

Spring Lake Township, Scott County, MN

Special Assessment Policy for Road Improvement Projects

Policy Number: A-12-001

Purpose of Policy: Establish guidelines for the levying of special assessments for improvements to township roads

Policy:

I. Special Assessments for Improvements to Township Local Roads.

a. Assessment Area. Township Local Roads are identified and described in the Township Transportation Plan. The assessment area for local roads shall be each tax parcel that abuts the road and each Lot Equivalent contained within the abutting tax parcel.

b. Assessment Amount. The full cost of improvements for local roads shall be assessed and levied equally to each tax parcel that abuts the road and to each Lot Equivalent contained within the abutting tax parcel, with the following exception.

For reconstruction and/or rehabilitation projects, that portion of the project costs associated with the replacement or rehabilitation of existing improvements (pavement, curb and gutter, sidewalk, trail, etc.) shall be assessed at a rate of 30 percent (30%). For those costs associated with enhancing the existing corridor such as upgrade from gravel to bituminous surface, addition of curb and gutter, sidewalks, trails, etc., which did not exist prior to the project, those costs will be assessed at 100 percent (100%).

II. Special Assessments for Improvements to Township Collector and Connector Roads.

a. Assessment Area. Township Collector and Connector Roads are identified and described in the Township Transportation Plan. The assessment area for improvements to Collector/Connector roads shall be each tax parcel that abuts the road and each Lot Equivalent contained within the abutting tax parcel, with the following exception.

Where a road improvement project is the paving of a gravel Township Collector Road, the assessment area shall be each tax parcel that abuts the road and each Lot Equivalent contained within the abutting tax parcel, each tax parcel with indirect access to the Township Collector Road, and each tax parcel with restricted access frontage abutting the Township Collector Road as described below.

- i. Direct Access. Direct access shall mean that the property has a driveway access to the Township Collector Road that is being improved. If the tax parcel does not have an existing structure, direct access shall mean the most likely location of a driveway access to the Township Collector Road that is being improved, as determined by the Board.
- ii. Indirect Access. Indirect access shall mean that the Township Collector Road being improved is the next Township Collector Road in the most convenient path of travel from the tax parcel, as determined by the Board.
- iii. Restricted Access Frontage. Restricted access frontage shall mean Collector Road frontage that is unusable as an access location.

b. Assessment Amount. When a Collector or Connector Road is improved, the Town Board shall determine what portion, if any, of the cost of the road improvement shall be borne by the Town Road and Bridge Fund. The remaining portion of the road improvement may be assessed against the benefited properties. The apportionment of the cost between benefited properties and the Township at large shall be determined by the Town Board for each project prior to the preparation of an assessment roll. If bonding is used to finance the improvement, at least twenty percent (20%) of the cost of the improvement must be assessed against benefiting properties.

For reconstruction and/or rehabilitation projects, that portion of the project costs associated with the replacement or rehabilitation of existing improvements (pavement, curb and gutter, sidewalk, trail, etc.) shall be assessed at a rate of 30 percent (30%).

Where a road improvement project is the paving of a gravel Township Collector Road and the assessment area includes tax parcels with Indirect Access or Restricted Access Frontage, the following tiered assessments shall apply.

- i. Tier 1 Assessment. A full assessment shall be levied to all tax parcels and each Lot Equivalent with direct access to the Township Collector or Connector Road that is being improved.
- ii. Tier 2 Assessment. A one-third assessment shall be levied to all tax parcels and each Lot Equivalent with indirect access to the Township Collector or Connector Road being improved.
- iii. Tier 3 Assessment. A one-tenth assessment shall be levied to all tax parcels and each Lot Equivalent with restricted access frontage abutting the Township Collector or Connector Road that is being improved.

III. Determination of Lot Equivalents

This assessment policy seeks to create equity in the assessment process by recognizing the greater benefit larger parcels may receive from an improvement, by virtue of their eligibility for subdivision. The policy creates this equity by attributing to each buildable tax parcel the allocation of one full lot for assessment purposes. For parcels which are eligible for further subdivision under current zoning rules, the policy allows for the determination of additional “lot equivalents” to identify the future development potential of the individual parcel. The Town Board shall determine if an individual parcel contains lot equivalents, the number of lot equivalents, and the assessment tier applicable to each lot equivalent, as it deems appropriate. Examples of how lot equivalents may be determined are attached as Figures A-1 through C-1. These examples are for illustrative purposes only and do not reflect actual determinations of lot equivalents for any specific property.

Once the number of lot equivalents are determined, assessments are then allocated on a formula the numerator of which is the total assessed cost of the project and the denominator of which is the total number of lots, plus the total number of lot equivalents.

The following exhibit illustrates the application of the township’s lot equivalent policy.

| | | |
|---|------------------|--------------------------------|
| Lot A 2.5 ac. 1 lot | R O A D | Lot D 10.0 ac. 1 lot |
| Lot B 2.5 ac. 1 lot | | 3 lot equiv = 1.0 lot |
| Lot C 5.0 ac. 1 lot 1 lot equiv = .33 | | |

Total lots plus lot equivalents = 5.33 lots

If the total project cost to be assessed for this sample project was \$10,000, the assessment per lot based on the above lot determination would be as follows:

\$10,000 / 5.33 lot equivalents = \$1,876.17 per lot equivalent

| | | |
|-------|------------------------|------------|
| Lot A | 1 lot x \$1, 876.17 | \$1,876.17 |
| Lot B | 1 lot x \$1, 876.17 | \$1,876.17 |
| Lot C | 1.33 lots x \$1,876.17 | \$2,495.32 |
| Lot D | 2.00 lots x \$1.876.17 | \$3,752.34 |

IV. Dispute of Board Determination of Lot Equivalent.

If a property owner disputes the opinion of the Board that the tax parcel may contain Lot Equivalents the property owner must notify the Board in writing within 30 days of the Improvement/Lot Equivalent Hearing. The Board may consider modifying the number of Lot Equivalents attributable to a parcel upon demonstration by the property owner that the parcel cannot reasonably be subdivided into the number of lots previously determined. The Board may consider eliminating all Lot Equivalents for a parcel where the property owner grant to the Township a one-foot access restriction easement which shall prevent any future Lot Equivalent from having access to the improved roadway.

V. Timing for Adoption of the Assessment Roll

Adoption of the Assessment Roll may take place at the close of the Assessment Hearing or, at the Board's discretion, upon substantial completion of the project. If the Board elects to adopt the assessment roll upon substantial completion, the amount to be assessed may be adjusted from the amount presented at the Assessment Hearing under the following circumstances. If the sum of the project costs incurred to date plus the Township Engineer's best estimate of remaining project costs varies by more than ten percent (10%) from the estimated project costs used to determine the original assessment roll, then the assessment amount will be adjusted. If the adjustment results in a reduction of the assessment, the adoption of the revised assessment roll will not require a public hearing. If the assessment adjustment will result in an increase to the amounts presented at the Assessment Hearing, then a second Assessment Hearing, with all statutory public notices, will be required.

VI. Review of Policy.

The Board will periodically review this policy, taking into consideration any change in conditions in the town circumstances and expressly reserves the right to modify this policy.

Adopted this _____ day of _____, 2016.

BY THE TOWN BOARD

Glenn Kelley, Town Board Chair

ATTEST

Kathy Nielsen, Town Clerk