

SPECIAL ASSESSMENT AND TRUNK AREA POLICIES  
AND PROCEDURES FOR PUBLIC IMPROVEMENTS  
AND MAINTENANCE COSTS



CITY OF ST. PAUL PARK  
COUNTY OF WASHINGTON  
STATE OF MINNESOTA

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**St. Paul Park City Council**

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SPECIAL ASSESSMENT AND TRUNK AREA POLICIES AND PROCEDURES FOR  
PUBLIC IMPROVEMENTS AND MAINTENANCE COSTS

- SECTION 1. General Policy Statement.
- SECTION 2. Improvements and Maintenance Costs Eligible for Special Assessment.
- SECTION 3. Initiation of Public Improvement Projects.
- SECTION 4. Public Improvement Procedure.
- SECTION 5. Financing of Public Improvements.
- SECTION 6. General Assessment Policies.
- SECTION 7. Methods of Assessment.
- SECTION 8. Standards for Public Improvement Projects.
- SECTION 9. Assessment Computations.
- SECTION 10. Deferment of Special Assessments—Seniors, Disabled, or Military Persons.
- SECTION 11. Deferment of Special Assessments—Agricultural Land.
- SECTION 12. Deferment of Special Assessments—Unimproved Land.

## **SECTION 1. GENERAL POLICY STATEMENT.**

The purpose of this policy is to establish a fair and equitable manner of assessing the increase in market value (special benefit) associated with public improvements. The procedures used by the City of St. Paul Park (“City”) for levying special assessments are those specified by Minnesota Statutes, Chapter 429 which provides that all or a part of the cost of improvements may be assessed against benefiting properties.

Three basic criteria must be satisfied before a particular parcel can be assessed. The criteria are as follows:

1. The land must have received special benefit from the improvement.
2. The amount of the assessment must not exceed the special benefit.
3. The assessment must be uniform in relation to the same class of property within the assessment area.

It is important to recognize that the actual cost of extending an improvement past a particular parcel is not the controlling factor in determining the amount to be assessed. However, in most cases the method for assigning the value of the benefit received by the improvement, and therefore the amount to be assessed, shall be the cost of providing the improvement. This shall be true provided the cost does not demonstrably exceed the increase in the market value of the property being assessed. The entire project shall be considered as a whole for the purpose of calculating and computing an assessment rate. In the event City staff has doubt as to whether or not the costs of the project may exceed the special benefits to the property, the City Council may obtain such appraisals as may be necessary to support the proposed assessment.

The assessment policy is intended to serve as a guide for a systematic assessment process in the City. There may be exceptions to the policy or unique circumstances or situations which may require special consideration and discretion by City staff and the City Council.

## **SECTION 2. IMPROVEMENTS AND MAINTENANCE COSTS ELIGIBLE FOR SPECIAL ASSESSMENT.**

Subd. 1. The following public improvements and related acquisition, construction, extension, and maintenance of such improvements, authorized by Minnesota Statutes, Sections 429.021 and 459.14, subdivision. 7, are eligible for special assessment within the City:

1. Acquiring, opening, and widening any street, and to improve the same by constructing, reconstructing, and maintaining sidewalks, pavement, gutters, curbs, and vehicle parking strips of any material, or by grading, graveling, oiling, or otherwise improving the same, including the beautification thereof and including storm sewers or other street drainage and connections from sewer, water, or similar mains to curb lines.
2. Acquiring, developing, constructing, reconstructing, extending, and maintaining storm and sanitary sewers and systems, including outlets, holding areas and ponds, treatment plants, pumps, lift stations, service connections, and other appurtenances of a sewer system, within and without the corporate limits.
3. To construct, reconstruct, extend, and maintain steam heating mains.
4. To install, replace, extend, and maintain street lights and street lighting systems and special lighting systems.
5. To acquire, improve, construct, reconstruct, extend, and maintain water works systems, including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks,

- treatment plants, and other appurtenances of a water works system, within and without the corporate limits.
6. To acquire, improve and equip parks, open space areas, playgrounds, and recreational facilities within or without the corporate limits.
  7. To plant trees on streets and provide for their trimming, care, and removal.
  8. To abate nuisances and to drain swamps, marshes, and ponds on public or private property and to fill the same.
  9. To construct, reconstruct, extend, and maintain dikes and other flood control works.
  10. To construct, reconstruct, extend, and maintain retaining walls and area walls.
  11. To acquire, construct, reconstruct, improve, alter, extend, operate, maintain, and promote a pedestrian skyway system. Such improvement may be made upon a petition pursuant to Minnesota Statutes, Section 429.031, subdivision 3.
  12. To acquire, construct, reconstruct, extend, operate, maintain, and promote underground pedestrian concourses.
  13. To acquire, construct, improve, alter, extend, operate, maintain, and promote public malls, plazas or courtyards.
  14. To construct, reconstruct, extend, and maintain district heating systems.
  15. To construct, reconstruct, alter, extend, operate, maintain, and promote fire protection systems in existing buildings, but only upon a petition pursuant to Minnesota Statutes, Section 429.031, subdivision 3.
  16. To acquire, construct, reconstruct, improve, alter, extend, and maintain highway sound barriers.
  17. To improve, construct, reconstruct, extend, and maintain gas and electric distribution facilities owned by a municipal gas or electric utility.
  18. To purchase, install, and maintain signs, posts, and other markers for addressing related to the operation of enhanced 911 telephone service.
  19. To improve, construct, extend, and maintain facilities for Internet access and other communications purposes, if the council finds that:
    - i. the facilities are necessary to make available Internet access or other communications services that are not and will not be available through other providers or the private market in the reasonably foreseeable future; and
    - ii. the service to be provided by the facilities will not compete with service provided by private entities.
  20. To assess affected property owners for all or a portion of the costs agreed to with an electric utility, telecommunications carrier, or cable system operator to bury or alter a new or existing distribution system within the public right-of-way that exceeds the utility's design and construction standards, or those set by law, tariff, or franchise, but only upon petition under Minnesota Statutes, Section 429.031, subdivision 3.
  21. To assess affected property owners for repayment of voluntary energy improvement financings under Minnesota Statutes, Section 216C.436, subdivision 7.

