

ASSESSMENT POLICY

April, 2006

Submitted to

CITY COUNCIL OF
ALBERT LEA, MINNESOTA

As prepared by

The Engineering Department

As adopted by the

CITY COUNCIL

LETTER OF TRANSMITTAL

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Honorable Mayor & City Council
City of Albert Lea
Freeborn County, Minnesota

The following is a manual of existing and suggested assessment procedures. The procedures suggested for 2006 updates our existing policy to reflect changes since our current policy was adopted. Some modifications have been made to simplify assessment computations and improve service.

This manual is therefore submitted to you for your consideration.

Respectfully submitted,

Steven Jahnke
City Engineer and
Director of Public Works

INTRODUCTION

The special assessment is a device employed primarily by municipal governments as a means to finance specific improvements desired by a neighborhood or area. The use of the special assessment dates back to colonial times and during the past two decades, the use of special assessments has grown to a point where they comprise an essential and considerable portion of municipal finance.

It is important to recognize that although special assessments are billed to the property owner along with real estate taxes, there is a distinct difference between taxes and special assessments. Real estate taxes are a function of the real estate as determined by the municipal assessor, while special assessments are a direct function of the enhancement of value or the benefit which a specific improvement gives the property.

Once initiated by petition of property owners and thereafter determined that certain facilities are necessary and desirable, the general success and acceptance of the special assessment as a means of financing the facilities is dependent upon equitable and consistent methods of levying costs of specific improvements. State Statutes and the courts have extended wide latitudes of authority to municipal councils for determining assessment methods and policies. It is therefore possible that assessment methods and policies may vary from one municipality to another and the resulting lack of uniform methods and policies on a statewide or at least area wide basis tends to create confusion among citizens.

In view of the foregoing, it has been deemed desirable to set forth the general assessment methods and policies practiced in the City of Albert Lea. It is emphasized that the following summarization is general in nature, and that certain circumstances may justify deviations from stated policy, as determined by City Council.

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SECTION I

DEFINITIONS

- A. Sanitary Trunk Sewer: a large diameter, deep sewer pipe, pumping station, meter station and appurtenances. The sanitary trunk sewer is designed to serve as a collector for the lateral sewers.
- B. Sanitary Lateral Sewer: a smaller diameter pipe extending off from a trunk sewer. A sanitary lateral sewer is designed to serve individual building sites along a given street.
- C. Watermain Feeder: a large diameter pipe designed to deliver high volumes of water to a system of smaller watermains; including all appurtenances necessary for its operation.
- D. Watermain Branch: a smaller diameter pressure pipe designed to deliver municipal water to building sites within the community.
- E. Storm Trunk Sewer: a relatively large diameter, 18" or larger, deep storm water collector. The storm trunk sewer is designed to serve a collector for large drainage areas or districts.
- F. Storm Lateral Sewer: a smaller diameter pipe extending off from a respective storm trunk sewer. A storm lateral sewer is designed to serve a relatively small drainage area.
- G. Permanent Street Improvement: upgrading of a street by placing bituminous or concrete surfaces on a recommended base and including curb and gutter.
- H. Building Site: an area of land on which a building exists or an area of land not less than the square feet required by the City Building Code, on which a building could be constructed.
- I. Frontage Road: a local road or street auxiliary to and located on the side of an arterial highway for service to abutting property and adjacent areas and for control of access.
- J. Front Footage: the shortest dimension of existing or potential sites abutting the streets.
- K. Side Footage: the longest dimension of existing or potential corner building sites abutting the street.

SECTION II

STANDARD PROCEDURE

A. Initiation of petition and the administration of required forms for Council action.

1. By Petition: Petitions for improvement can be obtained at City Hall. Such petitions circulated by the effected owners require 35% of the property, figured on frontage of the real property abutting on the improvement, or in the case of storm sewer, sanitary sewer, and watermain, by 35% of the area intended to be served by the improvement.

Petitions will be received until the 15th day of September, except under special consideration by the Council, for construction the following year. Any petitions received after the 15th day of September will be considered on the basis of the availability of personnel to do the necessary surveying, design and preparation of the necessary contract documents. All petitions not given special consideration will be acted upon for construction the following year.

2. By Council Action: If the Council determines that an improvement is in the best interest of the City, it can without petition, order in such an improvement.
3. 100% Signed Petition: When a petition is signed by 100% of the property owners and 100% paid by the petitioners affected by an improvement, the Council may order the improvement in without holding an improvement hearing. This will be accomplished by a special resolution.
4. Public Hearing (Improvement/Proposed Assessment): After a petition is filed and its adequacy determined, a report by the City Engineer as to the feasibility of the improvement is made, a Public Hearing will be held at a regular council meeting and all persons interested will have an opportunity to be heard and their views expressed.

After the hearing and after all interested persons are heard and the improvement is accepted, the council will authorize the preparation of all necessary plans, specifications, and advertise for bids.

5. Public Hearing (Adopting Assessment): After the improvement is completed, or nearing completion, the effected property owners will be mailed a Notice of Hearing stating the time and date the assessment hearing will be held. The assessment prepared by the City Clerk will be read aloud and all interested persons shall have an opportunity to be heard regarding the assessment.

All adjustments to the assessment roll can be made by contacting the City Clerk prior to the hearing or by the council at the time the hearing is being held.

After the Assessment Roll is adopted by the Council, the property owners have a 30 day period in which to pay their assessment in part or in full at City Hall, interest free. After this period, the assessment begins to accumulate interest. The assessment roll is certified at the Freeborn County Government Center where it is added to the tax roll for the following year.

6. Terms of Payment: The term and interest rate of assessments shall be set by the City Council. The interest rate will be approximately 1-2% above the last bond issuance.

