

**CITY OF PLYMOUTH
AGENDA
SPECIAL COUNCIL MEETING
JULY 12, 2016, 5:30 p.m.
MEDICINE LAKE CONFERENCE ROOM**

1. CALL TO ORDER

2. TOPICS

- A. Discuss Public Improvement Special Assessment Policy
- B. Set future Study Sessions

3. ADJOURN



**SPECIAL
COUNCIL MEETING**

July 12, 2016

To: Dave Callister, City Manager

Prepared by: Doran Cote, Public Works Director

Reviewed by:

Item: Public Improvement Special Assessment Policy Discussion

1. ACTION REQUESTED:

None.

2. BACKGROUND:

The City has utilized special assessments as a means to offset costs of public improvements since the 1960s. A Special Assessment Policy has been in place since 1966. The last major revision to the policy was made in 2007 when, based on direction from the Council, a number of other policies related to assessments were incorporated into one policy which was then renamed the Public Improvement Special Assessment Policy. The next revision was in 2011 when, again, based on direction from the Council, the Edge Mill and Overlay program was added to the policy and Maintenance Overlays were defined. In addition, 100% assessment for new curb and gutter was reduced to 40% and included in the street reconstruction costs. In 2015 minor revisions to the policy were made to eliminate sections that had since been codified.

3. BUDGET IMPACT:

None.

4. ATTACHMENTS:

Public Improvement Special Assessment Policy
November 13, 2007 Special Assessment Policy Update staff report
January 25, 2011 Public Improvement Special Assessment Policy Amendments staff report
February 24, 2015 Public Improvement Special Assessment Policy Amendments staff report

PUBLIC IMPROVEMENT SPECIAL ASSESSMENT POLICY

I. The Basis of Special Assessments

A. General

As a charter city, Plymouth has the authority to levy special assessments under the provisions of the State Local Improvement Code (MSA Chapter 429). Minnesota State Law, Chapter 429.011 to 429.111 and portions of 444 provides that a municipality shall have the power to make public improvements such as sanitary sewers, storm sewers, water source and distribution facilities, street improvements including grading, curb and gutter, surfacing, sidewalks, street lighting, recreational facilities, etc. The various procedures the municipality must follow including reports, notices and public hearings are well defined within the law.

The Statute further provides that the cost of any improvement may be assessed upon properties benefitted by the improvement based upon the benefits received whether or not the property abuts on the improvement and whether or not any part of the cost of the improvement is paid from Municipal State Aid (MSA), the county-state aid funds or trunk highway funds. The law is not specific on how these benefits are to be measured or how the costs are to be apportioned, but rather makes it incumbent upon the municipality to determine, with assistance of an engineer or other qualified personnel, a fair and equitable method of cost sharing among the properties involved.

For the purposes of allocating costs for public improvement projects in the City of Plymouth, the City Council has defined two forms of benefit:

1. Special benefit
2. General benefit

Special Benefit. The general application of both law and court decisions holds that only properties that receive a special benefit from improvement projects may be specially assessed. For example, public utilities brought to an area not served with sanitary sewer, water, road and drainage result in the properties in question increasing in market value. Likewise, properties that do not directly abut a street improvement can be shown to benefit from that improvement if the street provides the only public access to those properties. Property may only be assessed to the extent the improvement causes the property to increase in market value.

General Benefit. The concept of general benefit holds that in some types of improvement projects the community at large derives a benefit distinct from the special benefit derived by the properties within the project boundaries. For example, a major thoroughfare may be deemed to have a general benefit to the community at large, as well as the special benefit derived by the abutting property.

Special assessments are levied by the City Council on particular parcels of property based upon the benefit those parcels derive from the improvement as determined by the City Council.

B. Total Project Cost

The total cost of a public improvement includes the following:

Construction cost plus engineering, administration, legal fees, assessment rolls, plus right-of-way costs (fee acquisition and/or easement costs including staff time) and temporary funding charges, plus other charges for services and contingencies, plus any assessable charges from other governmental agencies (i.e. Metropolitan Council Environmental Services, Hennepin County, State of Minnesota), plus any assessable costs previously incurred by the City.

A portion of other contributing funds from the City (i.e. MSA), Trunk Utility, Water Resources, etc.) or outside governmental agencies may be deducted from the total improvement cost to determine the assessable cost.

C. Assessment Interest Rate

The special assessment interest rate shall be established annually by the Finance and Administrative Services Department. The rate shall be as determined by the rate at which the City can issue General Obligation Special Assessment bonds plus 1.5% for administrative costs.

D. Term of Assessment

Assessments shall normally be levied for a period not to exceed five years for assessments of \$5,000 or less, 10 years for assessments greater than \$5,000 but \$10,000 or less, and 15 years for assessments greater than \$10,000. In no case shall the assessment term exceed the expected useful life of the improvement.

E. City Owned Property

The City from time to time undertakes public improvement projects benefiting property within the City, and City-owned property is occasionally benefited by and may be specially assessed for such improvements. City property shall generally be determined the benefit as follows:

1. Property owned or used by a City utility operation shall be deemed to benefit in the same manner and to the same extent as a single-family residential property.
2. Park land shall be viewed on an individual basis; however, smaller neighborhood parks shall normally not be assessed; rather the costs spread throughout the benefiting district. Community or central parks should normally be assessed for benefit as single-family residential property.
3. Storm water holding areas shall not normally be deemed to be assessable.
4. Other categories of property shall be reviewed on an individual basis to determine benefit.

F. Property Excluded

Special assessments will not be levied against property lying within the boundaries of a delineated wetland or property dedicated for public right-of-way or easement prior to development of the property provided that right-of-way or easement was not used as a means to obtain density credits.

II. Public Improvement Assessment Policies

A. Sanitary Sewer

1. *Functional Classification.* For purposes of benefit determination, the following two functional classifications are adopted:
 - a. *Trunk.* Trunk sanitary sewers are those lines normally sized larger than eight inches which are required to be constructed to provide service to a sewer district or sub-district. These trunk lines are identified in the City's Sanitary Sewer Plan. The cost of trunk facilities is deemed to be a central system cost. Trunks may provide lateral benefit and where such benefit is determined the property will be so assessed. Trunks may be constructed in an alignment to develop lateral benefit which requires deeper pipe construction. In such instances, the Council shall consider the degree to which extra depths may be treated as a trunk versus a lateral cost.
 - b. *Laterals.* Lateral sanitary sewer lines in most residential zones (FRD, R-1 through R-3) are not larger than eight inches while other zoned areas may have lateral benefit up to 12 inches. Laterals are designed to be sized to collect the sewage from a project area for conveyance to a trunk facility.
2. *Central System Costs.* Central system costs are divided into the following two categories:

- a. *Connection Charge.* Sanitary Sewer Residential Equivalent Connection (REC) charges are established by the City to finance central system costs: sewer trunks, force mains and pumping stations, etc. These improvement costs are incurred before property can develop. REC charges for sanitary sewer service to dwelling units or other structures shall be made in accordance with Chapter 7 of the Plymouth City Code.
- b. *Area Charges* Sanitary sewer area assessments, to finance central system costs, shall be levied against all benefiting properties within an improvement district. Sanitary sewer and water area assessments will usually be levied at the same time.

Area and connection charges shall be reviewed and annually to determine whether current charges are projected to be adequate to cover the cost of infrastructure needed to serve future development.

3. *Lateral Assessments.* It is the policy of the City to assess fully the costs of all lateral sanitary sewers to a given project area. These costs shall include the costs associated with bringing the sanitary sewer to the property at a point and depth needed to serve not only the property in question, but adjacent parcels outside of the current project boundary if the line is to be extended in the future. It shall be the intent of the policy to insure that the most economical and effective sanitary sewage collection system can be constructed so as to meet the ultimate needs of the community at large. In all but high density (R-4) residential developments, lateral sanitary sewer special benefit shall be limited to pipe sizes no greater than eight inches in diameter, while in commercial and industrial zoned properties, including properties zoned high density residential (R-4), the special benefit shall be limited to a pipe no greater than twelve inches in diameter. Lateral assessment shall be calculated on a front footage or unit basis.

B. Water

1. *Functional Classification.* For purposes of benefit determination, the following two functional classifications are adopted:
 - a. *Trunk.* Trunk water mains are normally sized twelve inches or larger. These trunk lines are identified in the City's Water Supply and Distribution Plan. The cost of trunk facilities is deemed to be a central system cost. Trunks may provide lateral benefit and where such benefit is determined the property will be so assessed. There is no lateral benefit for FRD, R-1 and R-2 development unless a direct building connection is made to the trunk water main. It is further determined that there is lateral benefit from trunk water mains for all developments.
 - b. *Lateral.* Lateral lines are normally not larger than eight inches in most residential zones (FRD, R-1 through R-2) and 12 inches in other zones. Laterals are designed to be sized to provide water in sufficient volumes and such pressure as required to serve a project area.

2. *Central System Costs.* Central system costs are divided into the following categories:
 - a. *Connection Charge.* Water Residential Equivalent Connection (REC) charges as established by the City to finance central system costs, representing trunk water mains, reservoirs, wells, pumping stations, treatment facilities, etc. These improvement costs are incurred before property can develop. REC charges for sanitary sewer service to dwelling units or other structures shall be made in accordance with Chapter 7 of the Plymouth City Code.
 - b. *Area Charges.* Water area assessments, to finance central system costs, shall normally be levied against all benefiting properties within an appropriate improvement district at the area assessment rate then currently in effect when water is available to the property.

Area and connection charges shall be reviewed and revised annually to determine whether current charges are projected to be adequate to cover the cost of infrastructure needed to serve future development.

3. *Lateral Assessments.* It is the policy of the City to assess fully the costs of all lateral water mains to a given project area. These costs shall include the costs associated with bringing the water main to the property at a point needed to serve not only the property in question, but adjacent parcels outside of the current project boundary if the line is to be extended in the future. It shall be the intent of the policy to insure that the most economical and effective water distribution system can be constructed so as to meet the ultimate needs of the community at large. In all but high density (R-3 and R-4) residential developments, lateral water main special benefit shall be limited to pipe sizes no greater than eight inches in diameter, while in commercial and industrial zones properties, including properties zoned in high density residential (R-3 and R-4) and schools, the special benefit shall be limited to a pipe no greater than 12 inches in diameter. Lateral assessment shall be calculated on a front footage or unit basis.

C. Storm Drainage

1. Storm drainage facilities, (pipes, ponds, wetlands, lakes, etc.) are designed to convey storm and other surface water so as to enhance the public health, safety and welfare. The benefits to the citizens of Plymouth from such facilities are numerous. They include, but are not limited to:
 - a. Protection and preservation of wetlands, marshes and ponds for the enhancement of ground water recharging, filtration of pollutants, wildlife habitat, and general aesthetic beauty associated with such natural areas.
 - b. Conveyance of surface water through piping systems to prevent flooding and damage to property.

- c. Establishment and maintenance of pond and lake levels to prevent flooding downstream in the watershed.
- d. Improvement of receiving water quality for lakes, wetlands and streams.
- e. Control of channel erosion and stream morphology.
- f. Protection of the physical and biological integrity of the stream and wetland corridors.
- g. Control bounce and duration of inundation of wetlands and preservation of the function and values for each type of wetland classification.

A comprehensive storm drainage system benefits all properties in a watershed. Projects undertaken within a watershed or major drainage district, which improvements are designed as “trunk” in the Surface water Management Plan, are deemed to be of general benefit to all of the property within the watershed or major drainage district. The Council shall determine whether or not trunk benefit is present in a project. If trunk benefit is present, the cost of that part of the project will be shared by all within the watershed or major drainage district in the following manner:

- a. *Ad valorem* taxes collected from property within the watershed.
- b. Special assessments levied on property within the watershed or major drainage district.

2. *Storm Drainage Benefits.*

For purpose of assessing storm drainage benefit, the following assessment ratio shall normally be used:

Land Use	Ratio
Commercial & Industrial Zones	2 — 1/2
High Density Residential (R-3 and R-4)	1 — 1/2
Low Density Residential (Other R Zones)	1

This policy is established on the basis of design run-off coefficients and City development policies which generally require retention and preservation of natural water courses in residential areas and permits significant dislocation of these water retention areas and water courses in commercial and industrial areas.

D. Streets

- 1. This policy outlines the general street assessment policy which will be applicable for various street functional classifications and zoned for guided properties. The

policy will assure property owners they are being treated in an equitable manner with respect to the special benefits their property receives from street improvements.

2. *Functional Classification.*

- a. *Minor Arterials.* Minor arterials are roadways designed to provide for the through movement of traffic and are generally associated with the most intense land uses. Access to such arterials is generally limited to public streets. Arterials are normally designed to 10-ton standards with concrete curb and gutter and a width of 52 feet. Arterials may include medians and turning lanes.
- b. *Major Collectors.* Major collectors are roadways designed to distribute traffic from major generators or from minor collectors to the arterial system. Access to major collectors shall be minimized, however, insuring the abutting parcels are properly served. Major collectors are designed to 10-ton standards with concrete curb and gutter and a width of up to 52 feet. Major collectors may include medians and turning lanes.
- c. *Minor Collectors.* Minor collectors are roadways designed to distribute traffic from the major collectors and/or arterials to the local street system and vice versa. Lane access and local traffic movement within the various neighborhoods and areas are provided. Minor collectors are designed to 9-ton standards with concrete curb and gutter and width between 44 and 48 feet in commercial/industrial and higher density residential area, and to 7-ton standards and a width between 32 and 36 feet in residential zones.
- d. *Local Streets.* Local streets are roadways designed to serve as access to abutting residential or industrial/commercial properties. The design shall discourage through traffic. Residential streets are designed to 7-ton standards and a width of 28 feet and commercial/industrial streets are designed to 9-ton standards and a width of up to 36 feet.

3. *Assessment Procedures*

- a. *Low Density Residential (FRD, R-1 and R-2).* It is the normal City policy to fully assess the cost of residential street construction (28 feet wide, 7-ton design, concrete curb and gutter) to the above residential areas if the property has direct access to the street.
- b. *Higher Density Residential (R-3 and R-4) and Commercial/Industrial.* It is the normal City policy to fully assess the cost of all streets to the above residential, commercial and industrial areas if the property abuts the roadway.
- c. *Special Considerations.*

- (1) Land uses allowed by conditional use permit other than PUD's in the FRD, R-1 and R-2 districts shall normally be presumed to receive a special benefit from roadway construction beyond that for the low density residential land uses.
- (2) The general rule is to assess platted lots on a front footage basis, however, where curvilinear and/or cul-de-sac streets produce odd shaped lots, consideration will be given to the "unit" assessment if the special benefit to the property in the district is essentially the same.
- (3) In those cases where the project street benefits undeveloped homogeneous area, the Council may assess such project cost to the parcels on the basis of the relationship of the area of each parcel to the total area within the homogeneous area to be assessed.
- (4) City participation in street construction costs shall not be considered unless the standards exceed 36 feet in width and/or 7-ton design (residential)/9-ton design (commercial/industrial).
- (5) The following table indicates the normal assessment practices of the City based upon the guiding or zoning of the property proposed to be assessed:

MINOR ARTERIALS:

ZONED	FR	R-	R-	R-2	R-3	R-4	B1	B2	B3	I-1
GUIDED	LA1	LA1	LA1	LA	LA	LA4	L	CN/C	S	IP
ACCESS TO STREET										
Direct						X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
DESIGN STANDARD										
7-ton				X						
9-ton					X	X	X	X	X	X
Up to 36 ft.				X						
Up to 44 ft.					X	X				
Up to 52 ft.							X	X	X	X
Concrete Curb/Gutter	X	X	X	X	X	X	X	X	X	X

MAJOR COLLECTORS:

ZONED	FRD	R-	R-	R-2	R-3	R-4	B1	B2	B3	I-1
GUIDED	LA1	LA1	LA1	LA2	LA	LA4	L	CN/C	S	IP
ACCESS TO STREET										
Direct				X	X	X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
DESIGN STANDARD										
7-ton	X	X	X	X						
9-ton					X	X	X	X	X	X
Up to 36 ft.	X	X	X	X						
Up to 44 ft.					X	X				
Up to 52 ft.							X	X	X	X
Concrete Curb/Gutter	X	X	X	X	X	X	X	X	X	X

MINOR COLLECTORS AND LOCAL:

ZONED	FRD	R-1A	R-	R-2	R-3	R-4	B1	B2	B3	I-1
GUIDED	LA1	LA1	LA1	LA2	LA3	LA	L	CN/C	S	IP
ACCESS TO STREET										
Direct	X	X	X	X	X	X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
DESIGN STANDARD										
7-ton	X	X	X	X						
9-ton					X	X	X	X	X	X
Up to 36 ft.	X	X	X	X						
Up to 44 ft.					X	X				
Up to 52 ft.							X	X	X	X
Concrete Curb/Gutter	X	X	X	X	X	X	X	X	X	X

- Street Improvements. The City Council has adopted a long-range plan providing for pavement rehabilitation, including complete reconstruction, mill and overlay and edge mill and overlay, of all paved city streets. With the improvement of streets, as a result of reconstruction, mill and overlay or edge mill and overlay, adjoining properties receive special benefit that results in the increase of the property's value. It is the policy of the City that this special benefit should be paid for by the property owner receiving the special benefit rather than the City as a whole. This is accomplished by specially assessing the benefited property as authorized by State Statute, Section 429. Maintenance overlays, performed by City personnel and equipment, shall be generally limited to those roadways without curb and gutter and that are in such a condition that reconstruction maybe warranted but not programmed in the 5 year capital improvement program. Maintenance overlays shall not be assessed. The following is the City of

Plymouth's policy regarding special assessments to properties benefiting from street improvements.

- a. It is the policy of the City to specially assess abutting benefiting properties for street reconstruction costs, but not in excess of the special benefit to the property. This policy applies to all streets that are public streets.
- b. The assessment amount for the reconstruction, mill and overlay or edge mill and overlay of previously paved streets shall be determined annually by the City Council.

