charges for street, curb, gutter and sidewalk improvements would be applied immediately. These assessment procedures are subject to the stipulations contained in any Annexation Agreement or Developer's Agreement approved by the City.
- 10. Assessment Deferral Procedure for Property Located Outside City Limits: In cases where improvement projects are determined to benefit properties that are located outside City limits, the City will determine that portion of the project cost that benefits those properties, and finance that portion of the project cost as a system cost. During the period of deferral, interest shall be applied annually to the unpaid balance at a rate equal to the bond rate for that project. An alternative interest rate may be adopted by resolution of the City Council at the time the original assessment is adopted. After the benefiting properties have been annexed, the City may recover the system cost either through assessments (for utility projects) or connection charges (for street, curb, gutter and sidewalk improvements), unless the property has been certified to qualify for the Green Acres exemption, in which case the Green Acres Deferral Procedure would The City Council may elect to continue deferral of assessments for apply. underground utilities for properties that are not able to directly connect to the

utilities. Connection charges for street, curb, gutter and sidewalk improvements would be applied immediately. These assessment procedures are subject to the stipulations contained in any Annexation Agreement or Developer's Agreement approved by the City.

- 11. <u>Interest Rate on Assessments</u>: Interest rates vary depending on the condition of the bond market at the time of project financing. The City will determine the interest rate to be used for each specific project. The project interest rate will be charged on an annual basis on the unpaid balance of the total assessment.
- 12. <u>Length of Assessment</u>: The assessment period for all improvements is subject to the requirements of the bond market at the time of project financing and thus may vary in length from the time periods proposed.

VI. Determination of Assessment Rate and Terms

1. <u>Sanitary Sewer Assessment Formula:</u>

Assessments to be levied against properties within the benefited area shall be distributed to those properties on the basis of the following provisions:

- a. <u>Assessment Rate</u>: The assessment rate shall be equal to the "assessable cost" of the improvement divided by the total number of assessable units benefited by the improvement. Projects having an uneven distribution of benefits may be subdivided into separate improvements using multiple assessment methods and rates to more equitably apportion the assessments.
- b. <u>Assessable Units</u>: The assessable units shall be determined as follows:
 - i. *Lateral Sewers*. The assessable unit shall be the "adjusted front footage" of the property, unless otherwise specified by the Council.
 - ii. *Trunk Sewer and Lift Station.* The assessable unit shall be the area (square foot or acre) of the benefited property, both present and future, as determined in the project design, unless otherwise specified by the Council.
 - iii. Sewer and Water Services. The assessment shall be based on the number of sewer and/or water services installed for each individual property. This is the fixed cost method of assessment.

- c. <u>Assessable Cost</u>: The assessable cost shall be determined in accordance with Section IV of this policy, except that repair or replacement projects, if they are to be assessed, may be modified based on the age of the existing sanitary sewer.
- d. <u>Assessment Formula, Repair or Replacement</u>: The following table shows the cost split for repair and/or replacement of sanitary sewers (trunk sewers, lateral sewers, and lift stations), if they are to be assessed.

Years After First Assessment Levied ¹	City Share ²	Assessed Share ²
0-25 years	100%	0%
26-50 years	80%	20%
51-75 years	70%	30%
76-100 years	60%	40%
Over 100 years	50%	50%

¹First assessment refers to the original assessment for properties developed or platted at or before the time the improvement is constructed or to the deferred assessment for properties developed or platted some time after the improvement is constructed. ²Percentage based on project construction cost. The assessed share of the project cost, as listed in the above table, will be apportioned against the benefiting properties. Staff will use standard procedures to determine the benefiting property for each specific project.

e. <u>Length of Assessment</u>: The assessment period for sanitary sewer improvements, including new construction and replacement projects, is twenty-five years, except for sewer and water services which may have a ten-year assessment period.