The terms of the assessment are as follows:

Residential

Average Amount

< \$2,000.00

\$2,000 - \$10,000

> \$10,000

Term

5 years

10 years

15 years

Commercial

Commercial terms will be set in the Developers Agreement

SECTION III

LIFE EXPECTANCY OF IMPROVEMENTS

A. New Improvements

Public improvements shall be judged to have a normal usable life expectancy. For the purpose of this policy statement, the life expectancy will be as follows. This life expectancy is predicted upon the principles as set forth.

1. Surface Improvements

- a. Grading and base construction – Will have same life expectancy as the surfacing
- b. Concrete curb and gutter – 50 years
- c. Bituminous street overlay – The City does not guarantee bituminous overlays, however they are expected to extend the pavement life by 15 years or more.
- d. Bituminous street surfacing – 20 years
- e. Portland cement concrete street – 35 years
- f. Concrete sidewalks – 50 years
- g. Bituminous trails – 20 years
- h. Alleys – Same as streets
- i. Road surface treatment for dust control – 1 year

An application of oil, chloride, or chip seal to the surface of the roadway. (Note: This is for one application only not including blading, compaction, or reworking the surface which, if done, will be an addition to the unit cost for surface treatment).

2. Subsurface Improvements

- a. Water Mains – 75 years
- b. Sanitary Sewers – 75 years
- c. Storm Sewers – 40 years

3. Street, Curb, Gutter and Sidewalk Guarantees

When street, curb and gutter, or sidewalk improvements are installed and assessed to benefiting property owners, the City guarantees the life of asphalt paving for fifteen (15) years, concrete paving for twenty-five (25) years, and concrete curb and gutter for twenty-five (25) years. The City will follow a schedule for participation in repairs to street, curb, gutter and sidewalk as follows:

Bituminous Street:

- | | |
|-----------------------------|---------------------------------|
| Less than 15 years old | - 100% City Cost |
| Between 15 and 20 years old | - 50% City Cost, 50% Assessment |
| 20 years or older | - 100% Assessable |

Concrete Streets:

- | | |
|-----------------------------|---------------------------------|
| Less than 25 years old | - 100% City Cost |
| Between 25 and 35 years old | - 50% City Cost, 50% Assessment |
| 35 years or older | - 100% Assessable |

Curb and Gutter:

- Less than 25 years old - 100% City Cost
- Between 25 and 35 years old - 75% City Cost, 25% Assessment
- Between 35 and 50 years old - 50% City Cost, 50% Assessment
- 50 years or older - 100% Assessable

Sidewalks:

- Less than 25 years old - 100% City Cost
- Between 25 years and 50 years old - 50% City Cost, 50% Assessment
- 50 years or older - 100% Assessable

B. Existing Improvements

When any existing improvement is ordered to be renewed or replaced, the assessments to be levied therefore will be based on the guarantees shown above.

In order to warrant the project for that period of life expectancy as previously set forth, the City must have certain controls over the quality of material and workmanship, as well as design standards. All projects shall meet the minimum criteria and standards as established by the City of Albert Lea.

SECTION IV

GENERAL ASSESSMENT STANDARDS

A. Project Cost

The “project cost” of an improvement shall be deemed to include the costs of all necessary construction work required to accomplish the improvement, plus engineering, legal, administrative, financing and contingent costs.

B. Deferred Benefit Costs

The City Council may defer any assessment against unimproved benefited property to 1) a specific year 2) until the platting of the property, or 3) construction of improvements as established by the Council by resolution. When the deferral period is over, the assessment is to be paid in equal installments over the remaining term of debt service payments if there was a bond issued or over the same period of time as the original assessment would have been paid if there was no bonding. Under no circumstance can the deferral or repayment extend more than thirty years after the assessment was levied. When assessments are deferred, interest shall be due annually at the rate established by the City Council unless the Council by resolution defers such interest with the principal at which time it shall be added to the principal. The Council may also, by resolution, forgive interest during the period of deferment. All deferments and their terms and conditions must be established at the date of the adoption of the assessment roll. Assessments on benefited property may also be deferred pursuant to MSA. 273,111 Sub, 11. (the Green Acres Law) (Include 273.111).

1. *Water, Sanitary Sewer, or Storm Sewer Outside of Municipal Boundaries (429.051)*

When property benefited by an assessment project for water, sanitary sewer, or storm sewer only is located outside the corporate limits, owners shall be included in the notice of preliminary hearing. They should be included on the assessment roll as “Held for Future Assessment.” Upon annexation, such property shall be assessed pursuant to MSA 429.

2. *Street or Road Improvements Outside Municipal Boundaries (429.052)*

A municipality may construct street or road improvements outside its jurisdiction with the consent of the affected township, or if the property is located in unorganized territory, the county. When property is brought within the corporate limits of the municipality, the municipality may subsequently reimburse itself for all or any portion of the cost of the improvement for which municipal funds have been expended, by levying an assessment upon any property abutting on, but not previously assessed for, the improvement. No assessment may be so levied unless the property to be assessed was given notice and hearing of the improvements under Section [429.031](#) at the time the improvement was ordered.

C. City Share

Where the project costs of an improvement are not entirely attributable to the need for service to the area served by said improvement; or where unusual conditions beyond the control of the owners of the property in the area served by the improvement would result in an inequitable

distribution of “special assessments”, the City, through the use of other funds, may pay such “City share” which, in the opinion of the City Council, represents the excess cost not directly attributable to the area served.

D. Sidewalks

Sidewalks are a direct benefit to the adjacent property owners. The cost of sidewalk construction will be assessed 100% to the property owners.

E. Driveway Pavement

The City Council has declared that driveway pavement is of benefit only to the effected property and as such, costs of driveway construction will be borne by the benefiting property.

F. Dust Control (by petition)

Dust Oil: The City Council has determined that dust control is a temporary measure to alleviate the problem of dust on unsurfaced streets prior to construction of permanent surfacing. It has further been determined that this operation should be discouraged and that the maximum application during one year shall be set at three.

Where the City approves a request for road surface treatment, the cost shall be billed against the abutting property in proportion to the footage along the property line. After two oil applications and before a third will be approved, a sufficient petition for permanent street construction must be submitted to the City Council or the permanent street construction must have been ordered in by the City Council.