The assessment amount is based on the following:

- (1) Benefited properties shall be assessed 40% of the actual project cost. For edge mill and overlay projects, the minimum assessed amount shall be \$1,000 per unit. In no case shall the total assessed amount exceed the actual project cost.
- (2) Assessments for properties guided or zoned for single-family use shall be made on a per parcel (unit) basis for a local residential or residential low volume street design standard as provided for in Plymouth City Code and Engineering Guidelines. A property may be assessed for more than one unit in cases where the property could be reasonably further subdivided in accordance with current zoning and subdivision requirements.
- (3) Assessments for properties guided or zoned for single-family attached use shall be made on a per parcel (unit) basis for a local residential or residential low volume street design standard as provided for in Plymouth City Code and Engineering Guidelines except that they shall be assessed for one-half (1/2) of a unit. A property may be assessed for more than one unit in cases where the property could be reasonably further subdivided in accordance with current zoning and subdivision requirements.
- (4) For properties guided or zoned for other than single family use, the City shall calculate equivalent units based on the guided or zoned use. The equivalent units may be based on front footage or area depending upon the guided or zoned use and parcel configuration.
- (5) If a street is reconstructed to a design standard greater than the current design standard due to the guided or zoned uses, the additional cost to reconstruct the street shall be fully assessed to those properties. If the street is reconstructed to a design different than the current standard, the total cost shall be fully assessed to those properties if conditions warrant.
- (6) Properties abutting county roadways reconstructed to complete urban design and having reasonable access thereto shall be assessed in

accordance with this policy. The assessments shall be used to defray the City's cost participation in the county improvement projects.

- (7) Properties or areas of property that have been determined to be unbuildable shall be excluded from assessments.
- (8) Properties not abutting roadways reconstructed to complete urban design but whose primary public street access is from said roadway shall be assessed an amount equal to the special benefit received as determined by a certified real property appraiser.

E. Street Lighting

Street lighting costs shall include 100% of the cost to install the street lighting. The total cost shall be divided by the number of properties deriving benefit from said lighting to determine a per unit assessment.

F. Other Provisions

Payment of Assessments and Deferrals

Partial Payments

Partial prepayments of assessments can be made in accordance with Chapter III of the Plymouth City Code (Ordinance 2005-06).

Deferrals

Senior Citizens and Disabled People Special Assessments Deferrals in accordance with City policy (if you are at least 65 years of age or are disabled, you may qualify to have special assessments deferred). Other deferrals may be available as authorized by State Statute, Section 429 or other City policies.

Combined Parcel

Where there is proposed a combination of parcels of record upon which separate special assessments have been levied, it shall be the policy of the City of Plymouth with respect to abatement of such special assessments as follows:

- 1) In no case shall assessments for area charges or front foot lateral charges be adjusted.
- 2) Residential Equivalent Charges formerly assessed may be abated by the City Council, on a case-by-case basis, on parcels that would be unsuitable for construction only at such time as said parcels are combined with others to create a suitable parcel.

Resolution No. 2015-058, February 24, 2015

(Supersedes Resolution No. 2011-033, January 25, 2011; Resolution 2007-468, November 13, 2007; Resolution 2006-503, December 12, 2006; Resolution 2005-476, December 13, 2005; Resolution 2005-154, April 12, 2005; Resolution No. 98-6 January 7, 1998; Resolution 95-126,

February 21, 1995; Resolution 89-154, March 6, 1989; Resolution 88-381, June 27, 1988; Resolution 88-115, February 8, 1988, Resolution 87-132, February 23, 1987, Resolution 85-237, April 1, 1985; Resolution 83-674, December 5, 1983; Resolution 82-615, November 22, 1982; Resolution 81-803, November 23, 1981; Resolution 81-128, February 23, 1981; Resolution 80-475, July 21, 1980; Resolution 76-281, May 17, 1976; Resolution 75-624, November 3, 1975; Resolution 73-342, August 20, 1973; Resolution 66-156, September 12, 1966)

DATE: November 6, 2007 for the City Council Meeting of November 13, 2007

TO: Laurie Ahrens, City Manager

FROM: Doran Cote, Director of Public Works

SUBJECT: SPECIAL ASSESSMENT POLICY UPDATE

ACTION REQUESTED: Adopt a resolution amending the Public Improvement Assessment Policy and adopt a resolution rescinding various related City policies.

BACKGROUND: The City of Plymouth has been utilizing special assessments since the 1960's as a means of recouping costs incurred performing public improvements. The last time the Special Assessment Policy was updated was 1995 and 1989 before that.

On September 25, 2007, staff presented to the City Council at a study session proposed updates to the Special Assessment Policy. Other assessment related policies were incorporated into the policy, with the exception of deferrals, and the street reconstruction assessment policy, which was approved as a separate policy in 2003, was put back in the policy. Other changes were made to the policy to clarify sections or to reflect assessment practices employed by the City. Assessment rates were updated to make them current and a new provision creating a storm sewer area charge was proposed.

Since the study session, staff has further revised the Special Assessment Policy to reflect changes suggested by the City Council including clarifying assessing City owned property, adding a provision for property excluded, eliminating the storm sewer area charge proposed language and removing the provision that fixed the street reconstruction assessment rate to the lower of the estimated cost and the actual cost. The name of the policy is also proposed to be changed to Public Improvement Assessment Policy to avoid confusion with other assessment powers of the City (weed abatement, delinquent utility bills, etc.). The only major change proposed since the version presented to the City Council is removing the Residential Equivalent Charge (REC) determination and simply referring to City Code. This change was suggested by the City attorney since the REC charges are more like a fee than an assessment.

Since there are a number of policies that were incorporated into the Public Improvement Assessment Policy and some related policies that are no longer needed, a second resolution repealing those policies is attached.

BUDGET IMPACT: There is no budget impact based on the recommended action.

SPECIAL ASSESSMENT POLICY UPDATE

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RECOMMENDATIONS AND CONCLUSIONS: I hereby recommend that the City Council adopt the resolution amending the Public Improvement Assessment Manual and the resolution rescinding various related City policies.

attachments: 1998 Special Assessment Policy
· 2007 Proposed Revisions to Special Assessment Policy
· 2007 Public Improvement Assessment Policy
Attachment A
Resolutions (2)

SPECIAL ASSESSMENT POLICY

Resolution No. 98-6
January 7, 1998

(Supersedes Res. 95-126, February 21, 1995; Res. 89-154, March 6, 1989; Res. 88-381, June 27, 1988; Res. 88-115, February 8, 1988, Res. 87-132; February 23, 1987, Res. 85-237, April 1, 1985; Res. 83-674, December 5, 1983; Res. 82-615, November 22, 1982; Res. 81-803, November 23, 1981; Res. 81-128, February 23, 1981; Res. 80-475, July 21, 1980; Res. 76-281, May 17, 1976; Res. 75-624, November 3, 1975; Res. 73-342, August 20, 1973; Res. 66-156, September 12, 1966.)

I. *The Basis of Special Assessments.*

As a statutory city, Plymouth has the authority to levy special assessments under the provisions of the State Local Improvement Code (MSA Chapter 429). Special assessments are levied by the City Council on particular parcels of property based upon the special benefit those parcels derive from the improvement as determined by the City Council.

For the purposes of allocating costs for public improvement projects in the City of Plymouth, the Council has defined two forms of benefit:

1. Special benefit
2. General benefit

Special Benefit. The general application of both law and court decisions holds that properties receive a special benefit from improvement projects. For example, public utilities brought to an area not served with sanitary sewer, water, road and drainage result in the properties in question increasing in market value. The City has historically assessed most public project costs on the basis of special benefit to the parcels within the improvement district.

General Benefit. The concept of general benefit holds that in some types of improvement projects the community at large derives a benefit district from the special benefit derived by the properties within the project boundaries. For example, a major thoroughfare may be deemed to have a general benefit to the community at large, as well as the special benefit derived by the abutting property.

In the application of its assessment policies, the City Council shall define and distinguish between the special benefits received by particular parcels of property within an improvement district, as compared to any general benefit derived by the community at large. The Council shall also determine preliminary proposed public improvement project prior to ordering such an improvement project.

II. *Public Improvement Assessment Policies*

A. *Sanitary Sewer*

1. *Functional Classification.* For purposes of benefit determination, the following two functional classifications are adopted:
 - a. *Trunk.* Trunk sanitary sewers are those lines normally sized larger than eight inches which are required to be constructed to provide service to a sewer district or sub-district. These trunk lines are identified in the City's Sewer Policy Plan. The cost of trunk facilities is deemed to be a central system cost. Trunks may provide lateral benefit and where such benefit is determined the property will be so assessed. Trunks may be constructed in an alignment to develop lateral benefit which requires deeper pipe construction. In such instances, the Council shall consider the degree to which extra depths may be treated as a trunk versus a lateral cost.
 - b. *Laterals.* Lateral sanitary sewer lines in most residential zones (FRD, R-1 through R-3) are not larger than eight inches while other zoned areas may have lateral benefit up to twelve inches. Laterals are designed to be sized to collect the sewage from a project area for conveyance to a trunk facility.
2. *Central System Costs.* Central system costs are divided into the following two categories:
 - a. *Connection Charge.* Sanitary Sewer Residentially Equivalent Connection (REC) charges are established by the City to finance central system costs: sewer trunks, force mains and pumping stations, etc. These improvement costs are incurred before property can develop.

Residential Equivalent Connection (REC) charges for sanitary sewer service to dwelling units or other structures shall be collected at the current rate prior to the issuance of a building permit. If Sewer connection or REC charges were previously assessed to a parcel, or a part of a parcel, and such land is developed with a more intensive use than was contemplated at the time connection or REC charges were assessed, additional REC charges shall be calculated based on the higher use.

The current REC rate (adopted March 6, 1989 to be effective April 1, 1989) for all residential zones is \$370 per dwelling unit. Land uses in all other zones will be charged on the basis of the estimated demand placed upon the sanitary sewer system. The charge will be based on one REC being equivalent to 72,000 gallons of sewage flow per year as projected by the City Engineer for the specific proposed use.

- b. *Area Charges* Sanitary sewer area assessments, to finance central system costs, shall be levied against all benefiting properties within an improvement

district. Sanitary sewer and water area assessment will usually be levied at the same time.

The current assessment rates (adopted March 6, 1989 to be effective April 1, 1989) for sanitary sewer area charges are:

Residential Zones	\$440 per 1/2 acre or per dwelling unit
All Other Zones	\$1320 per acre.

Area and connection charges shall be reviewed and revised each February commencing in 1990 based upon the change in the American City and County Construction Cost Index as published in the American City and County, with the base index being 118.9 (December 1988).

3. *Lateral Assessments.* It is the policy of the City to assess fully the costs of all lateral sanitary sewers to a given project area. These costs shall include the costs associated with bringing the sanitary sewer to the property at a point and depth needed to serve not only the property in question, but adjacent parcels outside of the current project boundary if the line is to be extended in the future. It shall be the intent of the policy to insure that the most economical and effective sanitary sewage collection system can be constructed so as to meet the ultimate needs of the community at large. In all but high density (R-4) residential developments, lateral sanitary sewer special benefit shall be limited to pipe sizes no greater than nine inches in diameter, while in commercial and industrial zoned properties, including properties zoned high density residential (R-4), the special benefit shall be limited to a pipe no greater than twelve inches in diameter.

B. Water

1. *Function Classification.* For purposes of benefit determination, the following two functional classifications are adopted:
 - a. *Trunk.* Trunk water mains are normally sized twelve inches or larger. These trunk lines are identified in the City's Water Supply and Distribution Plan. The cost of trunk facilities is deemed to be a central system cost. Trunks may provide lateral benefit and where such benefit is determined the property will be so assessed. There is no lateral benefit for FRD, R-1 and R-2 development unless a direct building connection is made to the trunk water main. It is further determined that there is lateral benefit from trunk water mains for all developments.
 - b. *Lateral.* Lateral lines are normally not larger than eight inches in most residential zones (FRD, R-1 through R-2) and twelve inches in other zones. Laterals are designed to be sized to provide water in sufficient volumes and such pressure as required to serve a project area.

2. *Central System Costs.* Central system costs are divided into the following categories:

- a. *Connection Charge.* Water Residential Equivalent Connection (REC) charges as established by the City to finance central system costs, representing trunk water mains, reservoirs, wells, pumping stations, treatment facilities, etc.

Residential Equivalent Connection (REC) charges for water service to dwelling units or other structures shall be collected at the current rate prior to the issuance of a building permit. If water connection or REC charges were previously assessed to a parcel, or a part of a parcel, and such land is developed with a more intensive use than was contemplated at the time connection or REC charges were assessed, additional REC charges shall be calculated upon the approved higher use and payable to the City.

The current REC rate (adopted March 6, 1989 to be effective April 1, 1989) for all residential zones is \$630 per dwelling unit. Land uses in all other zones will be charged on the basis of the estimated demand placed upon the water system. The charge will be based on one REC being equivalent to 72,000 gallons of water flow per year as projected by the City Engineer for the specific proposed use.

- b. *Area Charges.* Water area assessments, to finance central system costs, shall normally be levied against all benefiting properties within an appropriate improvement district at the area assessment rate then currently in effect when water is available to the property. Normally the area assessments will not be levied unless sanitary sewer is also available.

The current assessment rate (adopted March 6, 1989 to be effective April 1, 1989) for water are charges is:

Residential Zones	\$790 per 1/2 acre or per dwelling unit
All Other Zones	\$2,370 per acre

Area and connection charges shall be reviewed and revised each February commencing in 1990 based upon the change in the American City and County Construction Cost Index as published in the American City and County, with the base index being 118.9 (December 1988).

3. *Lateral Assessments.* It is the policy of the City to assess fully the costs of all lateral water mains to a given project area. These costs shall include the costs associated with bringing the water main to the property at a point needed to serve not only the property in question, but adjacent parcels outside of the current project boundary if the line is to be extended in the future. It shall be the intent of the policy to insure that the most economical and effective water distribution

system can be constructed so as to meet the ultimate needs of the community at large. In all but high density (R-3 and R-4) residential developments, lateral water main special benefit shall be limited to pipe sizes no greater than eight inches in diameter, while in commercial and industrial zones properties, including properties zoned in high density residential (R-3 and R-4) and schools, the special benefit shall be limited to a pipe no greater than twelve inches in diameter.

C. *Storm Drainage.*

1. Storm drainage facilities are designed to convey storm and other surface water so as to enhance the public health, safety and welfare. The benefits to the citizens of Plymouth from such facilities are numerous. They include, but are not limited to:
 - a. Protection and preservation of wetlands, marshes and ponds for the enhancement of ground water recharging, filtration of pollutants, wildlife habitat, and general aesthetic beauty associated with such natural areas.
 - b. Conveyance of surface water through piping systems to prevent flooding and damage to property.
 - c. Establishment and maintenance of pond and lake levels to prevent flooding downstream in the watershed.

A comprehensive storm drainage system benefits all properties in the watershed district. Projects undertaken within a watershed or major drainage district, which improvements are designed as "trunk" in the Storm Drainage Plan, are deemed to be of general benefit to all of the property within the watershed or major drainage district. The Council shall determine whether or not trunk benefit is present in a project. If trunk benefit is present, the cost of that part of the project will be shared by all within the watershed or major drainage district in the following manner:

- a. *Ad valorem* taxes collected from property within the watershed.
 - b. Special assessments levied on property within the watershed or major drainage district.
2. *Storm Sewer Improvement Tax Districts.* The Council has created, by ordinance, four storm sewer improvement tax districts. The Council may levy within each of the districts a tax levy not to exceed one mill to finance storm drainage improvements benefiting property within the districts. The storm sewer improvement tax district boundaries are defined as outlined in the City's plans and are identified as follows:

Storm Sewer Improvement Tax District No. 1 — Bassett Creek Watershed
Storm Sewer Improvement Tax District No. 2 — Minnehaha Creek Watershed
Storm Sewer Improvement Tax District No. 3 — Elm Creek Watershed

Storm Sewer Improvement Tax District No. 4 — Shingle Creek Watershed

3. *Storm Drainage Benefits.*

For purpose of assessing storm drainage benefit, the following assessment ratio shall normally be used:

<u>Land Use</u>	<u>Ratio</u>
Commercial & Industrial Zones	2 — 1/2
High Density Residential (R-3 and R-4)	1 — 1/2
Low Density Residential (Other R Zones)	1.

This policy is established on the basis of design run-off coefficients and City development policies which generally require retention and preservation of natural water courses in residential areas and permits significant dislocation of these water retention areas and water courses in commercial and industrial areas.

D. *Streets*

1. This policy outlines the general street assessment policy which will be applicable for various street functional classifications and zoned for guided properties. The policy will assure property owners they are being treated in an equitable manner with respect to the special benefits their property receives from street improvements.
2. *Functional Classification.*
 - a. *Minor Arterials.* Minor arterials are roadways designed to provide for the through movement of traffic and are generally associated with the most intense land uses. Access to such arterials is generally limited to public streets. Arterials are normally designed to 9-ton standards with concrete curb and gutter and a width of 52 feet. Arterials may include medians and turning lanes.
 - b. *Major Collectors.* Major collectors are roadways designed to distribute traffic from major generators or from minor collectors to the arterial system. Access to major collectors shall be minimized, however, insuring the abutting parcels are properly served. Major collectors are designed to 9-ton standards with concrete curb and gutter and a width of up to 52 feet. Major collectors may include medians and turning lanes.
 - c. *Minor Collectors.* Minor collectors are roadways designed to distribute traffic from the major collectors and/or arterials to the local street system and vice versa. Lane access and local traffic movement within the various neighborhoods and areas are provided. Minor collectors are designed to 9-ton standards with concrete curb and gutter and width between 44 and 48

feet in commercial/industrial and higher density residential area, and to 7-ton standards and a width between 32 and 36 feet in residential zones.

- d. *Local Streets.* Local streets are roadways designed to serve as access to abutting residential or industrial/commercial properties. The design shall discourage through traffic. Residential streets are designed to 7-ton standards and a width of 32 feet and commercial/industrial streets are designed to 9-ton standards and a width of 36 feet.

3. *Assessment Procedures*

- a. *Low Density residential (FRD, R-1 and R-2).* It is the normal City policy to fully assess the cost of residential street construction (32 feet wide, 7-ton design, concrete curb and gutter) to the above residential areas if the property has direct access to the street.

- b. *Higher Density Residential (R-3 and R-4) and Commercial/Industrial.* It is the normal City policy to fully assess the cost of all streets to the above residential, commercial and industrial areas if the property abuts the roadway.

- c. *Special Considerations.*

- (1) Land uses allowed by conditional use permit other than PUD's in the FRD, R-1 and R-2 districts shall normally be presumed to receive a special benefit from roadway construction beyond that for the low density residential land uses.

