

Red Wing Assessment Policy and Practices For Public Improvements

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SECTION I GENERAL POLICY STATEMENT

The purpose of this Assessment Policy is to establish a fair and equitable manner of recovering and distributing the cost of public improvements. The procedures used by the City of Red Wing ("City") for levying special assessments are those specified by Minnesota Statutes Chapter 429 which provide 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. They are:

- A. The land must have received special benefit from the improvement.
- B. The amount of the assessment must not exceed the special benefit.
- C. 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 determining factor in establishing the amount to be assessed. However, in most cases the method for assigning the value of the special 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 City must recover the expense of installing public improvements undertaken, while ensuring that each parcel pays its fair share of the project cost in accordance with these assessment guidelines. While there is no perfect assessment policy, it is important that assessments be implemented in a reasonable, consistent and fair manner. There may be exceptions to the policy or unique circumstances or situations that may require special consideration and discretion by City staff and the City Council.

This assessment policy is intended to serve as a guide for a systematic assessment process in the City of Red Wing.

**SECTION II
DEFINITION OF IMPROVEMENTS ELIGIBLE
FOR SPECIAL ASSESSMENT**

A. The following public improvements, authorized by Minnesota Statute § 429.021, are eligible for special assessment within the City of Red Wing.

1. Streets, Sidewalks, Alleys, Trails, Pavement, and Curbs & Gutters: Acquisition, opening, and widening of any street and improvement of them by constructing, reconstructing, and maintaining sidewalks, pavement, gutters, curbs, and other improvements and maintenance.
2. Sanitary Sewer and Storm Sewer Systems: Acquisition, development, construction, reconstruction, extension, and maintenance. Cities may include outlets, holding areas, trunklines, and ponds; treatment plants; pumps; lift stations; service connections; and other appurtenances of a sewer system, within and without the corporate limits. (Special storm sewer improvement districts within cities are authorized by Minnesota Statute § 444.16 to § 444.21 for storm sewer systems and related facilities within the district, including storm water holding areas and ponds, financed by a district-wide tax. See later discussion of Alternatives to Special Assessments.)
3. Waterworks Systems: Construction, reconstruction, extension, and maintenance. This includes all appurtenances of waterworks system, even the treatment plant, whether inside or outside the city.
4. Street Boulevard Trees: Furnishing, planting, trimming, care, and removal.
5. Street Lights: Installation, replacement, extension, and maintenance.
6. Steam Heating Mains: Construction, reconstruction, extension, and maintenance.
7. Other Improvements:
 - a. Acquisition and improvement of land and purchase of equipment for parks, open space areas, playgrounds, and recreational facilities.
 - b. Improvement of streetscapes and boulevard beautification.
 - c. Acquisition and construction of parking lots and ramps.

- d. Construction, reconstruction, extension, and maintenance of dikes and other flood control works.
- e. Construction, reconstruction, extension, and maintenance of retaining walls and area walls.

B. The City of Red Wing also retains authority to recover, through special assessment, the following maintenance costs:

- 1. Snow and ice removal from sidewalks and other walkways.
- 2. Rubbish removal and litter pick-up from streets, sidewalks and private property.
- 3. Weed elimination from street and private property.
- 4. Street lighting, sprinkling, dust treatment, surfacing and patching.
- 5. Care of trees and removal of diseased and/or unsound trees.
- 6. Removal of obstructions, signs or vegetation within the sight triangles of intersections.
- 7. Pedestrian skyway systems: Construction, reconstruction, improvement, alteration, extension, operation, maintenance, and promotion of bridges, overpasses, hallways, plazas, elevators, and escalators. (Such improvement may be made upon a petition pursuant to Minnesota Statute § 429.031, subd. 3.)
- 8. Underground pedestrian concourses: Construction, reconstruction, maintenance, and promotion of tunnels, arcades, plazas, elevators, and escalators.
- 9. Malls, plazas, or courtyards: Acquisition, construction, improvement, alteration, extension, operation, maintenance, and promotion.
- 10. Erosion control and cleanup.

C. The City of Red Wing also retains the authority to recover, through special assessment, the following costs resulting from the abatement of nuisance:

- 1. Draining and filling swamps, marshes, and ponds on public or private property.
- 2. Condemnation of buildings and building demolition.

