

City of Hutchinson



Special Assessment Policy

April 8, 2008

Introduction

Special assessments are levies against properties used to finance public improvements. Minnesota Statutes §429 (Statute) 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 apportion improvement project costs to properties that benefit from the improvements. Apportioning costs of public improvements to benefiting properties reduces reliance on general property taxes to fund public improvements. In accordance with Statute provisions, special assessments are limited to the amount that properties benefit from the improvement.

This policy describes the procedures used by the City of Hutchinson (City) to determine benefit and apportion special assessments equitably to benefiting properties. Public improvements may be constructed without using special assessments, but because the City has limited options for funding improvements, it is generally not economically feasible under current law to avoid use of special assessments.

General Policy Intent

The purpose of this policy is to establish an equitable manner of recovering and distributing the cost of public improvements. Procedures used by the City for levying special assessments are in accordance with the Statute, which states that “all or part of the cost of improvements may be assessed against benefiting properties.”

It is the City’s intent to establish basic procedures to follow when establishing special assessments. This policy is based on the Statute and the description of the Statute found in the “Special Assessment Guide” (Guide), version 515a1a.3- January 2008, produced by the League of Minnesota Cities (LMC).

Disclaimer

The City maintains the right to vary from this policy without notice at any time and for any reason determined to be in the best interest of the City or of principles set forth in the Statute and the Guide:

- The Statute does not specify any method or formula to be used in making the special assessment. The City retains the right to use a variety of methods for calculating special assessments so they are as equitable as is practicable.
- Any formula or method used for calculating special assessments must operate so assessments on all properties are proportional to the benefits they receive. Any formula or method used represents an attempt to measure and distribute benefits, the increase in market value, resulting from the public improvement.
- The City Council has broad discretion in determining benefits. The City Council's findings will not be upset by Courts, except in cases where there is clear discrimination or inequalities.
- This policy provides an outline of standard practices and procedures used by the City beyond those noted in the Statute.

Initiating Public Improvements

There are five ways public improvements may be initiated. Under all of these, the City Council reserves the right to reject improvements if it is determined they are not necessary, cost-effective or feasible. Also, in all cases, provisions of the Statute must be followed. The five ways projects are initiated include:

Petition by 100% of property owners, with a waiver of appeal of special assessments:

This generally involves property owners that are developing previously undeveloped property for the first time. When 100% of property owners request the improvement, the City Council may order the improvement without a hearing. Under separate agreement, property owners will generally waive provisions of the Statute that provide for the property owner's right to appeal special assessments. In these cases, the property owners pay 100% of the cost of public improvements.

Petition by 100% of property owners, without waiver of appeal: This generally involves all property owners agreeing that a public improvement is necessary. When 100% of property owners request the improvement, the City Council may order the improvement without a hearing. Once validated by the City Council, the resolution may not be questioned, unless an action for that purpose is commenced within 30 days; however, the amount of the special assessments may still be questioned pursuant to the Statute.

Petition by more than 35% of property owners: This generally involves more than 35% of abutting property owners agreeing that a public improvement is necessary. Once the petition is validated, the City Council may not make substantial changes in the nature of the improvement from that asked for in the petition. The City Council may, however, deem substantial changes necessary or desirable, and may proceed on its own motion without reference to the petition. If no substantial changes are necessary or desirable, the City Council must declare the petition adequate under the Statute and order preparation of a report regarding the improvement project's necessity, cost-effectiveness, and feasibility.

City Council Resolution: This generally involves initiation of a potential public improvement by resolution of the City Council. The City Council may order the preparation of a report of a public improvement's necessity, cost-effectiveness and feasibility. Such resolutions require a 4/5th vote from the City Council, rather than a simple majority.

City Council adoption of an asset management strategy: The City Council may, by resolution, adopt an asset management strategy identifying several potential public improvements in one report. This method is considered, in essence, the same as having produced separate resolutions for each public improvement identified in the asset management strategy. Such resolutions require a 4/5th vote from the City Council, rather than a simple majority.

New Development Improvements

The cost of infrastructure and public improvements for all new developments will be borne by the developer and/or property owner.

Developers or property owners pay the entire cost of initially installing infrastructure and improvements in accordance with City standards, subject to review by the City Engineer.

In cases where the City, at its discretion, provides financing for new development improvements, all development costs will be assessed to the property.

Improvements to Existing Infrastructure

The remainder of this policy, including provisions identifying any cost being generally paid by the City of Hutchinson, applies to local, area, and City-wide improvements, as defined below.

Public Improvements

For purposes of this policy, there are three general classifications of improvements.

- *Local Improvements:* Local improvements are generally the most common. These improvements primarily provide benefit to abutting properties.
- *Area Improvements:* Area improvements provide benefit to properties in a wider, yet definable, area.
- *City-wide Improvements:* City-wide improvements are typically large-scale improvements of benefit to the entire City, regardless of their location.