Subd. 2. The City is also authorized by ordinance adopted pursuant to Minnesota Statutes, Section 429.101 to recover, through special assessment, the following maintenance costs:

1. Snow, ice, or rubbish removal from sidewalks.
2. Weed elimination from streets or private property.
3. Removal or elimination of public health or safety hazards from private property excluding any structure included under the provisions of Minnesota Statutes, Sections 463.15 to 463.26.
4. Installation or repair of water service lines, street sprinkling, sweeping, or other dust treatment of streets.
5. The trimming and care of trees and the removal of unsound trees from any street.

6. The treatment and removal of insect infested or diseased trees on private property.
7. The repair of sidewalks and alleys.
8. The operation of a street lighting system.
9. The operation and maintenance of a fire protection or a pedestrian skyway system.
10. The recovery of any disbursements under Minnesota Statutes, Section 504B.445, subdivision 4, clause (5), including disbursements for payment of utility bills and other services, even if provided by a third party, necessary to remedy violations as described in Minnesota Statutes, Section 504B.445, subdivision 4, clause (2).
11. The recovery of delinquent vacant building registration fees under a municipal program designed to identify and register vacant buildings.
12. Re-inspections that find noncompliance after the due date for compliance with an order to correct a municipal housing maintenance code violation.
13. The recovery of payments to rehabilitate and/or maintain safe and habitable housing conditions over the useful life of a house or land—including payment of utility bills and other services, even if by a third party in rental situations.
14. Painting the exterior of a structure to remedy a municipal code violation.
15. Garbage collection and disposal.

### **SECTION 3. INITIATION OF PUBLIC IMPROVEMENT PROJECTS.**

Public improvement projects can be initiated as provided in Minnesota Statutes Chapter 429 in the following ways.

1. Public improvement projects may be initiated by petition of owners of the properties benefiting from the proposed improvement.
2. Public improvements also may be initiated by the City Council when, in its judgment, such action is required.
3. A resolution ordering any improvements initiated by the Council or by owners of less than 35% in frontage of the real property abutting on the streets named in the petition as the location of the improvement requires a four-fifths majority vote of all members of the Council. A resolution ordering any improvements initiated by owners of not less than 35% in frontage of the real property abutting on the streets named in the petition as the location of the improvement requires a majority vote of all members of the Council. A resolution ordering any improvements initiated by all owners of the frontage of the real property abutting on the streets named in the petition as the location of the improvement, and assessing the entire cost against their property, may be adopted without a public hearing. The Council may consider the request of a Developer to construct the improvements and assess them.

#### **Determining benefit property**

The properties benefiting will vary with the type of improvement. The City Engineer will review the type of improvement and determine the benefiting properties.

### **SECTION 4. PUBLIC IMPROVEMENT PROCEDURE.**

The following is the general procedure governed by Minnesota Statutes Chapter 429, that may be followed by the City Council for public improvement projects from initiation of such a project through certification of the assessment roll to the County Auditor.

1. Staff reviews petition or request for improvements for submission to Council.

2. Council accepts or rejects petition or request by resolution. If the petition or request is accepted, Council orders the publication of the resolution and orders preparation of feasibility report.
3. Staff prepares feasibility report. The report shall evaluate whether the proposed improvement is necessary, cost-effective, and feasible and whether it should be made as proposed or in conjunction with another project. The report shall include an estimate of the cost of the improvement as proposed.
4. Either before or after considering the feasibility report, Council orders public hearing on the improvements. Staff posts and publishes hearing notice and mails notices to affected property owners as provided in Minnesota Statutes, Section 429.031, subdivision 1, paragraph (a). Council conducts public hearing.
5. Within six (6) months of the hearing date, Council adopts or rejects resolution ordering improvement to be constructed and advertisement of bids. If adopted, staff prepares final plans, advertises for and opens bids as provided in Minnesota Statutes, Section 429.041, prepares bid tabulation, makes recommendation to City Council for award, and prepares proposed assessment roll. Bonds to finance project costs may be issued at any time after the improvements are ordered.
6. Benefit appraisals will be conducted on any projects where it is deemed necessary to support the proposed assessments. The number of appraisals will be determined by the City Council.
7. Council awards contract based on the bids received.
8. Council reviews proposed assessment roll and orders assessment hearing. Staff publishes hearing notice, mails notice of hearing date and proposed assessments to the affected property owners as provided in Minnesota Statutes, Section 429.061. Council conducts assessment hearing and adopts, revises, or rejects resolution determining the amount of the total expense the City will pay, if any, and establishing the assessment roll. If adopted, Council authorizes certification of the assessment to the County Auditor.
9. Staff certifies the assessment roll to the County Auditor.
10. At anytime after award of the contract, Staff supervises construction and prepares payments.