3. Removal of safety hazards.
 4. Control of sound, including but not limited to highway sound barriers, covering: acquisition, construction, reconstruction, improvement, alteration, extension, and maintenance.
 5. Nuisance violation removal costs.
- D. The City of Red Wing also retains authority to recover, through special assessment, the following costs resulting from unpaid fees:**
1. Refuse collection and disposal fees;
 2. Recycling collection fees;
 3. Roll-off and dumpster fees;
 4. Rental housing license fees;
 5. Rental housing inspection fees;
 6. Storm Water utility fees;
 7. Front end fuel cleaning fees;
 8. Fuel surcharge fees; and
 9. Nuisance violation fees.

SECTION III INITIATION OF PUBLIC IMPROVEMENT PROJECTS

Initiation of public improvement projects can be undertaken in any of the three following ways.

A. Public improvements initiated by petition

1. Public improvement projects may be initiated by petition of owners of at least 35 percent in frontage of the property abutting the proposed improvements, in which case a public hearing is required. A resolution ordering the improvements requires a vote of a majority of all members of the Council.
2. In the case of a public improvement project initiated by a petition of 100 percent of the affected property owners, a public hearing is not

necessary. A resolution ordering the improvements requires a simple majority vote of Council.

3. Public improvement projects initiated by the owners of less than 35 percent in frontage of the property abutting the proposed improvements requires a public hearing. A resolution ordering the improvement requires a four-fifths majority vote of all members of the Council.

B. Public improvements initiated by the City Council

1. Public improvements may be initiated by the City Council when, in its judgment, such action is required. A resolution ordering any Council initiated improvements requires a four-fifths majority vote of all members of the Council, rather than a simple majority.
2. Public improvements initiated by the City Council also require a public hearing.

**SECTION IV
PUBLIC IMPROVEMENT PROCEDURES**

The following is the general procedure, which shall be followed by the City Council for all public improvement projects from initiation of such a project through certification of the assessment role to the County Auditor. Formats for the various reports and resolutions referenced in this section are made a part of the policies and procedures of the City of Red Wing.

1. Projects are initiated upon Council's desire, citizen request via petition, or other agency's request.
2. City Clerk verifies petition for submission to Council if proposal is presented by petitioners, otherwise Council initiates project.
3. Council accepts or rejects petition. If accepted, Council orders preparation of feasibility report.
4. City Engineer prepares feasibility report on the proposed improvement based on whether it is necessary, cost effective, or feasible.
5. Council accepts or rejects feasibility report. If accepted, Council orders public hearing on the improvements. A public hearing is not

required with petition signed by 100 percent of affected property owners.

6. City Clerk publishes hearing notice and mails notices to the affected property owners.
7. Council conducts public hearing and adopts or rejects resolution ordering improvement and preparation of plans. Bonds to finance project costs may be issued at any time after the improvements are ordered.
8. City Engineer prepares final plans and specifications.
9. Council accepts or rejects the plans and specifications. If accepted, Council orders the advertisement for bids, if required by law or city policy.
10. City Engineer advertises for and opens bids, prepares bid tabulation, and makes recommendation to City Council for award.
11. Day labor can be used in accordance with the provisions of the law.
12. Council awards contract based on the bids received, if bids are required by law or city policy.
13. City Engineer oversees construction, prepares payments, and once project is completed, prepares assessment rolls.
14. Council reviews assessment roll and orders assessment hearing.
15. City Clerk publishes hearing notice; mails notice of hearing date and proposed assessments to the affected property owners.
16. Council conducts assessment hearing, adopts, revises, or rejects resolution adopting the assessment roll. If adopted, Council authorizes certification of the assessment to the County Auditor.
17. Finance Director certifies the assessment roll to the County Auditor.

SECTION V FINANCING OF PUBLIC IMPROVEMENTS

The City of Red Wing encourages public improvement projects as the area(s) benefiting and needing such improvements develop. New areas are required to provide needed improvements and services before development, thereby not

creating unexpected hardships on the property owners purchasing such property nor on 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 economic hardship on the property owner and, likewise, City costs and systems costs spread over a long period of time can produce a financial hardship on the public funds of the City.

The City policy is to amortize special assessments over ten equal annual installments. Under certain circumstances the Council may elect to increase the number of annual installments for reasons such as: relatively large assessment amounts for properties when the improvements were initiated by the City and cause a demonstrated, undue economic hardship.

In accordance with Minnesota Statute § 429.061, Subd. 2, each individual assessment roll shall have a uniform number of installments unless uniform criterion for determining a varying number of installments is provided by the resolution.