- (2) The general rule is to assess platted lots on a front footage basis, however, where curvilinear and/or cul-de-sac streets produce odd shaped lots, consideration will be given to the "unit" assessment if the special benefit to the property in the district is essentially the same.

- (3) In those cases where the project street benefits undeveloped homogeneous area, the Council may assess such project cost to the parcels on the basis of the relationship of the area of each parcel to the total area within the homogeneous area to be assessed.

- (4) City participation in street construction costs shall not be considered unless the standards exceed 36 feet in width and/or 7-ton design (residential)/9-ton design (commercial/industrial).

- (5) The following table indicates the normal assessment practices of the City based upon the guiding or zoning of the property proposed to be assessed:

MINOR ARTERIALS:

ZONED	FR	R-	R-	R-2	R-3	R-4	B1	B2	B3	I-1
GUIDED	LA1	LA1	LA1	LA	LA	LA4	L	CN/C	S	IP
ACCESS TO STREET										
Direct						X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
DESIGN STANDARD										
7-ton				X						
9-ton					X	X	X	X	X	X
Up to 36 ft.				X						
Up to 44 ft.					X	X				
Up to 52 ft.							X	X	X	X
Concrete Curb/Gutter	X	X	X	X	X	X	X	X	X	X

MAJOR COLLECTORS:

ZONED	FRD	R-	R-	R-2	R-3	R-4	B1	B2	B3	I-1
GUIDED	LA1	LA1	LA1	LA2	LA	LA4	L	CN/C	S	IP
ACCESS TO STREET										
Direct				X	X	X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
DESIGN STANDARD										
7-ton	X	X	X	X						
9-ton					X	X	X	X	X	X
Up to 36 ft.	X	X	X	X						
Up to 44 ft.					X	X				
Up to 52 ft.							X	X	X	X
Concrete Curb/Gutter	X	X	X	X	X	X	X	X	X	X

MINOR COLLECTORS AND LOCAL:

ZONED	FRD	R-1A	R-	R-2	R-3	R-4	B1	B2	B3	I-1
GUIDED	LA1	LA1	LA1	LA2	LA3	LA	L	CN/C	S	IP
ACCESS TO STREET										
Direct	X	X	X	X	X	X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
DESIGN STANDARD										

7-ton	X	X	X	X						
9-ton					X	X	X	X	X	X
Up to 36 ft.	X	X	X	X						
Up to 44 ft.					X	X				
Up to 52 ft.							X	X	X	X
Concrete Curb/Gutter	X	X	X	X	X	X	X	X	X	X

4. *Street Reconstruction.* The City Council has adopted a long-range plan providing for the periodic reconstruction, including resurfacing, of all paved city streets. The City Council adopted policies which are designed to ensure the orderly and fiscally responsible implementation of this plan on a community-wide basis.

The following is the general Street Reconstruction Policy for special assessments to benefiting property.

- a. It is the policy of the City to special assess abutting benefiting property for street reconstruction costs, but not in excess of the special benefit to the property. This policy applies to all streets that are the responsibility of the City.
- b. The assessment rate for the reconstruction of previously paved streets shall be determined annually by the City Council.

The assessment rate is based on the following:

- (1) It is the goal of this policy that benefited properties be assessed 30% of the cost of the Pavement Management Program. The percentage of the project assessed in any individual year will vary depending upon construction requirements and the construction market.
- (2) Assessments shall not exceed any of the following:
 - (a) the special benefit to the property being assessed;
 - (b) the total assessments in a maintenance district may not exceed the project cost in the maintenance district;
 - (c) the total assessment for a project may not exceed the project.

Project cost includes both direct construction costs and all indirect costs such as engineering and administration.

- (3) Assessments shall normally be levied for a period not to exceed five (5) years. Longer assessment periods will be considered when other assessable public improvements are being constructed at the same time.
- (4) Assessment for single family parcels shall be made on a per parcel (unit) basis. The unit assessment rate for 1994 is \$916. The rate shall be adjusted annually based on the percent change in the "Construction Cost Index" as published in the American City and County magazine, with the base index being 138.2 (January 1994).
- (5) Multi-family housing parcels shall be converted into an equivalent number of parcel units by dividing the area of the multi-family parcel by 18,500 (the

City's established minimum lot size). The number of equivalent units are then multiplied by the single family assessment rate to determine the assessment for the property.

- (6) The area of commercial/industrial parcels shall be divided by 18,500 to establish the number of equivalent units for the property. The 1994 assessment rate for each unit is \$692, based upon the industrial portions of the 1992, 1993, and 1994 Street Reconstruction Projects. This rate shall be adjusted annually by the percentage change of the construction cost index. Institutional properties such as schools, churches, and public property are assessed as commercial/industrial.
- c. For the purposes of street reconstruction, the project costs will include the cost of replacing or repairing concrete curb and gutter. In those cases where bituminous curbing is replaced with concrete curb and gutter, an additional special benefit will be assessed. The cost to be assessed shall be the cost of installing the concrete curb and gutter and assessed on a front foot basis. The addition of a wider street or a storm sewer system may also be considered an additional special benefit and may be assessed.

PUBLIC IMPROVEMENT SPECIAL ASSESSMENT POLICY

Resolution No. 2007-
November 13, 2007

(Supersedes Resolution No. 98-6 January 7, 1998 Res. 95-126, February 21, 1995; Res. 89-154, March 6, 1989; Res. 88-381, June 27, 1988; Res. 88-115, February 8, 1988, Res. 87-132, February 23, 1987, Res. 85-237, April 1, 1985; Res. 83-674, December 5, 1983; Res. 82-615, November 22, 1982; Res. 81-803, November 23, 1981; Res. 81-128, February 23, 1981; Res. 80-475, July 21, 1980; Res. 76-281, May 17, 1976; Res. 75-624, November 3, 1975; Res. 73-342, August 20, 1973; Res. 66-156, September 12, 1966.)

I. *The Basis of Special Assessments.*

A. General

As a statutory charter city, Plymouth has the authority to levy special assessments under the provisions of the State Local Improvement Code (MSA Chapter 429). Special assessments are levied by the City Council on particular parcels of property based upon the special benefit those parcels derive from the improvement as determined by the City Council. Minnesota State Law, Chapter 429.011 to 429.111 and portions of 444 provides that a municipality shall have the power to make public improvements such as sanitary sewers, storm sewers, water source and distribution facilities, street improvements including grading, curb and gutter, surfacing, sidewalks, street lighting, recreational facilities, etc. The various procedures the municipality must follow including reports, notices and public hearings are well defined within the law.

The Statute further provides that the cost of any improvement may be assessed upon property benefitted by the improvement based upon the benefits received whether or not the property abuts on the improvement and whether or not any part of the cost of the improvement is paid from Municipal State Aid, the county-state aid funds or trunk highway funds. The law is not specific on how these benefits are to be measured or how the costs are to be apportioned, but rather makes it incumbent upon the municipality to determine, with assistance of an engineer or other qualified personnel, a fair and equitable method of cost sharing among the properties involved.

For the purposes of allocating costs for public improvement projects in the City of Plymouth, the City Council has defined two forms of benefit:

1. Special benefit
2. General benefit

Special Benefit. The general application of both law and court decisions holds that only properties that receive a special benefit from improvement projects may be specially assessed. For example, public utilities brought to an area not served with sanitary sewer, water, road and drainage result in the properties in question increasing in market value. Likewise, properties that do not directly abut a street improvement can be shown to benefit from that improvement if the street provides the only public access to those properties. Property may only be assessed to the extent the improvement causes the property to increase in market value. ~~The City has historically assessed most public project costs on the basis of special benefit to the parcels within the improvement district.~~

General Benefit. The concept of general benefit holds that in some types of improvement projects the community at large derives a benefit distinct from the special benefit derived by the properties within the project boundaries. For example, a major thoroughfare may be deemed to have a general benefit to the community at large, as well as the special benefit derived by the abutting property.

~~In the application of its assessment policies, the City Council shall define and distinguish between the special benefits received by particular parcels of property within an improvement district, as compared to any general benefit derived by the community at large. The Council shall also determine preliminary proposed public improvement project prior to ordering such an improvement project.~~

Special assessments are levied by the City Council on particular parcels of property based upon the benefit those parcels derive from the improvement as determined by the City Council.

B. Total Project Cost

The total cost of a public improvement includes the following:

Construction cost plus 15% for engineering, administration, legal fees, assessment rolls, ~~bonding costs,~~ plus right-of-way costs (fee acquisition and/or easement costs including staff time) and temporary funding charges, plus other charges for services and contingencies, plus any assessable charges from other governmental agencies (i.e. Metropolitan Council Environmental Services, Hennepin County, State of Minnesota), plus any assessable costs previously incurred by the City.

A portion of other contributing funds from the City (i.e. Municipal State Aid (MSA), Trunk Utility, Water Resources, etc.) or outside governmental agencies may be deducted from the total improvement cost to determine the assessable cost.

C. Assessment Interest Rate

The special assessment interest rate shall be established annually by the Finance and Administrative Services Department. The rate shall be as determined by the rate at which the City can issue General Obligation Special Assessment bonds plus 1.5% for administrative costs.

D. Term of Assessment

Assessments shall normally be levied for a period not to exceed five (5) years for assessments of \$5,000 or less, ten (10) years for assessments greater than \$5,000 but \$10,000 or less, and fifteen (15) years for assessments greater than \$10,000. In no case shall the assessment term exceed the expected useful life of the improvement.

E. City Owned Property

The City from time to time undertakes public improvement projects benefiting property within the City, and City-owned property is occasionally benefited by and may be specially assessed for such improvements. City property shall generally be determined the benefit generally as follows:

1. Property owned or used by a City utility operation shall be deemed to benefit in the same manner and to the same extent as a single-family residential property.
2. Park land shall be viewed on an individual basis; however, smaller neighborhood parks shall normally not be assessed; rather the costs spread throughout the benefiting district. Community or central parks should normally be assessed for benefit as single-family residential property.
3. Storm water holding areas shall not normally be deemed to be assessable.
4. Other categories of property shall be reviewed on an individual basis to determine benefit.

F. Property Excluded

Special assessments will not be levied against property lying within the boundaries of a delineated wetland or property dedicated for public right-of-way or easement prior to development of the property provided that right-of-way or easement was not used as a means to obtain density credits.

II. Public Improvement Assessment Policies

A. Sanitary Sewer

1. *Functional Classification.* For purposes of benefit determination, the following two functional classifications are adopted:
 - a. *Trunk.* Trunk sanitary sewers are those lines normally sized larger than eight inches which are required to be constructed to provide service to a sewer district or sub-district. These trunk lines are identified in the City's Sewer Policy Plan ~~Sanitary Sewer Plan~~. The cost of trunk facilities is deemed to be a central system cost. Trunks may provide lateral benefit and where such benefit is determined the property will be so assessed. Trunks may be

constructed in an alignment to develop lateral benefit which requires deeper pipe construction. In such instances, the Council shall consider the degree to which extra depths may be treated as a trunk versus a lateral cost.

- b. *Laterals.* Lateral sanitary sewer lines in most residential zones (FRD, R-1 through R-3) are not larger than eight inches while other zoned areas may have lateral benefit up to twelve inches. Laterals are designed to be sized to collect the sewage from a project area for conveyance to a trunk facility.

2. *Central System Costs.* Central system costs are divided into the following two categories:

- a. *Connection Charge.* Sanitary Sewer Residential Equivalent Connection (REC) charges are established by the City to finance central system costs: sewer trunks, force mains and pumping stations, etc. These improvement costs are incurred before property can develop. REC charges for sanitary sewer service to dwelling units or other structures shall be made in accordance with Chapter 7 of the Plymouth City Code.

~~Residential Equivalent Connection (REC) charges for sanitary sewer service to dwelling units or other structures shall be collected at the current rate prior to the issuance of a building permit. If sewer connection or REC charges were previously assessed to a parcel, or part of a parcel, and such land is developed with a more intensive use than was contemplated at the time connection or REC charges were assessed, additional REC charges shall be calculated based on the higher use.~~

~~The current REC rate (adopted March 6, 1989 to be effective April 1, 1989) (adopted December 12, 2006 to be effective January 1, 2007) for all residential zones is \$370 \$400 per dwelling unit or residential equivalent unit (REC) Land uses in all other zones will be charged on the basis of the estimated demand placed upon the sanitary sewer system. The charge will be based on one REC being equivalent to 72,000 gallons of sewage flow per year as projected by the City Engineer for the specific proposed use. The REC is defined as a sewer availability charge (SAC) unit (as calculated by the Metropolitan Council Environmental Services) multiplied by 1.39.~~

- b. *Area Charges* Sanitary sewer area assessments, to finance central system costs, shall be levied against all benefiting properties within an improvement district. Sanitary sewer and water area assessments will usually be levied at the same time.

The current assessment rates (adopted March 6, 1989 to be effective April 1, 1989) (adopted December 12, 2006 to be effective January 1, 2007) for sanitary sewer area charges are is: \$950 per developable acre.

Residential Zones ————— \$440 per 1/2 acre or
per dwelling unit

All Other Zones ————— \$1320 per acre.

Area and connection charges shall be reviewed and revised each February commencing in 1990 based upon the change in the American City and County Construction Cost Index as published in the American City and County, with the base index being 118.9 (December 1988) annually to determine whether current charges are projected to be adequate to cover the cost of infrastructure needed to serve future development.

3. *Lateral Assessments.* It is the policy of the City to assess fully the costs of all lateral sanitary sewers to a given project area. These costs shall include the costs associated with bringing the sanitary sewer to the property at a point and depth needed to serve not only the property in question, but adjacent parcels outside of the current project boundary if the line is to be extended in the future. It shall be the intent of the policy to insure that the most economical and effective sanitary sewage collection system can be constructed so as to meet the ultimate needs of the community at large. In all but high density (R-4) residential developments, lateral sanitary sewer special benefit shall be limited to pipe sizes no greater than ~~nine~~ eight inches in diameter, while in commercial and industrial zoned properties, including properties zoned high density residential (R-4), the special benefit shall be limited to a pipe no greater than twelve inches in diameter. Lateral assessment shall be calculated on a front footage or unit basis.

B. Water

1. *Function Classification.* For purposes of benefit determination, the following two functional classifications are adopted:
 - a. *Trunk.* Trunk water mains are normally sized twelve inches or larger. These trunk lines are identified in the City's Water Supply and Distribution Plan. The cost of trunk facilities is deemed to be a central system cost. Trunks may provide lateral benefit and where such benefit is determined the property will be so assessed. There is no lateral benefit for FRD, R-1 and R-2 development unless a direct building connection is made to the trunk water main. It is further determined that there is lateral benefit from trunk water mains for all developments.
 - b. *Lateral.* Lateral lines are normally not larger than eight inches in most residential zones (FRD, R-1 through R-2) and twelve inches in other zones. Laterals are designed to be sized to provide water in sufficient volumes and such pressure as required to serve a project area.
2. *Central System Costs.* Central system costs are divided into the following categories:
 - a. *Connection Charge.* Water Residential Equivalent Connection (REC) charges as established by the City to finance central system costs, representing trunk water mains, reservoirs, wells, pumping stations,

treatment facilities, etc. These improvement costs are incurred before property can develop. REC charges for water main service to dwelling units or other structures shall be made in accordance with Chapter 7 of the Plymouth City Code.

~~Residential Equivalent Connection (REC) charges for water service to dwelling units or other structures shall be collected at the current rate prior to the issuance of a building permit. If water connection or REC charges were previously assessed to a parcel, or part of a parcel, and such land is developed with a more intensive use than was contemplated at the time connection or REC charges were assessed, additional REC charges shall be calculated upon the approved higher use and payable to the City.~~

~~The current REC rate (adopted March 6, 1989 to be effective April 1, 1989) (adopted December 12, 2006 to be effective January 1, 2007) for all residential zones is \$370 \$400 per dwelling unit or residential equivalent unit (REC). Land uses in all other zones will be charged on the basis of the estimated demand placed upon the sanitary sewer system. The charge will be based on one REC being equivalent to 72,000 gallons of sewage flow per year as projected by the City Engineer for the specific proposed use. The REC is defined as a sewer availability charge (SAC) unit (as calculated by the Metropolitan Council Environmental Services) multiplied by 1.39.~~

- b. *Area Charges.* Water area assessments, to finance central system costs, shall normally be levied against all benefiting properties within an appropriate improvement district at the area assessment rate then currently in effect when water is available to the property. ~~Normally the area assessments will not be levied unless sanitary sewer is also available.~~

The current assessment rates (adopted March 6, 1989 to be effective April 1, 1989) (adopted December 12, 2006 to be effective January 1, 2007) for water area charges are is: \$3,525 per developable acre.

Residential Zones	\$790 per 1/2 acre or per dwelling unit
All Other Zones	\$2,370 per acre

~~Area and connection charges shall be reviewed and revised each February commencing in 1990 based upon the change in the American City and County Construction Cost Index as published in the American City and County, with the base index being 118.9 (December 1988) annually to determine whether current charges are projected to be adequate to cover the cost of infrastructure needed to serve future development.~~

3. *Lateral Assessments.* It is the policy of the City to assess fully the costs of all lateral water mains to a given project area. These costs shall include the costs

associated with bringing the water main to the property at a point needed to serve not only the property in question, but adjacent parcels outside of the current project boundary if the line is to be extended in the future. It shall be the intent of the policy to insure that the most economical and effective water distribution system can be constructed so as to meet the ultimate needs of the community at large. In all but high density (R-3 and R-4) residential developments, lateral water main special benefit shall be limited to pipe sizes no greater than eight inches in diameter, while in commercial and industrial zones properties, including properties zoned in high density residential (R-3 and R-4) and schools, the special benefit shall be limited to a pipe no greater than twelve inches in diameter. Lateral assessment shall be calculated on a front footage or unit basis.

C. Storm Drainage.

1. Storm drainage facilities, (pipes, ponds, wetlands, lakes, etc.) are designed to convey storm and other surface water so as to enhance the public health, safety and welfare. The benefits to the citizens of Plymouth from such facilities are numerous. They include, but are not limited to:
 - a. Protection and preservation of wetlands, marshes and ponds for the enhancement of ground water recharging, filtration of pollutants, wildlife habitat, and general aesthetic beauty associated with such natural areas.
 - b. Conveyance of surface water through piping systems to prevent flooding and damage to property.
 - c. Establishment and maintenance of pond and lake levels to prevent flooding downstream in the watershed.
 - d. Improvement of receiving water quality for lakes, wetlands and streams.
 - e. Control of channel erosion and stream morphology.
 - f. Protection of the physical and biological integrity of the stream and wetland corridors.
 - g. Control bounce and duration of inundation of wetlands and preservation of the function and values for each type of wetland classification.