## **SECTION 5. FINANCING OF PUBLIC IMPROVEMENTS.**

The City encourages public improvement projects as may be needed or as the area (s) benefiting and needing such improvements develop. Examples of this policy can be seen through the subdivision regulations, zoning ordinance, and building codes. Developers are required to provide the needed improvements and services before development occurs, thereby avoiding unexpected hardships on the property owners purchasing such property and the general public. However, it is recognized that certain areas of the City have developed without all needed public improvements (e.g. parks, water, sewer, and street improvements) and that methods must be found to provide these improvements without causing undue hardships on the general public or the individual property owner.

Special assessments are generally accepted as a means by which areas can obtain improvements or services; however, the method of financing these is a critical factor to both the City and the property owner. Full project costs spread over a very short term can cause an undue hardship on the property owner and, likewise, city costs and systems costs spread over a long period of time can produce an undue hardship on the general public of the City.

It is the policy of the City to not defer assessments except in cases where hardship to senior citizens 65 years of age or older, persons retired by virtue of a permanent and total disability, or person who is a member of the Minnesota National Guard or other military reserves who is ordered into active military service, as defined in Minnesota Statutes, Section 190.05, subdivision

5b or 5c, as stated in the person's orders, would result. Also, the City Council may elect to defer assessments on unimproved land for a specified length of time or until the lands are improved. Terms and conditions of any such deferral will be established in the resolution adopting the assessments.

## **SECTION 6. GENERAL ASSESSMENT POLICIES APPLICABLE TO ALL TYPES OF IMPROVEMENTS.**

The cost of any improvement shall be assessed upon property by the improvements based upon benefits received. The following general principles shall be used as a basis of the City's assessment policy:

1. Project Cost. The "project cost" of an improvement includes the costs of all necessary construction work required to accomplish the improvement, plus engineering, legal, administrative, financing and other contingent costs, including acquisition of right-of-way and other property. The finance charges include all costs of financing the project. These costs include but are not limited to financial consultant's fees, bond rating agency fee, bond attorney's fees, and capitalized interest. The interest charged to the project shall be included as financing charges.
2. City Cost. The "city cost" of an improvement is the amount of the total improvement expense the City will pay as determined by Council resolution. Where the project cost of an improvement is not entirely attributed to the need for service to the area served by said improvement, or where unusual conditions beyond the control of the owners of the property in the area served by the improvement would result in an inequitable distribution of special assessments, or for any other reason determined by City, the City, through the use of other funds, may pay such "city cost."
3. Assessable Cost. The "assessable cost" of an improvement is equal to the "project cost" minus the "city cost."
4. Interest. The interest rate to be set on a project by project basis by the Council with the intent that the interest rate would be one and one-half percent (1 ½%) above the City's cost of borrowing money. In projects where the City uses internal financing, the Council would estimate the interest rate based on what it would cost the City to borrow the money.
5. Prepayment. Property owners may pay their assessments in full interest free for a period of 30 days after the adoption of the assessment roll. After such period interest shall be computed from the date specified in the assessment resolution. The City will transmit a certified duplicate of the assessment roll with each installment, including interest, to the County Auditor, or in lieu of such certification, annually certify to the County Auditor by November 30 in each year, the total amount of installments of and interest on assessments on each parcel which are to become due in the following year. After the City has made the first certification of principal and interest to the County Auditor, prepayment will be accepted only for the total amount still owing and must be made prior to November 15 of any year. If a parcel has two or more separate special assessments, prepayment of the remaining principal balance may be made on one or more assessment totals.
6. Extensions. Where an improvement is designed for service of an area beyond that receiving the initial benefit, the City may pay for increased project costs due to such provisions for future service extensions. The City will levy assessments to cover this cost when a new improvement is installed as an extension of the existing improvement upon identification of such additional amount in the notice of hearing for the extensions or new improvements. This process is limited to water, storm sewer, and sanitary sewer as specified in Minnesota Statutes, Section 429.051. As an alternative, the City may assess these costs to the area of future benefit immediately.

7. Frontage Roads. Because frontage roads along highways or other arterial streets are deemed to be of benefit to commercial or industrial properties, the entire costs of any improvement on such frontage roads shall be assessable to the benefited properties.
8. Project Assistance. If the City receives financial assistance from the Federal Government, the State of Minnesota, the County, or from any other source to defray a portion of the costs of a given improvement, such aid will be used first to reduce the “city cost” of the improvement. If the financial assistance received is greater than the “city cost,” the remainder of the aid will be placed in the Capital Improvement Fund to be applied towards other City projects.
9. Assessable Property. Property owned by the City and other political subdivisions including municipal building sites, parks and playgrounds, but not including public streets, alleys, and right-of-way, shall be regarded as being assessable on the same basis as if such property was privately owned. Private right-of-way shall be assessable.
10. Individual Benefits. The costs for improvements designed for or shown to be of benefit solely to one or more properties will be assessed directly to such properties, and not included in the assessments for the remainder of the project. An example of this would be utility service lines running from the main lines to the property.
11. Benefit Appraisals. The City Council will order the number of benefit appraisals as deemed necessary to support the proposed assessments.
12. Condemnation Awards. A property owner may elect to offset special assessments against condemnation awards. In such case, the property owner must execute an agreement (Net Assessment Agreement) with the City Council.

## **SECTION 7. METHODS OF ASSESSMENT.**

Subd. 1. General Statement. There are different methods of assessment: adjusted front foot, area, and per lot unit. The feasibility report will recommend one or a combination of these methods for each project, based upon which method would best reflect the benefit received for the area to be assessed. The City Council will select the preferred method of calculating the assessments at the time the project is ordered.

Subd. 2. Policy Statement. The following methods of assessment, as described and defined below, are hereby established as methods of assessment in the City.