Street Oiling: Where the City Engineer recommends or approves a request for Road Surface Treatment, the cost shall be assessed against the abutting property in proportion to the footage along the property line. The rate of assessment will be based off of the current cost to conduct the work. After two oil applications and before a third will be approved, a sufficient petition for permanent street construction must be submitted to the City Council or the permanent street construction must have been ordered in by the City Council.

In no case shall dust control projects cover less than one block.

G. Private Developers Project

The entire cost of the project shall be assessed against the properties served with the exception that in a residential area, the City share shall be the increased cost for constructing a street to arterial or collector standards, or of oversizing of utilities as required by the City in all developments.

H. Government Owned Properties

City and Government properties will be regarded the same as privately owned property when computing assessments. The City’s cost will be included in the City’s share of the improvement, and all other government properties will be billed by resolution passed by the City Council.

I. Frontage Roads

Because frontage roads along highways or other arterial streets are deemed to be of benefit only to properties served, the entire cost of any such improvement shall be 100% assessable to the benefited properties.

J. Senior Citizens Assistance

Payment of Assessments for Senior Citizens: The Council may have the City make the payment of any assessment on homestead property owned by a person who is 65 years of age or older and has an annual income at or below a level to be determined by the City Council. The payment will be made upon the owner filing an affidavit on a form prescribed by and obtained from the City Clerk to establish the qualification of the owner for such deferment. The application will be made within 30 days after the adoption of the assessment roll by the Council. The Council will either grant or deny the application within 30 days after its receipt.

If the Council grants the application, the City Clerk will cause to have filed a lien against the property with the County Recorder. The lien plus interest, an amount to be set by the City Council, will become due upon the occurrence of any of the following events:

- a. The death of the owner (if the spouse is not otherwise eligible for the deferment).
- b. The sale, transfer, or subdivision of all or any part of the property.
- c. Loss of homestead status on the property.
- d. Determination by the council that requiring immediate or partial payment would impose no hardship.

K. State Aid Funds and State Aid Roadways

State Aid Roadways will be assessed in the same manner as non-State Aid Roadways. The City Council has determined that sidewalks are a necessary and essential component of the City and as such, has determined that sidewalk will be installed along all State Aid Roadways.

A municipality may construct street or road improvements outside its jurisdiction with the consent of the affected township, or if the property is located in unorganized territory, the county. When property is brought within the corporate limits of the municipality, the municipality may subsequently reimburse itself for all or any portion of the cost of the improvement for which municipal funds have been expended, by levying an assessment upon any property abutting on, but not previously assessed for, the improvement. No assessment may be so levied unless the property to be assessed was given notice and hearing of the improvements under Section [429.031](#) at the time the improvement was ordered, and subsequently in accordance with the notice, hearing, and appeal rights, provided for under Sections [429.061](#) and [429.081](#).

SECTION V

METHOD OF DETERMINING ASSESSMENTS

Commercial/Industrial Developments and Areas

A. Commercial/Industrial Developments and Areas

a. New Developments

i. Sanitary Sewers

The development will be assessed the total “project costs” to service the development with sanitary sewer minus any City costs which are determined. The “project costs” will include the sewerage within the development and will include the cost to extend the sanitary sewer from its current terminus to the new development.

The required capacity of the sewer system will be calculated for both the proposed development and the ultimate serviceable area. The City will pay for the cost difference between the pipe size and depth which is needed to service the proposed development and that of the ultimate serviceable area. In no case shall the development be charged for less than a pipe size of eight (8) inches.

The “assessable costs” are then calculated as “project costs” minus “City costs”. The “assessable costs” are then divided by the total square feet of the serviceable area for the development. The lots are then assessed based on their serviceable area.

ii. Sanitary Sewer System Development Fee

In addition to this “assessable costs,” new developments will also be charged an additional amount based on a per acre assessment for Sanitary Sewer System Development.

The purpose of the Sanitary Sewer System Development Fee is to:

- ensure that the City obtains sufficient funds to pay the cost of construction of sanitary sewer lift stations and sanitary sewer lines from the owners of property served;
- to reimburse the City for the cost of making and supervising any connection by the property served by said facilities;
- and to equitably apportion the cost of construction of said facilities among all landowners served.

This fee will be paid as part of the Developers Agreement for the area currently being developed. If no Developers Agreement is prepared for the development the Sanitary Sewer System Development Fee will be paid at the time a building permit is taken out.

Sanitary Sewer System Development Fee calculations will be for the entire lot area to be developed excluding wetlands, roadways, drainage ways, and unbuildable land. The City Council will set this fee and update it from time to time to reflect the true cost to the City.

iii. Watermains

The development will be assessed the total “project costs” to service the development with watermain including valves, boxes, manholes, fire hydrants, fittings, etc. minus any City costs which are determined.

The “project costs” will include the cost of the watermain within the development and include the cost to extend the watermain from its current terminus to the new development.

The required capacity of the watermain system will be calculated for both the proposed development and the ultimate serviceable area. The City will pay for the cost difference between the pipe, valve, and fitting size which is needed to service the proposed development and that of the ultimate serviceable area. In no case shall the development be charged for less than a pipe, valve, and fitting size of eight (8) inches.

The “assessable costs” are then calculated as “project costs” minus “City costs”. The “assessable costs” are then divided by the total square feet of the serviceable area for the development. The lots are then assessed based on their serviceable area.

iv. Watermain System Development Fee

In addition to this “assessable costs,” new developments will also be charged an additional amount based on a per acre assessment for watermain distribution system benefit to the area.

The purpose of the Watermain System Development Fee is to:

- ensure that the City obtains sufficient funds to pay the cost of construction of water storage facilities and watermains from the owners of property served;
- to reimburse the City for the cost of making and supervising any connection by the property served by said facilities;
- and to equitably apportion the cost of construction of said facilities among all landowners served.