Typical improvements are classified as:

Local Improvements	Area Improvements	City-wide Improvements
Curb and gutter	Trunk sanitary sewer (greater than 8” diameter)	Bridges ¹
Sidewalks	Trunk water main (greater than 8” diameter) and looped water main	Community facilities ¹
Sanitary sewer laterals (8” or less diameter)	Collector and Arterial streets	Collector and Arterial streets ¹
Sewer, storm sewer and water services	Neighborhood parks & playgrounds ¹	Recreational facilities & Community parks ¹
Local streets and alleys	Storm drainage improvements – area	Wastewater treatment facilities ²
Storm drainage improvements – local	Parking lots	Water towers ²
Boulevard trees, streetlights	Sidewalks and boulevard trees	Water treatment plant ²
Other improvements authorized by law ¹		

¹Generally supported by Federal, State or County funds or funds other than special assessments

²Generally paid using user charges

General provisions for improvements. All infrastructure improvements are required to be extended through developments up to adjoining properties in order to serve future developments. This includes, but is not limited to streets, waterworks, sanitary and storm sewer, appurtenances and restoration, including improvements deemed necessary or desirable.

Cul-de-sacs and Dead-end roadways. In general, cul-de-sacs and dead-end roadways are discouraged due to maintenance, access, system continuity and other issues. The City recognizes that these roadways will continue to be built in special circumstances. The City reserves the right to require payment of fees identified in adopted rate schedules to account for future costs specific to this type of development.

Removals or Abandonment of Improvements. Removals or abandonment of improvements generally includes destruction, removal or abandonment of any improvement and restoration of conditions at the site, whether surface or subsurface.

Improvement Projects	Are Projects Typically Assessed?			
	New construct	Re - construct	Rehab	Repave
Alleys	Yes	Yes	Yes	Yes
Parking Lots	Yes	Yes	Yes	Yes
Sidewalks/Trails/Walkways	Yes	May	May	May
Street amenities/Streetscapes	Yes	Yes	Yes	n/a
Street boulevard trees	Yes	May	n/a	n/a
Streetlights	Yes	May	n/a	n/a
Traffic control devices	Yes	May	May	n/a
Dikes & flood control works	May	May	n/a	n/a
Retaining and area walls	May	May	n/a	n/a
Enhanced 911 markers	May	May	n/a	n/a
Parks, rec. facilities	May	May	n/a	n/a
Curb and gutter	Yes	Yes	Yes	n/a
Driveways & approaches	Yes	Yes	Yes	n/a
Street construction	Yes	Yes	Yes	Yes
Street maintenance	No	No	No	No
Safety improvements	Yes	May	May	n/a
Turn lanes	Yes	May	May	May
SAC / WAC; access charges	Yes	n/a	n/a	n/a
Sewer or Water Trunk Lines	Yes	May	No	n/a
Sewer or Water Main	Yes	May	No	n/a
Sewer or Water Laterals	Yes	May	No	n/a
Sewer or Water Services	Yes	Yes	May	n/a
Storm Sewer Trunk Lines	Yes	May	May	n/a
Storm Sewer Main	Yes	Yes	May	n/a
Storm Sewer Laterals	Yes	Yes	May	n/a
Storm Sewer Services	Yes	Yes	Yes	n/a
Rights-of-way / Easements	Yes	Yes	n/a	n/a

Public improvements, identified in the Statute, include, but are not limited to:

- *Alleys.* Generally, all of the costs of new alleys are borne by property owners. One-half of the costs of constructing new pavement in an existing alley or repaving existing paved alleys will generally be assessed to property owners. The City, however, reserves the right to participate at any level in the construction or reconstruction of alleys or to assess costs using existing rate schedules.
- *Parking lots.* Generally, one-half of the costs of constructing new parking lots or repaving existing parking lots will be assessed to benefiting property owners. Typically, for city-owned parking lots, benefiting properties will be identified before the improvement project and the City will specify the area(s) to be assessed. Assessments will be determined using the weighted average of a property's valuation and its distance from the parking lot being improved. The City, however, reserves the right to participate at any level in the construction, reconstruction or rehabilitation of parking lots or assess costs using existing rate schedules.
- *Sidewalks/trails/walkways.* The costs of installing new sidewalks, trails and walkways, including, but not limited to, provision of links from new developments to the City's existing network, providing sidewalk on all major arterial and major collector routes, and in all commercial and high-density residential areas will generally be assessed to property owners. See Sidewalk/Trail/Walkway policy included herein.
- *Street amenities and streetscapes.* The costs of installing new street amenities and streetscapes will generally be assessed to property owners. The City, however, reserves the right to participate at any level in the construction of new street amenities and streetscapes or to assess costs using existing rate schedules.
- *Street boulevard trees.* Street boulevard trees in new development areas are generally paid for with funds collected upon signing developers agreements. The cost of replacing, maintaining and caring for existing street boulevard trees is generally not assessed to property owners. The City, however, reserves the right to participate at any level in costs associated with street boulevard trees or to assess for costs allowable by the Statute or by using existing rate schedules.
- *Streetlights.* The entire cost of installing new or decorative streetlights will generally be assessed to benefiting property owners. Generally, replacement of standard streetlights will not be assessed. The City, however, reserves the right to participate at any level in the construction or replacement of streetlights or to assess costs using existing rate schedules.