### **A. “Adjusted Front Foot” Method of Assessment.**

The “cost per adjusted front foot” method of assessment shall be based on the quotient of the “assessable cost” divided by the total assessable frontage benefiting from the improvement. For the purpose of determining the “assessable frontage,” all properties, including governmental agencies to the extent allowable by law, shall have their frontages included in such calculation.

The actual physical dimensions of a parcel abutting an improvement (i.e., street, sewer, water, etc.) shall not be construed as the frontage utilized to calculate the assessment for a particular parcel. Rather, an “adjusted front footage” will be determined. The purpose of this method is to equalize assessment calculations for lots of similar size. Individual parcels by their very nature differ considerably in shape and area. The following procedures will apply when calculating adjusted front footage. The selection of the appropriate procedure will be determined by the specified configuration of the parcel. All measurements will be scaled from available plat and section maps and will be rounded down to the nearest foot dimension with any excess fraction deleted.



1. Rectangular Interior Lots. The rectangular lot is defined as having no more than 20 feet difference between the front and rear lot lines. The adjusted front footage is the actual front footage of the lot. For rectangular lots whose frontage is greater than its depth, the “odd shaped lot” method shall be used.
2. Odd Shaped Lots. For odd shaped lots such as exist on cul-de-sacs and curved streets where there is more than 20 feet of difference between the front and rear lot lines, and where the lots frontage is greater than its depth, the “odd shaped lot” method of determining the adjusted front footage shall be used. The adjusted front footage shall be computed by dividing the area of the lot by 11,250 square feet to determine the equivalent number of front footage units in the parcel. The number of units multiplied by 75 feet will give the adjusted front footage.
3. Corner Lot Adjustment. The short side will be assessed the actual front footage. The long side will be assessed one-fourth the actual side footage.
4. Corner Lots Which Abut Three Streets. The “Area” or “Per Lot Unit” method would be used.

B. “Area” Method of Assessment.

The “area” method of assessment shall be based on the number of square feet or acres within the boundaries of the appropriate property lines of the areas benefiting from the project. The assessment rate (i.e., cost per square foot) shall be calculated by dividing the total assessable cost by the total assessable area. On large lots, the City Engineer may determine that only a portion of the lots receives the benefit and may select a lot depth for the calculations equal to the benefit received.

All properties included in the benefited area, including other governmental areas, churches, etc., shall be assessable to the extent allowed by law. The following items may not be included in area calculations: public right-of-ways, and natural waterways, swamps, lakes and other wetlands designated by the Minnesota Department of Natural Resources or City. The City Engineer will make a recommendation on the boundaries or parameters of the benefited area in the feasibility report.

C. “Per Lot Unit” Method of Assessment.

The “per lot” method of assessment shall be based on equal assessment of all lot units within the benefited area. The “assessment per lot units” shall be the quotient of the “assessable cost” divided by the total assessable lot units or parcels benefiting from the improvement. For the purpose of determining the “lot units” or “parcels” all parcels, including governmental agencies, shall be included in such calculations to the extent allowed by law.

D. Street Reconstruction Project Assessment Allocation.

Street reconstructions and overlays are assessed 33% to the benefited area or properties zoned residential, public/semipublic, parks, or properties containing a legal non-conforming residential use. Street reconstructions and overlays are assessed 40% to benefited area or properties zoned commercial, industrial, or properties containing a legal non-conforming commercial or industrial use. There are financial factors that justify the difference in the participation between land use and the cost of the associated construction and the monetary benefit realized from the improvement. Residential streets are designed for lighter vehicles and small traffic counts,

therefore the cost of construction or reconstruction is less. A comparable commercial/industrial street with a 10-ton design is approximately 15 percent more expensive than a residential street, and because of the regular heavy loads, must be reconstructed or maintained more often. The policy difference in levels of participation is only seven percent. The typical level of benefit realized by reconstruction in a residential zone is generally between eight and nine percent of the lot value whereas reconstruction typically results in a roughly 40 percent increase in lot value for commercial/industrial properties.

## **SECTION 8. STANDARDS FOR PUBLIC IMPROVEMENT PROJECTS.**

The following standards are hereby established by the City to provide a uniform guide for improvements within the City.

A. Surface Improvements. Surface improvements shall normally include all improvements visible on or above the ground within the right-of-way, and includes, but is not limited to, trees, lighting, sidewalks, signing; street and accessory improvements such as drainage ponds and facilities, parking lots, alleys, parks and playgrounds.

Policy Statement. Prior to construction or completion of surface improvements, all utilities and utility service lines (including sanitary sewers, storm sewers, water lines, gas and electric service) shall be installed to all planned service locations such as residences or buildings.

When practicable, no surface improvements to less than both sides of a full block of street shall be approved except as necessary to complete partially completed improvements initiated previously. Concrete curbing or curb and gutter shall be installed at the same time as street surfacing.

B. Sub-Surface Improvements. Subsurface improvements shall normally include, but are not limited to, such items as water distribution, sanitary sewer and storm sewer lines and electric and gas utilities.

Main lines are the publicly owned and maintained lines or facilities such as trunk lines, interceptors, mains, and laterals. Service lines are those lines or facilities extending from the main line to the property line. Water service lines are publicly owned and maintained from the main line to the property line, not including the curb stop and box (shut-off valve). Sewer service lines are privately owned and maintained from the main line to the property line.

Policy Statement. Sub-surface improvements shall be made to serve current and projected land use. All installations shall conform to applicable standards established by local, state and/or federal agencies of competent jurisdiction. All installations shall also comply, to the maximum extent feasible, with nationally recognized standards such as those of the American Insurance Association.