A comprehensive storm drainage system benefits all properties in ~~the~~ a watershed district. Projects undertaken within a watershed or major drainage district, which improvements are designed as "trunk" in the Storm Drainage Plan Surface water Management Plan, are deemed to be of general benefit to all of the property within the watershed or major drainage district. The Council shall determine whether or not trunk benefit is present in a project. If trunk benefit is present, the cost of that part of the project will be shared by all within the watershed or major drainage district in the following manner:

- a. *Ad valorem* taxes collected from property within the watershed.
- b. Special assessments levied on property within the watershed or major drainage district.

~~e. Establish storm sewer improvement taxing districts.~~

~~d. Storm sewer charges.~~

~~2. Storm Sewer Improvement Tax Districts. The Council has created, by ordinance, four storm sewer improvement tax districts. The Council may levy within each of the districts a tax levy not to exceed one mill to finance storm drainage improvements benefiting property within the districts. The storm sewer improvement tax district boundaries are defined as outlined in the City's plans and are identified as follows:~~

- ~~Storm Sewer Improvement Tax District No. 1 — Bassett Creek Watershed~~
- ~~Storm Sewer Improvement Tax District No. 2 — Minnehaha Creek Watershed~~
- ~~Storm Sewer Improvement Tax District No. 3 — Elm Creek Watershed~~
- ~~Storm Sewer Improvement Tax District No. 4 — Shingle Creek Watershed~~

~~3. Storm Drainage Benefits Area Charges.~~

~~The current assessment rate (adopted XXXX, 2007 to be effective January 1, 2008) for storm drainage area charges is \$X,XXX per developable acre. Area charges shall be reviewed and revised annually to determine whether current charges are projected to be adequate to cover the cost of infrastructure needed to serve future development.~~

~~For purpose of assessing storm drainage benefit, the following assessment ratio shall normally be used:~~

<u>Land Use</u>	<u>Ratio</u>
Commercial & Industrial Zones	2 ½
High Density Residential (R-3 and R-4)	1 ½
Low Density Residential (Other R-Zones)	1

~~This policy is established on the basis of design run-off coefficients and City development policies which generally require retention and preservation of natural water courses in residential areas and permits significant dislocation of these water retention areas and water courses in commercial and industrial areas.~~

3. Storm Drainage Benefits.

For purpose of assessing storm drainage benefit, the following assessment ratio shall normally be used:

<u>Land Use</u>	<u>Ratio</u>
<u>Commercial & Industrial Zones</u>	<u>2 — 1/2</u>
<u>High Density Residential (R-3 and R-4)</u>	<u>1 — 1/2</u>
<u>Low Density Residential (Other R Zones)</u>	<u>1</u>

This policy is established on the basis of design run-off coefficients and City development policies which generally require retention and preservation of natural water courses in residential areas and permits significant dislocation of these water retention areas and water courses in commercial and industrial areas.

D. *Streets*

1. This policy outlines the general street assessment policy which will be applicable for various street functional classifications and zoned for guided properties. The policy will assure property owners they are being treated in an equitable manner with respect to the special benefits their property receives from street improvements.
2. *Functional Classification.*
 - a. *Minor Arterials.* Minor arterials are roadways designed to provide for the through movement of traffic and are generally associated with the most intense land uses. Access to such arterials is generally limited to public streets. Arterials are normally designed to 9-ton standards with concrete curb and gutter and a width of 52 feet. Arterials may include medians and turning lanes.
 - b. *Major Collectors.* Major collectors are roadways designed to distribute traffic from major generators or from minor collectors to the arterial system. Access to major collectors shall be minimized, however, insuring the abutting parcels are properly served. Major collectors are designed to 9-ton standards with concrete curb and gutter and a width of up to 52 feet. Major collectors may include medians and turning lanes.
 - c. *Minor Collectors.* Minor collectors are roadways designed to distribute traffic from the major collectors and/or arterials to the local street system and vice versa. Lane access and local traffic movement within the various neighborhoods and areas are provided. Minor collectors are designed to 9-ton standards with concrete curb and gutter and width between 44 and 48 feet in commercial/industrial and higher density residential area, and to 7-ton standards and a width between 32 and 36 feet in residential zones.
 - d. *Local Streets.* Local streets are roadways designed to serve as access to abutting residential or industrial/commercial properties. The design shall

discourage through traffic. Residential streets are designed to 7-ton standards and a width of ~~32~~ 28 feet and commercial/industrial streets are designed to 9-ton standards and a width of up to 36 feet.

3. *Assessment Procedures*

- a. *Low Density Residential (FRD, R-1 and R-2).* It is the normal City policy to fully assess the cost of residential street construction (~~32~~ 28 feet wide, 7-ton design, concrete curb and gutter) to the above residential areas if the property has direct access to the street.
- b. *Higher Density Residential (R-3 and R-4) and Commercial/Industrial.* It is the normal City policy to fully assess the cost of all streets to the above residential, commercial and industrial areas if the property abuts the roadway.
- c. *Special Considerations.*
 - (1) Land uses allowed by conditional use permit other than PUD's in the FRD, R-1 and R-2 districts shall normally be presumed to receive a special benefit from roadway construction beyond that for the low density residential land uses.
 - (2) The general rule is to assess platted lots on a front footage basis, however, where curvilinear and/or cul-de-sac streets produce odd shaped lots, consideration will be given to the "unit" assessment if the special benefit to the property in the district is essentially the same.
 - (3) In those cases where the project street benefits undeveloped homogeneous area, the Council may assess such project cost to the parcels on the basis of the relationship of the area of each parcel to the total area within the homogeneous area to be assessed.
 - (4) City participation in street construction costs shall not be considered unless the standards exceed 36 feet in width and/or 7-ton design (residential)/9-ton design (commercial/industrial).
 - (5) The following table indicates the normal assessment practices of the City based upon the guiding or zoning of the property proposed to be assessed:

MINOR ARTERIALS:

ZONED	FR	R-	R-	R-2	R-3	R-4	B1	B2	B3	I-1

GUIDED	LA1	LA1	LA1	LA	LA	LA4	L	CN/C	S	IP
ACCESS TO STREET										
Direct						X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
DESIGN STANDARD										
7-ton				X						
9-ton					X	X	X	X	X	X
Up to 36 ft.				X						
Up to 44 ft.					X	X				
Up to 52 ft.							X	X	X	X
Concrete Curb/Gutter	X	X	X	X	X	X	X	X	X	X

MAJOR COLLECTORS:

ZONED	FRD	R-	R-	R-2	R-3	R-4	B1	B2	B3	I-1
GUIDED	LA1	LA1	LA1	LA2	LA	LA4	L	CN/C	S	IP
ACCESS TO STREET										
Direct				X	X	X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
DESIGN STANDARD										
7-ton	X	X	X	X						
9-ton					X	X	X	X	X	X
Up to 36 ft.	X	X	X	X						
Up to 44 ft.					X	X				
Up to 52 ft.							X	X	X	X
Concrete Curb/Gutter	X	X	X	X	X	X	X	X	X	X

MINOR COLLECTORS AND LOCAL:

ZONED	FRD	R-1A	R-	R-2	R-3	R-4	B1	B2	B3	I-1
GUIDED	LA1	LA1	LA1	LA2	LA3	LA	L	CN/C	S	IP
ACCESS TO STREET										
Direct	X	X	X	X	X	X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
DESIGN STANDARD										

7-ton	X	X	X	X						
9-ton					X	X	X	X	X	X
Up to 36 ft.	X	X	X	X						
Up to 44 ft.					X	X				
Up to 52 ft.							X	X	X	X
Concrete Curb/Gutter	X	X	X	X	X	X	X	X	X	X

4. ~~Street Reconstruction.~~ The City Council has adopted a long range plan providing for the periodic reconstruction, including resurfacing, of all paved city streets. The City Council adopted policies which are designed to ensure the orderly and fiscally responsible implementation of this plan on a community wide basis.

~~The following is the general Street Reconstruction Policy for special assessments to benefiting property.~~

a. ~~It is the policy of the City to special assess abutting benefiting property for street reconstruction costs, but not in excess of the special benefit to the property. This policy applies to all streets that are the responsibility of the City.~~

b. ~~The assessment rate for the reconstruction of previously paved streets shall be determined annually by the City Council.~~

~~The assessment rate is based on the following:~~

(1) ~~It is the goal of this policy that benefited properties be assessed 30% of the cost of the Pavement Management Program. The percentage of the project assessed in any individual year will vary depending upon construction requirements and the construction market.~~

(2) ~~Assessments shall not exceed any of the following:~~

(a) ~~the special benefit to the property being assessed;~~

(b) ~~the total assessments in a maintenance district may not exceed the project cost in the maintenance district;~~

(c) ~~the total assessment for a project may not exceed the project.~~

~~Project cost includes both direct construction costs and all indirect costs such as engineering and administration.~~

(3) ~~Assessments shall normally be levied for a period not to exceed five (5) years. Longer assessment periods will be considered when other assessable public improvements are being constructed at the same time.~~

(4) ~~Assessment for single family parcels shall be made on a per parcel (unit) basis. The unit assessment rate for 1994 is \$916. The rate shall be adjusted annually based on the percent change in the "Construction Cost Index" as published in the American City and County magazine, with the base index being 138.2 (January 1994).~~

(5) ~~Multi family housing parcels shall be converted into an equivalent number of parcel units by dividing the area of the multi family parcel by 18,500 (the City's established minimum lot size). The number of equivalent units are~~

then multiplied by the single family assessment rate to determine the assessment for the property.

- ~~(6) The area of commercial/industrial parcels shall be divided by 18,500 to establish the number of equivalent units for the property. The 1994 assessment rate for each unit is \$692, based upon the industrial portions of the 1992, 1993, and 1994 Street Reconstruction Projects. This rate shall be adjusted annually by the percentage change of the construction cost index. Institutional properties such as schools, churches, and public property are assessed as commercial/industrial.~~
- ~~e. For the purposes of street reconstruction, the project costs will include the cost of replacing or repairing concrete curb and gutter. In those cases where bituminous curbing is replaced with concrete curb and gutter, an additional special benefit will be assessed. The cost to be assessed shall be the cost of installing the concrete curb and gutter and assessed on a front foot basis. The addition of a wider street or a storm sewer system may also be considered an additional special benefit and may be assessed.~~

4. Street Reconstruction. The City Council has adopted a long-range plan providing for the periodic reconstruction, including mill and overlay, of all paved city streets. With the improvement of streets, as a result of reconstruction or mill and overlay, adjoining properties receive special benefit that results in the increase of the property's value. It is the policy of the City that this special benefit should be paid for by the property owner receiving the special benefit rather than the City as a whole. This is accomplished by specially assessing the benefited property as authorized by State Statute, Section 429. The following is the City of Plymouth's policy regarding special assessments to properties benefiting from street improvements.

- a. It is the policy of the City to specially assess abutting benefiting properties for street reconstruction costs, but not in excess of the special benefit to the property. This policy applies to all streets that are public streets.
- b. The assessment amount for the reconstruction or mill and overlay of previously paved streets shall be determined annually by the City Council.

The assessment amount is based on the following:

- (1) In 2006 ~~b~~Benefited properties shall be assessed 3540% of the engineer's estimated project cost as set forth in the project feasibility report or 3540% of the actual project cost, whichever amount is less. In 2007 and thereafter, the rate shall be 40%.
- (2) For the purposes of street reconstruction or mill and overlay, the project costs will include the cost of replacing or repairing concrete curb and gutter. In those cases where bituminous curbing is replaced with concrete curb and gutter, or where curb and gutter did not previously exist, the additional special benefit will be assessed. The cost to be assessed shall

be 100% of the cost of installing the concrete curb and gutter. This cost will be assessed on either a front foot or unit basis. The addition of a storm sewer system will also be considered an additional benefit and shall be assessed at 100% of the cost.

- ~~(3) Project cost includes both direct construction costs and all indirect costs such as engineering and administration.~~
- ~~(4) Assessments shall normally be levied for a period not to exceed five (5) years for assessments of \$5,000 or less, ten (10) years for assessments greater than \$5,000 but \$10,000 or less, and fifteen (15) years for assessments greater than \$10,000.~~
- (5) Assessments for properties guided or zoned for single-family use shall be made on a per parcel (unit) basis for a local residential or residential low volume street design standard as provided for in Plymouth City Code and Engineering Guidelines. A property may be assessed for more than one unit in cases where the property could be reasonably further subdivided in accordance with current zoning and subdivision requirements.
- (6) For properties guided or zoned for other than single family use, the City shall calculate equivalent units based on the guided or zoned use. The equivalent units may be based on front footage or area depending upon the guided or zoned use and parcel configuration.
- (7) If a street is reconstructed to a design standard greater than the current design standard due to the guided or zoned uses, the additional cost to reconstruct the street shall be fully assessed to those properties. If the street is reconstructed to a design different than the current standard, the total cost shall be fully assessed to those properties if conditions warrant.
- (8) Properties abutting county roadways reconstructed to complete urban design and having reasonable access thereto shall be assessed in accordance with this policy. The assessments shall be used to defray the City's cost participation in the county improvement projects.
- (9) Properties or areas of property that have been determined to be unbuildable shall be excluded from assessments.
- ~~(10) Partial prepayments of assessments can be made in accordance with Amended Chapter III of the Plymouth City Code (Ordinance 2005-06).~~
- ~~(11) Senior Citizens and Disabled People Special Assessments Deferrals in accordance with City policy (if you are at least 65 years of age or are disabled, you may qualify to have special assessments deferred). Other deferrals may be available as authorized by State Statute, Section 429.~~
- (12) Properties not abutting roadways reconstructed to complete urban design but whose primary public street access is from said roadway shall be

assessed an amount equal to the special benefit received as determined by a certified real property appraiser.

E. Street Lighting

Street lighting assessments shall be made in accordance with Chapter VII of the Plymouth City Code.

F. Other Provisions

Payment of Assessments and Deferrals

Partial Payments

Partial prepayments of assessments can be made in accordance with Amended Chapter III of the Plymouth City Code (Ordinance 2005-06).

Deferrals

Senior Citizens and Disabled People Special Assessments Deferrals in accordance with City policy (if you are at least 65 years of age or are disabled, you may qualify to have special assessments deferred). Other deferrals may be available as authorized by State Statute, Section 429 or other City policies.

Combined Parcel

Where there is proposed a combination of parcels of record upon which separate special assessments have been levied, it shall be the policy of the City of Plymouth with respect to abatement of such special assessments as follows:

- 1) In no case shall assessments for area charges or front foot lateral charges be adjusted.
- 2) Residential Equivalent Charges formerly assessed may be abated by the City Council, on a case-by-case basis, on parcels that would be unsuitable for construction only at such time as said parcels are combined with others to create a suitable parcel.

PUBLIC IMPROVEMENT SPECIAL ASSESSMENT POLICY

Resolution No. 2007-
November 13, 2007

(Supersedes Resolution No. 98-6 January 7, 1998; Res. 95-126, February 21, 1995; Res. 89-154, March 6, 1989; Res. 88-381, June 27, 1988; Res. 88-115, February 8, 1988; Res. 87-132, February 23, 1987; Res. 85-237, April 1, 1985; Res. 83-674, December 5, 1983; Res. 82-615, November 22, 1982; Res. 81-803, November 23, 1981; Res. 81-128, February 23, 1981; Res. 80-475, July 21, 1980; Res. 76-281, May 17, 1976; Res. 75-624, November 3, 1975; Res. 73-342, August 20, 1973; Res. 66-156, September 12, 1966.)

I. *The Basis of Special Assessments.*

A. *General*

As a charter city, Plymouth has the authority to levy special assessments under the provisions of the State Local Improvement Code (MSA Chapter 429). Minnesota State Law, Chapter 429.011 to 429.111 and portions of 444 provides that a municipality shall have the power to make public improvements such as sanitary sewers, storm sewers, water source and distribution facilities, street improvements including grading, curb and gutter, surfacing, sidewalks, street lighting, recreational facilities, etc. The various procedures the municipality must follow including reports, notices and public hearings are well defined within the law.

The Statute further provides that the cost of any improvement may be assessed upon property benefitted by the improvement based upon the benefits received whether or not the property abuts on the improvement and whether or not any part of the cost of the improvement is paid from Municipal State Aid, the county-state aid funds or trunk highway funds. The law is not specific on how these benefits are to be measured or how the costs are to be apportioned, but rather makes it incumbent upon the municipality to determine, with assistance of an engineer or other qualified personnel, a fair and equitable method of cost sharing among the properties involved.

For the purposes of allocating costs for public improvement projects in the City of Plymouth, the City Council has defined two forms of benefit:

1. Special benefit
2. General benefit

Special Benefit. The general application of both law and court decisions holds that only properties that receive a special benefit from improvement projects may be specially assessed. For example, public utilities brought to an area not served with sanitary sewer, water, road and drainage result in the properties in question increasing in market value.

Likewise, properties that do not directly abut a street improvement can be shown to benefit from that improvement if the street provides the only public access to those properties. Property may only be assessed to the extent the improvement causes the property to increase in market value.

General Benefit. The concept of general benefit holds that in some types of improvement projects the community at large derives a benefit distinct from the special benefit derived by the properties within the project boundaries. For example, a major thoroughfare may be deemed to have a general benefit to the community at large, as well as the special benefit derived by the abutting property.

Special assessments are levied by the City Council on particular parcels of property based upon the benefit those parcels derive from the improvement as determined by the City Council.

B. Total Project Cost

The total cost of a public improvement includes the following:

Construction cost plus 15% for engineering, administration, legal fees, assessment rolls, plus right-of-way costs (fee acquisition and/or easement costs including staff time) and temporary funding charges, plus other charges for services and contingencies, plus any assessable charges from other governmental agencies (i.e. Metropolitan Council Environmental Services, Hennepin County, State of Minnesota), plus any assessable costs previously incurred by the City.

A portion of other contributing funds from the City (i.e. Municipal State Aid (MSA), Trunk Utility, Water Resources, etc.) or outside governmental agencies may be deducted from the total improvement cost to determine the assessable cost.