This fee will be paid as part of the Developers Agreement for the area currently being developed. If no Developers Agreement is prepared for the development the Watermain System Development Fee will be paid at the time a building permit is taken out.

Water System Development Fee calculations will be for the entire lot area to be developed excluding wetlands, roadways, drainage ways and unbuildable land. The City Council will set this assessment rate and update it from time to time to reflect the true cost to the City.

v. Storm Sewers

The development will be assessed the total “project costs” to service the development with storm sewer including piping, manholes, catch basins, ponds, lift stations, etc. minus any City costs which are determined. The “project costs” will include the storm sewer within the development and may include the cost to extend the storm sewer from its current terminus to the new development.

The required capacity of the storm sewer system will be calculated for both the proposed development and the ultimate serviceable area. The City will pay for the cost difference between the pipe and pond size which is needed to service the proposed development and that of the ultimate serviceable area. If over sizing is required to service the ultimate serviceable area, the development will be charged for up to a pipe size of eighteen (18) inches for mainline storm sewer and up to fifteen (15) inches for catch basin leads.

The “assessable costs” are then calculated as “project costs” minus “City costs”. The “assessable costs” are then divided by the total square feet of the serviceable area for the development. The lots are then assessed based on their serviceable area.

Lots not graded so as to drain to the street are a private and not public expense in draining. The City will not pay the cost of pumping storm water from low or marginal areas so they may be developed. The City at its option may refuse to install storm drains or inlets except with the installation of curb and gutter if it is determined that such storm sewer installations would require additional storm sewer cleaning costs to the City.

Storm Water Ponds must be installed as required according to applicable standards. These standards include the Shell Rock River Watershed Rules and Minnesota Pollution Control Agency Standards.

vi. Lift Stations

Sanitary Lift Stations, if required, will be assessed to the benefit area. When establishing the size of the benefit area for a proposed lift station, the City will base the assessment on the “practical benefit area” to be benefited by the improvement. In calculating the assessment for lift stations and forcemains, the cost will be spread over the “practical benefit area” regardless of the size of the area that may theoretically be served by the improvement.

The City Council may refer proposed projects to the City Planning Commission for review and recommendation for development area boundaries. In reviewing such service boundaries, the Commission will identify the “theoretical benefit area,” the usable benefit area,” and the “practical benefit area.” The “theoretical benefit area” is the area of land that the proposed improvements could serve if used to their maximum capacity. The “useable benefit area” is the “theoretical benefit area” less those areas identified as wetlands, open space, roadways, drainage ways, and unbuildable land. The “practical benefit area” is that area within the “usable benefit area” that will likely develop and benefit from the improvement within fifteen (15) years of the completion of the improvement.

vii. Streets (Pavement, Curb & Gutter, Sidewalk, Trails, etc.)

1. Pavement

This type of construction shall consist of street excavation, grading, base and hard surfacing such as bituminous and concrete.

All roads constructed in commercial and industrial areas shall be constructed to a minimum design of nine (9) tons. The City shall give the final approval as to the surface type being bituminous or concrete.

The required width of the street surfacing will be determined by the City. The entire cost of the street width will be assessed to the development.

The total assessable cost will include the entire street pavement section (hard surfacing, granular base, etc.) to meet the required design. If due to soil conditions it is determined that additional base material is necessary, the cost of the additional base material as well as the corresponding necessary common excavation will be considered part of the assessable costs.

If due to the soil conditions it is determined that subsurface drain tile is necessary, then the cost of its installation will be considered part of the assessable costs.

Necessary landscaping including but not limited to the placement of topsoil, grass seed, and boulevard trees will be considered part of the assessable costs.

The “assessable costs” are then calculated as “project costs” minus “City costs”. The “assessable costs” are then divided by the total square feet of the development area less the areas determined to be unbuildable. The lots are then assessed based on their serviceable area.

2. Curb and Gutter

Curb and gutter is required in all developments unless otherwise decided by the City. The curb and gutter shall be of Design B6-24. Any deviation from this style of curb and gutter shall only be upon approval of the City. The total cost of curb and gutter shall be assessed to the development. The “assessable costs” are divided by the total square feet of the development area less the areas determined to be unbuildable. The lots are then assessed based on their serviceable area.

3. Sidewalks

If it is determined that sidewalks are required in the development, their cost will be 100% assessable to the development. The “assessable costs” are divided by the total square feet of the development area less the areas determined to be unbuildable. The lots are then assessed based on their serviceable area. All State Aid Roadways require sidewalk.

4. Trails

If it is determined that trails are required in the development, their cost will be 100% assessable to the development. The “assessable cost” is divided by the total square feet of the development area less the areas determined to be unbuildable. The lots are then assessed based on their serviceable area.

viii. Street Lighting

All costs for new street lights and electric distribution lines for the lighting systems installed as part of constructing new streets or street lights relocated as part of reconstructing streets will be included in the overall project costs and included in the assessment calculations.

The City Council hereby reiterates its present policy of Street Lighting as follows: The City policy shall be to light only street intersections. No City street lighting will be provided in residential alleys, nor will any lighting be provided in mid-blocks, unless the block is in excess of 650' from centerline to centerline of streets. In no event will street lights be closer than 300' to each other, with the estimated average spacing to be 400' or more between street lights.

The lighting in new developments will be on the City standard fiberglass pole or pole approved by the City.

Once the street lighting is accepted by the City, the cost to operate and maintain the lighting system will be maintained by the City.

B. Maintenance – Commercial/Industrial

i. Overlay/Concrete Pavement Rehabilitation (CPR)

When deemed by the City Engineer to be in the best interest of the City and the most economical method of providing adequate streets and lengthen their expected life, the existing bituminous street will be milled and overlaid and the existing concrete will have concrete pavement rehabilitation performed.

The City shall pay the construction cost for intersections and for extra strength if and when it is deemed that it is in the best interest of the City to provide these additional features. If the property owner request or require additional strength, the cost of such construction shall be borne by the property owner.

