

**CITY OF SHAKOPEE**

**SPECIAL ASSESSMENT POLICIES**

**AND PROCEDURES**

**FOR**

**PUBLIC IMPROVEMENTS**

Adopted by Resolution No. 3735 on: January 19, 1992  
Amended by Resolution No. 3802 on: May 18, 1993  
Amended by Resolution No. 3926 on: December 21, 1993  
Amended by Resolution No. 3991 on: April 19, 1994  
Amended by Resolution No. 4164 on: February 7, 1995  
Amended by Resolution No. 4244 on: July 11, 1995  
Amended by Resolution No. 4637 on: March 18, 1997  
Amended by Resolution No. 4787 on: November 5, 1997  
Amended by Resolution No. 4852 on: February 17, 1998  
Amended by Resolution No. 6333 on: November 15, 2005  
Amended by Resolution No. 6572 on: February 6, 2007  
Amended by Resolution No. 7025 on: August 17, 2010  
Amended by Resolution No. 7908 on: July 5, 2017

## **TABLE OF CONTENTS**

SECTION I. General Policy Statement

SECTION II. Improvements Eligible for Special Assessment

SECTION III. Initiation of Public Improvement Projects

SECTION IV. Public Improvement Procedures

SECTION V. Financing of Public Improvements

SECTION VI. General Assessment Policies

SECTION VII. Methods of Assessment

SECTION VIII. Standards for Public Improvement Projects

A. Surface Improvements

B. Sub Surface Improvements

SECTION IX. Policies of Reassessment

SECTION X. Assessment Computations

## **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 Shakopee (“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 benefitting 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 determining the amount to be assessed. However, in most cases the method for determining the value of the benefit received by the improvement, and therefore the amount to be assessed, shall be the cost of providing the improvement, as long as the cost does not 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 which 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 Shakopee.

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

- A. The following public improvements, authorized by Minnesota Statutes 429.021 are eligible for special assessment within the City of Shakopee:**
1. Streets, Sidewalks, Alleys, and Curbs & Gutters
  2. Watermain Systems
  3. Sanitary Sewer and Storm Sewer Systems
  4. Street Boulevard Trees
  5. Street Lights
  6. Other Improvements
    - a. Acquisition and improvement of land and purchase of equipment for parks, open space areas, playgrounds, and recreational facilities.
    - b. Acquisition and construction of parking lots.
    - c. Construction, reconstruction, extension, and maintenance of dikes and other flood control works.
    - d. Construction, reconstruction, extension, and maintenance of retaining walls and area walls.
    - e. Abatement of nuisances; including, but not limited to, draining and filling swamps, marshes and ponds on public or private property.
- B. The City of Shakopee also retains authority to recover, through special assessment, the following maintenance costs:**
1. Snow and ice removal from sidewalks.
  2. Rubbish removal and litter pick-up from streets and sidewalks.
  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.

### **SECTION III INITIATION OF PUBLIC IMPROVEMENT PROJECTS**

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

1. Public improvement projects may be initiated by petition of at least 35% of the affected property owners.

Alley improvements require 50% of the affected property owners signing the petition.

2. Public improvements also may be initiated by the City Council when, in its judgment, such action is required.  
A resolution ordering any Council initiated improvements requires a 4/5 vote, rather than a simple majority.

3. Developer Request.

As allowed by the City of Shakopee Standard Developer's Agreement, a developer of a proposed subdivision may petition the City Council to construct the improvements and assess them. The City will not install improvements outside the urban service area.

### **SECTION IV PUBLIC IMPROVEMENT PROCEDURES**

The following is the general procedure which will 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 Shakopee.

1. Staff reviews petition for submission to Council and submits petition to the Shakopee Public Utility Commission for written comment on joint City/Shakopee Public Utilities projects.