- *Traffic control devices*, such as signs and signals, are generally included in the cost of street construction, reconstruction and rehabilitation, and are assessed accordingly. Traffic signals are generally assessed to adjacent properties based either on traffic generated from sites or to properties located on the legs of the intersection served by the traffic signal.
- *Dikes and flood control works*. Costs for these facilities are generally not assessed. The City, however, reserves the right to participate at any level in the acquisition, construction or replacement of these facilities or to assess costs using existing rate schedules.
- *Retaining walls and area walls*. Costs for these facilities are generally not assessed. The City, however, reserves the right to participate at any level in the acquisition, construction or replacement of these facilities or to assess costs using existing rate schedules.
- *Enhanced 911 markers*. Costs for these facilities are generally not assessed. The City, however, reserves the right to participate at any level in the acquisition, construction or replacement of these facilities or to assess costs using existing rate schedules.
- *Parks, open spaces, playgrounds and recreational facilities*. Costs for these facilities are generally not assessed. The City, however, reserves the right to participate at any level in the acquisition, construction or replacement of these facilities or to assess costs using existing rate schedules.

Miscellaneous Public Improvements

Pursuant to the Statute, the City intends to use special assessments, at their discretion, to finance all or portions of the cost of a wide variety of public improvements identified in the Statute.

The City intends to maximize the benefit of funding from outside sources. Benefiting properties of projects funded in part or whole by outside sources will generally be assessed in a manner equitable to benefiting properties for projects that do not receive funding from outside sources. Funding from outside sources will generally be used to reduce City costs for public improvements and will generally not benefit properties directly, except when authorized by the City Council.

Private Infrastructure

In cases where approved developments were constructed with private roadways and infrastructure, the entire cost of maintaining and improving the private infrastructure will be the responsibility of the development. The City has the right to make necessary repairs to water, sewer, storm water, and other necessary utilities at the cost of the private development. The City intends to provide reasonable notice to private developments when repairs to the water, sewer, storm water, or other utility systems are necessary, however, the City retains the right to make necessary repairs or suspend service in the case of emergencies. Restoration costs for roadways and other infrastructure disturbed while making necessary repairs to utility systems are the responsibility of the development.

Street Improvements

Pursuant to the Statute, the City intends to use special assessments, at their discretion, to finance all or portions of the cost of street improvements identified in the Statute. In all cases, the City reserves the right to combine components of street improvements into one or more calculation, assess for the entire cost of projects, participate at any level in the costs of construction, or to assess costs using existing rate schedules. Components of street improvements include, but are not limited to:

- *Curb and gutter.* Costs for curb and gutter are generally included in general street construction assessment calculations. The City may assess for curb and gutter separately, if it is determined to be necessary or desirable.
- *Driveways and approaches.* Typically, 65% of the cost for driveway reconstruction will be assessed to properties. Generally these assessments will be determined on a per unit basis if all driveways are, for the most part, the same size. Use of area calculations may be used if there are significant variations in the size of driveways. The City may assess all costs for replacing driveways having defective construction at the time of the improvement.
- *New construction of streets.* Generally, the entire cost of newly constructed streets, including all related components, appurtenances and restoration, will be assessed to benefiting properties.
- *Reconstruction and partial reconstruction of streets.* Generally, the cost of reconstructed or partially reconstructed streets, including all components, appurtenances and restoration, will be assessed to benefiting properties based on existing rate schedules.

- *Rehabilitation of streets.* Rehabilitation includes, but is not limited to reclamation, cold-in-place recycling, concrete pavement restoration, and mill and/or overlay. Generally, the cost of rehabilitation, including all components, appurtenances and restoration, will be assessed to benefiting properties based on existing rate schedules.
- *Maintenance of streets.* Maintenance includes, but is not limited to seal coat, crack seal and patching. Maintenance of streets will not generally be assessed to abutting property owners. The City, however, reserves the right to assess for assess for street maintenance costs in accordance with the Statute.
- *Roadway safety improvements and Turn Lanes.* Generally, the entire cost of roadway safety improvements attributable to identifiable properties, including all components appurtenances and restoration, will be assessed to benefiting properties.

Sanitary Sewer & Waterworks Improvements

Pursuant to the Statute, the City intends to use special assessments, at their discretion, to finance all or portions of the cost of sanitary sewer or waterworks improvements identified in the Statute. Generally, maintenance of sanitary sewer and waterworks are accounted for with utility funding. Significant improvements to the system, however, may require assessments to benefiting properties. In all cases, the City reserves the right to combine components of sanitary sewer and waterworks improvements into one or more calculation, assess for the entire cost of projects, participate at any level in the costs of improvements, or to assess costs using existing rate schedules. Components of sanitary sewer and waterworks improvements include, but are not limited to:

- *Sanitary Sewer Access Charge (SAC).* SAC charges identified on existing rate schedules are generally applied at the time building permits are applied for. The City, however, reserves the right to assess for SAC charges.
- *Water Access Charge (WAC).* WAC charges identified on existing rate schedules are generally applied at the time building permits are applied for. The City, however, reserves the right to assess for WAC charges.
- *Sanitary sewer and waterworks, including*
 - **Sanitary sewer or water trunk lines.** The City generally pays the costs to over-size trunk lines (over 8” diameter for low to mid-density residential areas or over 10” diameter for commercial/industrial/high-density residential areas). Remaining costs are generally assessed to benefiting properties. Costs for replacement of trunk improvements are generally included in monthly utility fees and are paid by the City. The City, however, reserves the right to assess for construction or reconstruction of trunk lines.

