

# PUBLIC IMPROVEMENT SPECIAL ASSESSMENT POLICY

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## 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:**

<b>ZONED</b>	<b>FR</b>	<b>R-</b>	<b>R-</b>	<b>R-2</b>	<b>R-3</b>	<b>R-4</b>	<b>B1</b>	<b>B2</b>	<b>B3</b>	<b>I-1</b>
<b>GUIDED</b>	<b>LA1</b>	<b>LA1</b>	<b>LA1</b>	<b>LA</b>	<b>LA</b>	<b>LA4</b>	<b>L</b>	<b>CN/C</b>	<b>S</b>	<b>IP</b>
<b>ACCESS TO STREET</b>										
Direct						X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
<b>DESIGN STANDARD</b>										
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:**

<b>ZONED</b>	<b>FRD</b>	<b>R-</b>	<b>R-</b>	<b>R-2</b>	<b>R-3</b>	<b>R-4</b>	<b>B1</b>	<b>B2</b>	<b>B3</b>	<b>I-1</b>
<b>GUIDED</b>	<b>LA1</b>	<b>LA1</b>	<b>LA1</b>	<b>LA2</b>	<b>LA</b>	<b>LA4</b>	<b>L</b>	<b>CN/C</b>	<b>S</b>	<b>IP</b>
<b>ACCESS TO STREET</b>										
Direct				X	X	X	X	X	X	X
Indirect	X	X	X	X	X	X	X	X	X	X
<b>DESIGN STANDARD</b>										
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:**

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