2. Council accepts or rejects petition. If accepted, Council orders preparation of feasibility report. Projects are initiated upon Council's desire, citizen request or other agency's request.
3. Staff prepares feasibility report, or reviews report submitted by other agency. Sends report to the Public Utilities Commission for comment on joint City! Shakopee Public Utilities projects.
4. Council accepts or rejects feasibility report. If accepted, Council orders public hearing on the improvements.
5. Staff publishes hearing notice and mails notices to the affected property owners.
6. Council conducts public hearing and adopts or rejects resolution ordering improvement to be constructed and advertisement of bids. Bonds to finance project costs may be issued at any time after the improvements are ordered.
7. Staff prepares final plans, advertises for and opens bids, prepares bid tabulation, and makes recommendation to City Council for award.
8. Council awards contract based on the bids received.
9. Staff supervises construction, prepares payments, and once project is completed, prepares assessment rolls.
10. Council reviews assessment schedule and orders assessment hearing.
11. Staff publishes hearing notice, mails notice of hearing date and proposed assessments to the affected property owners.
12. 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.
13. Staff certifies the assessments to the County Auditor.

## **SECTION V FINANCING OF PUBLIC IMPROVEMENTS**

The City of Shakopee encourages public improvement projects 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. 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 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 senior citizens are involved. The authorization for the senior citizen deferment and the criteria for establishing eligibility are set forth in the Shakopee City Code, Section 2.82.

The City Council also may elect to defer assessments on undeveloped lands for a specified length of time or until it develops. Terms and conditions of this deferral will be established in the resolution adopting the assessments.

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

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

1. 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, Moody's fee, 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 will be charged interest on the funds expended from the date of expenditure to the date the bond proceeds are received. The interest rate charged will be the average interest rate earned by the City's investments during the six months preceding the receipt of the bond proceeds. The interest charged to the project shall be included as financing charges.

2. The "assessable cost" of an improvement is equal to the "project cost" minus the "City cost".
3. The City of Shakopee will charge interest on special assessments at a rate specified in the resolution. If bonds were sold to finance the improvement project, the interest rate shall be two percent (2%) more than the average interest rate of the bonds, rounded to the nearest quarter of a percent. If no bonds were sold, the interest rate shall be set at the rate allowed by state law.
4. Property owners may pay their assessments in full interest free for a period of 30 days after the assessment hearing. After such period interest shall be computed from the date specified in the assessment resolution. The City will certify each year's collection (principal and interest) to the County Auditor by November 30. Prior to the first certification of principal and interest to the County Auditor, a property owner may make a partial pre-payment of the principal to the City of Shakopee. Such partial prepayment must be at least \$100.00. If the partial prepayment is made after the 30 day "interest free" period allowed by state law, interest will be charged on the amount of the partial pre-payment from the date specified in the resolution and paid along with the partial pre-payment. After the City of Shakopee has made the first certification of principal and interest to the County Auditor, pre-payment will be accepted only for the total amount still owing including interest. If a parcel has two or more separate special assessments, pre-payment of the remaining principal balance may be made on one or more. Tax exempt parcels such as churches and school properties may make a partial prepayment at any time, with a minimum partial pre-payment of one half of the principal balance. The tax exempt parcel will be allowed to make only one partial pre-payment prior to the first certification to the County Auditor. The remaining principal after the partial prepayment will be paid in equal installments over the remaining term of the special assessments.
5. 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 will levy assessments to cover

this cost when a new improvement is installed as an extension of the existing improvement. As an alternative, the City may assess these costs to the area of future benefit immediately.

6. Where the project cost of an improvement is not entirely attributable 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, 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.
7. 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 benefitted properties, even if only those properties on one side of such frontage roads are benefitted.
8. 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 will 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 will be placed in the Capital Improvement Fund to be applied towards other City projects.
9. City-owned properties, including municipal building sites, parks and playgrounds, but not including public streets and alleys, shall be regarded as being assessable on the same basis as if such property was privately owned.
10. 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 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

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. As a general rule, benefit appraisals shall be ordered when the proposed assessment exceeds \$5,000.00 for a standard Shakopee residential lot or \$20,000.00 per acre

for commercial or industrial property. When there are extenuating circumstances, additional benefit appraisals also may be ordered.