If the age of the pavement is within the expected life stated in Section III, the City will follow a schedule for City participation as shown in Section III.

The “assessable costs” are then calculated as “project costs” minus “City costs”. The “assessable costs” are based on a front footage bases.

ii. Sidewalk Replacement

When deemed by the City Engineer that a sidewalk has deteriorated to an unacceptable state, the sidewalk shall be replaced. The City will send a letter to the adjacent property owner ordering the replacement. If the property owner does not conduct the replacement within the designated time to be stated in the letter, or does not request the City to perform the work at the owners cost, the City shall have the sidewalk replaced and the cost of the replacement will be assessed to the abutting property.

If the age of the sidewalk is within the expected life stated in Section III, the City will follow a schedule for City participation as shown in Section III.

iii. Curb & Gutter Replacement

When deemed by the City Engineer that curb and gutter has deteriorated to an unacceptable state or is holding water, the curb and gutter shall be replaced. The City will conduct an inspection of the curb and gutter at the time of surfacing improvements (bituminous overlay or CPR) and identify the sections of curb and gutter that shall be replaced. The cost of the curb replacement will be added into the “project cost” of the pavement improvements and will be assessed as a portion of the pavement improvements. The City considers curb replacement a benefit to the entire area, not just abutting properties since it directly affects the storm water drainage in the area. Therefore, the cost of replacement is spread to all properties involved in the improvement area.

If the age of the curb & gutter is within the expected life stated in Section III, the City will follow a schedule for City participation as shown in Section III.

C. Reconstruction

i. Sanitary Sewer

When the existing sanitary sewer needs to be replaced due to a deteriorated state, the City shall have the system replaced. The City has a responsibility to maintain sanitary sewer service to its existing customers. Because of this, the City will bear the cost of the sewer replacement.

If the sewer needs to be replaced due to a need to increase the capacity of the system due to increased demand from its users, the users who are contributing to the increased demand shall bear the cost of its replacement.

If the system is being replaced due to deteriorated state and it also needs to have its capacity increased due to larger demand, the cost difference between the existing pipe size and the new size which is required shall be assessed to the properties which have increased the demand on the system.

ii. Watermain

When the existing watermain needs to be replaced due to a deteriorated state, the City shall have the system replaced. The City has a responsibility to maintain water service to its existing customers. Because of this, the City will bear the cost of the watermain replacement.

If the watermain needs to be replaced due to a need to increase the capacity of the system due to increased demand from its users, the users who are contributing to the increased demand shall bear the cost of its replacement.

If the system is being replaced due to deteriorated state and it also needs to have its capacity increased due to larger demand, the cost difference between the existing pipe size and the new size which is required shall be assessed to the properties which have increased the demand on the system.

iii. Storm Sewer

When the existing storm sewer needs to be replaced due to a deteriorated state, the City shall have the system replaced. The City has a responsibility to maintain storm sewer service to its existing customers. Because of this, the City will bear the cost of the storm sewer replacement.

If the storm sewer needs to be replaced due to a need to increase the capacity of the system due to increased demand from its users, the users who are contributing to the increased demand shall bear the cost of its replacement.

If the system is being replaced due to deteriorated state and it also needs to have its capacity increased due to larger demand, the cost difference between the existing pipe size and the new size which is required shall be assessed to the properties which have increased the demand on the system.

iv. Street (Pavement, Curb & Gutter, Sidewalks, Trails, etc.)

1. Pavement

When the pavement has deteriorated to a condition which deems its total reconstruction, the pavement shall be reconstructed and assessed as if it were a new development. The assessed costs will also include the cost to remove the old pavement and excavate the old granular base material.

If the age of the pavement is within the expected life stated in Section III, the City will follow a schedule for City participation as shown in Section III.

If due to the soil conditions it is determined that subsurface drain tile is necessary, then the cost of its installation will be considered part of the assessable costs.

2. Curb and Gutter

When all the curb and gutter has deteriorated to a condition which deems its total reconstruction, the curb and gutter shall be reconstructed and assessed as if it were a new development. The assessed costs will also include the cost to remove the old curb and gutter and excavate the old granular base material.

If the age of the curb & gutter is within the expected life stated in Section III, the City will follow a schedule for City participation as shown in Section III.

3. Sidewalks

When all of the sidewalk has deteriorated to a condition which deems its total reconstruction, the sidewalks shall be reconstructed and assessed as if it were a new development. The assessed costs will also include the cost to remove the old sidewalk and excavate the old granular base material.

If the age of the sidewalk is within the expected life stated in Section III, the City will follow a schedule for City participation as shown in Section III.

4. Trails

When the trails have deteriorated to a condition which deems its total reconstruction, the trails shall be reconstructed and assessed as if it were a new development. The assessed costs will also include the cost to remove the old trail and excavate the old granular base material.

If the age of the trail is within the expected life stated in Section III, the City will follow a schedule for City participation as shown in Section III.

SECTION VI

METHOD OF DETERMINING ASSESSMENTS

Residential Developments and Areas

B. Residential Developments and Areas

a. New Developments

i. Sanitary Sewers

The development will be assessed the total “project costs” to service the development with sanitary sewer minus any City costs which are determined. The “project costs” will include the sewerage within the development and will include cost to extend the sanitary sewer from its current terminus to the new development.

The required capacity of the sewer system will be calculated for both the proposed development and the ultimate serviceable area. The City will pay for the cost difference between the pipe size and depth which is needed to service the proposed development and that of the ultimate serviceable area. In no case shall the development be charged for less than a pipe size of eight (8) inches.

The “assessable costs” are then calculated as “project costs” minus “City costs”. The “assessable costs” are then divided by the total number of lots to be served in the development. The lots are then all equally assessed.

ii. Sanitary Sewer System Development Fee

In addition to this “assessable cost,” new residential lots will also be charged an additional amount to hook up to the sanitary sewer system.