C. Assessment Interest Rate

The special assessment interest rate shall be established annually by the Finance and Administrative Services Department. The rate shall be as determined by the rate at which the City can issue General Obligation Special Assessment bonds plus 1.5% for administrative costs.

D. Term of Assessment

Assessments shall normally be levied for a period not to exceed five (5) years for assessments of \$5,000 or less, ten (10) years for assessments greater than \$5,000 but \$10,000 or less, and fifteen (15) years for assessments greater than \$10,000. In no case shall the assessment term exceed the expected useful life of the improvement.

E. City Owned Property

The City from time to time undertakes public improvement projects benefiting property within the City, and City-owned property is occasionally benefited by and may be

specially assessed for such improvements. City property shall generally be determined the benefit as follows:

1. Property owned or used by a City utility operation shall be deemed to benefit in the same manner and to the same extent as a single-family residential property.
2. Park land shall be viewed on an individual basis; however, smaller neighborhood parks shall normally not be assessed; rather the costs spread throughout the benefiting district. Community or central parks should normally be assessed for benefit as single-family residential property.
3. Storm water holding areas shall not normally be deemed to be assessable.
4. Other categories of property shall be reviewed on an individual basis to determine benefit.

F. Property Excluded

Special assessments will not be levied against property lying within the boundaries of a delineated wetland or property dedicated for public right-of-way or easement prior to development of the property provided that right-of-way or easement was not used as a means to obtain density credits.

II. Public Improvement Assessment Policies

A. Sanitary Sewer

1. *Functional Classification.* For purposes of benefit determination, the following two functional classifications are adopted:
 - a. *Trunk.* Trunk sanitary sewers are those lines normally sized larger than eight inches which are required to be constructed to provide service to a sewer district or sub-district. These trunk lines are identified in the City's Sanitary Sewer Plan. The cost of trunk facilities is deemed to be a central system cost. Trunks may provide lateral benefit and where such benefit is determined the property will be so assessed. Trunks may be constructed in an alignment to develop lateral benefit which requires deeper pipe construction. In such instances, the Council shall consider the degree to which extra depths may be treated as a trunk versus a lateral cost.
 - b. *Laterals.* Lateral sanitary sewer lines in most residential zones (FRD, R-1 through R-3) are not larger than eight inches while other zoned areas may have lateral benefit up to twelve inches. Laterals are designed to be sized to collect the sewage from a project area for conveyance to a trunk facility.

2. *Central System Costs.* Central system costs are divided into the following two categories:

- a. *Connection Charge.* Sanitary Sewer Residential Equivalent Connection (REC) charges are established by the City to finance central system costs: sewer trunks, force mains and pumping stations, etc. These improvement costs are incurred before property can develop. REC charges for sanitary sewer service to dwelling units or other structures shall be made in accordance with Chapter 7 of the Plymouth City Code.
- b. *Area Charges* Sanitary sewer area assessments, to finance central system costs, shall be levied against all benefiting properties within an improvement district. Sanitary sewer and water area assessments will usually be levied at the same time.

The current assessment rates (adopted December 12, 2006 to be effective January 1, 2007) for sanitary sewer area charges is \$950 per developable acre.

Area and connection charges shall be reviewed and annually to determine whether current charges are projected to be adequate to cover the cost of infrastructure needed to serve future development.

3. *Lateral Assessments.* It is the policy of the City to assess fully the costs of all lateral sanitary sewers to a given project area. These costs shall include the costs associated with bringing the sanitary sewer to the property at a point and depth needed to serve not only the property in question, but adjacent parcels outside of the current project boundary if the line is to be extended in the future. It shall be the intent of the policy to insure that the most economical and effective sanitary sewage collection system can be constructed so as to meet the ultimate needs of the community at large. In all but high density (R-4) residential developments, lateral sanitary sewer special benefit shall be limited to pipe sizes no greater than eight inches in diameter, while in commercial and industrial zoned properties, including properties zoned high density residential (R-4), the special benefit shall be limited to a pipe no greater than twelve inches in diameter. Lateral assessment shall be calculated on a front footage or unit basis.

B. *Water*

1. *Functional Classification.* For purposes of benefit determination, the following two functional classifications are adopted:

- a. *Trunk.* Trunk water mains are normally sized twelve inches or larger. These trunk lines are identified in the City's Water Supply and Distribution Plan. The cost of trunk facilities is deemed to be a central system cost. Trunks may provide lateral benefit and where such benefit is determined the property will be so assessed. There is no lateral benefit for FRD, R-1 and R-2 development unless a direct building connection is made to the trunk

water main. It is further determined that there is lateral benefit from trunk water mains for all developments.

- b. *Lateral.* Lateral lines are normally not larger than eight inches in most residential zones (FRD, R-1 through R-2) and twelve inches in other zones. Laterals are designed to be sized to provide water in sufficient volumes and such pressure as required to serve a project area.
2. *Central System Costs.* Central system costs are divided into the following categories:
 - a. *Connection Charge.* Water Residential Equivalent Connection (REC) charges as established by the City to finance central system costs, representing trunk water mains, reservoirs, wells, pumping stations, treatment facilities, etc. These improvement costs are incurred before property can develop. REC charges for sanitary sewer service to dwelling units or other structures shall be made in accordance with Chapter 7 of the Plymouth City Code.
 - b. *Area Charges.* Water area assessments, to finance central system costs, shall normally be levied against all benefiting properties within an appropriate improvement district at the area assessment rate then currently in effect when water is available to the property.

The current assessment rates (adopted December 12, 2006 to be effective January 1, 2007) for water area charges is \$3,525 per developable acre.

Area and connection charges shall be reviewed and revised annually to determine whether current charges are projected to be adequate to cover the cost of infrastructure needed to serve future development.

3. *Lateral Assessments.* It is the policy of the City to assess fully the costs of all lateral water mains to a given project area. These costs shall include the costs associated with bringing the water main to the property at a point needed to serve not only the property in question, but adjacent parcels outside of the current project boundary if the line is to be extended in the future. It shall be the intent of the policy to insure that the most economical and effective water distribution system can be constructed so as to meet the ultimate needs of the community at large. In all but high density (R-3 and R-4) residential developments, lateral water main special benefit shall be limited to pipe sizes no greater than eight inches in diameter, while in commercial and industrial zones properties, including properties zoned in high density residential (R-3 and R-4) and schools, the special benefit shall be limited to a pipe no greater than twelve inches in diameter. Lateral assessment shall be calculated on a front footage or unit basis.

C. *Storm Drainage.*

1. Storm drainage facilities, (pipes, ponds, wetlands, lakes, etc.) are designed to convey storm and other surface water so as to enhance the public health, safety and welfare. The benefits to the citizens of Plymouth from such facilities are numerous. They include, but are not limited to:
 - a. Protection and preservation of wetlands, marshes and ponds for the enhancement of ground water recharging, filtration of pollutants, wildlife habitat, and general aesthetic beauty associated with such natural areas.
 - b. Conveyance of surface water through piping systems to prevent flooding and damage to property.
 - c. Establishment and maintenance of pond and lake levels to prevent flooding downstream in the watershed.
 - d. Improvement of receiving water quality for lakes, wetlands and streams.
 - e. Control of channel erosion and stream morphology.
 - f. Protection of the physical and biological integrity of the stream and wetland corridors.
 - g. Control bounce and duration of inundation of wetlands and preservation of the function and values for each type of wetland classification.

A comprehensive storm drainage system benefits all properties in a watershed. Projects undertaken within a watershed or major drainage district, which improvements are designed as "trunk" in the Surface water Management Plan, are deemed to be of general benefit to all of the property within the watershed or major drainage district. The Council shall determine whether or not trunk benefit is present in a project. If trunk benefit is present, the cost of that part of the project will be shared by all within the watershed or major drainage district in the following manner:

- a. *Ad valorem* taxes collected from property within the watershed:
- b. Special assessments levied on property within the watershed or major drainage district.

2. Storm Drainage Benefits.

For purpose of assessing storm drainage benefit, the following assessment ratio shall normally be used:

Land Use	Ratio
Commercial & Industrial Zones	2 — 1/2
High Density Residential (R-3 and R-4)	1 — 1/2
Low Density Residential (Other R Zones)	1

This policy is established on the basis of design run-off coefficients and City development policies which generally require retention and preservation of natural water courses in residential areas and permits significant dislocation of these water retention areas and water courses in commercial and industrial areas.

D. Streets

1. This policy outlines the general street assessment policy which will be applicable for various street functional classifications and zoned for guided properties. The policy will assure property owners they are being treated in an equitable manner with respect to the special benefits their property receives from street improvements.
2. *Functional Classification.*
 - a. *Minor Arterials.* Minor arterials are roadways designed to provide for the through movement of traffic and are generally associated with the most intense land uses. Access to such arterials is generally limited to public streets. Arterials are normally designed to 9-ton standards with concrete curb and gutter and a width of 52 feet. Arterials may include medians and turning lanes.
 - b. *Major Collectors.* Major collectors are roadways designed to distribute traffic from major generators or from minor collectors to the arterial system. Access to major collectors shall be minimized, however, insuring the abutting parcels are properly served. Major collectors are designed to 9-ton standards with concrete curb and gutter and a width of up to 52 feet. Major collectors may include medians and turning lanes.
 - c. *Minor Collectors.* Minor collectors are roadways designed to distribute traffic from the major collectors and/or arterials to the local street system and vice versa. Lane access and local traffic movement within the various neighborhoods and areas are provided. Minor collectors are designed to 9-ton standards with concrete curb and gutter and width between 44 and 48 feet in commercial/industrial and higher density residential area, and to 7-ton standards and a width between 32 and 36 feet in residential zones.

- d. *Local Streets.* Local streets are roadways designed to serve as access to abutting residential or industrial/commercial properties. The design shall discourage through traffic. Residential streets are designed to 7-ton standards and a width of 28 feet and commercial/industrial streets are designed to 9-ton standards and a width of up to 36 feet.

3. *Assessment Procedures*

- a. *Low Density Residential (FRD, R-1 and R-2).* It is the normal City policy to fully assess the cost of residential street construction (28 feet wide, 7-ton design, concrete curb and gutter) to the above residential areas if the property has direct access to the street.
- b. *Higher Density Residential (R-3 and R-4) and Commercial/Industrial.* It is the normal City policy to fully assess the cost of all streets to the above residential, commercial and industrial areas if the property abuts the roadway.
- c. *Special Considerations.*
 - (1) Land uses allowed by conditional use permit other than PUD's in the FRD, R-1 and R-2 districts shall normally be presumed to receive a special benefit from roadway construction beyond that for the low density residential land uses.
 - (2) The general rule is to assess platted lots on a front footage basis, however, where curvilinear and/or cul-de-sac streets produce odd shaped lots, consideration will be given to the "unit" assessment if the special benefit to the property in the district is essentially the same.
 - (3) In those cases where the project street benefits undeveloped homogeneous area, the Council may assess such project cost to the parcels on the basis of the relationship of the area of each parcel to the total area within the homogeneous area to be assessed.
 - (4) City participation in street construction costs shall not be considered unless the standards exceed 36 feet in width and/or 7-ton design (residential)/9-ton design (commercial/industrial).
 - (5) The following table indicates the normal assessment practices of the City based upon the guiding or zoning of the property proposed to be assessed:

MINOR ARTERIALS:

ZONED	FR	R-	R-	R-2	R-3	R-4	B1	B2	B3	I-1
GUIDED	LA1	LA1	LA1	LA	LA	LA4	L	CN/C	S	IP
ACCESS TO STREET										
Direct						X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
DESIGN STANDARD										
7-ton				X						
9-ton					X	X	X	X	X	X
Up to 36 ft.				X						
Up to 44 ft.					X	X				
Up to 52 ft.							X	X	X	X
Concrete Curb/Gutter	X	X	X	X	X	X	X	X	X	X

MAJOR COLLECTORS:

ZONED	FRD	R-	R-	R-2	R-3	R-4	B1	B2	B3	I-1
GUIDED	LA1	LA1	LA1	LA2	LA	LA4	L	CNC	S	IP
ACCESS TO STREET										
Direct				X	X	X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
DESIGN STANDARD										
7-ton	X	X	X	X						
9-ton					X	X	X	X	X	X
Up to 36 ft.	X	X	X	X						
Up to 44 ft.					X	X				
Up to 52 ft.							X	X	X	X
Concrete Curb/Gutter	X	X	X	X	X	X	X	X	X	X

MINOR COLLECTORS AND LOCAL:

ZONED	FRD	R-1A	R-	R-2	R-3	R-4	B1	B2	B3	I-1
GUIDED	LA1	LA1	LA1	LA2	LA3	LA	L	CN/C	S	IP
ACCESS TO STREET										
Direct	X	X	X	X	X	X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
DESIGN STANDARD										
7-ton	X	X	X	X						
9-ton					X	X	X	X	X	X
Up to 36 ft.	X	X	X	X						
Up to 44 ft.					X	X				
Up to 52 ft.							X	X	X	X
Concrete Curb/Gutter	X	X	X	X	X	X	X	X	X	X

4. Street Reconstruction. The City Council has adopted a long-range plan providing for the periodic reconstruction, including mill and overlay, of all paved city streets. With the improvement of streets, as a result of reconstruction or mill and overlay, adjoining properties receive special benefit that results in the increase of the property's value. It is the policy of the City that this special benefit should be paid for by the property owner receiving the special benefit rather than the City as a whole. This is accomplished by specially assessing the benefited property as authorized by State Statute, Section 429. The following is the City of Plymouth's policy regarding special assessments to properties benefiting from street improvements.
 - a. It is the policy of the City to specially assess abutting benefiting properties for street reconstruction costs, but not in excess of the special benefit to the property. This policy applies to all streets that are public streets.
 - b. The assessment amount for the reconstruction or mill and overlay of previously paved streets shall be determined annually by the City Council.

The assessment amount is based on the following:

- (1) Benefited properties shall be assessed 40% of the actual project cost.
- (2) For the purposes of street reconstruction or mill and overlay, the project costs will include the cost of replacing or repairing concrete curb and gutter. In those cases where bituminous curbing is replaced with concrete curb and gutter; or where curb and gutter did not previously exist, the additional special benefit will be assessed. The cost to be assessed shall be 100% of the cost of installing the concrete curb and gutter. This cost will be assessed on either a front foot or unit basis. The addition of a storm sewer system will also be considered an additional benefit and shall be assessed at 100% of the cost.
- (3) Assessments for properties guided or zoned for single-family use shall be made on a per parcel (unit) basis for a local residential or residential low volume street design standard as provided for in Plymouth City Code and Engineering Guidelines. A property may be assessed for more than one unit in cases where the property could be reasonably further subdivided in accordance with current zoning and subdivision requirements.
- (4) For properties guided or zoned for other than single family use, the City shall calculate equivalent units based on the guided or zoned use. The equivalent units may be based on front footage or area depending upon the guided or zoned use and parcel configuration.
- (5) If a street is reconstructed to a design standard greater than the current design standard due to the guided or zoned uses, the additional cost to reconstruct the street shall be fully assessed to those properties. If the street is reconstructed to a design different than the current standard, the total cost shall be fully assessed to those properties if conditions warrant.

- (6) Properties abutting county roadways reconstructed to complete urban design and having reasonable access thereto shall be assessed in accordance with this policy. The assessments shall be used to defray the City's cost participation in the county improvement projects.
- (7) Properties or areas of property that have been determined to be unbuildable shall be excluded from assessments.
- (8) Properties not abutting roadways reconstructed to complete urban design but whose primary public street access is from said roadway shall be assessed an amount equal to the special benefit received as determined by a certified real property appraiser.

E. Street Lighting

Street lighting assessments shall be made in accordance with Chapter VII of the Plymouth City Code.

F. Other Provisions

Payment of Assessments and Deferrals

Partial Payments

Partial prepayments of assessments can be made in accordance with Amended Chapter III of the Plymouth City Code (Ordinance 2005-06).

Deferrals

Senior Citizens and Disabled People Special Assessments Deferrals in accordance with City policy (if you are at least 65 years of age or are disabled, you may qualify to have special assessments deferred). Other deferrals may be available as authorized by State Statute, Section 429 or other City policies.

Combined Parcel

Where there is proposed a combination of parcels of record upon which separate special assessments have been levied, it shall be the policy of the City of Plymouth with respect to abatement of such special assessments as follows:

- 1) In no case shall assessments for area charges or front foot lateral charges be adjusted.
- 2) Residential Equivalent Charges formerly assessed may be abated by the City Council, on a case-by-case basis, on parcels that would be unsuitable for construction only at such time as said parcels are combined with others to create a suitable parcel.

“Attachment A”

Policy #	Policy	Reason
1	Policy concerning assessing City-owned property	Incorporated into Public Improvement Assessment Policy
2	Policy regarding special assessments when parcels combined	Incorporated into Public Improvement Assessment Policy
3	Special Assessment Interest Rates Policy	Incorporated into Public Improvement Assessment Policy
4	Street Reconstruction Assessment Policy	Incorporated into Public Improvement Assessment Policy

POLICY CONCERNING ASSESSING CITY-OWNED PROPERTY

*Resolution No. 74-93
February 11, 1974*

The City from time to time undertakes public improvement projects benefiting property within the City, and City-owned property is occasionally benefited by such improvements.

In order that the Council may fully review the matter of proposed benefit to City-owned property, the City Manager is directed to report to the Council prior to the ordering of public improvement projects which would benefit City-owned property with his recommendations concerning how such benefiting property should be treated in the spreading of assessments on the proposed projects.

In making such a recommendation, he shall be guided generally as follows:

1. Property owned or used by a City utility operation shall be deemed to benefit in the same manner and to the same extent as a single-family residential property.
2. Park land shall be viewed on an individual basis; however, smaller neighborhood parks shall normally not be assessed; rather the costs spread throughout the benefiting district. Community or central parks should normally be assessed for benefit as single-family residential property.
3. Storm water holding areas shall not normally be deemed to be assessed.
4. Other categories of property shall be reviewed on an individual basis to determine benefit.

POLICY REGARDING SPECIAL ASSESSMENTS WHEN PARCEL COMBINED

*Resolution No. 76-26
January 5, 1976*

Where there is proposed a combination of parcels of record upon which separate special assessments have been levied, it shall be the policy of the City of Plymouth with respect to abatement of such special assessments as follows:

- 1) In no case shall assessments for area charges or front foot lateral charges be adjusted.
- 2) Residential Equivalent Charges formerly assessed may be abated by the City Council, on a case-by-case basis, on parcels that would be unsuitable for construction only at such time as said parcels are combined with others to create a suitable parcel.