12. A property owner may elect to offset special assessments against condemnation awards 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 study 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 Shakopee:

#### **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

**A. Rectangular Interior Lots**

The rectangular lot is defined as having no more than 2.0 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 as explained next shall be used.

**B. Odd Shaped Lot**

For odd shaped lots such as exist on cul-de-sacs and curved streets where there is more than 2.0 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 9,000 square feet to determine the equivalent number of front footage units in the parcel. The number of units multiplied by 60 feet will give the adjusted front footage. The area shall be computed to a maximum depth of 150 feet only. (Note: A standard City lot in the Original Plat of Shakopee is 60' x 150' with an area of 9,000 square feet.)

**C. Corner Lot Adjustment**

Corner Lot Adjustment - Property zoned as Single/Twin Family corner lots will only be assessed at a rate of 50% of the unit rate for the short side of the lot in question for each street improved. If both streets are improved simultaneously, 100% of the short side footage will be used. Property zoned as Commercial, Industrial and Multi-Family will be assessed at the unit rate for the side of the lot in question minus the front yard setback distance, as stated for said property in Chapter 11 of the City of Shakopee Code.

**D. Zonal Assessment**

When the street along the long side of a corner lot is improved, the cost shall be assessed equally to all lots within 1/2 block in each direction of the street improved. For this section, a block shall be defined as the distance between adjacent, parallel paved or gravel streets. In the case where there is only one parallel street adjacent to the street being improved, the zonal assessment area shall be equal distance from the improved street. This method may be selected rather than the corner lot adjustment.

### **E. Double Fronting Lots**

For double fronting lots, the lots will be assessed at 50% of the unit rate for each street improved or 100% of the local street only.

## **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 benefitting 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 benefitted 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 waterway, swamps and lakes or other wetlands designated by the MN/DNR. The City Engineer will make the recommendation on the benefitted 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 benefitted area shall be assessed equally for the improvements.

The “cost per lot” shall be defined as the quotient of the “assessable cost” divided by the total assessable lots or parcels benefitting 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 Shakopee 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.”

### **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, 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, storm 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.

### **Subsurface Improvements:**

Subsurface improvements shall normally include such items as water distribution, sanitary sewer and storm sewer lines and electric and gas utilities.

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 and Shakopee Public Utilities Commission 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 American Insurance Association

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 POLICIES OF REASSESSMENT**

The City of Shakopee in constructing or reconstructing any public improvement shall design such improvement to last for a definite period. The life expectancy or 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 expected service life of the original improvement.

### ***Policy Statement***

The following are hereby established as the “life expectancies” or “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 - 20 years
2. Street improvements, including surfacing and curb and gutter - 20 years
3. Ornamental street lighting - 20 years
4. Water Mains - 30 years
5. Sanitary Sewers - 30 years
6. Storm Sewers - 30 years

## **SECTION X ASSESSMENT COMPUTATIONS**

### **A. STREET AND CURB & GUTTER IMPROVEMENTS**

#### ***1. New Constructions***

All new streets will be assessed 100% to the abutting benefitted properties. Street and curb and gutter improvements will normally be assessed by the adjusted front foot method, however other methods may be utilized if conditions warrant it.

Cost of construction of streets shall be assessed based on the minimum design of 36 feet wide, 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 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 local street costs. All street oversizing costs associated with collector streets will not be assessed.

**3. *Reconstructions/Reclamations***

All street reconstructions and reclamations shall be 30% assessed.

**4. *Gravel Streets***

**a. *Urban Areas***

Upgrading an existing gravel street located in the Urban Service Area by adding pavement, curb and gutter shall be considered new construction and all costs assessed 100%.

