ROSEVILLE

REQUEST FOR COUNCIL ACTION

Date: 11/19/12
Item No.: 12.c

Department Approval

City Manager Approval

Item Description: Adopt Assessment Policy

BACKGROUND

One of the items on the City Council's 2012 workplan was to review the City's Assessment Policy. Since the beginning of the year, Staff has been working with the Public Works, Environment and Transportation Commission (PWETC) to review the existing policy and make recommendations for updates. The policy was discussed at their February, March, April and June meetings. As part of the discussion, the PWETC reviewed the assessment policies from other cities and how they relate to Roseville. During the four meetings there was considerable discussion regarding the pros and cons of the different approaches to assessments.

At the September 17, 2012 City Council meeting, staff discussed the revised City assessment policy with the City Council. Information regarding this assessment policy Council discussion was included in the News Update November 7. A summary of the proposed changes in the policy:

<u>Special Benefit Test:</u> One of the major changes in the policy is the Special Benefit Test. It is recommended that appraisals be completed to determine the influence of an improvement project on the value of the properties proposing to be assessed. This is done in order to ensure that the proposed assessment is equivalent or less than the anticipated increase in market value for properties being assessed. Many cities have included this extra step in their assessment process as a check and balance to protect the City and the property owners.

As a result, the assessment policy includes the language "up to" in front of the assessment rate for the different property zoning. This allows the City to take into account the property value increase when setting the rates and adjust if necessary.

<u>Zoning:</u> The PWETC took a look at Residential vs. Commercial vs. Institutional land uses. In this context they discussed property value, traffic generation, and assessment rates, looking at both the previous city policy and how other cities treat different land uses. Higher intensity land uses have a higher property value and consequently receive a higher property value increase from public improvements. Also, they generate higher volumes of traffic on our street system. As a result, the commission is recommending that we have a higher assessment rate for land uses that are not zoned LDR-1 or LDR-2.

<u>Street Construction project type:</u> The PWETC recommends that we assess for street reconstruction and the required storm water improvements associated with the street reconstruction project. They do not recommend that we assess mill and overlay or sealcoat mainly because of the Special Benefit Test.

<u>Utilities:</u> The PWETC recommends that the City continue to fund major maintenance for City utilities using existing utility infrastructure funds. However, in the case where additional utility capacity is needed as a result of redevelopment or rezoning, then 100% of these costs would be assessed to property

owners

Pathway Construction: The PWETC believes that pathways included as priority segments in the Pathway Master Plan serve a regional benefit. As a result, they do not recommend that the costs to build these pathways be assessed to the property owners abutting the project. However, they do recognize that pathways along other stretches of road may benefit the property owners along those streets. As a result, they recommend that projects requested by property owners be considered for assessments, based on the Special Benefit Test.

Streetlights: No changes were recommended for the streetlight assessment policy.

In putting together the final draft policy for this meeting, staff took a look at format, content and took another look at the policy to ensure that all of the different types of public improvement projects that the City may undertake were included. The purpose of this was to ensure that the policy was comprehensive and to eliminate conflicts. As a result of this review, some modifications have been made since the September 17, 2012 worksession. A summary of the major changes:

Regional Improvement Projects: Regional improvement projects such as noise walls and interchange reconstruction can benefit all property owners in the area surrounding the project, not just the property owners directly adjacent to the improvement. Staff felt that additional flexibility should be added to our assessment policy for these types of projects. We have added Section 6. Regional Improvement Projects and some associated definitions. The purpose of this section is to provide for an alternative to the front foot assessment methodology in cases of public improvements that create an area-wide benefit. When a project benefits an area, the properties expected to receive positive impacts from the proposed public improvement would be assessed for the cost of construction. The Benefited Area would be determined on a project- by- project basis as a part of the Feasibility Report. Assessment amounts would need to meet the Benefit Test.

Traffic Management Program: Staff added a section on the TMP for consistency with the new policy.

POLICY OBJECTIVE

This policy is to be used as a guide by the City of Roseville when preparing assessment rolls, to assure uniform and consistent treatment of affected properties. It is the general policy of the City of Roseville to assess all affected properties according to policy without regard to funding source.

Special assessments are a charge imposed on properties for a particular improvement that benefits the owners of those selected properties. The authority to use special assessments originates in the state constitution which allows the state legislature to give cities and other governmental units the authority "to levy and collect assessments for local improvements upon property benefited thereby." The legislature confers that authority to cities in Minnesota Statutes Chapter 429.

STAFF RECOMMENDATION

Adopt Assessment Policy.

REQUESTED COUNCIL ACTION

Adopt Assessment Policy.