Service lines from the lateral or trunk to the property line of all planned service locations such as residences or buildings shall be installed in conjunction with the construction of the mains.

Homeowners are responsible for moving and replacing sprinkler heads and lines that are in the way of street or utility construction. In addition, the City will not repair or replace sprinkler heads or lines that are damaged due to street maintenance or street construction activities.

## **SECTION 9. ASSESSMENT COMPUTATIONS.**

The following is the typical City assessment for various specified improvements.

A. Street and Curb and Gutter Improvements.

1. New Constructions. New streets are assessed 100% to the benefited areas or properties. Street and curb and gutter improvements will normally be assessed by the adjusted front foot method, but other methods may be utilized if conditions warrant. Cost of construction of streets shall be assessed based on the minimum design of 7-ton axle load in residential areas and 9-ton axle load in commercial and industrial areas. Oversizing costs which are incurred in excess of the above may be paid by: (1) State funds, (2) larger assessment rates to other benefited properties, (3) general revenue funds, or (4) any other method or combination of methods authorized by the City Council.
2. Reconstruction and Overlays. Street reconstruction and overlays are assessed 33% to the benefited area or properties zoned residential, public/semipublic, parks or properties containing a legal non-conforming residential use. Street reconstructions and overlays are assessed 40% to benefited area or properties zoned commercial, industrial, or properties containing a legal non-conforming commercial or industrial use.
3. Gravel Streets. Upgrading of existing gravel street by adding pavement, curb and gutter is considered new construction and all costs are assessed 100%.
4. Seal Coats. Seal coats will not be assessed against benefited properties.
5. Alleys. Upgrading existing gravel alleys by adding pavement is assessed 100% to all lots abutting on the alley in the block being improved. Reconstructing existing paved alleys are also 100% assessed.

B. Sidewalks and Trails.

1. New Construction. New sidewalks are assessed 100% to the benefited area or property.
2. Reconstruction. Replacement sidewalks are assessed 100% to the abutting property owner.
3. Trails. Bituminous walkways and/or bicycle trails are assessed 100%.

C. Storm Sewer Improvements. Storm sewers are assessed on a project-by-project basis. Storm sewers in new subdivisions are considered an assessable improvement on an area basis.

Oversizing costs due to larger mains and larger appurtenances are paid for by a combination of availability charges, user charges and/or trunk area assessment charges. Trunk area storm sewer charges are levied to all un-platted property at the time of platting, to re-plats that have not been charged trunk area charges when the land was originally platted, and to re-plats that have been charged trunk area charges when the land was originally platted but where the use is increasing (only the cost difference based on current and prior use is charged). The charges will be set in the annual fee schedule ordinance during the first City Council meeting in January of each year.

Normally, storm sewers are assessed per linear front foot, but in certain situations the per lot method or adjusted front method may be utilized at the City Council's discretion.

The replacement of existing storm sewers is assessed 33% to the benefited area or properties zoned residential, public/semipublic, parks or properties containing a legal non-conforming residential use and 40% to the benefited area or properties zoned commercial, industrial, or properties containing a legal non-conforming commercial or industrial use with the remaining costs paid for by other funding sources identified by the City Council.

D. Sanitary Sewer Assessments. Assessments for sanitary sewer in residential areas are based upon the cost of construction of 8 inch mains, which is the smallest size installed in residential areas of the City. Assessments for sanitary sewers in commercial and industrial areas are based upon a standard size of 12-inch mains.

Oversizing costs due to larger mains and larger appurtenances will be paid for by a combination of availability charges, user charges and/or trunk area assessment charges. Trunk area sanitary sewer charges shall be levied to all unplatted property at the time of platting and re-plats that have not been charged trunk area charges when the land was originally platted. The charges will be set in the annual fee schedule ordinance during the first City Council meeting in January of each year. Services installed to individual properties are fully assessed to the benefiting property.

Normally, sanitary sewers are assessed on the per lot unit method, but in certain situations the area or adjusted front method may be utilized at the City Council's discretion.

Lateral benefit from major trunk sewers or interceptors is assessed to the properties benefited by the sewer. Any oversizing cost is assessed as described above.

The replacement of existing sewers is not assessed.

Individual service lines installed directly to specified properties are fully assessed directly to the benefited properties. Properties that have existing sanitary services, but do not have mainline sewers adjacent, across or up to their property lines pay 50% of the assessment rate for the new mainline sanitary sewer as well as 100% of the cost associated with replacing the service lines.

Any existing service lines found to be defective as part of a street reconstruction are replaced as part of the project and assessed directly to the property.

Lift Stations – All properties contributing sanitary sewage or storm water runoff which must be elevated by a lift station in order to reach the Waste Treatment Plant or discharge point, shall be assessed for the cost of such improvement. Excess capacity designed into a lift station to provide service beyond the specific area in question will be handled in a fashion similar to the oversizing sanitary sewer and assessed as described above.

E. Watermain Assessments. Assessments for watermains in residential areas are based upon the cost of construction of 8 inch mains, which is the smallest size installed in residential areas of the City. Assessments for watermains in commercial and industrial areas are based upon the standard size of 12-inch mains.

Oversizing costs due to larger mains and larger appurtenance are paid for by a combination of availability charges, user charges and/or trunk area assessment charges.

Trunk area water charges shall be levied to all un-platted property at the time of platting and re-plats that have not been charged trunk area charges when the land was originally platted. The charges will be set in the annual fee schedule during the first City Council meeting in January of each year. Services installed to individual properties shall be fully assessed to the benefiting property.