**SPECIAL ASSESSMENT
INTEREST RATES POLICY**

*Resolution No. 2003-179
April 8, 2003*

The non-penalty related special assessment rates shall be based on the then current prime rate as published by the Wall Street Journal or Federal Reserve. The rate for a five-year assessment will be prime. The rate for a 10-year assessment will be prime + .5%. The rate for a 15-year assessment will be prime + 1%.

STREET RECONSTRUCTION ASSESSMENT POLICY

Resolution 2005-378
September 27, 2005

(Supersedes Res. 2003-386, Sept. 9, 2003; 2003-358, Aug. 12, 2003)

Street Reconstruction. The City Council has adopted a long-range plan providing for the periodic reconstruction, including mill and overlay, of all paved city streets. With the improvement of streets, as a result of reconstruction or mill and overlay, adjoining properties receive special benefit that results in the increase of the property's value. It is the policy of the City that this special benefit should be paid for by the property owner receiving the special benefit rather than the City as a whole. This is accomplished by specially assessing the benefited property as authorized by State Statute, Section 429. The following is the City of Plymouth's policy regarding special assessments to properties benefiting from street improvements.

- a. It is the policy of the City to special assess abutting benefiting property for street reconstruction costs, but not in excess of the special benefit to the property. This policy applies to all streets that are public streets.
- b. The assessment amount for the reconstruction or mill and overlay of previously paved streets shall be determined annually by the City Council.

The assessment amount is based on the following:

- (1) In 2006 benefited properties shall be assessed 35% of the engineer's estimated project cost as set forth in the project feasibility report or 35% of the actual project cost, whichever amount is less. In 2007 and thereafter, the rate shall be 40%.
- (2) For the purposes of street reconstruction or mill and overlay, the project costs will include the cost of replacing or repairing concrete curb and gutter. In those cases where bituminous curbing is replaced with concrete curb and gutter, or where curb and gutter did not previously exist, the additional special benefit will be assessed. The cost to be assessed shall be 100% of the cost of installing the concrete curb and gutter. This cost will be assessed on either a front foot or per lot basis. The addition of a storm sewer system will also be considered an additional benefit and shall be assessed at 100% of the cost.
- (3) Project cost includes both direct construction costs and all indirect costs such as engineering and administration.

5. The City Manager will recommend formal assessment proceedings for such deferred assessments at the expiration of the five (5) years from the time of the confirmation of the original assessment roll, provided the deferred assessments have not been paid.

CITY OF PLYMOUTH
RESOLUTION NO. 2007 -
AMENDING PUBLIC IMPROVEMENT
ASSESSMENT POLICY

WHEREAS, the City Council has previously adopted a policy regarding special assessments for the City; and

WHEREAS, the policy has been reviewed by City staff an City Council and revisions are proposed to the policy; and

WHEREAS, the proposed revisions are multifaceted and incorporate other previously approved policies; and

WHEREAS, the Special Assessment Policy has been renamed the Public Improvement Assessment Policy.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLYMOUTH, MINNESOTA: the Public Improvement Assessment Policy is amended in total.

Adopted by the City Council on November 13, 2007.

STATE OF MINNESOTA)
COUNTY OF HENNEPIN) SS.

The undersigned, being the duly qualified and appointed City Clerk of the City of Plymouth, Minnesota, certifies that I compared the foregoing resolution adopted at a meeting of the Plymouth City Council on _____, with the original thereof on file in my office, and the same is a correct transcription thereof.

WITNESS my hand officially as such City Clerk and the Corporate seal of the City this
_____ day of _____.

City Clerk

CITY OF PLYMOUTH

**RESOLUTION NO. 2007 -
REPEALING VARIOUS POLICIES**

WHEREAS, staff has identified the attached list of policies ("Attachment A") that are no longer needed as they have been addressed through the City Code, State Statutes, Capital Improvement Program, budget, and other City policies.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLYMOUTH, MINNESOTA: That the policies contained in "Attachment A" are hereby repealed.

Adopted by the City Council on November 13, 2007.

STATE OF MINNESOTA)
COUNTY OF HENNEPIN) SS.

The undersigned, being the duly qualified and appointed City Clerk of the City of Plymouth, Minnesota, certifies that I compared the foregoing resolution adopted at a meeting of the Plymouth City Council on _____, with the original thereof on file in my office, and the same is a correct transcription thereof.

WITNESS my hand officially as such City Clerk and the Corporate seal of the City this
_____ day of _____.

City Clerk

**REGULAR
COUNCIL MEETING**

January 25, 2011

To: Laurie Ahrens, City Manager

Prepared by: Doran Cote, Director of Public Works

Reviewed by:

Item: **Adopt Amendments to Public Improvement Assessment Policy**

1. ACTION REQUESTED:

Adopt a resolution amending the Public Improvement Assessment Policy.

2. BACKGROUND:

The City of Plymouth has been utilizing special assessments since the 1960's as a means of recouping costs incurred performing public improvements. The last time the Special Assessment Policy was updated was 2007 and in 1995 and 1989 before that.

The proposed changes to the Public Improvement Assessment Policy are for the street reconstruction portion only (pages 11 and 12). Those changes include adding assessments for edge mill and overlay projects, defining Maintenance Overlays (in-house paving) and eliminating the section of the policy that sets forth 100% assessments for new curb and gutter and storm sewer if it did not previously exist. Those costs would be included with the street reconstruction costs and would be assessed at 40%.

3. BUDGET IMPACT:

The proposed changes to the policy would add \$1,000 per unit for edge mill and overlay projects and would reduce the assessed costs for new curb and gutter and storm sewer from 100% to 40%.

4. ATTACHMENTS:

Public Improvement Assessment Policy
Resolution

PUBLIC IMPROVEMENT SPECIAL ASSESSMENT POLICY

I. The Basis of Special Assessments

A. General

As a charter city, Plymouth has the authority to levy special assessments under the provisions of the State Local Improvement Code (MSA Chapter 429). Minnesota State Law, Chapter 429.011 to 429.111 and portions of 444 provides that a municipality shall have the power to make public improvements such as sanitary sewers, storm sewers, water source and distribution facilities, street improvements including grading, curb and gutter, surfacing, sidewalks, street lighting, recreational facilities, etc. The various procedures the municipality must follow including reports, notices and public hearings are well defined within the law.

The Statute further provides that the cost of any improvement may be assessed upon properties benefitted by the improvement based upon the benefits received whether or not the property abuts on the improvement and whether or not any part of the cost of the improvement is paid from Municipal State Aid, the county-state aid funds or trunk highway funds. The law is not specific on how these benefits are to be measured or how the costs are to be apportioned, but rather makes it incumbent upon the municipality to determine, with assistance of an engineer or other qualified personnel, a fair and equitable method of cost sharing among the properties involved.

For the purposes of allocating costs for public improvement projects in the City of Plymouth, the City Council has defined two forms of benefit:

1. Special benefit
2. General benefit

Special Benefit. The general application of both law and court decisions holds that only properties that receive a special benefit from improvement projects may be specially assessed. For example, public utilities brought to an area not served with sanitary sewer, water, road and drainage result in the properties in question increasing in market value. Likewise, properties that do not directly abut a street improvement can be shown to benefit from that improvement if the street provides the only public access to those properties. Property may only be assessed to the extent the improvement causes the property to increase in market value.

General Benefit. The concept of general benefit holds that in some types of improvement projects the community at large derives a benefit distinct from the special benefit derived by the properties within the project boundaries. For example, a major thoroughfare may be deemed to have a general benefit to the community at large, as well as the special benefit derived by the abutting property.

Special assessments are levied by the City Council on particular parcels of property based upon the benefit those parcels derive from the improvement as determined by the City Council.

B. Total Project Cost

The total cost of a public improvement includes the following:

Construction cost plus 15% for engineering, administration, legal fees, assessment rolls, plus right-of-way costs (fee acquisition and/or easement costs including staff time) and temporary funding charges, plus other charges for services and contingencies, plus any assessable charges from other governmental agencies (i.e. Metropolitan Council Environmental Services, Hennepin County, State of Minnesota), plus any assessable costs previously incurred by the City.

A portion of other contributing funds from the City (i.e. Municipal State Aid (MSA), Trunk Utility, Water Resources, etc.) or outside governmental agencies may be deducted from the total improvement cost to determine the assessable cost.

C. Assessment Interest Rate

The special assessment interest rate shall be established annually by the Finance and Administrative Services Department. The rate shall be as determined by the rate at which the City can issue General Obligation Special Assessment bonds plus 1.5% for administrative costs.

D. Term of Assessment

Assessments shall normally be levied for a period not to exceed five years for assessments of \$5,000 or less, 10 years for assessments greater than \$5,000 but \$10,000 or less, and 15 years for assessments greater than \$10,000. In no case shall the assessment term exceed the expected useful life of the improvement.

E. City Owned Property

The City from time to time undertakes public improvement projects benefiting property within the City, and City-owned property is occasionally benefited by and may be specially assessed for such improvements. City property shall generally be determined the benefit as follows:

1. Property owned or used by a City utility operation shall be deemed to benefit in the same manner and to the same extent as a single-family residential property.
2. Park land shall be viewed on an individual basis; however, smaller neighborhood parks shall normally not be assessed; rather the costs spread throughout the benefiting district. Community or central parks should normally be assessed for benefit as single-family residential property.
3. Storm water holding areas shall not normally be deemed to be assessable.
4. Other categories of property shall be reviewed on an individual basis to determine benefit.

F. Property Excluded

Special assessments will not be levied against property lying within the boundaries of a delineated wetland or property dedicated for public right-of-way or easement prior to development of the property provided that right-of-way or easement was not used as a means to obtain density credits.

II. Public Improvement Assessment Policies

A. Sanitary Sewer

1. *Functional Classification.* For purposes of benefit determination, the following two functional classifications are adopted:
 - a. *Trunk.* Trunk sanitary sewers are those lines normally sized larger than eight inches which are required to be constructed to provide service to a sewer district or sub-district. These trunk lines are identified in the City's Sanitary Sewer Plan. The cost of trunk facilities is deemed to be a central system cost. Trunks may provide lateral benefit and where such benefit is determined the property will be so assessed. Trunks may be constructed in an alignment to develop lateral benefit which requires deeper pipe construction. In such instances, the Council shall consider the degree to which extra depths may be treated as a trunk versus a lateral cost.
 - b. *Laterals.* Lateral sanitary sewer lines in most residential zones (FRD, R-1 through R-3) are not larger than eight inches while other zoned areas may have lateral benefit up to 12 inches. Laterals are designed to be sized to collect the sewage from a project area for conveyance to a trunk facility.
2. *Central System Costs.* Central system costs are divided into the following two categories:

- a. *Connection Charge.* Sanitary Sewer Residential Equivalent Connection (REC) charges are established by the City to finance central system costs: sewer trunks, force mains and pumping stations, etc. These improvement costs are incurred before property can develop. REC charges for sanitary sewer service to dwelling units or other structures shall be made in accordance with Chapter 7 of the Plymouth City Code.
- b. *Area Charges* Sanitary sewer area assessments, to finance central system costs, shall be levied against all benefiting properties within an improvement district. Sanitary sewer and water area assessments will usually be levied at the same time.

The current assessment rates (adopted December 12, 2006 to be effective January 1, 2007) for sanitary sewer area charges is \$950 per developable acre.

Area and connection charges shall be reviewed and annually to determine whether current charges are projected to be adequate to cover the cost of infrastructure needed to serve future development.

3. *Lateral Assessments.* It is the policy of the City to assess fully the costs of all lateral sanitary sewers to a given project area. These costs shall include the costs associated with bringing the sanitary sewer to the property at a point and depth needed to serve not only the property in question, but adjacent parcels outside of the current project boundary if the line is to be extended in the future. It shall be the intent of the policy to insure that the most economical and effective sanitary sewage collection system can be constructed so as to meet the ultimate needs of the community at large. In all but high density (R-4) residential developments, lateral sanitary sewer special benefit shall be limited to pipe sizes no greater than eight inches in diameter, while in commercial and industrial zoned properties, including properties zoned high density residential (R-4), the special benefit shall be limited to a pipe no greater than twelve inches in diameter. Lateral assessment shall be calculated on a front footage or unit basis.

B. Water

1. *Functional Classification.* For purposes of benefit determination, the following two functional classifications are adopted:
 - a. *Trunk.* Trunk water mains are normally sized twelve inches or larger. These trunk lines are identified in the City's Water Supply and Distribution Plan. The cost of trunk facilities is deemed to be a central system cost. Trunks may provide lateral benefit and where such benefit is determined the property will be so assessed. There is no lateral benefit for FRD, R-1 and R-2 development unless a direct building connection is made to the trunk water main. It is further determined that there is lateral benefit from trunk water mains for all developments.

- a. Protection and preservation of wetlands, marshes and ponds for the enhancement of ground water recharging, filtration of pollutants, wildlife habitat, and general aesthetic beauty associated with such natural areas.
- b. Conveyance of surface water through piping systems to prevent flooding and damage to property.
- c. Establishment and maintenance of pond and lake levels to prevent flooding downstream in the watershed.
- d. Improvement of receiving water quality for lakes, wetlands and streams.
- e. Control of channel erosion and stream morphology.
- f. Protection of the physical and biological integrity of the stream and wetland corridors.
- g. Control bounce and duration of inundation of wetlands and preservation of the function and values for each type of wetland classification.

A comprehensive storm drainage system benefits all properties in a watershed. Projects undertaken within a watershed or major drainage district, which improvements are designed as "trunk" in the Surface water Management Plan, are deemed to be of general benefit to all of the property within the watershed or major drainage district. The Council shall determine whether or not trunk benefit is present in a project. If trunk benefit is present, the cost of that part of the project will be shared by all within the watershed or major drainage district in the following manner:

- a. *Ad valorem* taxes collected from property within the watershed.
- b. Special assessments levied on property within the watershed or major drainage district.

2. Storm Drainage Benefits.

For purpose of assessing storm drainage benefit, the following assessment ratio shall normally be used:

Land Use	Ratio
Commercial & Industrial Zones	2 — 1/2
High Density Residential (R-3 and R-4)	1 — 1/2
Low Density Residential (Other R Zones)	1

This policy is established on the basis of design run-off coefficients and City development policies which generally require retention and preservation of

natural water courses in residential areas and permits significant dislocation of these water retention areas and water courses in commercial and industrial areas.

D. Streets

1. This policy outlines the general street assessment policy which will be applicable for various street functional classifications and zoned for guided properties. The policy will assure property owners they are being treated in an equitable manner with respect to the special benefits their property receives from street improvements.
2. *Functional Classification.*
 - a. *Minor Arterials.* Minor arterials are roadways designed to provide for the through movement of traffic and are generally associated with the most intense land uses. Access to such arterials is generally limited to public streets. Arterials are normally designed to 9-ton standards with concrete curb and gutter and a width of 52 feet. Arterials may include medians and turning lanes.
 - b. *Major Collectors.* Major collectors are roadways designed to distribute traffic from major generators or from minor collectors to the arterial system. Access to major collectors shall be minimized, however, insuring the abutting parcels are properly served. Major collectors are designed to 9-ton standards with concrete curb and gutter and a width of up to 52 feet. Major collectors may include medians and turning lanes.
 - c. *Minor Collectors.* Minor collectors are roadways designed to distribute traffic from the major collectors and/or arterials to the local street system and vice versa. Lane access and local traffic movement within the various neighborhoods and areas are provided. Minor collectors are designed to 9-ton standards with concrete curb and gutter and width between 44 and 48 feet in commercial/industrial and higher density residential area, and to 7-ton standards and a width between 32 and 36 feet in residential zones.
 - d. *Local Streets.* Local streets are roadways designed to serve as access to abutting residential or industrial/commercial properties. The design shall discourage through traffic. Residential streets are designed to 7-ton standards and a width of 28 feet and commercial/industrial streets are designed to 9-ton standards and a width of up to 36 feet.
3. *Assessment Procedures*
 - a. *Low Density Residential (FRD, R-1 and R-2).* It is the normal City policy to fully assess the cost of residential street construction (28 feet wide, 7-ton design, concrete curb and gutter) to the above residential areas if the property has direct access to the street.

- b. *Higher Density Residential (R-3 and R-4) and Commercial/Industrial.* It is the normal City policy to fully assess the cost of all streets to the above residential, commercial and industrial areas if the property abuts the roadway.

- c. *Special Considerations.*
 - (1) Land uses allowed by conditional use permit other than PUD's in the FRD, R-1 and R-2 districts shall normally be presumed to receive a special benefit from roadway construction beyond that for the low density residential land uses.

 - (2) The general rule is to assess platted lots on a front footage basis, however, where curvilinear and/or cul-de-sac streets produce odd shaped lots, consideration will be given to the "unit" assessment if the special benefit to the property in the district is essentially the same.

 - (3) In those cases where the project street benefits undeveloped homogeneous area, the Council may assess such project cost to the parcels on the basis of the relationship of the area of each parcel to the total area within the homogeneous area to be assessed.

 - (4) City participation in street construction costs shall not be considered unless the standards exceed 36 feet in width and/or 7-ton design (residential)/9-ton design (commercial/industrial).