In instances where unpaid fees, maintenance costs, and/or nuisance abatements are being assessed, special assessments in the amount of \$100.00 or less shall be payable in a single installment or as the Council may provide; special assessments in an amount of \$100.01 to \$1,000.00 shall be payable in five equal annual installments or as the Council may provide; special assessments in an amount of \$1,000.01 or more shall be payable in ten equal annual installments or as the Council may provide.

It is the policy of the City to not defer assessments. The City Council may consider deferments of assessments based on specific rationale listed below.

1. Deferred special assessments for disabled, military persons, and senior citizens as further explained in City Code Sec. 2.72.
2. Deferred special assessments for Green Acres, in accordance with Minnesota Statute § 273.111 and City Code Sec. 2.73.
3. Deferred special assessments for unimproved property in accordance with Minnesota Statute § 429.061, Subd. 2 and City Code Sec. 2.74.

Except for City owned property, all deferred assessments shall be subject to an interest rate set by Council resolution. The interest shall be compounded annually until the assessment is activated.

Deferred assessments for disabled, military persons, and senior citizens shall be activated in accordance with City Code Sec. 2.72 upon the occurrence of any of the following: the death of the owner when there is no spouse who is eligible for deferment; the sale, transfer, or subdivision of all or any part of the property; loss of homestead status on the property; or determination by the Council for any reason that there would be no hardship to require immediate or partial payment. Deferred assessments for green acres pursuant to City Code Section 2.73 shall be activated in accordance with Minnesota Statute § 273.111, commonly known as the green acres law. Deferred assessments for unimproved property shall be activated in accordance with City Code Sec. 2.74 when the land is sold, transferred, subdivided, combined, developed, a building permit is issued, utility services are connected, or the deferment period expires, whichever comes first. When the assessment is activated, the term and rate shall be as set forth in the original assessment resolution. County and City charges for administering assessments shall be added to the assessment amount.

SECTION VI GENERAL ASSESSMENT POLICIES APPLICABLE TO ALL TYPES OF IMPROVEMENTS

The cost of any improvement shall be assessed upon property benefited by the improvements, based upon the special 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 financing charges include all costs of financing the project. These costs include but are not limited to financial consultant's fees, Bond Rating Agency fees, bond attorney's fees and capitalized interest. When the project is started and funds are expended prior to receiving the proceeds from a bond sale, the project may be charged interest on the funds expended from the date of expenditure to the date the bond proceeds are received. 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 the City, the City, through the use of other funds, may pay such "city cost" which, in the opinion of the City Council, represents the excess cost not directly attributable to the area served.

3. **Assessable Cost.** The "assessable cost" of an improvement is equal to the "project cost" minus the "City cost".
4. **Interest.** The City of Red Wing shall charge interest on special assessments at a rate specified in the resolution approving the assessment roll. If bonds were sold to finance the improvement project, the interest rate shall be the average rate of interest on the bonds rounded up to the nearest quarter percent plus 2 percent or the Bond Buyers Index rounded up to the nearest quarter percent plus 2 percent, whichever is higher. If no debt was issued the rate of interest shall be the Bond Buyers Index rounded up to the nearest quarter percent plus 2 percent.
5. **Payment of assessments.**
 - a) **Payment of Whole Assessment before Initial Certification.** The owner of property assessed may, at any time prior to initial certification of the assessment to the County Auditor, pay the whole of the assessment on such property with interest accrued to the date of payment to the City, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of the assessment resolution.
 - b) **Payment of Whole Assessment after Initial Certification.** After the initial certification of the assessment to the County Auditor, prepayment will be accepted for the total amount still owing, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made by November 15 or interest will be charged through December 31 of the next succeeding year.
 - c) **Partial Prepayment of Assessments.** Within 30 days from the adoption of the assessment resolution, a property owner may make a partial prepayment of the principal to the City interest free. Such partial prepayment must be at least \$100.00.
 - d) **Multiple Special Assessments.** If a parcel has two or more separate special assessments, payment, as described in the

preceding paragraphs of this section, may be made on one or more assessments.