2. <u>Storm Sewer Assessment Formula</u>:

Assessments to be levied against properties within the benefited area shall be

distributed to those properties on the basis of the following provisions:

- a. <u>Assessment Rate</u>: The assessment rate shall be equal to the "assessable cost" of the improvement divided by the total number of assessable units benefited by the improvement. Projects having an uneven distribution of benefits may be subdivided into separate improvements using multiple assessment methods and rates to more equitably apportion the assessments.
- b. <u>Assessable Units</u>: The assessable unit, unless otherwise specified by the Council, shall be the gross area (square foot or acre) of the benefited properties, both present and future, as determined in the project design.

- c. <u>Assessable Cost</u>: The assessable cost shall be determined in accordance with Section IV of this policy, except that repair or replacement projects may be modified based on the age of the existing storm sewer.
- d. <u>Assessment Formula, Repair or Replacement</u>: The cost split for repair and/or replacement of storm sewers, lift stations, and miscellaneous drainage improvements, if they are to be assessed, will be assessed in the same manner as sanitary sewer replacement, as shown in the table in Section V.1.d.
- e. <u>Length of Assessment</u>: The assessment period for storm sewers, lift stations, and miscellaneous drainage improvements is twenty-five years.

3. Driveway Assessment Formula:

Assessments to be levied against properties within the benefited area shall be distributed to those properties on the basis of the following provisions:

- a. <u>Assessment Rate</u>: The assessment rate for each individual property shall be equal to the "assessable cost" of the project divided by the total number of assessable units benefited by the improvement.
- b. <u>Assessable Units</u>: The assessable unit, unless otherwise specified by the Council, shall be the "adjusted front footage" of the benefited properties. The size and design standard of individual driveways determines the assessment for that property.
- c. <u>Assessable Cost</u>: The assessable cost shall be determined in accordance with Section IV of this policy.
- d. <u>Length of Assessment</u>: The assessment period for driveways is twentyfive years.

4. <u>Street Pavement, Curb, Gutter and Sidewalk Assessment Formula:</u>

Assessments to be levied against properties within the benefited area shall be

distributed to those properties on the basis of the following provisions:

- a. <u>New Local Street Construction</u>: The assessment rate for the construction of new local streets shall be equal to the "assessable cost" of the improvement divided by the total adjusted front footage (both existing and future) benefited by the improvement, as determined in the project design.
- b. <u>Local Street Reconstruction/Rehabilitation</u>: The assessment rate for reconstruction or rehabilitation of local streets shall be equal to the assessable cost of the improvement divided by the total front and side lot footage.
- c. <u>New Collector & Arterial Street Construction</u>: The assessment rate for the construction of new arterial and collector streets shall be equal to the assessable cost of the improvement divided by the total gross benefiting

area, as determined during design. Typically, the benefiting area will include all property within ¼ mile measured perpendicular to the street centerline. A portion of the assessable cost may be assessed by the adjusted front footage method to properties that have direct access from the arterial and collector streets in addition to the area-wide assessment.

- d. <u>Collector & Arterial Street Reconstruction/Rehabilitation</u>: The reconstruction or rehabilitation of arterial and collector streets may include both local assessments (for properties that have direct access to the street) and area-wide assessments. The area-wide assessment rates for the various types of properties and street improvements shall be established by City Council resolution on an annual basis. The benefiting area for area-wide assessments shall be established by Council Resolution for each collector or arterial street on a project specific basis as determined during the project design. In cases where properties have direct access to arterial and collector streets, those properties will also be assessed for the cost of a local street in addition to the area assessment for collectors and arterials.
- e. <u>Petitioned Improvements</u>: The City will consider petitioned improvement projects. However, the need for specific projects shall be determined based on engineering standards (e.g. – the existing condition represents a physical or structural hazard, or is no longer cost-effective to maintain, etc.) as determined by the City Engineer and approved by the City Council. Petitioned projects may be rejected by the City if it is determined that they are not necessary.
- f. <u>Uneven Distribution of Benefits</u>: Projects having an uneven distribution of benefits may be subdivided into separate improvements using multiple assessment methods and rates to more equitably apportion the assessments.
- g. <u>Length of Assessment</u>: The assessment period for street improvements is twenty-five years.