 - (5) The following table indicates the normal assessment practices of the City based upon the guiding or zoning of the property proposed to be assessed:

MINOR ARTERIALS:

ZONED	FR	R-1	R-2	R-2	R-3	R-4	B1	B2	B3	I-1
GUIDED	LAI	LAI	LAI	LA	LA	LA4	L	CNC	S	IP
ACCESS TO STREET										
Direct						X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
DESIGN STANDARD										
7-ton				X						
9-ton					X	X	X	X	X	X
Up to 36 ft.				X						
Up to 44 ft.					X	X				
Up to 52 ft.							X	X	X	X
Concrete Curb/Gutter	X	X	X	X	X	X	X	X	X	X

MAJOR COLLECTORS:

ZONED	FRD	R	R-	R-2	R-3	R-4	B1	B2	B3	I-1
GUIDED	LAI	LAI	LAI	LA2	LA	LA4	L	CNC/C	S	IP
ACCESS TO STREET										
Direct				X	X	X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
DESIGN STANDARD										
7-ton	X	X	X	X						
9-ton					X	X	X	X	X	X
Up to 36 ft.	X	X	X	X						
Up to 44 ft.					X	X				
Up to 52 ft.							X	X	X	X
Concrete Curb/Gutter	X	X	X	X	X	X	X	X	X	X

MINOR COLLECTORS AND LOCAL:

ZONED	FRD	R-1A	R-	R-2	R-3	R-4	B1	B2	B3	I-1
GUIDED	LA1	LA1	LA1	LA2	LA3	LA	LA	CNC	S	IP
ACCESS TO STREET										
Direct	X	X	X	X	X	X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
DESIGN STANDARD										
7-ton	X	X	X	X						
9-ton					X	X	X	X	X	X
Up to 36 ft.	X	X	X	X						
Up to 44 ft.					X	X				
Up to 52 ft.							X	X	X	X
Concrete Curb/Gutter	X	X	X	X	X	X	X	X	X	X

4. Street Reconstruction Improvements. The City Council has adopted a long-range plan providing for the periodic reconstruction, including mill and overlay and edge mill and overlay, of all paved city streets. With the improvement of streets, as a result of reconstruction, ~~or mill and overlay~~ or edge mill and overlay, adjoining properties receive special benefit that results in the increase of the property's value. It is the policy of the City that this special benefit should be paid for by the property owner receiving the special benefit rather than the City as a whole. This is accomplished by specially assessing the benefited property as authorized by State Statute, Section 429. Maintenance overlays, performed by City personel and equipment, shall be limited to those roadways without curb and gutter and that are in such a condition that reconstruction is warranted but not programmed in the 5 year capital improvement program. Maintenance overlays shall not be assessed.

The following is the City of Plymouth's policy regarding special assessments to properties benefiting from street improvements.

- a. It is the policy of the City to specially assess abutting benefiting properties for street reconstruction costs, but not in excess of the special benefit to the property. This policy applies to all streets that are public streets.
- b. The assessment amount for the reconstruction, or mill and overlay or edge mill and overlay of previously paved streets shall be determined annually by the City Council.

The assessment amount is based on the following:

- (1) Benefited properties shall be assessed 40% of the actual project cost. For edge mill and overlay projects, the minimum assessed amount shall be \$1,000. In no case shall the total assessed amount exceed the actual project cost.
- (2) ~~For the purposes of street reconstruction or mill and overlay, the project costs will include the cost of replacing or repairing concrete curb and gutter. In those cases where bituminous curbing is replaced with concrete curb and gutter, or where curb and gutter did not previously exist, the additional special benefit will be assessed. The cost to be assessed shall be 100% of the cost of installing the concrete curb and gutter. This cost will be assessed on either a front foot or unit basis. The addition of a storm sewer system will also be considered an additional benefit and shall be assessed at 100% of the cost.~~
- (3) Assessments for properties guided or zoned for single-family use shall be made on a per parcel (unit) basis for a local residential or residential low volume street design standard as provided for in Plymouth City Code and Engineering Guidelines. A property may be assessed for more than one unit in cases where the property could be reasonably further subdivided in accordance with current zoning and subdivision requirements.
- (4) For properties guided or zoned for other than single family use, the City shall calculate equivalent units based on the guided or zoned use. The equivalent units may be based on front footage or area depending upon the guided or zoned use and parcel configuration.
- (5) If a street is reconstructed to a design standard greater than the current design standard due to the guided or zoned uses, the additional cost to reconstruct the street shall be fully assessed to those properties. If the street is reconstructed to a design different than the current standard, the total cost shall be fully assessed to those properties if conditions warrant.
- (6) Properties abutting county roadways reconstructed to complete urban design and having reasonable access thereto shall be assessed in

accordance with this policy. The assessments shall be used to defray the City's cost participation in the county improvement projects.

- (7) Properties or areas of property that have been determined to be unbuildable shall be excluded from assessments.
- (8) Properties not abutting roadways reconstructed to complete urban design but whose primary public street access is from said roadway shall be assessed an amount equal to the special benefit received as determined by a certified real property appraiser.

E. Street Lighting

Street lighting assessments shall be made in accordance with Chapter VII of the Plymouth City Code.

F. Other Provisions

Payment of Assessments and Deferrals

Partial Payments

Partial prepayments of assessments can be made in accordance with Chapter III of the Plymouth City Code (Ordinance 2005-06).

Deferrals

Senior Citizens and Disabled People Special Assessments Deferrals in accordance with City policy (if you are at least 65 years of age or are disabled, you may qualify to have special assessments deferred). Other deferrals may be available as authorized by State Statute, Section 429 or other City policies.

Combined Parcel

Where there is proposed a combination of parcels of record upon which separate special assessments have been levied, it shall be the policy of the City of Plymouth with respect to abatement of such special assessments as follows:

- 1) In no case shall assessments for area charges or front foot lateral charges be adjusted.
- 2) Residential Equivalent Charges formerly assessed may be abated by the City Council, on a case-by-case basis, on parcels that would be unsuitable for construction only at such time as said parcels are combined with others to create a suitable parcel.

Resolution No. 2007-468, November 13, 2007

(Supersedes Resolution 2006-503, December 12, 2006; Resolution 2005-476, December 13, 2005; Resolution 2005-154, April 12, 2005; Resolution No. 98-6 January 7, 1998; Resolution 95-126, February 21, 1995; Resolution 89-154, March 6, 1989; Resolution 88-381, June 27, 1988; Resolution 88-115, February 8, 1988, Resolution 87-132, February 23, 1987, Resolution 85-237,

April 1, 1985; Resolution 83-674, December 5, 1983; Resolution 82-615, November 22, 1982; Resolution 81-803, November 23, 1981; Resolution 81-128, February 23, 1981; Resolution 80-475, July 21, 1980; Resolution 76-281, May 17, 1976; Resolution 75-624, November 3, 1975; Resolution 73-342, August 20, 1973; Resolution 66-156, September 12, 1966)

CITY OF PLYMOUTH

RESOLUTION No. 2011-

**AMENDING PUBLIC IMPROVEMENT
ASSESSMENT POLICY**

WHEREAS, the City Council has previously adopted a policy regarding special assessments for the City; and

WHEREAS, the policy has been reviewed by City staff and City Council and revisions are proposed to the policy; and

WHEREAS, the proposed revisions are for changes to the Street Reconstruction section of the policy.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLYMOUTH, MINNESOTA: the Public Improvement Assessment Policy is amended in total.

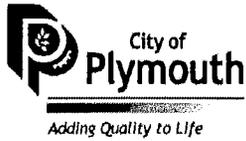
Adopted by the City Council on January 25, 2011.

STATE OF MINNESOTA)
COUNTY OF HENNEPIN) SS.

The undersigned, being the duly qualified and appointed City Clerk of the City of Plymouth, Minnesota, certifies that I compared the foregoing resolution adopted at a meeting of the Plymouth City Council on January 25, 2011, with the original thereof on file in my office, and the same is a correct transcription thereof.

WITNESS my hand officially as such City Clerk and the Corporate seal of the City this
_____ day of _____.

City Clerk



Agenda
Number: **6.04**

**REGULAR
COUNCIL MEETING**

February 24, 2015

To: Dave Callister, City Manager

Prepared by: Doran Cote, Director of Public Works

Reviewed by:

Item: **Approve Amendments to Public Improvement Special Assessment Policy and Section 330 of the City Code**

1. ACTION REQUESTED:

Adopt a resolution amending the Public Improvement Assessment Policy.

2. BACKGROUND:

The City of Plymouth has been utilizing special assessments since the 1960's as a means of recouping costs incurred performing public improvements. The last time the Special Assessment Policy was updated was in 2011. The proposed changes to the Public Improvement Assessment Policy are shown in ~~strikeout~~ and underline in the attached proposed revised policy. Section 330 of Plymouth City Code also needs to be amended to more closely reflect how assessments are levied under current practices.

3. BUDGET IMPACT:

The proposed changes to the policy would add \$500 per unit for properties guided or zoned for single-family attached use for edge mill and overlay projects.

4. ATTACHMENTS:

Public Improvement Assessment Policy
Resolution
Ordinance

PUBLIC IMPROVEMENT SPECIAL ASSESSMENT POLICY

I. The Basis of Special Assessments

A. General

As a charter city, Plymouth has the authority to levy special assessments under the provisions of the State Local Improvement Code (MSA Chapter 429). Minnesota State Law, Chapter 429.011 to 429.111 and portions of 444 provides that a municipality shall have the power to make public improvements such as sanitary sewers, storm sewers, water source and distribution facilities, street improvements including grading, curb and gutter, surfacing, sidewalks, street lighting, recreational facilities, etc. The various procedures the municipality must follow including reports, notices and public hearings are well defined within the law.

The Statute further provides that the cost of any improvement may be assessed upon properties benefitted by the improvement based upon the benefits received whether or not the property abuts on the improvement and whether or not any part of the cost of the improvement is paid from Municipal State Aid (MSA), the county-state aid funds or trunk highway funds. The law is not specific on how these benefits are to be measured or how the costs are to be apportioned, but rather makes it incumbent upon the municipality to determine, with assistance of an engineer or other qualified personnel, a fair and equitable method of cost sharing among the properties involved.

For the purposes of allocating costs for public improvement projects in the City of Plymouth, the City Council has defined two forms of benefit:

1. Special benefit
2. General benefit

Special Benefit. The general application of both law and court decisions holds that only properties that receive a special benefit from improvement projects may be specially assessed. For example, public utilities brought to an area not served with sanitary sewer, water, road and drainage result in the properties in question increasing in market value. Likewise, properties that do not directly abut a street improvement can be shown to benefit from that improvement if the street provides the only public access to those properties. Property may only be assessed to the extent the improvement causes the property to increase in market value.

General Benefit. The concept of general benefit holds that in some types of improvement projects the community at large derives a benefit distinct from the special benefit derived by the properties within the project boundaries. For example, a major thoroughfare may be deemed to have a general benefit to the community at large, as well as the special benefit derived by the abutting property.

Special assessments are levied by the City Council on particular parcels of property based upon the benefit those parcels derive from the improvement as determined by the City Council.

B. Total Project Cost

The total cost of a public improvement includes the following:

Construction cost plus 15% for engineering, administration, legal fees, assessment rolls, plus right-of-way costs (fee acquisition and/or easement costs including staff time) and temporary funding charges, plus other charges for services and contingencies, plus any assessable charges from other governmental agencies (i.e. Metropolitan Council Environmental Services, Hennepin County, State of Minnesota), plus any assessable costs previously incurred by the City.

A portion of other contributing funds from the City (i.e. ~~Municipal State Aid (MSA)~~, Trunk Utility, Water Resources, etc.) or outside governmental agencies may be deducted from the total improvement cost to determine the assessable cost.

C. Assessment Interest Rate

The special assessment interest rate shall be established annually by the Finance and Administrative Services Department. The rate shall be as determined by the rate at which the City can issue General Obligation Special Assessment bonds plus 1.5% for administrative costs.

D. Term of Assessment

Assessments shall normally be levied for a period not to exceed five years for assessments of \$5,000 or less, 10 years for assessments greater than \$5,000 but \$10,000 or less, and 15 years for assessments greater than \$10,000. In no case shall the assessment term exceed the expected useful life of the improvement.

E. City Owned Property

The City from time to time undertakes public improvement projects benefiting property within the City, and City-owned property is occasionally benefited by and may be specially assessed for such improvements. City property shall generally be determined the benefit as follows:

1. Property owned or used by a City utility operation shall be deemed to benefit in the same manner and to the same extent as a single-family residential property.
2. Park land shall be viewed on an individual basis; however, smaller neighborhood parks shall normally not be assessed; rather the costs spread throughout the benefiting district. Community or central parks should normally be assessed for benefit as single-family residential property.
3. Storm water holding areas shall not normally be deemed to be assessable.
4. Other categories of property shall be reviewed on an individual basis to determine benefit.

F. Property Excluded

Special assessments will not be levied against property lying within the boundaries of a delineated wetland or property dedicated for public right-of-way or easement prior to development of the property provided that right-of-way or easement was not used as a means to obtain density credits.

II. Public Improvement Assessment Policies

A. Sanitary Sewer

1. *Functional Classification.* For purposes of benefit determination, the following two functional classifications are adopted:
 - a. *Trunk.* Trunk sanitary sewers are those lines normally sized larger than eight inches which are required to be constructed to provide service to a sewer district or sub-district. These trunk lines are identified in the City's Sanitary Sewer Plan. The cost of trunk facilities is deemed to be a central system cost. Trunks may provide lateral benefit and where such benefit is determined the property will be so assessed. Trunks may be constructed in an alignment to develop lateral benefit which requires deeper pipe construction. In such instances, the Council shall consider the degree to which extra depths may be treated as a trunk versus a lateral cost.
 - b. *Laterals.* Lateral sanitary sewer lines in most residential zones (FRD, R-1 through R-3) are not larger than eight inches while other zoned areas may have lateral benefit up to 12 inches. Laterals are designed to be sized to collect the sewage from a project area for conveyance to a trunk facility.
2. *Central System Costs.* Central system costs are divided into the following two categories:

- a. *Connection Charge.* Sanitary Sewer Residential Equivalent Connection (REC) charges are established by the City to finance central system costs: sewer trunks, force mains and pumping stations, etc. These improvement costs are incurred before property can develop. REC charges for sanitary sewer service to dwelling units or other structures shall be made in accordance with Chapter 7 of the Plymouth City Code.
- b. *Area Charges* Sanitary sewer area assessments, to finance central system costs, shall be levied against all benefiting properties within an improvement district. Sanitary sewer and water area assessments will usually be levied at the same time.

<p><u>Adopted into City Code annually</u></p>

The current assessment rates (adopted December 12, 2006 to be effective January 1, 2007) for sanitary sewer area charges is \$950 per developable acre.

Area and connection charges shall be reviewed and annually to determine whether current charges are projected to be adequate to cover the cost of infrastructure needed to serve future development.

- 3. *Lateral Assessments.* It is the policy of the City to assess fully the costs of all lateral sanitary sewers to a given project area. These costs shall include the costs associated with bringing the sanitary sewer to the property at a point and depth needed to serve not only the property in question, but adjacent parcels outside of the current project boundary if the line is to be extended in the future. It shall be the intent of the policy to insure that the most economical and effective sanitary sewage collection system can be constructed so as to meet the ultimate needs of the community at large. In all but high density (R-4) residential developments, lateral sanitary sewer special benefit shall be limited to pipe sizes no greater than eight inches in diameter, while in commercial and industrial zoned properties, including properties zoned high density residential (R-4), the special benefit shall be limited to a pipe no greater than twelve inches in diameter. Lateral assessment shall be calculated on a front footage or unit basis.

B. Water

- 1. *Functional Classification.* For purposes of benefit determination, the following two functional classifications are adopted:
 - a. *Trunk.* Trunk water mains are normally sized twelve inches or larger. These trunk lines are identified in the City's Water Supply and Distribution Plan. The cost of trunk facilities is deemed to be a central system cost. Trunks may provide lateral benefit and where such benefit is determined the property will be so assessed. There is no lateral benefit for FRD, R-1 and R-2 development unless a direct building connection is made to the trunk water main. It is further determined that there is lateral benefit from trunk water mains for all developments.

- b. *Lateral.* Lateral lines are normally not larger than eight inches in most residential zones (FRD, R-1 through R-2) and 12 inches in other zones. Laterals are designed to be sized to provide water in sufficient volumes and such pressure as required to serve a project area.
2. *Central System Costs.* Central system costs are divided into the following categories:
- a. *Connection Charge.* Water Residential Equivalent Connection (REC) charges as established by the City to finance central system costs, representing trunk water mains, reservoirs, wells, pumping stations, treatment facilities, etc. These improvement costs are incurred before property can develop. REC charges for sanitary sewer service to dwelling units or other structures shall be made in accordance with Chapter 7 of the Plymouth City Code.
 - b. *Area Charges.* Water area assessments, to finance central system costs, shall normally be levied against all benefiting properties within an appropriate improvement district at the area assessment rate then currently in effect when water is available to the property.

Adopted into City Code annually

~~The current assessment rates (adopted December 12, 2006 to be effective January 1, 2007) for water area charges is \$3,525 per developable acre.~~

Area and connection charges shall be reviewed and revised annually to determine whether current charges are projected to be adequate to cover the cost of infrastructure needed to serve future development.

3. *Lateral Assessments.* It is the policy of the City to assess fully the costs of all lateral water mains to a given project area. These costs shall include the costs associated with bringing the water main to the property at a point needed to serve not only the property in question, but adjacent parcels outside of the current project boundary if the line is to be extended in the future. It shall be the intent of the policy to insure that the most economical and effective water distribution system can be constructed so as to meet the ultimate needs of the community at large. In all but high density (R-3 and R-4) residential developments, lateral water main special benefit shall be limited to pipe sizes no greater than eight inches in diameter, while in commercial and industrial zones properties, including properties zoned in high density residential (R-3 and R-4) and schools, the special benefit shall be limited to a pipe no greater than 12 inches in diameter. Lateral assessment shall be calculated on a front footage or unit basis.

C. Storm Drainage

- 1. Storm drainage facilities, (pipes, ponds, wetlands, lakes, etc.) are designed to convey storm and other surface water so as to enhance the public health, safety and welfare. The benefits to the citizens of Plymouth from such facilities are numerous. They include, but are not limited to:

- a. Protection and preservation of wetlands, marshes and ponds for the enhancement of ground water recharging, filtration of pollutants, wildlife habitat, and general aesthetic beauty associated with such natural areas.
- b. Conveyance of surface water through piping systems to prevent flooding and damage to property.
- c. Establishment and maintenance of pond and lake levels to prevent flooding downstream in the watershed.
- d. Improvement of receiving water quality for lakes, wetlands and streams.
- e. Control of channel erosion and stream morphology.
- f. Protection of the physical and biological integrity of the stream and wetland corridors.
- g. Control bounce and duration of inundation of wetlands and preservation of the function and values for each type of wetland classification.

A comprehensive storm drainage system benefits all properties in a watershed. Projects undertaken within a watershed or major drainage district, which improvements are designed as "trunk" in the Surface water Management Plan, are deemed to be of general benefit to all of the property within the watershed or major drainage district. The Council shall determine whether or not trunk benefit is present in a project. If trunk benefit is present, the cost of that part of the project will be shared by all within the watershed or major drainage district in the following manner:

- a. *Ad valorem* taxes collected from property within the watershed.
- b. Special assessments levied on property within the watershed or major drainage district.