Prepared by: Debra Bloom, City Engineer
Attachments: Attachment A: Draft Special Assessment Policy

City of Roseville
SPECIAL ASSESSMENT POLICY
11/19/12

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The purpose of this policy is to be used as a guide by the City of Roseville when preparing assessment rolls, so as to assure uniform and consistent treatment of affected properties. It is the general policy of the City of Roseville to assess all affected properties according to this policy without regard to funding source.

Special assessments are a charge imposed on properties for a particular improvement that benefits the owners of those selected properties. The authority to use special assessments originates in the state constitution which allows the state legislature to give cities and other governmental units the authority "to levy and collect assessments for local improvements upon property benefited thereby." The legislature confers that authority to cities in Minnesota Statutes Chapter 429.

1. Special Benefit Test: The proposed assessment shall be equivalent or less than the anticipated increase in market value for properties being assessed. Appraisals shall be completed to determine the influence of an improvement project on the value of the properties proposing to be assessed.

2. Determining Assessable Frontage: Unless otherwise noted in this document, all assessments shall be calculated using property front footage on the segment of the infrastructure included in the improvement project. The assessment rate shall be determined by dividing the total project cost by the total assessable frontage. The following formulas shall apply for calculating the total assessable frontage for the improvement project.
   (a) The assessable frontage shall be 100% of the short side of the lot.
   (b) Corner and Multiple Frontage LDR1 and LDR2 lots: All corner and multiple frontage LDR1 and LDR2 parcels shall be considered as having 10% of the long side as being assessable footage unless such parcels could be split or subdivided. This is in addition to the short side frontage.
   (c) Corner and Multiple Frontage Lots (other zoning): All corner and multiple frontage lots for other property zoning shall be calculated at 10% for the first 150 feet of the long side and then 100% for any additional footage. This is in addition to the short side frontage.
   (d) Odd Lot Formula (all zoning): The odd lot formula shall apply for odd and irregularly shaped lots, which have rear widths that vary by more than 25% in comparison with the front width. The lot will be assumed to have a depth equal to one-half the sum of the two sides and said depth will be divided into the area of the lot to determine the assessable frontage.
   (e) Lots with more than 4 sides: All lots of more than four sides will be geometrically converted to a four-sided lot of equal area, then the odd-lot formula as described in (d) will be used to determine the assessable frontage. Where this is not practical, the assessable frontage will be determined by assuming the lot to have an assessable frontage equal to those of the typical rectangular lots near it which are comparable in overall area and nature.
   (f) Private Driveway: If a public improvement takes place along a public street~~roadway~~ with a private driveway that serves more than one property owner, all properties with access to the ~~road~~ public street via the private driveway will be

assessed. The frontage of the private property (or properties) directly adjacent to the roadway will be used to determine the assessable frontage. This assessable frontage will be proportionally shared among ~~for~~ all ~~other~~ properties with direct access to~~accessing~~ the private driveway.

3. Pathway Construction Projects:

(a) There shall be no assessments for the construction of off road pathways that are included as priority segments in the City's Pathway Master Plan. Except in the case of petition or development projects.

~~3.~~4. Roadway New Construction Projects: For all new public roadway construction, where no roadway exists, the properties abutting the new road shall be assessed for 100% of the cost.

~~4.~~5. Roadway Reconstruction Projects: The following is the assessment policy for all roadway reconstruction projects in the City of Roseville.

(a) Property zoned LDR1 and LDR2 shall be assessed up to 25% of the project cost for a 7-ton, 32-foot wide pavement with concrete curb and gutter and required drainage.

(b) All other property zoning shall be assessed up to 50% of the project cost.

(c) Municipal State Aid Roadways:

- Property zoned LDR1 and LDR2 shall be assessed up to 25% of the cost of a 7-ton, 32-foot wide pavement with concrete curb and gutter and required drainage, even if the width or strength is greater.
- All other property zoning shall be assessed up to 50% of the project costs.

(d) Ramsey County or Minnesota Department of Transportation Roadways: The amount of special assessments collected on a Ramsey County or MnDOT roadway projects will be equal to or less than the total City cost share of the improvement.

(e) All property accessing a private driveway that serves as a leg of an intersection signal system shall be assessed 100% of the proportionate share of the signal system cost.

6. Regional Improvement Projects: Projects that benefit more than just the properties abutting the project may be assessed to all properties within the Benefited Area. Regional Improvement Projects can include arterial roads, bridges, collector roads, highway interchanges, intersections, or noise walls.

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7. Traffic Management Program Projects: Assessments for Traffic Management Program projects shall be assessed to all properties within the Benefited Area. The Benefited Area would be determined on a project- by- project basis as a part of the Feasibility Report. See TMP for details.

~~5.~~8. Sanitary Sewer Projects:

(a) Properties currently connected to public sanitary sewer will not be assessed for reconstruction or major maintenance projects. Except in the case of subd. d. below.

(b) New construction shall be assessed 100% of the project cost based on a front footage basis for all zoning.

