



ITEM NO. *WS7*

OFFICE OF THE CITY ADMINISTRATOR  
Johnston, Iowa  
AGENDA COMMUNICATION  
April 20, 2009

<b>SUBJECT:</b> Discuss a consolidated and updated policy on special assessments	<b>ACTION REQUIRED:</b> <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Approval <input type="checkbox"/> Receive/File <input type="checkbox"/> Attorney Review
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**SYNOPSIS:**

Over the years the city has adopted a number of policies regarding special assessments. Attached are copies of the following policies:

- The original policy on special assessments approved by Resolution 88-94 on September 19, 1988.
- Resolution 93-112 approved on August 16, 1993 established the process to initiate a special assessment project.
- Resolution 97-222 approved October 6, 1997 updating the special assessment process for sanitary sewers.
- Resolution 05-281 approved October 3, 2005 amended the original resolution (Resolution 88-94).

Staff is attempting to incorporate all of our special assessment policies and practices used during recent assessment projects into one policy. We also intend for the final policy to be more understandable.

Attached is a red-lined draft of the policy. The struck words is the existing policy language, the areas I added or amended are in green.

Staff anticipates the discussion regarding special assessments may be addressed at several work sessions before action is taken on a final policy.

**FISCAL IMPACT:**

**RECOMMENDATION:**

CITY OF JOHNSTON  
POLICY ON SPECIAL ASSESSMENTS

History of City Council action regarding Special Assessments

The original policy on special assessments was approved by Resolution 88-94 on September 19, 1988. Resolution 93-112 approved on August 16, 1993 established the process to initiate a special assessment project. A policy Resolution 97-222 approved October 6, 1997 regarding the updated the special assessment of process for sanitary sewers. Resolution 05-281 approved October 3, 2005 amended the original resolution (Resolution 88-94).

General

1. It is the policy of the city of Johnston that all properties shall be served by adequate public infrastructure designed and constructed to meet the intended or actual use of the property. All public facility improvements subject to a special assessment shall be assessed in accordance with this policy.
- ~~1-2.~~ It is the general policy of the City of Johnston to have benefited properties pay for public infrastructure improvements to public infrastructure serving identified areas including but not limited to street improvements, storm sewers, sanitary sewers, water mains and sidewalks. The purpose of this policy statement is to establish general guidelines for the use implementing of special assessments.
- ~~2-3.~~ For each project a case-by-case evaluation of the circumstances and methods of assessment will be undertaken to ensure that the assessment is equitable to all benefited properties. The assessment of the individual properties shall not be in excess of the benefits conferred as provided in Section 384.61 Code of Iowa.
- ~~3-4.~~ For determining an assessment, the property use shall be considered based on the then current comprehensive plan use or existing use, whichever is the most intense use.
- ~~4-5.~~ This policy does not address public infrastructure improvements required by developers as a part of their development activities under title 16 of the Municipal Code of Ordinances.

Street Improvements

All properties are served by a public street. All properties derive benefit from the street that runs in front of and provides access to the property. When streets require reconstruction or major structural improvement this policy provides guidance for special assessments that will be levied against the benefitted property owner. The basis of the special assessment is the minimum standards for street construction in Johnston (25-feet of pavement and seven inches of depth constructed of Portland Concrete Cement (PCC)). If all properties are assessed for the minimum street standard then all property owners are treated equally.

The fact that some streets are constructed wider than 25-feet, require extra pavement depth, require reinforced pavement or require turn lanes is usually not of direct benefit to the property owner, but is related to the greater needs of the community, so these costs are typically not included in a special assessment (i.e. collector streets carry more traffic so they are constructed wider than the standard street). The city typically funds the cost of street construction beyond what is required for the minimum street.