The purpose of the Sanitary Sewer Development Fee is to ensure that the City obtains sufficient funds to pay the cost of construction of sanitary sewer lift stations and sanitary sewer lines from the owners of property served; to reimburse the City for the cost of making and supervising any connection by the property served by said facilities; and to equitably apportion the cost of construction of said facilities among all landowners served.

The Sanitary Sewer Development Fee will be paid at the time a building permit is taken out. The City Council will set the Sanitary Sewer Development Fee and update it from time to time to reflect the true cost to the City.

Units such as town houses, row houses, duplexes, or other units that have individual connections to the system, the fee shall be the standard applied to single family homes for each connection. For Residential buildings that have a single water and sewer connection serving several dwellings such as apartment buildings and multiple unit condominiums, the fee shall be based on a per acre method as defined in the commercial/industrial section.

iii. Watermains

The development will be assessed the total “project costs” to service the development with watermain including valves, boxes, manholes, fire hydrants, fittings, etc. minus any City costs which are determined.

The “project costs” will include the cost of the watermain within the development and shall include the cost to extend the watermain from its current terminus to the new development.

The required capacity of the watermain system will be calculated for both the proposed development and the ultimate serviceable area. The City will pay for the cost difference between the pipe, valve, and fitting size which is needed to service the proposed development and that of the ultimate serviceable area. In no case shall the development be charged for less than a pipe, valve and fitting size of six (6) inches.

The “assessable costs” are then calculated as “project costs” minus “City costs”. The “assessable costs” are then divided by the total number of lots to be served in the development. The lots are then all equally assessed.

iv. Watermain System Development Fee

In addition to this “assessable cost,” new residential lots will also be charged an additional amount to hook up to the watermain system. This Watermain System Development Fee will be charged based on a per lot basis.

The Watermain System Development Fee is charged to pay a part of the added watermain distribution system capacity required for various areas in the City. The Watermain System Development Fee will be paid at the time a building permit is taken out. The City Council will set the Watermain System Development Fee charge and update it from time to time to reflect the true cost to the City.

The purpose of the Watermain System Development Fee is to ensure that the City obtains sufficient funds to pay the cost of construction of water storage facilities and watermains from the owners of property served; to reimburse the City for the cost of making and supervising any connection by the property served by said facilities; and to equitably apportion the cost of construction of said facilities among all landowners served.

Units such as town houses, row houses, duplexes, or other units that have individual connections to the system, the fee shall be the standard applied to single family homes for each connection. For Residential buildings that have a single water and sewer connection serving several dwellings such as apartment buildings and multiple unit condominiums, the fee shall be based on a per acre method as defined in the commercial/industrial section.

v. Storm Sewers

The development will be assessed the total “project costs” to service the development with storm sewer including piping, manholes, catch basins, ponds, etc. minus any City costs which are determined. The “project costs” will include the storm sewer

within the development and may include the cost to extend the storm sewer from its current terminus to the new development.

The required capacity of the storm sewer system will be calculated for both the proposed development and the ultimate serviceable area. The City will pay for the cost difference between the pipe and pond size which is needed to service the proposed development and that of the ultimate serviceable area. If over sizing is required to service the ultimate serviceable area, the development will be charged for up to a pipe size of eighteen (18) inches for mainline storm sewer and up to fifteen (15) inches for catch basin leads.

The “assessable costs” are then calculated as “project costs” minus “City costs”. The “assessable costs” are then divided by the total number of lots to be served in the development. The lots are then all equally assessed.

Lots not graded so as to drain to the street are a private and not public expense in draining. The City will not pay the cost of pumping storm water from low or marginal areas so they may be developed. The City, at its option, may refuse to install storm drains or inlets except with the installation of curb and gutter if it is determined that such storm sewer installations would require additional storm sewer cleaning costs to the City.

Storm Water Ponds must be installed as required according to applicable standards. These standards include the Shell Rock River Watershed Rules and Minnesota Pollution Control Agency Standards. Once the pond is constructed and accepted by the City, the long term maintenance will be the responsibility of the City.

vi. Lift Stations

Sanitary Lift Stations, if required, will be assessed to the benefit area. When establishing the size of the benefit area for a proposed lift station, the City will base the assessment on the “practical benefit area” to be benefited by the improvement. In calculating the assessment for lift stations and forcemains, the cost will be spread over the “practical benefit area” regardless of the size of the area that may theoretically be served by the improvement.

The City Council may refer proposed projects to the City Planning Commission for review and recommendation for development area boundaries. In reviewing such service boundaries, the Commission will identify the “theoretical benefit area,” the “useable benefit area,” and the “practical benefit area”. The “theoretical benefit area” is the area of land that the proposed improvements could serve if used to their maximum capacity. The “useable benefit area” is the “theoretical benefit area” less those areas identified as wetlands, open space, roadways, drainage ways and unbuildable land. The “practical benefit area” is that area within the “useable benefit area that will likely develop and benefit from the improvement within fifteen (15) years of the completion of the improvement.

vii. Streets (Pavement, Curb & Gutter, Sidewalk, Trails, etc.)

1. Pavement

This type of construction shall consist of street excavation, grading, base and hard surfacing such as bituminous and concrete.

All roads are constructed to a minimum standard pavement section of four (4) inches of bituminous and eight (8) inches of granular base. If it is determined that a concrete street shall be constructed instead of a bituminous street, the minimum standard pavement sections shall be six (6) inches of reinforced concrete and six (6) inches of granular base. A traffic projection will be made and used to design the pavement section. If the traffic which will be due to the development requires a stronger pavement section, the additional cost of the pavement section will be assessed to the development.

The minimum required width of the street surfacing will be thirty-three (33) feet. If the City requires the street width to be greater than thirty-three (33) feet, the City shall assume the cost of the additional width. If the developer requests a street width wider than thirty-three (33) feet, the cost of the additional width will be assessed to the development.

The total assessable cost will include the entire street pavement section (hard surfacing, granular base, etc.) to meet the required design. If due to soil conditions it is determined that additional base material is necessary, the cost of the additional base material as well as the corresponding necessary common excavation will be considered part of the assessable costs.