- **Sanitary sewer or water main.** Costs for new standard size mains are generally assessed to benefiting properties. Costs for replacement of mains are generally included in monthly utility fees and are paid by the City. The City, however, reserves the right to assess for mains.
- **Sanitary sewer or water service laterals.** Costs for new service laterals are generally assessed to benefiting properties. Costs generally include all related appurtenances and restoration, including any work done outside the right-of-way. Assessments will generally be made on a per unit basis or be assessed using existing rate schedules.

Storm Sewer Improvements

Pursuant to the Statute, the City intends to use financing from its Storm Water Utility, Drainage Districts, and special assessments to benefiting properties, at their discretion, to finance all or portions of the cost of storm sewer improvements identified in the Statute. Generally, maintenance of storm sewer works is accounted for with Storm Water Utility funding. Significant improvements to the system, however, may require assessments to benefiting properties. In all cases, the City reserves the right to combine components of storm sewer improvements into one or more calculation, assess for the entire cost of projects, participate at any level in the costs of improvements, or to assess costs using existing rate schedules. Components of storm sewer improvements include, but are not limited to:

- *Storm Sewer Access Charge.* At this time, the City does not have storm sewer access charges. The City, however, reserves the right to establish these charges and charge these costs at the time building permits are applied for using existing rate schedules or to assess these costs.
- *Storm sewer works, including*
 - **Storm sewer trunk lines.** Costs for construction of storm sewer trunk lines may be assessed to benefiting properties. Costs associated with regional ponds, trunk storm sewer outlets and lines, or other infrastructure constructed by the City to benefit the property being developed may also be assessed to benefiting properties. Assessments will generally be based upon utilization of those improvements and include all related components, appurtenances and restoration. Assessments will generally be made on a per unit basis or be assessed using existing rate schedules.
 - **Storm sewer main.** All costs for construction of storm sewer mains will generally be assessed to benefiting properties. Costs include all related components, appurtenances and restoration. Assessments will generally be made on a per unit basis or be assessed using existing rate schedules.

- **Storm sewer service laterals.** All costs for construction of storm sewer service laterals, including catch basins, storm sewer appurtenances, drainage tile, and sump pump connections, will generally be assessed to benefiting properties. Costs include all related components, appurtenances and restoration, including any work done outside the right-of-way. Assessments will generally be made on a per unit basis or be assessed using existing rate schedules.

Rights-of-Way and Easements related to Construction

Pursuant to the Statute, the City intends to use special assessments, at their discretion, to finance all or portions of the cost of the acquisition of rights-of-way and easements related to public improvements identified in the Statute.

Property owners who dedicate appropriate right-of-way or easements may be exempt from these assessments.

If specific right-of-way and/or easement on any specific parcel(s) is/are deemed necessary to the improvement, the costs of acquiring the right-of-way and/or easement, including the cost of dedication of right-of-way or easement by any specific property owner may be assessed as part of the project costs.

Rights-of-way and easements related to construction include but are not limited to:

- Rights-of-Way
- Construction easements
- Temporary easements
- Permanent easements, including
 - Drainage and utility easements
 - Other permanent easements
 - Property acquisitions necessary to the improvement project

Zoning Multiplier for Special Assessments

The City may, at their discretion, use existing land uses and/or land-use zoning to determine appropriate special assessments. The City may apply a multiplier to existing rates for land uses and/or land-use zoning, other than single or two-family residential. In general, the City intends to use the following existing land use categories and/or land-use zoning to determine special assessments:

- Single and Two-Family Residential
- Commercial, Industrial, Institutional and/or Multi-Family Residential
- Tax Exempt Properties
- City-owned Properties

Deferment of Special Assessments

Property owners may defer special assessments using provisions of the Statute and City Policy, including:

- *Statutory deferments.* Under separate policy, the City, at its discretion, will generally defer special assessments on homestead property for property owners meeting income guidelines who are either 65 years of age or older or are retired by virtue of a permanent, total disability. Special assessments will be levied, but payment of special assessments will generally be deferred until the death of the owner (if the spouse is not otherwise eligible), the sale, transfer or subdivision of the property, loss of homestead status of the property, or upon a determination by the City Council that immediate or partial payment of the special assessment would pose no hardship.
- *Unimproved and agricultural land.* See attached policy.
- *Tax-forfeited property.* See attached policy.

In all cases of deferment, interest builds on the principal amount. If the assessment is activated after a period of ten years, the principal plus interest is compared to the same principal amount adjusted by the cumulative Engineering News Record (ENR) Cost Index over the same period of time, or other selected index, and the lower of the two costs is selected for activation.