- e) **Certification of Assessment.** If the assessment is not paid in its entirety, the City will certify each year's collection of principal and interest to the County Auditor in November. Certification to the County Auditor will result in the principal and interest appearing on the property tax statements of those assessed.
6. **Extensions.** Where an improvement is designed for service of an area beyond that of direct benefit, increased project costs due to such provisions for future service extensions may be paid for by the City. The City may 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. 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, even if only those properties on one side of such frontage roads are benefited.
8. **Project Assistance.** If financial assistance is received by the City from the Federal Government, from the State of Minnesota, the County or from any other source to defray a portion of the costs of a given improvement, such aid shall be used first to reduce the "City cost" of the improvement. If the financial assistance received is greater than the normal "City cost", the remainder of the aid shall be placed in the Capital Improvement Fund to be applied towards other City projects.
9. **Assessable Property.** City-owned properties, 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. Special assessments against City owned properties may be deferred without interest for up to 20 years.
10. **Individual Benefits.** Improvements specifically designed for or shown to be of direct benefit to one or more properties may be constructed by the City. The costs for these improvements shall 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.** In the event that City staff has doubt as to whether or not the proposed assessments exceed the special benefits to the property in question (increased property value as defined by State law), the City Council may order 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 or easement agreements by executing a Net Assessment Agreement with the City Council.

SECTION VII METHODS OF ASSESSMENT

A. GENERAL STATEMENT

There are different methods of assessment: per lot, adjusted front foot, and area. For any particular project one of these methods will more adequately reflect the true benefits received in the assessment area than the other methods. The City Engineer, in his feasibility report to the Council, 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.

B. POLICY STATEMENT

The following methods of assessment, as described and defined below, are hereby established as the official methods of assessment in the City of Red Wing.

1. “Adjusted Front Footage” Method of Assessment

The “cost per adjusted front foot” shall be defined as 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, 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 plats and plans:

a. Rectangular Interior Lots

The rectangular lot is defined as having no more than five feet difference between the front and rear lot line dimensions. The adjusted front footage is the actual front footage of the lot.

b. Odd Shaped Lots

For odd shaped lots such as exist on cul-de-sacs and curved streets where there is more than 5 feet of difference between the front and rear lot line dimensions, the “odd shaped lot” method of determining the adjusted front footage shall be used. The adjusted front footage shall be computed by averaging the front and rear lot dimensions, using the rear lot length at a maximum distance of 150 feet from the front lot line as measured perpendicular to the street.

c. Corner Lot Adjustment – see Appendix A

For corner lots, all assessments on the short frontage shall be assessed 100 percent of the street frontage at the unit rate per foot. Street improvements only, on the long frontage, shall be assessed 50 percent of the frontage up to 150 feet and 100 percent of the frontage beyond 150 feet at the unit rate per foot. All other improvements, on the long frontage, shall be assessed at zero percent of the frontage up to 150 feet and 100 percent of the frontage beyond 150 feet at the unit rate per foot.

d. Double Fronting Lots – see Appendix B

For double fronting lots, the lots shall be assessed 100 percent of the street frontage at the unit rate per foot on the

street where the house fronts, and shall receive a 50 percent credit on the street frontage to the rear of the house at the unit rate per foot.

2. “Area” Method of Assessment

When it has been determined to assess by the “area” method the area shall be defined as 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 lot receives the benefit and may select a lot depth for the calculations equal to the benefit received.

For the purposes of defining assessable areas, all properties included in the benefited area, including other governmental areas, churches, etc. shall be included in the assessable areas. The following items may not be included in area calculations: public right-of-ways, natural waterways, swamps and lakes or other wetlands designated by the MN/DNR, and conservation easements. The City Engineer will make a recommendation on the boundaries or parameters of the benefited area in the feasibility report.

3. Per Lot Method

When it has been determined to assess by the “per lot” method, all lots within the benefited area shall be assessed equally for the improvements.

The “assessment per lot” shall be defined as the quotient of the “assessable cost” divided by the total assessable lots or parcels benefiting from the improvement. For the purpose of determining the “lots” or “parcels” all parcels, including governmental agencies shall be included in such calculations.

SECTION VIII STANDARDS FOR PUBLIC IMPROVEMENTS PROJECTS

The following standards are hereby established by the City of Red Wing to provide a uniform guide for improvements within the City and also to be used by the City Engineer in establishing “systems costs” as differentiated from “assessable costs” and “City costs.”

A. Surface Improvements:

Surface improvements shall normally be interpreted to 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 surfacing, curb and gutter, drainage facilities, grading, signalization; and other public improvements such as drainage ponds and facilities, parking lots, ramps, parks and playgrounds.

Policy Statement

In all streets, prior to street construction and surfacing, or prior to resurfacing, all utilities and utility service lines (including sanitary sewers, water lines, gas and electric service), shall be installed to serve each known or assumed building location when practicable.