(c) Any sanitary sewer main in excess of 8 inches in diameter will normally be considered oversized. When oversizing is done to increase the capacity of the City's system, the added cost for oversizing shall be subtracted from the total cost of the improvement. The result of said subtraction will be the cost to be assessed.

(d) New development property, or property which has altered its land use within the past three years, shall be assessed at 100% of the city's expense for the improvement.

(e) Sewer services shall be assessed on a per service basis at 100% of the city's expense for such services.

~~6.~~9. Storm Sewer Projects:

(a) There shall be no assessments for storm sewer projects not associated with roadway projects. Except in the case of petition or development projects.

~~7.~~10. Watermain Projects:

(a) Properties currently connected to public watermain will not be assessed for reconstruction or major maintenance projects. Except in the case of subd. d. below.

(b) New construction shall be assessed 100% of the project cost based on a front footage basis for all zoning.

(c) Any watermains in excess of 8 inches in diameter will normally be considered oversized. When oversizing is done to increase the capacity of the City's system, the added cost for oversizing shall be subtracted from the total cost of the improvement.

(d) New development property, or property which has altered its land use within the past three years, shall be assessed at 100% of the city's expense for the improvement.

(e) Water services shall be assessed on a per service basis at 100% of the city's expense for such services.

~~8. Pathway Construction Projects:~~

~~(a) There shall be no assessments for the construction of off road pathways that are included as priority segments in the City's Pathway Master Plan. Except in the case of petition or development projects.~~

~~9.~~11. Streetlight Installation Projects:

(a) Shall be assessed on a front footage basis and as follows:

(b) All properties within 150 feet (street frontage) of each light shall be considered for assessment.

(c) City staff shall determine the number and locations of lights that could have been installed under the "standard street light" section of the City's Street light policy. The maintenance cost for these lights will be deducted from the overall project cost.

(d) 100% of the additional costs for an "enhanced street light" project shall be specially assessed. The additional costs for an "enhanced street light" project shall include; cost of installation of enhanced streetlights, cost of operation & maintenance (pro-rated for 25 years), administrative costs, minus "standard street light" maintenance cost (if applicable)

(e) At the end of 25 years, the City will evaluate the maintenance needs for the "enhanced street light" areas. A reconstruction project will be considered where the new operation and maintenance costs for the next 25 years will be proposed to be assessed to the benefiting properties.

(f) In new development and redevelopments, the operation and maintenance costs for an "enhanced street light" installation shall be paid for by the property owners in the new development in perpetuity. These costs shall either be paid for up front by the developer or assessed to the property owners. The total cost shall be the "enhanced street light" operation and maintenance cost minus the City's "standard street light" contribution. The City's basic contribution shall be determined based on the procedure outlined in section IV. B. of the City Street Light policy.

~~10.~~12. Definitions

(a) Assessable frontage: Property frontage on a segment of infrastructure scheduled for improvement. If a parcel is a corner lot or has multiple street frontages, the parcel frontage shall only be calculated for the side abutting the infrastructure scheduled for improvements.

(b) Benefited Area: The properties expected to receive positive impacts from the proposed public improvement and which are subject to assessment for the cost of construction. The Benefited Area is determined on a project- by- project basis.

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~~(b)~~(c) Enhanced Street Light: When the location, design, or spacing for requested lights does not meet the "Standard Street Light" qualifying conditions, property owners may request that the City undertake an "Enhanced Street Lighting" project.

~~(c)~~(d) Long side: On a corner lot or multiple frontage lot, the frontage of a property that is longest.

~~(d)~~(e) Private Driveway: A driveway or road that serves as a primary access for one or more property owners that is not maintained by the City of Roseville, MnDOT or Ramsey County.

~~(e)~~(f) Required Drainage: Drainage improvements necessary because of an improvement project. This can be the result of meeting City, watershed or wetland requirements. Includes rate control, water quality treatment, infiltration, and wetland mitigation.

~~(f)~~(g) Roadway Reconstruction Project: This type of project involves removing and replacing the existing roadway bituminous, more than 50% of the concrete curb, the base materials, and oftentimes performing utility work (water, sewer, etc.) at the same time.

~~(g)~~(h) Roadway Maintenance Project: Performing a Reclaim and Overlay, Mill and Overlay, or sealcoating of city streets.

~~(h)~~(i) Short side: On a corner lot or multiple frontage lot, the frontage of a property that is shortest.

~~(i)~~(j) Standard Street Light: street light installation that meets the location, design and spacing of the City street light policy qualifying conditions described in section IV. B. of the City Street Light policy.

~~(j)~~(k) Total Project Cost: Project costs include actual construction cost plus all associated overhead costs. The total cost of the associated overhead for a public improvement project would typically include city administration, engineering, fiscal, legal, capital interest, right of way acquisition and contingencies.