Assessment Methods

In order to implement special assessments, it must be determined that the property has received a benefit from the improvement, the assessment amount does not exceed the benefit received, and the assessment is uniform in relation to similar classes of property within the area assessed. The City intends to use special assessment rates, if applicable, or one of the other commonly used methods to determine costs to be specially assessed:

- *Special Assessment Rates:* The City Council may determine the value of various common components of public improvements and establish rates for special assessments. These rates shall be approved by resolution, be included in the City's rate schedule, and be reviewed and approved annually. The City reserves the right to assess using these rates, any other method described in this section, or combinations of them as may be necessary or desirable to meet the intent of the Statute.

- Front Footage & Adjusted Front Footage: Generally a measurement of the feet of frontage a lot has along an improvement project. The City may utilize adjusted front footage for lots that have irregular shapes. Generally, adjusted front footage is calculated by using the average of the front and rear lot lines, or by using the area of a lot divided by the average area of single and two-family lots. At the City's discretion, corner lots will generally be assessed for the short side of the lot, plus any footage on the long side over 132' in length. This credit only applies to improvements constructed on more than one side of a corner lot within a reasonable time period. The City reserves the right to assess all costs to a corner lot if it is determined that the lot receives additional benefit from an improvement to more than one side of the lot. The City reserves the right to develop an equitable adjusted front footage due to the large variance in the shape of lots and other conditions that may affect measurement of front footage.

- Per Unit (or Per Lot): Per unit or per lot assessments will apply equally to all parcels of land within an area. Under per unit/per lot assessments, parcels may be adjusted to residential lot equivalents by dividing the area of parcels by the average areas of single and two-family lots. Rates adjusted based on actual land use or land-use zoning may also apply. When lots in an affected area are generally of the same size and/or character, per unit/per lot assessments may be preferred.

- Area: When it is determined to calculate special assessments using this method, the actual area of parcels lying within the project area shall be used. The City will generally deduct the area of various geographical features, including: public rights-of-way and designated natural waterways, lakes, rivers and wetlands.

- Fixed Cost: Total project costs are divided by the total number of assessable units on a per lot or per unit basis, including assessable units based on the equivalent number of lots that could be created from any particular parcel.

Miscellaneous Considerations

Project Cost Determination. Total project costs are determined by adding the assessable costs and City costs. Assessable costs include that portion of public improvement costs that include engineering, constructing, restoring, financing and implementing the public improvement that are determined to be assessable by the City Council. City costs include that portion of public improvement costs that include engineering, constructing, restoring, financing and implementing the public improvement, other than those determined to be assessable by the City Council. Engineering, administration, financing and other project costs are assigned in accordance with the City's approved rate schedule.

Funding from sources outside the City. Use of Municipal State Aid funding and funding from other sources, including federal, state, local government or institutional grants will generally defray City costs and will not generally reduce the assessable cost, except in cases where the sum of funding sources exceeds the amount of City cost.

Project Expenses. Improvement project expenses will generally be added to all construction costs to establish total project costs. Expenses generally include an applied standard rate identified in the City's rate schedule of construction costs for engineering, project administration, fiscal, legal, and other expenses. Additional expenses may be added, including land acquisition, landscaping and other costs directly relating to construction of the improvement. The City reserves the right to adjust the rate if conditions on improvement projects warrant variation from standard rates.

Property Appraisals. Under special circumstances, the City may, at its discretion, call for property appraisals to determine appropriate special assessments. This method will generally not be used in the interest of timeliness and cost-effectiveness. This policy does not grant individual property owners the right to request property appraisals at the City's expense, nor does it guarantee that the City Council will use property appraisals in any circumstance to determine special assessments.

Special Assessments on properties abutting roadways that are not owned by the City. To maximize funding from outside sources, properties abutting roadways and rights-of-way funded by sources other than the City will generally be assessed for any costs incurred to facilitate the improvement in a manner equitable to properties that would abut City-owned roadways and rights-of-way and/or for improvements not receiving funding from any outside source.

Prepayment of Assessments. Property owners may prepay assessments, in accordance with the Statute. The City Council may, at its discretion, authorize partial prepayments of special assessments before assessments are certified to the County Auditor.

Extensions of Assessments. While no extensions will generally be granted, the City may, at its discretion, may provide extensions of special assessments on a case-by-case basis.

Calculation of Assessment Rolls. Generally, assessment rolls will generally run for 10 years with equal principal payments. For projects with assessments of less than \$3,000 principal, the City reserves the right to shorten the payment period. Interest rates will generally be calculated at 1% over the true interest cost of the bond issued to finance the improvement, rounded up to the nearest hundredth of a percent.

Re-Assessment

Recognizing that various public improvements are perceived to have various life expectancies, the City has, at its discretion, adopted limitations on special assessments for an individual property or groups of properties based on the length of time that has expired since the last time the individual property or groups of properties has been specially assessed for a similar project.