Normally, watermains are assessed on a per lot unit basis, but in certain situations the area or adjusted front method may be utilized at the City Council's discretion.

The replacement of existing watermains is not assessed.

Lateral benefit from major trunk water mains is assessed to properties benefited by the water main. Lateral water main assessments are based on the costs for an equivalent 8'' diameter water main for residential properties and for an equivalent 12'' diameter water main for commercial/industrial properties.

Individual service lines installed directly to specified properties are fully assessed directly to the benefited properties. Properties that have existing water services, but do not have mainline watermains adjacent, across or up to their property lines pay 50% of the assessment rate for the new watermain as well as 100% of the cost associated with replacing the service lines.

Any existing service lines found to be defective as part of the project occurring between the main line and the property line, not including the curb stop and box (shut off valve), shall be the responsibility of the City.

F. Street Boulevard Trees. All street boulevard trees installed as part of new street constructions or in reconstructing existing streets shall be included as part of the overall project costs included in the assessment calculations.

G. Street Lights. All costs for new streetlights installed as part of constructing new streets or streetlights relocated as part of reconstructing streets are included in the overall project costs and included in the assessment calculations. In new subdivisions, the City may require the developer to finance street light improvement rather than assessing the cost.

H. Other Improvements. Based on the City Council determination, any other improvements may be fully assessed or assessed in part.

## **SECTION 10. DEFERMENT OF SPECIAL ASSESSMENTS—SENIORS, DISABLED, OR MILITARY PERSONS.**

Subd. 1. The Council may defer the payment of principal and interest of any special assessment by resolution on homestead property owned by a person who is 65 years of age or older, or who is retired by virtue of permanent and total disability, or a person who is a member of the Minnesota National Guard or other military reserves who is ordered into active military service, as defined in Minnesota Statutes Section 190.05, subdivision 5b or 5c, as stated in the person's military orders and the City Clerk is hereby authorized to record the deferment of special assessments where the following conditions are met:

1. An eligible applicant must file an application on forms approved by the county auditor on or before October 31<sup>st</sup> of the year preceding the year for which deferral status is required in order to implement the deferral program for said year.
2. The applicant must be 65 years of age or older, or retired by virtue of permanent and total disability, or a person who is a member of the Minnesota National Guard or other military reserves who is ordered into active military service, as defined in Minnesota Statutes Section 190.05, subdivision 5b or 5c, as stated in the person's military orders.
3. The applicant must be the owner of the property.
4. The applicant must occupy the property as his principal place of residence.
5. Payment of the assessment would constitute an economic hardship for the owner. A hardship is shown where the average annual payment for assessments levied against the subject property exceeds one percent of the adjusted gross income of the applicant, as evidenced by the applicant's most recent federal income tax return or other documents approved by the city

that show the applicant's adjusted gross income. The average annual payment of an assessment shall be the total cost of the assessment divided by the number of years over which it is spread.

Subd. 2 The deferment shall be granted for as long a period of time as the hardship exists and the conditions aforementioned have been met. However, it shall be the duty of the applicant to notify the City Clerk of any change in their status that would affect eligibility for deferment.

Subd. 3. The entire amount of deferred special assessments, along with all applicable interest, shall be due within sixty days after loss of eligibility by the applicant. If the special assessment is not paid within the sixty (60) days, the City Clerk shall add thereto interest at a per annum interest rate of one and one-half percent (1.5%) above the bond interest rate and the total amount of principal and interest shall be certified to the County Auditor for collection with taxes the following year. Should the applicant demonstrate to the satisfaction of the Council that full repayment of the deferred special assessment would cause the applicant particular undue financial hardship, the Council may order that the applicant pay within sixty days a sum equal to the number of installments of deferred special assessments outstanding and unpaid to date, including principal and interest, with the balance thereafter paid according to the terms and conditions of the original special assessments.

Subd. 4. The option to defer the payment of special assessments shall terminate and all amounts accumulated plus applicable interest shall become due upon the occurrence of any one of the following:

1. The death of the owner when there is no spouse who is eligible for deferment.
2. The sale, transfer or subdivision of all or any part of the property.
3. Loss of homestead status on the property.
4. Determination by the Council for any reason that immediate or partial payment would impose no hardship.
5. Notification from the owner that there is no longer a hardship.

Subd. 5. The provisions in this Section shall be carried out according to Minnesota Statutes, Section 435.193, as amended from time to time.

#### **SECTION 11. DEFERMENT OF SPECIAL ASSESSMENTS—AGRICULTURAL LAND.**

The Council shall defer the payment of any special assessments on agricultural land in accordance with the provisions set forth in Minnesota Statute, Section 273.111, commonly known as the "green acres" law.

#### **SECTION 12. DEFERMENT OF SPECIAL ASSESSMENTS--UNIMPROVED LAND.**

It is the intent of the Council pursuant to Minnesota Statutes, Section 429.061, subdivision. 2, to encourage homeowners with unimproved land to install utilities at the time of the project in order to capture the cost savings of these improvements and prevent disruption to a newly installed street in the future by allowing the following options:

- Option 1—Install utilities to the unimproved parcel and certify the assessment as usual.
- Option 2—Install utilities to the unimproved parcel and defer the assessment as prescribed below.

Option 3—Property owner can elect not to have the utilities installed during the construction project, but must indicate this preference by letter addressed to the City Council.

Subd. 1. Definitions

Unimproved Land is defined as residential properties that are subject to multiple unit assessments and has the potential to be further subdivided into two or more lots that each meet city subdivision ordinance requirements.