When practicable, no surface improvements to less than both sides of a full block of street shall be approved except as necessary to complete the improvement of a block, which has previously been partially completed. Concrete curbing or curb and gutter shall be installed at the same time as street surfacing, except that where a permanent “rural” street design is approved by the City Council, curbs will not be required.

B. Subsurface Improvements:

Subsurface improvements shall normally include such items as water distribution, sanitary sewer, storm sewer, electric and gas utilities, street lighting, fiber optics, conduits, and other communications lines.

For purposes of definition, main lines are defined as the publicly owned and maintained lines such as trunk lines, interceptors, mains, laterals, etc. The service lines are those privately owned service lines going from the main line to the property line.

Policy Statement

Subsurface improvements shall be made to serve current and projected land use. All installations shall conform to City standards as established by those state and/or federal agencies having jurisdiction over the proposed installations. All installations shall also comply, to the maximum extent feasible, to such quasi-official, nationally recognized, standards as those of the City Engineers Association of Minnesota.

Service lines from the lateral or trunk to the property line for each known or assumed building location shall be installed in conjunction with the construction of the mains.

SECTION IX CONSTRUCTION AND RECONSTRUCTION

The City of Red Wing in constructing or reconstructing any public improvement shall design such improvement to last for a definite period. The service life shall be as stated in the policy statement of this section, or if different, shall be as stated in the Resolution ordering improvement and preparation of plans. When such project needs renewing or replacement, the amount to be assessed against the property owner shall be limited to an amount determined by dividing the actual life of the original improvement by the service life of the original improvement.

Policy Statement

The following are hereby established as the “service lives” of public improvements unless otherwise stated in the resolution ordering improvement and preparation of plans, in which case, the life set forth in the resolution shall govern.

1. Sidewalks and Walkways – 20 years
2. Street improvements, including original grading, surfacing, and curb and gutter:
 - a. Bituminous surfacing – 15 years
 - b. Concrete surfacing – 20 years
 - c. Concrete Curb and Gutter – 20 years
3. Bituminous Overlays – 15 years
4. Street Lighting – 20 years
5. Water Mains – 30 years
6. Sanitary Sewers – 30 years
7. Storm Sewers – 30 years
8. Parking Ramps – 25 years
9. Bituminous Surface Parking Lots – 15 years
10. Retaining Walls – 20 years

SECTION X ASSESSMENT COMPUTATIONS

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

A. STREET AND ALLEY IMPROVEMENTS

1. New Construction

All new streets shall be assessed 100 percent to the benefited properties. Street and curb and gutter improvements will normally

be assessed by the per lot method, however other methods may be utilized if conditions warrant.

Cost of construction of streets shall be assessed based on the minimum design of a 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 Aid Funds, (2) larger assessment rates to benefitted properties, (3) general obligation funds, or (4) any other method or combination of methods authorized by the City Council.

2. Collector Streets

Collector streets will be assessed to the equivalent 40-foot wide local street costs. All street-oversizing costs associated with collector streets will not be assessed.

3. Reconstruction

All street and alley reconstruction shall be assessed at a rate set annually by ordinance of City Council based on an estimated percentage of the typical project cost. Said project costs shall include removals, aggregate base and grading, storm sewer, concrete curb and gutter, pavement, street lighting, landscaping and restoration, engineering and all other related costs.

4. Gravel Streets

Upgrading an existing gravel street by grading to bring up to current standards and adding pavement or curb and gutter shall be considered new construction and all costs assessed 100 percent.

5. Bituminous Mill & Overlay Projects

Bituminous overlay projects shall not be assessed, but rather paid for 100 percent by the City from the general fund or any other available funding sources.

6. Gravel Alleys

Upgrading existing gravel alleys by regrading and adding aggregate base, curb and gutter, and pavement shall be assessed using the per lot method at a rate set annually by ordinance of City Council based on an estimated 50 percent of typical project cost.

B. SIDEWALKS AND TRAILS

1. New Construction

New sidewalks installed adjacent to all streets shall be assessed for all costs of installation, or as Council may determine at a rate set annually by ordinance of City Council to the benefiting property adjacent to which the sidewalk is located. Sidewalks in a new plat shall be installed to City standards at the responsibility of the property owner at the time of building construction.