**b. *Rural Areas***

Only those items added to rural gravel roads by upgrading (i.e. pavement, curb and gutter, etc.) will be assessed 100%, but not the costs to replace the existing gravel roadbed. The City Council may elect to revise the assessable areas to establish additional assessment credits due to the large landowners abutting rural gravel roads or for rural collector roads that have little or no direct driveway accesses to it.

**5. *Overlay, Seal Coats***

Bituminous overlay projects and bituminous sealcoats will not be assessed.

**6. *Alleys***

Upgrading existing gravel alleys by adding pavement will be assessed 100% to the block in question. Reconstructing existing paved alleys will be 100% assessed also, except in the Central Business District (CBD).

For CBD alleys, the City Council will assess 30% of the alley improvement.

## **B. SIDEWALKS AND TRAILS**

### **1. *New Construction***

New sidewalks installed adjacent to collector or arterial streets will not be assessed. New sidewalks installed adjacent to local streets will be assessed 100% to the abutting property on which the sidewalk is located.

### **2. *Reconstruction***

Replacement sidewalks adjacent to local streets will be assessed 50% to the abutting property owner and 50% City funded. Sidewalks that are replaced next to collector or arterial streets will not be assessed.

### **3. *Trails***

Bituminous walkways or bicycle trails will not be assessed, but rather funded 100% by the City.

### **4. *New Plats***

Sidewalks required within a new plat will be 100% assessed to the developer.

## **C. STORM SEWER IMPROVEMENTS**

Storm sewer assessments shall normally be by the “area” method.

### **1. *New Storm Sewer Construction***

New storm sewer installed in conjunction with new street construction where no storm sewer previously existed will be assessed 100% 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 will pay for the oversizing from the Storm Drainage Fund.

### **2. *Replacement of Storm Sewers***

Any replacement costs or reconstruction of existing storm sewers will not be assessed but rather funded 100% from the General Storm Sewer Utility.

### 3. *New Plats*

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

#### D. **SANITARY SEWER ASSESSMENTS**

This policy establishes the criteria for the determining the means of funding sanitary sewer extensions through the application of assessments. The construction of sanitary sewers within new developments may be funded privately with the application of trunk fees and lateral connection fees applied in the Developer's Agreement. The Developer may also petition the City for the construction of sanitary sewers within a new subdivision as a Chapter 429 public improvement project.

In the case of petitioned improvements, 100% percent of the cost of construction of laterals within the subdivision shall be assessed against the underlying property for the proposed subdivision. In the event a sanitary sewer lateral provides trunk benefit the City, the cost of the construction of an 8-inch equivalent lateral shall be assessed to the property receiving benefit.

The calculation of assessments shall be based on the following definitions:

- **Trunk Sanitary Sewer** – A trunk sanitary sewer represents an extension of the City's sanitary sewer system across public and private property with the intent to provide service across subdivision lines. A trunk sewer is intended to cross public owned or undevelopable property without individual service or lateral connections.
- **Lateral Sanitary Sewer** – A lateral sanitary sewer shall be understood to be the extension of a sanitary sewer (8-inch) into a subdivision from the property line connecting to the trunk sewer. A lateral sanitary sewer shall provide the opportunity for the extension of other lateral lines and private service connections. In the case of a lateral extension, it is the underlying property owner's responsibility to extend the sanitary sewer to the property line abutting the next upstream subdivision.

When it becomes necessary to provide a trunk sewer extension providing lateral benefit to a property that requires installation of a pipe that is greater than the standard size and deeper than 12-feet at the property line for a respective development, assessments shall be calculated for the installation of a standard pipe size and depth with the following costs to be paid through the City's trunk fund.

- **Oversizing** – The incremental cost to provide the required pipe size greater than the standard size as determined by the City shall be considered an oversizing cost and will be paid for by the City from the Trunk Sanitary Sewer Fund. The cost to extend an 8-inch

will be deducted from the total project cost and assessed to the property receiving lateral benefit from the trunk sewer extension.