In general, the City will use service life expectancies for public improvements unless they are otherwise stated in the resolution ordering the improvement and preparation of plans. For projects of a similar nature, special assessments may be adjusted by multiplying the assessable cost for a property by the period of time that has expired since the last special assessment was made, divided by the improvement project's expected service life.

Service lives for common projects include:

- | | |
|--|----------|
| ▪ Street construction and reconstruction: | 20 years |
| ▪ Water mains, sanitary sewer, and storm sewer construction: | 30 years |
| ▪ Sidewalks and street rehabilitation: | 10 years |

Current Services Charges.

Pursuant to the Statute and City Code, the City intends to use special assessments, at their discretion, to recover unpaid current services charges identified in the Statute, which include but are not limited to:

- Sidewalk snow and ice removal charges
- Weed elimination from streets and private property
- Elimination of public health hazards from private property
- Installation or repair of water service lines
- Street sprinkling and dust treatment
- Trimming and care of trees, and removal of unsound trees
- Repair of sidewalks and alleys
- Operation of streetlight systems
- Operation and maintenance of fire protections systems
- Abatement of nuisances
- Removal of obstructions from sightlines at intersections
- Sump pump recertification
- Delinquent utility bills

Alternatives to Special Assessments

Pursuant to the Statute, the City may initiate alternative methods of financing certain public improvements identified in the Statute, which may include:

- Special Service Districts
- Housing Improvement Areas
- Storm Sewer Improvement Districts
- Sidewalk Improvement Districts

Summary

The purpose of this Special Assessment Policy is to establish as fair and equitable manner of recovering and distributing the cost of public improvements as is practicable.

Disclaimer

The City maintains the right to vary from this policy without notice at any time and for any reason determined to be in the best interest of principals set forth in the Statute and the Guide

Special Assessments on Tax Delinquent/Tax Forfeited Property

This policy is intended to address issues surrounding special assessments on property where taxes are currently delinquent or on property that has been forfeited for failure to pay taxes. This policy is intended to be a guide for the benefit of the City Council, who will decide all questions regarding special assessments on these properties on a case-by-case basis. The City Council retains the right to deviate from this policy where necessary or beneficial to the City.

- The City has made significant improvements in the City and has assessed some or all of the costs of these improvements to benefiting properties.
- In some cases, the specially assessed cost of these improvements has not been recovered because the property owner has failed to pay real estate tax obligations and interest has continued to accumulate on the delinquent balances owed for special assessments.
- While it would be in the public interest to promote the return of tax delinquent and tax forfeited property to the tax rolls, any such return must be weighed against the cost of the improvements.
- The City Council has determined that a written policy would be helpful for guidance in reaching appropriate decisions on a case-by-case basis. The City Council will decide whether delinquent assessments are reinstated, reduced, or in some manner adjusted to facilitate the return of the property to the tax rolls.

Based on the findings above, the City Council adopts the following policy related to special assessments on tax delinquent and tax forfeited property.

- Special assessments on a tax delinquent or tax forfeited property will be reinstated when transactions occur related to the tax delinquent or tax forfeited property.
- The City Council may, at their discretion, abate or adjust special assessments on properties that are tax delinquent and tax forfeited property according to the following terms and conditions:
 - The original principal amount of the special assessment will be reinstated. Accrued interest may be adjusted by the cumulative Engineering News Record (ENR) Cost Index over the same period of time, or other selected index, with the lesser of the two costs selected for reinstatement.
 - The principal balance and calculated accrued interest so determined will bear an interest rate of 7% and be payable in equal installments over a 5-year period.
 - A written agreement will be entered into by all parties having interest in the property. The agreement will recite that the City is entitled to collect the special assessments, as provided by law or by foreclosure action, at the sole option of the City.
- Proposed land use of the property will be a factor in whether the City Council abates or adjusts special assessments, but any development of the property or change in use contemplated or agreed to by all parties must be completed within one year of the City Council's decision to abate or adjust special assessments.

Deferral of Special Assessments on Undeveloped Property

Deferral of all or portions of special assessments on undeveloped property is allowed by City policy and State Statute.

In all cases of deferral, interest builds on the principal amount, but no payment of special assessments is due until assessments are activated. When special assessments are activated during the period when the bond for the improvements is active, there will generally be no adjustment to the special assessment. When the bond for the improvement is no longer active, the City may, at its discretion, adjust accrued interest by cumulative Engineering News Record (ENR) Cost Index over the same period of time, or other selected index, with the lesser of the two costs selected for reinstatement.