2. *Storm Drainage Benefits.*

For purpose of assessing storm drainage benefit, the following assessment ratio shall normally be used:

Land Use	Ratio
Commercial & Industrial Zones	2 — 1/2
High Density Residential (R-3 and R-4)	1 — 1/2
Low Density Residential (Other R Zones)	1

This policy is established on the basis of design run-off coefficients and City development policies which generally require retention and preservation of

natural water courses in residential areas and permits significant dislocation of these water retention areas and water courses in commercial and industrial areas.

D. Streets

1. This policy outlines the general street assessment policy which will be applicable for various street functional classifications and zoned for guided properties. The policy will assure property owners they are being treated in an equitable manner with respect to the special benefits their property receives from street improvements.
2. *Functional Classification.*
 - a. *Minor Arterials.* Minor arterials are roadways designed to provide for the through movement of traffic and are generally associated with the most intense land uses. Access to such arterials is generally limited to public streets. Arterials are normally designed to 910-ton standards with concrete curb and gutter and a width of 52 feet. Arterials may include medians and turning lanes.
 - b. *Major Collectors.* Major collectors are roadways designed to distribute traffic from major generators or from minor collectors to the arterial system. Access to major collectors shall be minimized, however, insuring the abutting parcels are properly served. Major collectors are designed to 910-ton standards with concrete curb and gutter and a width of up to 52 feet. Major collectors may include medians and turning lanes.
 - c. *Minor Collectors.* Minor collectors are roadways designed to distribute traffic from the major collectors and/or arterials to the local street system and vice versa. Lane access and local traffic movement within the various neighborhoods and areas are provided. Minor collectors are designed to 9-ton standards with concrete curb and gutter and width between 44 and 48 feet in commercial/industrial and higher density residential area, and to 7-ton standards and a width between 32 and 36 feet in residential zones.
 - d. *Local Streets.* Local streets are roadways designed to serve as access to abutting residential or industrial/commercial properties. The design shall discourage through traffic. Residential streets are designed to 7-ton standards and a width of 28 feet and commercial/industrial streets are designed to 9-ton standards and a width of up to 36 feet.
3. *Assessment Procedures*
 - a. *Low Density Residential (FRD, R-1 and R-2).* It is the normal City policy to fully assess the cost of residential street construction (28 feet wide, 7-ton design, concrete curb and gutter) to the above residential areas if the property has direct access to the street.

- b. *Higher Density Residential (R-3 and R-4) and Commercial/Industrial.* It is the normal City policy to fully assess the cost of all streets to the above residential, commercial and industrial areas if the property abuts the roadway.

- c. *Special Considerations.*
 - (1) Land uses allowed by conditional use permit other than PUD's in the FRD, R-1 and R-2 districts shall normally be presumed to receive a special benefit from roadway construction beyond that for the low density residential land uses.
 - (2) The general rule is to assess platted lots on a front footage basis, however, where curvilinear and/or cul-de-sac streets produce odd shaped lots, consideration will be given to the "unit" assessment if the special benefit to the property in the district is essentially the same.
 - (3) In those cases where the project street benefits undeveloped homogeneous area, the Council may assess such project cost to the parcels on the basis of the relationship of the area of each parcel to the total area within the homogeneous area to be assessed.
 - (4) City participation in street construction costs shall not be considered unless the standards exceed 36 feet in width and/or 7-ton design (residential)/9-ton design (commercial/industrial).
 - (5) The following table indicates the normal assessment practices of the City based upon the guiding or zoning of the property proposed to be assessed:

MINOR ARTERIALS:

ZONED	FR	R-	R-	R-2	R-3	R-4	B1	B2	B3	I-1
GUIDED	LA1	LA1	LA1	LA	LA	LA4	L	CN/C	S	IP
ACCESS TO STREET										
Direct						X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
DESIGN STANDARD										
7-ton				X						
9-ton					X	X	X	X	X	X
Up to 36 ft.				X						
Up to 44 ft.					X	X				
Up to 52 ft.							X	X	X	X
Concrete Curb/Gutter	X	X	X	X	X	X	X	X	X	X

MAJOR COLLECTORS:

ZONED	FRD	R-	R-	R-2	R-3	R-4	B1	B2	B3	I-1
GUIDED	LA1	LA1	LA1	LA2	LA	LA4	L	CN/C	S	IP
ACCESS TO STREET										
Direct				X	X	X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
DESIGN STANDARD										
7-ton	X	X	X	X						
9-ton					X	X	X	X	X	X
Up to 36 ft.	X	X	X	X						
Up to 44 ft.					X	X				
Up to 52 ft.							X	X	X	X
Concrete Curb/Gutter	X	X	X	X	X	X	X	X	X	X

MINOR COLLECTORS AND LOCAL:

ZONED	FRD	R-1A	R-	R-2	R-3	R-4	B1	B2	B3	I-1
GUIDED	LA1	LA1	LA1	LA2	LA3	LA	L	CN/C	S	IP
ACCESS TO STREET										
Direct	X	X	X	X	X	X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
DESIGN STANDARD										
7-ton	X	X	X	X						
9-ton					X	X	X	X	X	X
Up to 36 ft.	X	X	X	X						
Up to 44 ft.					X	X				
Up to 52 ft.							X	X	X	X
Concrete Curb/Gutter	X	X	X	X	X	X	X	X	X	X

4. Street Improvements. The City Council has adopted a long-range plan providing for the ~~periodic reconstruction~~ pavement rehabilitation, including complete reconstruction, mill and overlay and edge mill and overlay, of all paved city streets. With the improvement of streets, as a result of reconstruction, mill and overlay or edge mill and overlay, adjoining properties receive special benefit that results in the increase of the property's value. It is the policy of the City that this special benefit should be paid for by the property owner receiving the special benefit rather than the City as a whole. This is accomplished by specially assessing the benefited property as authorized by State Statute, Section 429. Maintenance overlays, performed by City personnel and equipment, shall be generally limited to those roadways without curb and gutter and that are in such a condition that reconstruction ~~is~~ may be warranted but not programmed in the 5 year capital improvement program. Maintenance overlays shall not be assessed.

The following is the City of Plymouth's policy regarding special assessments to properties benefiting from street improvements.

- a. It is the policy of the City to specially assess abutting benefiting properties for street reconstruction costs, but not in excess of the special benefit to the property. This policy applies to all streets that are public streets.
- b. The assessment amount for the reconstruction, mill and overlay or edge mill and overlay of previously paved streets shall be determined annually by the City Council.

The assessment amount is based on the following:

- (1) Benefited properties shall be assessed 40% of the actual project cost. For edge mill and overlay projects, the minimum assessed amount shall be \$1,000 per unit. In no case shall the total assessed amount exceed the actual project cost.
- (2) Assessments for properties guided or zoned for single-family use shall be made on a per parcel (unit) basis for a local residential or residential low volume street design standard as provided for in Plymouth City Code and Engineering Guidelines. A property may be assessed for more than one unit in cases where the property could be reasonably further subdivided in accordance with current zoning and subdivision requirements.
- ~~(2)~~(3) Assessments for properties guided or zoned for single-family attached use shall be made on a per parcel (unit) basis for a local residential or residential low volume street design standard as provided for in Plymouth City Code and Engineering Guidelines except that they shall be assessed for one-half (1/2) of a unit. A property may be assessed for more than one unit in cases where the property could be reasonably further subdivided in accordance with current zoning and subdivision requirements.
- ~~(3)~~(4) For properties guided or zoned for other than single family use, the City shall calculate equivalent units based on the guided or zoned use. The equivalent units may be based on front footage or area depending upon the guided or zoned use and parcel configuration.
- ~~(4)~~(5) If a street is reconstructed to a design standard greater than the current design standard due to the guided or zoned uses, the additional cost to reconstruct the street shall be fully assessed to those properties. If the street is reconstructed to a design different than the current standard, the total cost shall be fully assessed to those properties if conditions warrant.
- ~~(5)~~(6) Properties abutting county roadways reconstructed to complete urban design and having reasonable access thereto shall be assessed in

accordance with this policy. The assessments shall be used to defray the City's cost participation in the county improvement projects.

(6)(7) Properties or areas of property that have been determined to be unbuildable shall be excluded from assessments.

(7)(8) Properties not abutting roadways reconstructed to complete urban design but whose primary public street access is from said roadway shall be assessed an amount equal to the special benefit received as determined by a certified real property appraiser.

E. Street Lighting

No longer
in City
Code

Street lighting assessments ~~costs~~ shall be made in accordance with Chapter VII of the ~~Plymouth City Code~~ include 100% of the cost to install the street lighting. The total cost shall be divided by the number of properties deriving benefit from said lighting to determine a per unit assessment.

F. Other Provisions

See City
Code
Change

Payment of Assessments and Deferrals

Partial Payments

Partial prepayments of assessments can be made in accordance with Chapter III of the Plymouth City Code (Ordinance 2005-06) ~~the resolution adopting the assessment roll.~~

Deferrals

Senior Citizens and Disabled People Special Assessments Deferrals in accordance with City policy (if you are at least 65 years of age or are disabled, you may qualify to have special assessments deferred). Other deferrals may be available as authorized by State Statute, Section 429 or other City policies.

Combined Parcel

Where there is proposed a combination of parcels of record upon which separate special assessments have been levied, it shall be the policy of the City of Plymouth with respect to abatement of such special assessments as follows:

- 1) In no case shall assessments for area charges or front foot lateral charges be adjusted.
- 2) Residential Equivalent Charges formerly assessed may be abated by the City Council, on a case-by-case basis, on parcels that would be unsuitable for construction only at such time as said parcels are combined with others to create a suitable parcel.

Resolution No. 2011-033, January 25, 2011
(Supersedes Resolution 2007-468, November 13, 2007; Resolution 2006-503, December 12, 2006;
Resolution 2005-476, December 13, 2005; Resolution 2005-154, April 12, 2005; Resolution No. 98-

6 January 7, 1998; Resolution 95-126, February 21, 1995; Resolution 89-154, March 6, 1989; Resolution 88-381, June 27, 1988; Resolution 88-115, February 8, 1988, Resolution 87-132, February 23, 1987, Resolution 85-237, April 1, 1985; Resolution 83-674, December 5, 1983; Resolution 82-615, November 22, 1982; Resolution 81-803, November 23, 1981; Resolution 81-128, February 23, 1981; Resolution 80-475, July 21, 1980; Resolution 76-281, May 17, 1976; Resolution 75-624, November 3, 1975; Resolution 73-342, August 20, 1973; Resolution 66-156, September 12, 1966)

CITY OF PLYMOUTH

RESOLUTION No. 2015-

RESOLUTION AMENDING PUBLIC IMPROVEMENT ASSESSMENT POLICY

WHEREAS, the City Council has previously adopted a policy regarding special assessments for the City; and

WHEREAS, the policy has been reviewed by City staff and City Council and revisions are proposed to the policy; and

WHEREAS, Section 330 of Plymouth City Code requires revisions; and

WHEREAS, the amended policy shall only apply to those projects for which a public improvement hearing will be held after adoption of this amendment.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLYMOUTH, MINNESOTA that the Public Improvement Assessment Policy is hereby approved.

ADOPTED by the City Council on this 24th February 24, 2015.

CITY OF PLYMOUTH
HENNEPIN COUNTY, MINNESOTA

ORDINANCE No. 2015-

AN ORDINANCE AMENDING CHAPTER 3
OF THE PLYMOUTH CITY CODE
CONCERNING SPECIAL ASSESSMENTS

THE CITY OF PLYMOUTH ORDAINS:

Section 330 of the City Code is amended to read as follows:

Section 330 – Special Assessments

After adoption by the Council of an assessment roll in any local improvement proceedings, the owner of any property specially assessed in the proceeding may, ~~within 30 days after~~ by October 31 of the year the Council adopts the assessment, pay to the City the entire assessment amount or any part thereof, but not less than \$100. The remaining unpaid balance shall be spread over the period of time established by the Council for installment payment of the assessment.

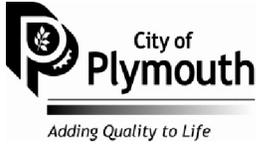
Effective Date. This amendment shall take effect immediately upon its passage.

APPROVED this 24th day of February, 2015.

Kelli Slavik, Mayor

ATTEST:

Sandra R. Engdahl, City Clerk



Agenda
Number: 2B

**SPECIAL
COUNCIL MEETING**

July 12, 2016

To: Mayor and Council

Prepared by: Dave Callister, City Manager

Reviewed by:

Item: Set Future Study Sessions

Three Councilmembers have confirmed that they will be absent for the July 26th Council meeting, and there is a possibility that a fourth Councilmember could be absent. Because a quorum may not be present, staff has advanced or delayed agenda items and recommends the meeting be cancelled.

If the Council desires to schedule other study sessions, calendars are attached to assist with scheduling.

Pending Study Session Topics (at least 3 Council members have approved the following study items on the list):

None at this time.

Other Council requests for Study Session Topics:

- DNR required floodplain changes (this fall before November)

July 2016

SUN	MON	TUES	WED	THUR	FRI	SAT
					1	2
3	4  INDEPENDENCE DAY CITY OFFICES CLOSED	5	6 7:00 PM PLANNING COMMISSION MEETING Council Chambers	7	8	9
10	11	12 5:30 PM SPECIAL COUNCIL MEETING Public Improvement Special Assessment Policy Medicine Lake Room 7:00 PM REGULAR COUNCIL MEETING Council Chambers	13 7:00 PM ENVIRONMENTAL QUALITY COMMITTEE (EQC) MEETING Council Chambers	14	15	16
17	18	19	20 7:00 PM PLANNING COMMISSION MEETING Council Chambers	21	22	23
24	25	26 7:00 PM REGULAR COUNCIL MEETING Council Chambers	27	28 7:00 PM HOUSING AND REDEVELOPMENT AUTHORITY (HRA) MEETING Medicine Lake Room 5:30 - 8:30 PM Kids Fest Hilde Performance Center	29	30
31						

Modified on 06/02/2016

CHANGES ARE MADE IN RED

3400 Plymouth Boulevard
Plymouth, MN 55447

OFFICIAL CITY CALENDAR

Phone: 763-509-5000
Fax: 763-509-5060

August 2016

SUN	MON	TUES	WED	THUR	FRI	SAT
	1	2 2:30-5:00 PM NIGHT TO UNITE KICKOFF Plymouth Creek Center 6:30-9:30 PM NIGHT TO UNITE CITY COUNCIL FILINGS OPEN	3 7:00 PM PLANNING COMMISSION MEETING Council Chambers	4	5	6 10:00 AM - 3:00 PM ABSENTEE VOTING
7	8 ABSENTEE VOTING Until 5:00 PM	9 STATE PRIMARY ELECTION DAY Polls open 7:00 AM to 8:00 PM 8:00 PM REGULAR COUNCIL MEETING Council Chambers	10 7:00 PM ENVIRONMENTAL QUALITY COMMITTEE (EQC) MEETING Medicine Lake Room	11	12	13
14	15	16 6:00 PM SPECIAL COUNCIL MEETING Budget/CIP Medicine Lake Room CITY COUNCIL FILINGS CLOSE 5:00 PM	17 7:00 PM PLANNING COMMISSION MEETING Council Chambers	18 CITY COUNCIL FILINGS DEADLINE TO WITHDRAW 5:00 PM	19	20
21	22	23 5:30 PM SPECIAL COUNCIL MEETING Budget/CIP Medicine Lake Room 7:00 PM REGULAR COUNCIL MEETING Council Chambers	24	25 7:00 PM HOUSING AND REDEVELOPMENT AUTHORITY (HRA) MEETING Medicine Lake Room	26	27
28	29	30 6:00 PM SPECIAL COUNCIL MEETING (If Needed) Budget/CIP Medicine Lake Room	31			

Modified on 06/09/2016

CHANGES ARE MADE IN RED

September 2016

SUN	MON	TUES	WED	THUR	FRI	SAT
				1	2	3
4	5  LABOR DAY CITY OFFICES CLOSED	6	7 7:00 PM PLANNING COMMISSION MEETING Council Chambers	8 7:00 PM PARK & REC ADVISORY COMMISSION (PRAC) MEETING Park Maintenance	9	10
11	12	13 5:30 PM SPECIAL COUNCIL MEETING Update on Mill and Overlay Program Medicine Lake Room 7:00 PM REGULAR COUNCIL MEETING Council Chambers	14 7:00 PM ENVIRONMENTAL QUALITY COMMITTEE (EQC) MEETING Medicine Lake Room	15	16	17
18	19	20	21 7:00 PM PLANNING COMMISSION MEETING Council Chambers	22 7:00 PM HOUSING AND REDEVELOPMENT AUTHORITY (HRA) MEETING Medicine Lake Room	23	24 11:30 AM - 3:00 PM Plymouth on Parade Celebration City Center Area
25	26	27 5:30 PM SPECIAL COUNCIL MEETING Review Section 530 of the City Code (tree preservation) Medicine Lake Room 7:00 PM REGULAR COUNCIL MEETING Council Chambers	28	29	30	

Modified on 06/22/16

CHANGES ARE MADE IN RED

3400 Plymouth Boulevard
Plymouth, MN 55447

OFFICIAL CITY CALENDAR

Phone: 763-509-5000
Fax: 763-509-5060

SUN	MON	TUES	WED	THUR	FRI	SAT
						1
2	3	4 6:30 PM City Volunteer Recognition Event Plymouth Creek Center	5 7:00 PM PLANNING COMMISSION MEETING Council Chambers	6	7	8
9	10  COLUMBUS DAY Observed PLYMOUTH PUBLIC WORKS DIVISION CLOSED	11 7:00 PM REGULAR COUNCIL MEETING Council Chambers	12 7:00 PM ENVIRONMENTAL QUALITY COMMITTEE (EQC) MEETING Medicine Lake Room	13 7:00 PM PARK & REC ADVISORY COMMISSION (PRAC) MEETING Plymouth Ice Center	14	15
16	17	18	19 7:00 PM PLANNING COMMISSION MEETING Council Chambers	20	21	22
23	24	25 5:30 PM SPECIAL COUNCIL MEETING Utility overview Medicine Lake Room 7:00 PM REGULAR COUNCIL MEETING Council Chambers	26	27 7:00 PM HOUSING AND REDEVELOPMENT AUTHORITY (HRA) MEETING Medicine Lake Room	28 6:00 - 8:30 PM Halloween at the Creek Plymouth Creek Center	29
30	31					

Modified on 04/13/2016

CHANGES ARE MADE IN RED