



EDINA CITY COUNCIL POLICY

POLICY: Municipal State Aid Designated Roadways Special Assessment Policy

DATE APPROVED BY COUNCIL: December 21, 2010

POLICY PURPOSE:

Establish an assessment policy for Municipal State Aid designated roadways.

POLICY:

1. Cost of Municipal State Aid (MSA) Street Curb and Gutter will be financed by either MSA funds or by the Storm Water Utility Fund.
2. Street Reconstruction Costs (excluding curb and gutter) on MSA streets should be assessed at 20 percent of the cost.
3. The assessable unit for Municipal State Aid street projects shall be based on the residential equivalent unit (REU) per Lot rather than the front footage of the lot. REUs will be prorated to parcels based on trip generation for the land uses relative to the typical single-family residential land use. Non-single family or other mixed-use developments should be evaluated for each project based on the following factors – trip generation of the site, access to the site, unique trip generation or other special circumstances.
4. If a corner lot is subject to multiple street reconstruction assessments, the total assessable cost should be the equivalent to 1 residential equivalent unit. The address of the lot shall determine if the corner lot is assessed at 1, 1/3, 2/3, or 0 REU's for that project:
 - If the address of the lot is on the roadway being reconstructed and no previous roadway assessments have been levied for that lot, the REU shall be 1 REU.
 - If the address of the lot is on the roadway being constructed and a roadway assessment has been levied previously for that lot, the REU shall be 2/3 REU.
 - If the address of the lot is not on the roadway being constructed, but the side or rear yard is and no previous roadway assessment has been levied for that lot, the REU shall be 1/3 REU.
 - If the address of the lot is not on the roadway being constructed, but the side or rear yard is and a roadway assessment has previously been levied for that lot of 1 REU, the REU shall be 0 REU.
5. Lots subject to multiple assessments cannot be treated differently than lots subject to a single assessment.
6. Capitalized interest, engineering costs, and other project related costs shall reflect the costs that have been incurred for that particular Improvement project. All engineering costs and other project related costs shall be directly related to that particular improvement project. Capitalized interest is the cost of funds used to finance the project construction until the adoption of the resolution imposing the special assessment.
7. Payback of special assessments:

- a. The term of special assessment shall be 10 years.
 - b. Assessment Interest Rate – The interest rate for a special assessment shall be 2% higher than the true interest “net interest” rate of the bonds that have been issued for the project. If a bond is not issued for a project then the interest rate shall be 2% higher than the true interest rate of the most recent bonds sold by the City prior to ordering the public improvement.
 - c. The City will accept both partial pre-payments and full pre-payments on assessments before certifying the assessment to the County. For ease of administration, a minimum of 25% of the assessable cost must be applied for a partial payment.
 - d. Hardship deferral for seniors, disabled or military persons will be accepted as a repayment.
 - e. Payments shall be amortized using a level principal declining total payment schedule.
8. The new policy will not be retroactive to projects that have already been assessed.

Background:

- A. Municipal State Aid Special Assessment Policy dated December 5, 2006
- B. Special Assessment Policy dated September 7, 2010