Unimproved Parcel is the result of subdividing unimproved land into one or more lots that each meet the city subdivision ordinance requirements and that is absent of any structures.

Subd. 2. The Council may defer the payment of any special assessment on unimproved land within any residential zoning district where service lines from the lateral or trunk to the property line have been installed with the anticipation of future development as long as the Minimum Limits in this policy are met. Unimproved land deferrals may be granted by resolution at the discretion of the Council in accordance with Minnesota Statutes, Section 429.061, Subdivision 2 and this policy. The resolution adopted by the Council shall indicate the year in which the deferment will end, notwithstanding the automatic termination provisions contained in Subdivision 3 of this section. An eligible applicant must file an application on forms approved by the City on or before October 31<sup>st</sup> of the year preceding the year for which deferral status is required in order to implement the deferral program for said year.

Subd. 3. Governing Criteria on Unimproved Land Deferrals

Minimum Limits: The total assessment of the improved and unimproved parcel must exceed \$10,000 in order to qualify for a deferral on the unimproved parcel.

Termination: Deferrals on unimproved parcels will be terminated when one of the following occurs:

1. The unimproved parcel is sold, at which time the entire deferred assessment is due.
2. The unimproved parcel is divided, at which time the entire deferred assessment is due.

Length: The length of a Deferral will be limited to the first five (5) years of the levied assessment. Payment of Interest on the Deferred amount may or may not be paid on a yearly basis during the period of deferral.

Payback: Payback schedule for the Deferral will occur under the following schedules:

1. Deferred assessments from \$1,000 to 5,000 equal 10-year payback.
2. Deferred assessments greater than \$5,000 will be 10-years plus one additional year per \$1,000 over \$5,000 not to exceed a 15-year payback.
3. All paybacks of Deferrals begin in year six (6).

# APPLICATION FORMS

- Application for Assessment Deferral
- Eligibility Requirements—Unimproved Land
- Eligibility Requirements—Age, Disability, or Military Person
- Information Page—Unimproved Land
- Information Page—Age, Disability, or Military Person





# APPLICATION FOR ASSESSMENT DEFERRAL

City of St. Paul Park / 600 Portland Avenue / St. Paul Park MN 55071

## SECTION 1 – INFORMATION ON APPLICANT

APPLICANT'S FULL LEGAL NAME (LAST, FIRST, MIDDLE)	
APPLICANT'S MAILING ADDRESS (STREET ADDRESS, CITY, STATE, ZIP)	
APPLICANT'S PHONE NUMBER	APPLICANT'S DATE OF BIRTH

## SECTION 2 – INFORMATION ON PROPERTY

STREET ADDRESS OF PROPERTY	
LEGAL DESCRIPTION OF PROPERTY	
PARCEL IDENTIFICATION NUMBER	

## SECTION 3 – DEFERRAL INFORMATION

TYPE AND LOCATION OF PROJECT: \_\_\_\_\_  
 REASON FOR DEFERRAL:

- Over 65 years of age.
- Permanent Disability (Provide proof of permanent disability).
- Military Person (Provide proof of military orders)
- Agricultural Property (Provide proof of Green Acres tax status)
- Unimproved Land

## SECTION 4 – SUPPORTING EVIDENCE

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

I certify that the information given herein is true and complete to the best of my knowledge.

Signature of Applicant

Date

FOR OFFICE USE ONLY	
DATE SUBMITTED TO COUNCIL FOR APPROVAL: _____	PROJECT: _____
<input type="checkbox"/> APPROVED <input type="checkbox"/> DENIED	INTEREST RATE: _____
CONDITIONS OF DEFERMENT OR REASONS FOR DENIAL: _____	PROJECT YEARS: _____
_____	AVERAGE ANNUAL PAYMENT: _____
_____	AMOUNT OF PRINCIPAL TO BE DEFERRED: _____
_____	AMOUNT OF INTEREST TO BE DEFERRED: _____
City Administrator      Date	DATE APPROVAL SENT TO COUNTY AUDITOR: _____

# CITY OF ST. PAUL PARK

## ELIGIBILITY FOR DEFERMENT OF SPECIAL ASSESSMENTS

### UNIMPROVED LAND

The City Council of St. Paul Park may defer the payment of principal and interest of any special assessment on unimproved land where service lines from the lateral or trunk to the property line has been installed with the anticipation of being improved. The owner of the property must notify the City of St. Paul Park of any change in owner's status that would affect eligibility for deferment.

To determine eligibility for deferment please complete this entire form and return to the City of St. Paul Park. The Council will review deferment requests at their next available meeting. If you have any questions or require assistance in completing this form please contact City Hall at 651-459-9785.

1. Is the property zoned residential?    Yes    No
2. Does the unimproved parcel have separate parcel identification?    Yes    No
3. Has new service lines from the lateral or trunk to the property line been installed?    Yes    No
4. Does the unimproved parcel meet the minimum lot requirements?    Yes    No
5. Does the total assessment of the improved **and** unimproved parcel exceed \$10,000?    Yes    No

Applicant's Name: \_\_\_\_\_

Applicant's Address: \_\_\_\_\_

City of St. Paul Park  
600 Portland Avenue  
St. Paul Park, MN 55071

# CITY OF ST. PAUL PARK

## ELIGIBILITY REQUIREMENT FOR DEFERMENT OF SPECIAL ASSESSMENTS

### AGE, DISABILITY, OR MILITARY PERSON

The City Council of the City of St. Paul Park may defer the payment of principal and interest of any special assessment on homestead property owned by a person who is 65 years of age or older, who is retired by virtue of permanent or total disability, or a person who is a member of the Minnesota National Guard or other military reserves who is ordered into active military service, as defined in Minnesota Statutes, Section 190.05, subdivision 5b or 5c, as stated in the person's military orders, for whom it would be a hardship to make the payments. Deferments will be granted for as long a period as the hardship exists and the necessary conditions have been met. The owner of the property must notify the City of St. Paul Park of any change in owner's status that would affect eligibility for deferment.