2. Reconstruction

Replacement sidewalks adjacent to all streets shall be assessed at a rate set annually by ordinance of City Council to the benefiting property adjacent to which the sidewalk is located.

3. Trails

Bituminous walkways and/or bicycle trails may or may not be assessed, based on the project area. Trails required within a new plat shall be 100 percent assessed to the developer.

C. STORM SEWER IMPROVEMENTS

Storm sewer assessments shall normally be by the per lot or area method based on contributing drainage areas within the improvement.

1. New Storm Sewer Construction

New storm sewer installed in conjunction with new street construction where no storm sewer previously existed shall be assessed 100 percent of the cost and be included in the street assessment to benefiting properties. If the facilities are oversized to accommodate drainage from areas outside the assessment area, the City shall pay for the oversizing.

2. Replacement of Storm Sewers

Any replacement or reconstruction costs of existing storm sewers completed through street reconstruction projects shall be assessed at a rate set annually by ordinance of Council based on an estimated percentage of the typical project cost.

3. New Plats

Storm drainage facilities installed by the City as a public improvement project that serves developing property shall be assessed 100 percent to the developing properties. If the facilities are oversized to accommodate drainage from areas outside the plat, the City shall pay for the oversizing.

D. SANITARY SEWER ASSESSMENTS

Assessments for sanitary sewer in residential areas shall be based upon the cost of construction of 8-inch mains, (or equivalent based on grades and flow), which is the smallest size installed in residential areas of the City. Assessments for sanitary sewers in commercial and industrial areas shall be based upon a standard size of 10-inch mains (or equivalent based on grades and flow).

Oversizing costs due to larger mains and larger appurtenances shall not be assessed and shall be paid for by a combination of availability charges, user charges and general obligation funds. Services installed to individual properties shall be fully assessed to the benefiting property.

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

Major trunk sewers or interceptors shall be assessed to the entire drainage basin benefited by the sewer. Any oversizing costs shall be assessed to the upstream benefited areas as either a trunk or interceptor assessment.

The replacement of existing sewers shall not be assessed, but rather paid for 100 percent by the City using either the Sanitary Sewer Enterprise Fund or other funding sources identified by the City Council.

Individual service lines installed directly to specific properties shall be fully assessed directly to the benefited properties. Any existing service lines found to be defective as part of a street reconstruction shall be replaced as part of the project and assessed directly to the benefited properties.

E. WATERMAIN ASSESSMENTS

Watermains shall be assessed 100 percent based on the actual size of the watermain installed up to a maximum size of an 8-inch watermain in residential areas, and in commercial/industrial areas based on a maximum size of a 12-inch watermain.

Oversizing costs due to larger mains and larger appurtenances shall not be assessed and shall be paid for by a combination of availability charges, user charges and general obligation funds.

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

For new watermain, trunk watermain charges may also be added into the overall project costs and assessed based on a determination by Red Wing City Council.

The replacement of existing water mains shall not be assessed, but rather paid for 100 percent by the City using either the Water Fund or other funding sources identified by the City Council.

Individual service lines installed directly to specific properties shall be fully assessed directly to the benefited properties. Any existing service lines found to be defective as part of a street reconstruction shall be replaced as part of the project and assessed directly to the benefited properties.

F. STREET BOULEVARD TREES

All street boulevard trees installed as part of new street construction shall be assessed at a rate set annually by ordinance of City Council based on an estimated 100 percent of typical cost.

Boulevard trees installed as part of street reconstruction projects where tree removals are necessary for construction, or as replacements where trees have been removed due to disease or storm damage, shall not be assessed.

G. STREET LIGHTS

All costs for new streetlights and electric distribution lines for the lighting systems installed as part of constructing new streets or streetlights relocated as part of reconstructing streets shall be included in the overall project costs and included in the assessment calculations.

H. OTHER IMPROVEMENTS

Based on the City Council determination, all other improvements listed in Section IIA, Part 7 may be fully assessed or assessed in part.

I. CITY COST PARTICIPATION ON STATE & COUNTY ROAD PROJECTS UNDER A COOPERATIVE CONSTRUCTION AGREEMENT

On State and County Road projects for which the City is required to participate in the cost of, the City may assess up to 100 percent of the local equivalent street cost.

J. TRANSPORTATION IMPROVEMENTS

All costs associated with improvements constructed such as widening of a roadway for turn lanes, additional driving lanes, diagonal parking and traffic signalization may be assessed 100 percent to the benefiting properties in commercial, industrial, and institutional zoned areas.