- *Agricultural land:* Special assessments may be deferred until the land is developed or otherwise utilized for non-agricultural uses.
- *Land outside City limits:* Special assessments may be deferred until the land is annexed and/or developed.
- *Newly annexed platted land:* Special assessments may be deferred, including:
 - **Lots with certified septic systems:** Special assessments, for water and sewer system improvements only, may be deferred. Documentation that the septic system is certified must be provided to the City within 30 days of the Assessment Hearing. Lots must also comply with existing zoning ordinances and all other applicable state and federal laws. Water and sewer services must be installed and assessed at the same time. Assessments will be deferred until a structure is built, the lot is sold, subdivided, improved, until the septic system can no longer be certified, or for a maximum of ten years, whichever occurs first.
 - **Lots with working wells:** Special assessments may be deferred until the water system is utilized, or for a maximum of ten years. Water and sewer services must be installed and assessed at the same time. Assessments will be deferred until a structure is built, the lot is sold, subdivided, improved, until the well no longer functions, the septic system can no longer be certified, or for a maximum of ten years, whichever occurs first.
 - **Lots with less than 250' of defined frontage:** The City Council may, at its discretion, adjust the minimum lot width or otherwise defer a portion of the assessment for a maximum of ten years.
 - **Lots with 250' or more of defined frontage:** The City Council may, at its discretion, defer special assessments on that portion of platted lots with frontage of 250' or more that is determined to be a separate lot that may be developed. Assessments will be deferred on that portion of the lot determined to be a separate lot until the lot is sold, subdivided, or for a maximum of ten years. The City Council may, at its discretion, may adjust the minimum lot width or otherwise defer a portion of the assessment for a maximum of ten years.

Sidewalks/Trails/Walkways Policy

Overview

This City of Hutchinson promotes the installation and use of sidewalks, trails and walkways within the City as part of an effort to be a “Bicycle and Pedestrian Friendly” community. It is the intention of this effort to make it possible and safe for people using the option of walking or bicycling, either for transportation or recreation, to travel safely throughout the City and access schools, recreational facilities, businesses and other points of interest.

Construction, Repair and Maintenance Policies

According to City Code, Chapter 7, it is the adjacent property owner’s responsibility to construct, maintain and repair sidewalks adjacent to their properties. The City of Hutchinson has developed this policy in an effort toward consistent quality, and to provide for periodic review and maintenance of the City’s sidewalk network. Under this policy, the City provides services, at its discretion, that may exceed those required by the City Code. This policy and any related action by the City Council or staff are not intended to reduce the responsibility of the adjacent property owner. The City reserves the right to enforce the requirements of the City Code. The City also reserves the right to deviate from this policy at any time and for any reason determined to be in the best interest of the City.

Throughout this document, the term ‘sidewalk’ includes sidewalks, trails, walkways and related appurtenances.

1. Priority Criteria: The City will make provisions for sidewalks on or adjacent to public roadways and in public rights-of-way in a systematic manner. Priority is given to routes meeting the following criteria:
 - a) Routes connecting to the Luce Line Trail and major destinations (for example; major employers, downtown business district, business centers, schools, recreational facilities, and other commonly used public facilities).
 - b) Major commercial areas where foot traffic is essential.
 - c) Along major roadways with traffic volumes exceeding 1,000 vehicles per day.
 - d) Other areas indicated by the City.
2. Periodic, On-going Inspections: Inspections of sidewalk conditions are conducted in order to identify and initiate repair and maintenance projects. Inspections can be initiated upon receipt of information from outside sources or be scheduled inspections using City staff. The general policy for prioritizing repair and maintenance projects is as follows:
 - a) Vertical deflections of over ¾” identified during inspections have the highest priority for repairs. Insofar as is practical, considering budget and time constraints, the City shall have these identified locations repaired during the next repair project.
 - b) Vertical deflections of between ½” and ¾” identified during periodic inspections are reviewed for inclusion in future repair projects. Locations with these vertical deflections that are not included in the next repair project will be considered for future projects and/or be included in the interim repair procedure.

- c) Vertical deflections of less than ½” will not generally be included in inspection reports unless the inspector determines that the location has a high potential for exceeding these criteria in the near future.
 - d) Horizontal deflections, pitting and cracking will be analyzed on a case-by-case basis.
 - e) Interim repair procedures, such as grinding, bituminous patching, etc., may be utilized in any situation to improve the safety of the sidewalk before being repaired. These interim repairs are prioritized based on Section 1 criteria and available resources, including staff time, technical ability, funding, etc.
3. Sidewalk Removal: Sidewalks in disrepair that do not connect to other significant sidewalks, and are not on routes identified by the City, may be removed and the right-of-way restored to turf.
4. Installation/Significant Repair Cost: The costs of sidewalk installations and significant repairs within rights-of-way will generally be assigned in the following manner:
- a) The new construction of sidewalks on routes identified and approved by the City and listed in the Capital Improvement Plan will generally be completed at the City’s cost, although the City reserves the right to have the costs assessed to adjacent property owners.
 - b) The entire cost of sidewalk installation, adjacent to properties requesting them, or required by ordinance or agreement to have them, is generally assessed to adjacent property owners. Assessments may be based on adjusted front footage, or in a manner prescribed by the City Council, or by a subdivision agreement.
 - c) The cost of significant repairs or reconstruction is generally the adjacent property owner’s responsibility. Significant repairs and reconstruction are generally assessed to adjacent property owners. Assessments are based on adjusted front footage, or in a manner otherwise prescribed by the City Council, or by a subdivision agreement. The City may agree, at its discretion, to pay for any portion of the repair or reconstruction cost.
5. Removal, Maintenance and Minor Repair Cost: The costs of sidewalk removal, maintenance, and minor repairs within rights-of-way will generally be paid for in the following manner:
- a) Maintenance and minor repairs, in general, will be completed at the cost of the City, although the adjacent property owner remains primarily responsible for this work. Maintenance and minor repairs include the intermittent replacement or repair of single panels or other improvements in which the cost of assessing is determined to be too high. This work is done at the discretion of the City, which maintains the right to assess for repairs.
 - b) Maintenance and minor repairs done for safety reasons, which exceed 33% of the sidewalk frontage area of an adjacent property, may be billed to the property owner upon completion of the repair. Unpaid bills will be assessed to the property owner.
 - c) Adjacent property owners may coordinate replacement of driveway panels or access ways adjacent to the maintenance project. Replacements of driveway panels or access ways will be billed to property owners and unpaid bills will be assessed to the property owner.
 - d) The cost of removing sidewalk, rough grading the area, and providing topsoil and seed is generally an expense of the City. The cost of completing the restoration in disturbed areas, including turf, is generally the property owner’s.