To determine eligibility for deferment please complete this entire form and return to the City of St. Paul Park. The Council will review deferment requests at their next available meeting. If you have any questions or require assistance in completing this form please contact City Hall at 651-459-9785.

1. What year was the special assessment in question implemented? \_\_\_\_\_
2. What is the age of the owner(s) of the property? \_\_\_\_\_
3. Does the owner(s) of the property have a permanent and total disability? Yes No
4. Does the owner(s) of the property a member of the Minnesota National Guard or other military reserves who is ordered into active military service? Yes No
5. Does the owner(s) occupy the property as a principal place of residence? Yes No
6. What is the annual income of the owner(s) of the property from all sources? \$ \_\_\_\_\_

Applicant's Name: \_\_\_\_\_

Applicant's Address: \_\_\_\_\_

City of St. Paul Park  
600 Portland Avenue  
St. Paul Park, MN 55071

## **DEFERMENT OF SPECIAL ASSESSMENTS – UNIMPROVED LAND**

The City Council of the City of St. Paul Park may defer the payment of any special assessment on unimproved land where service lines from the lateral or trunk to the property line has been installed with the anticipation of future development. Unimproved land deferrals may be granted under the following criteria:

### ***ELIGIBILITY FOR DEFERRAL***

1. An eligible applicant must file an application on or before October 31<sup>st</sup> of the year preceding the year for which the deferral status is required in order to implement the deferral program for said year.
2. The assessed property is unimproved land zoned residential.
3. Service lines from the lateral or trunk to the property lines have been installed to the unimproved land.
4. The total assessment of the improved and unimproved parcel must exceed \$10,000 in order to qualify for a deferral on the unimproved parcel.

### ***INTEREST ON DEFERRED ASSESSMENT***

The length of a deferral will be limited to the first five (5) years of the levied assessment. Payment of interest on the deferred amount may or may not be paid on a yearly basis during the period of deferral.

### ***TERMINATION OF DEFERRAL STATUS***

Deferrals on unimproved parcels will be terminated when one of the following occurs:

1. The unimproved parcel is sold, at which time the entire deferred assessment is due.
2. The unimproved parcel is divided, at which time the entire deferred assessment is due.

### ***PAYBACK ON DEFERRAL***

Payback schedule for the deferral will occur under the following schedules:

1. Deferred assessments from \$1,000 to \$5,000 equal 10-year payback.
2. Deferred assessments greater than \$5,000 will be 10 years plus one additional year per \$1,000 over \$5,000 not to exceed a 15-year payback.
3. All paybacks of deferrals begin in year six (6).

### ***FILING FOR DEFERRAL STATUS***

An eligible applicant must file an application on or before October 31<sup>st</sup> of the year preceding the year for which deferral status is required in order to implement the deferral program for said year. All deferral applications must be made on forms approved by the City and submitted to the City Administrator.

## **HARDSHIP DEFERMENT OF SPECIAL ASSESSMENTS—AGE, DISABILITY, OR MILITARY PERSON**

The City Council of the City of St. Paul Park will consider deferring the principal and interest on special assessments on homestead property owned by a person 65 years of age or older, who is retired by virtue of permanent and total disability (as determined by the Social Security Administration), or person who is a member of the Minnesota National Guard or other military reserves who is ordered into active military service, as defined in Minnesota Statutes, Section 190.05, subdivision 5b or 5c, as stated in the person's orders, when the following conditions are met:

### **ELIGIBILITY FOR DEFERRAL**

1. An eligible applicant must file an application on or before October 31<sup>st</sup> of the year preceding the year for which deferral status is required in order to implement the deferral program for said year.
2. The applicant must be 65 years of age or older, retired by virtue of permanent and total disability, or member of the Minnesota National Guard or other military reserves ordered into active military service.
3. The applicant must be the owner of the property.
4. The applicant must occupy the property as his principal place of residence.
5. Payment of the assessment must create a hardship on the applicant. A hardship is shown when the average annual payment for assessments levied against the subject property exceeds one percent of the adjusted gross income of the applicant as evidenced by the applicant's most recent federal income tax return or other documents to show the applicant's adjusted gross income. The average annual payment of an assessment shall be the total cost of the assessment divided by the number of years over which it is spread.

### **INTEREST ON DEFERRED ASSESSMENT**

All deferred special assessments shall be subject to and charged 1.5% above the bond interest rate.

### **TERMINATION OF DEFERRAL STATUS**

Special Assessment payments deferred pursuant to the eligibility requirements set forth by this policy shall become payable effective upon the occurrence of one of the following events:

1. The death of the owner when there is no spouse who is eligible for deferment.
2. The sale, transfer or subdivision of all or any part of the property.
3. Loss of homestead status on the property.
4. Determination by the Council for any reason that immediate or partial payment would impose no hardship.
5. Notification from the owner that there no longer exists a hardship.

### **FILING FOR DEFERRAL STATUS**

An eligible applicant must file an application on or before October 31<sup>st</sup> of the year preceding the year for which deferral status is required in order to implement the deferral program for said year. All deferral applications must be made on forms approved by the City and submitted to the City Administrator.