- **Overdepth** – The incremental cost to construct a lateral sanitary sewer to be extended to another subdivision greater than a depth -necessary to serve the development or 12 feet, whichever is greater, and the most upstream point of the lateral shall be considered an overdepth cost and will be paid for by the City from the Trunk Sanitary Sewer Fund. The cost of the installation of the pipe at a minimum depth of 12 feet will be assessed against the property receiving benefit from the lateral extension.

In the event that a trunk sewer is to be extended across a new subdivision with the intent to provide service to undeveloped property, lateral benefit shall be determined by the City for determining the application of payment for that lateral benefit. Payment could consist of an assessment or as a lateral connection charge.

In situations where a trunk sewer is extended across developable property that the cost of the lateral benefit to that particular property be collected at the time of development through a lateral connection charge or special assessment as approved by the City Council.

In situations where sanitary sewers will be assessed, lateral sanitary sewers will be assessed on a basis to be determined by the City Engineer.

Major trunk sewers or interceptors will be funded through charges to the entire drainage basin benefited by the sewer. This will be collected as trunk charge or connection charge in accordance with the City Trunk Sanitary Sewer Policy. Funds collected from this fee shall be retained in the Trunk Sanitary Sewer Fund to be used for trunk related costs.

The replacement of existing sewers will not be assessed but rather paid for 100% by the City using either the Sanitary Sewer Enterprise Fund or other funding sources identified by the City Council. Should the nature of the development require upgrading of existing pipes due to capacity limitations, the incremental cost between the existing pipe size and the upgraded pipe shall be assessed to the development initiating the improvement.

Existing sanitary sewer service lines replaced, as part of a project that includes sanitary sewer main line replacement, will not be assessed.

Individual service lines installed directly to specific properties will be fully assessed directly to the benefited properties. Properties that have existing sanitary sewer services, but do not have main line sewers adjacent, across or up to their property lines will pay 50% of the assessment rate for the new main line sanitary sewer with the cost associated with replacing existing sanitary sewer service lines not assessed.

Any existing service line found to be defective, as part of a street reconstruction in which the main line sewer is not being replaced, shall be replaced as part of the project and assessed directly to the property.

**E. WATERMAN ASSESSMENTS**

Watermain assessment policies are established by the Shakopee Public Utilities Commission and are not specifically addressed in this policy.

Generally, the Shakopee Public Utilities Commission policy indicates that new watermains installed in areas that previously were not served by City water will be assessed 100% to the benefited properties. The replacement of existing watermains will not be assessed.

For new watermain, trunk watermain charges may also be added into the overall project costs and assessed based on a determination by Shakopee Public Utilities Commission.

Individual services installed to specific properties will be fully assessed directly to the benefited property.

**F. STREET BOULEVARD TREES**

All street boulevard trees installed as part of new street construction or in reconstructing existing streets shall be included as part of the overall project costs and included in the assessment calculations.

**G. STREET LIGHTS**

All costs for new street lights installed as part of constructing new streets or streetlights relocated as part of reconstructing streets will 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 HA, Part 7 may be fully assessed or assessed in part.

**CITY COST PARTICIPATION ON COUNTY ROAD PROJECTS UNDER A COOPERATIVE CONSTRUCTION AGREEMENT**

On County Road Projects for which the City is required to participate in the cost of, the following assessment rates will be applied to the abutting properties:

Street Construction	0%
Curb & Gutter	100% of City's Cost
Sidewalk	0%
Storm Sewers	0%
Utility Relocations (sewer/water)	0%

Driveway Entrances	100% of City's Cost
Street Lighting	0%
Bikeways/Trails	0%

**J. BOX CULVERT CROSSINGS OF THE UPPER VALLEY DRAINAGEWAY**

Box culvert crossings of the Upper Valley Drainageway due to development will be assessed to the developers at the local street equivalent. All costs necessary to size the culvert at collector street width rather than local Street width shall not be assessed.

**K. 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 shall be assessed 100% to the benefiting properties in commercial, industrial and institutional zoned areas.