Subsurface drain tile is required to be installed in all residential streets. The installation of the subsurface drain tile is a benefit to both the City and the development. The benefits include a longer expected pavement life and a location to discharge sump pumps to. The cost to install the drain tile will be evenly split between the City and the development. The cost to install sump pump tile services from the drain tile to the right-of-way line is 100% assessable to the development.

Necessary landscaping including but not limited to the placement of topsoil, grass seed, and boulevard trees will be considered part of the assessable costs.

The “assessable costs” are then calculated as “project costs” minus “City costs”. The “assessable costs” are then divided by the total number of lots to be served in the development. The lots are then all equally assessed.

2. Curb and Gutter

Curb and gutter is required in all developments unless otherwise decided by the City. The curb and gutter shall be of Design B6-24 or Rochester Modified Drive Over Curb. Any deviation from this style of curb and gutter shall only be upon approval of the City. The total cost of curb and gutter shall be assessed to the development. The “assessable costs” are divided by the total number of lots to be served in the development. The lots are then all equally assessed.

3. Sidewalks

If it is determined that sidewalks are required in the development, their cost will be 100% assessable to the development. The “assessable costs” are divided by the total number of lots to be served in the development. The lots are then all equally assessed. All State Aid Streets require sidewalk.

4. Bituminous Trails

If it is determined that trails are required in the development, their cost will be 100% assessable to the development. The “assessable cost” is divided by the total number of lots to be served in the development. The lots are then all equally assessed.

viii. Street Lighting

All costs for new street lights and electric distribution lines for the lighting systems installed as part of constructing new streets or street lights relocated as part of reconstructing streets will be included in the overall project costs and included in the assessment calculations.

The City Council hereby reiterates its present policy of Residential Street Lighting as follows: The City policy shall be to light only street intersections. No City street lighting will be provided in residential alleys, nor will any lighting be provided in mid-blocks, unless the block is in excess of 650’ from centerline to centerline of streets. In no event will street lights be closer than 300’ to each other, with the estimated average spacing to be 400’ or more between street lights.

The lighting in new developments will be on the City standard fiberglass pole or pole approved by the City.

Once the street lighting is accepted by the City the cost to operate and maintain the lighting system will be maintained by the City.

b. Maintenance

i. Overlay/Concrete Pavement Rehabilitation (CPR)

When deemed by the City Engineer to be in the best interest of the City and most economical method of providing adequate streets and to lengthen their expected life, the existing bituminous street will be milled and overlaid and the existing concrete will have concrete pavement rehabilitation performed.

The City shall pay the construction cost for intersections and for extra strength if and when it is deemed that it is in the best interest of the City to provide these additional features. If the property owner requests or requires additional strength, the cost of such construction shall be borne by the property owner.

If the age of the pavement is within the expected life stated in Section III, the City will follow a schedule for City participation as shown in Section III.

The “assessable costs” are then calculated as “project costs” minus “City costs”. The lots are assessed based on a footage basis.

ii. Sidewalk Replacement

When deemed by the City Engineer that a sidewalk has deteriorated to an unacceptable state, the sidewalk shall be replaced. The City will send a letter to the adjacent property owner ordering the replacement. If the property owner does not conduct the replacement within the designated time to be stated in the letter, or does not request the City to perform the work at the owners cost, the City shall have the sidewalk replaced and the cost of the replacement will be assessed to the abutting property.

If the age of the sidewalk is within the expected life stated in Section III, the City will follow a schedule for City participation as shown in Section III.

iii. Curb & Gutter Replacement

When deemed by the City Engineer that curb and gutter has deteriorated to an unacceptable state or is holding water, the curb and gutter shall be replaced. The City will conduct an inspection of the curb and gutter at the time of surfacing improvements (bituminous overlay or CPR) and identify the sections of curb and gutter that shall be replaced. The cost of the curb replacement will be added into the “project cost” of the pavement improvements and will be assessed as a portion of the pavement improvements. The City considers curb replacement a benefit to the entire area, not just abutting properties since it directly affects the storm water drainage in the area. Therefore, the cost of replacement is spread to all properties involved in the improvement area.

If the age of the curb & gutter is within the expected life stated in Section III, the City will follow a schedule for City participation as shown in Section III.

iv. Corner Lot Credit

Maintenance improvements are assessed on an assessable foot basis. Corner lots will be granted a credit of 35 percent on the long side of their lot.

On odd shaped lots, the City Engineer may use engineering judgment on determining the assessable lengths to be used.

c. Reconstruction

i. Sanitary Sewer

When the existing sanitary sewer needs to be replaced due to a deteriorated state, the City shall have the system replaced. The City has a responsibility to maintain sanitary sewer service to its existing customers. Because of this, the City will bear the cost of the sewer replacement.

If the sewer needs to be replaced due to a need to increase the capacity of the system due to increased demand from its users, the users who are contributing to the increased demand shall bear the cost of its replacement.

If the system is being replaced due to deteriorated state and it also needs to have its capacity increased due to larger demand, the cost difference between the existing pipe

size and the new size which is required shall be assessed to the properties which have increased the demand on the system.

ii. Watermain

When the existing watermain needs to be replaced due to a deteriorated state, the City shall have the system replaced. The City has a responsibility to maintain water service to its existing customers. Because of this, the City will bear the cost of the watermain replacement.

If the watermain needs to be replaced due to a need to increase the capacity of the system due to increased demand from its users, the users who are contributing to the increased demand shall bear the cost of its replacement.

If the system is being replaced due to deteriorated state and it also needs to have its capacity increased due to larger demand, the cost difference between the existing pipe size and the new size which is required shall be assessed to the properties which have increased the demand on the system.

iii. Storm Sewer

When the existing storm sewer needs to be replaced due to a deteriorated state, the City shall have the system replaced. The City has a responsibility to maintain storm sewer service to its existing customers. Because of this, the City will bear the cost of the storm sewer replacement.