- e) If the City determines that the activities of or negligence of adjacent property owners damaged sidewalks, property owners may complete repairs meeting City specifications at their own expense, if they are inspected and approved by City staff. Otherwise, the entire cost of restoring the sidewalk will be billed to the adjacent property owner. Any unpaid bills will be assessed to the property owner.
- 6. Snow Removal: It is the responsibility of the adjacent property owner, using due diligence, to keep sidewalks clear for pedestrian travel. There are certain sidewalks, identified by the City, which may receive some snow removal services from City staff and equipment. These services are provided at the City's discretion and do not relieve property owners of their responsibilities. Snow remaining on sidewalks 24 hours after the snow has stopped falling is a public nuisance. Property owners will be notified that their property is in violation. Beginning 12 hours after notification, City crews may clean sidewalks and bill adjacent property owners for that service. Unpaid bills will be certified to the following year's property taxes.
- 7. Adjacent Property Owner Obligation: It is the responsibility of the adjacent property owner to notify the Public Works department when a sidewalk that is potentially in need of repair is observed. As noted in Section 7.31 of the City Code, "It is the primary responsibility of the owner of property upon which there is abutting sidewalk to keep and maintain such sidewalk in safe and serviceable condition."

Description of typical residential street improvement projects:

See City rate/fee schedule for costs for typical residential utility improvement projects.

Total Street Reconstruction:

Total street reconstruction generally includes reconstructing all base, sub-grade, paving, curb & gutter, and storm drainage improvements, including installation of sump water services. Additional assessments will generally be made for new utility services (sanitary sewer, storm sewer, or water) installed to serve properties.

Partial Street Reconstruction:

Partial street reconstruction generally includes limited improvements to base and sub-grade. Partial reconstructions typically include paving, curb & gutter, and storm drainage improvements, including installation of sump water services. Additional assessments will be made for required utility services (sanitary sewer, storm sewer, or water) installed to serve properties. Installations of utility services are generally not included in partial street reconstructions, except for limited areas (generally no more than 25%) requiring those installations.

Street Rehabilitation:

Street rehabilitation generally includes full-depth reclamation, limited improvements to base and sub-grade, paving, limited replacement of sidewalk and curb & gutter (generally no more than 25%), and storm drainage improvements, including installation of sump water services. Typically in street rehabilitation projects, sanitary sewer and water services are left in place. In some cases, utility services will be installed to serve properties. In cases where utility services are installed, additional assessments will be made for those services.

Mill/Overlay:

Mill/overlay projects generally include milling off a portion of the bituminous surface and repaving. Manholes, valves and other structures at the surface may be repaired and adjusted to meet the new surface. In some cases, minor repairs will be made to base, sub-grade, sidewalk, and curb & gutter (generally to more than 10%) in specific areas prior to repaving. Generally mill/overlay projects have no installation of utility services, but minor repairs may be made to utility infrastructure and are generally not assessed.

These descriptions are based on typical improvement procedures and construction methods used on typical residential applications. Applicable rates for these improvements are identified in the City's rate schedule and may be modified at any time if additional or unique construction methods or improvement procedures are deemed necessary for specific improvements.

Description of typical residential utility improvement projects:

See City rate/fee schedule for costs for typical residential utility improvement projects.

Water services – Existing

Replace existing water service from main to property line during construction or reconstruction project.

Sewer services – Existing

Replace existing sewer service from main to property line during construction or reconstruction project.

Water services – New Tap

Install a new service by tapping into an existing PVC water main and extending the service to the property line. Assessments shall include additional costs for restoration of street surface, if required. There may be additions to this rate, if other types of water main are tapped.

Sewer services – New Tap

Install a new service by tapping an existing PVC sewer main and extending the service to the property line. Assessments shall include additional costs for restoration of street surface, if required. There may be additions to this rate, if other types of sewer main are tapped.

These descriptions are based on typical improvement procedures and construction methods used on typical residential applications. Applicable rates for these improvements are identified in the City's rate schedule and may be modified at any time if additional or unique construction methods or improvement procedures are deemed necessary for specific improvements.