If the storm sewer needs to be replaced due to a need to increase the capacity of the system due to increased demand from its users, the users who are contributing to the increased demand shall bear the cost of its replacement.

If the system is being replaced due to deteriorated state and it also needs to have its capacity increased due to larger demand, the cost difference between the existing pipe size and the new size which is required shall be assessed to the properties which have increased the demand on the system.

iv. Street (Pavement, Curb & Gutter, Sidewalks, Trails, etc.)

1. Pavement

When the pavement has deteriorated to a condition which deems its total reconstruction, the pavement shall be reconstructed and assessed as if it were a new development. The assessed costs will also include the cost to remove the old pavement and excavate the old granular base material.

If the age of the pavement is within the expected life stated in Section III, the City will follow a schedule for City participation as shown in Section III.

Subsurface drain tile is required to be installed in all residential streets. The installation of the subsurface drain tile is a benefit to both the City and the development. The benefits include a longer expected pavement life and a location to discharge sump pumps to. The cost to install the drain tile will be evenly split between the City and the development. The cost to install sump pump tile

services from the drain tile to the right-of-way line is 100% assessable to the development.

2. Curb and Gutter

When all the curb and gutter has deteriorated to a condition which deems its total reconstruction, the curb and gutter shall be reconstructed and assessed as if it were a new development. The assessed costs will also include the cost to remove the old curb and gutter and excavate the old granular base material.

If the age of the pavement is within the expected life stated in Section III, the City will follow a schedule for City participation as shown in Section III.

3. Sidewalks

When all the sidewalk has deteriorated to a condition which deems its total reconstruction, the sidewalks shall be reconstructed and assessed as if it were a new development. The assessed costs will also include the cost to remove the old sidewalk and excavate the old granular base material.

If the age of the sidewalk is within the expected life stated in Section III, the City will follow a schedule for City participation as shown in Section III.

4. Trails

When the trails have deteriorated to a condition which deems its total reconstruction, the trails shall be reconstructed and assessed as if it were a new development. The assessed costs will also include the cost to remove the old trail and excavate the old granular base material.

If the age of the trail is within the expected life stated in Section III, the City will follow a schedule for City participation as shown in Section III.

v. Corner Lot Credit

Reconstruction improvements are assessed on an assessable foot basis. Corner lots will be granted a credit of 35 percent on the long side of their lot.

On odd shaped lots, the City Engineer may use engineering judgment on determining the assessable lengths to be used.

SECTION VII

WORK BY OTHERS

A. Work by Private Developers

- (1) A private developer may have his plans prepared by other than city forces under the following conditions:

A Developers Agreement is prepared detailing the terms and conditions of the work.

All plans, drawings, specifications and related documents required shall be prepared by a professional engineer, registered in the State of Minnesota.

The City shall review and approve all plans, specifications, and related documents prior to any bidding of the project or construction starting.

Keeps the City informed as to the time table for all design, letting, and construction either by the developer or his engineer.

- (2) In order to warrant the construction for the life expectancy as previously set forth, the City of Albert Lea will provide inspection of all phases of construction as set forth in the contract documents.
- (3) The City of Albert Lea will also perform construction surveys, staking, and other engineering services when requested by the contractor or developer. The City will also assist the contractor in interpretation of the contract documents, ordinances, codes, and other items necessary to meet the criteria as established by the City of Albert Lea.

The City and its representatives shall at all times have access to the work in order to complete the services as herein provided, and the developer shall give the City timely notice of his readiness for inspections or other work to be rendered. Permits, licenses, and easements or permanent changes in existing facilities shall be secured and paid for by the developer.

The developer shall be charged for these services, and the value of the services shall be determined and on a percent basis and agreed upon by the developer and the City before the project is started as indicated in Method of Determining Assessments.

Upon completion of sanitary sewers, storm sewers, watermains, curb and gutter, roadway base, surfacing, and sidewalk by the developer, the City will accept said improvements by resolution, and thereafter maintain said improvements under a one (1) year guarantee to the City.

B. Work by Property Owners

Property owners may choose to perform certain work themselves. This will be allowed only under the following conditions:

- (1) Written request must be made within two weeks after the public hearing on the project and before the contract has been awarded to the contractor.
- (2) All work and materials must conform to established standards and criteria of the City of Albert Lea.

(3) Work must be coordinated with contractor's operation. The only items of work that may be performed by property owners are:

Sidewalk removal and/or replacement

Utility services

Driveway paving

Sump Pumps

SECTION VIII
PARKING DISTRICTS

A. Off-Street Parking: Parking Maintenance District

That the City may assess for parking maintenance in a district established by the City Council. The City Council may establish multiple zones for determining benefit and levy assessments based on benefit received within each zone.

The parking maintenance district is for the purpose of maintaining, staffing, patrolling, financing, and such other functions as shall be necessary for providing proper maintenance of downtown parking improvements and public facilities and enforcement of parking regulations in the maintenance district.

Assessments shall be on a per square foot basis for each lot as a general benefit minus \$50 per stall for privately-owned and improved off-street parking stalls open during normal core area business hours for customer parking.

B. Parking Construction District: Within a Parking Construction District

The costs of acquisition and development of parking will be assessed as a special benefit to the area. The City Council may establish one or more zones for determining benefit and assessments, assessing on a per square foot basis of property owned. Where more than five parking spaces in a group are privately owned in the parking district and are conveniently located to reduce public parking demand, a credit to be established at the time of assessment may be applied on the individual assessment on the following basis:

- a. If suitably graded and drained and usable on a year-round basis.
- b. If paved, improved and open to customer parking at all times during normal core area business hours.
- c. If open to the public on a continuous basis at all times.

That no credit will exceed the assessment levied; credit may not be claimed based on future or proposed actions but will be on past history of private parking operations; credit will be considered as a deferred assessment which may be levied on a prorated basis if the portion of parking for which credit is given is not maintained for at least ten years beyond the date of the assessment levy.