1. It is the policy of the City of Johnston to utilize special assessments to have benefited property owners pay for improvements to streets serving the benefited area that provide access to their property.
2. Improvements are identified as major structural upgrading of existing streets including, full depth asphaltic concrete pavements (ACC), or ~~portland~~Portland Cement Concrete (PCC) pavement (PCC). Repairs and maintenance including asphalt overlays, crack sealing, seal coating, slurry coating, patching, full depth patches and isolated panel replacement are not considered structural improvements and ~~will not be~~ are not typically assessed.
3. Assessment of all or a portion of major structural upgrading of arterial streets shall be considered on a case-by-case basis based on a specific finding of special benefit to properties. Streets designated as arterial are identified in the Comprehensive Plan.
4. ~~The improvement basis of the costs to be that are special assessed is; will be the equivalent street based on:~~
  - ½ of a 25-foot wide street, including grading and surface restoration
  - 7 inches of concrete
  - 4-foot wide sidewalk
  - Up to a 12-inch diameter storm sewer
  - Construction traffic control
  - Engineering, and legal and administration
  - Traffic signals where a special benefit is conferred

The City will pay the cost for all improvements including pavement width and depth in excess of the above ~~referenced standard standards~~for streets.

Maintenance items not included in the calculation of ~~at~~ the special assessment include:

- Water main relocation
  - Traffic signals
  - Relocating overhead utilities underground
  - Purchase of right-of-way
  - Streetscape features
  - Repairs and maintenance including; crack sealing, seal coating, slurry coating, isolated panel replacement
5. The method for calculating a special Assessmentassessment is of individual benefited properties will be determined on the basis of the Modified Flint Formula, Formula or a frontage basis if it is not inequitably different than the amount, which would be achieved from the Modified Flint Formula. The Flint Formula is a widely accepted method to equitably assess street improvements. It provides for assessments within 300 feet of the improved street or ½ of the distance to the next assessable street, whichever is less.
  6. A reduction will be offered for properties which are corner lots or double frontage on two streets.

- a. For corner lots where both sides are improved, the special assessment shall not exceed the assessment for the longest side.
- ~~b. For double frontage lots, assessments will be limited to improvements made on the front of the property.~~
- ~~e.b.~~ For corner lots where the sides are improved at different times, the assessment shall be adjusted to achieve the same effect as set forth in "a".
- c. For double frontage lots, assessments will be based on improvements made to the street at the front of the property or the street that provides access to the property.

#### Storm Sewers

Storm sewer assessments are typically based on a calculation of how much storm water is generated from a property (see #4 below) rather than the linear footage of storm sewer that is constructed along a property. Assessments for storm sewer will be calculated based on 'area-wide' benefit and assessed on a cost per acre basis.

1. It is the policy of the City of Johnston to assess benefited properties for the cost of storm sewers to serve the benefited area.
2. For purposes of determining the assessment, the improvement will be that necessary to serve the benefited area. Additional storm sewer capacity to serve areas outside the benefited area or highway right-of-way or runoff from highway storm sewers serving areas within the right-of-way will not be assessed.
3. Design flows for improvements to be assessed ~~assessment improvement projects~~ will be a 2-year recurrence interval storm for residential areas and up to a 5-year recurrence interval for commercial areas. Additional capacity beyond these design criteria ~~events~~ will not be assessed.
4. The basis for assessment will be the three-factor formula of area, impervious coefficient and relative vertical elevation. The ratio of assessment based on each of the three factors will be determined on ~~an individual~~ project-by-project basis.

#### Sanitary Sewers

The basis for special assessments for sanitary sewer is the cost to construct a minimum sized sewer that meets city specifications (typically eight inch) in an undeveloped area. When sanitary sewer is constructed in an undeveloped area it is less expensive because the sewer can be built without having to construct around impediments such as driveways, streets, underground utilities, etc. In developed areas constructing around such impediments increases the cost of construction. This method is equitable since all property owners pay an assessment based on the same minimum requirements whether they pay the cost of sanitary sewer with the purchase of their property or through a special assessment at a later date.

The cost to construct a larger diameter sewer main, construction at greater depths (to serve an area larger than the benefitted area) and road surface restoration will be funded by the city.

1. It is the policy of the City to special assess benefited properties for lateral sewers to that serve the benefited area property.
2. The basis of the assessment is the frontage along the property where the sewer main is constructed. In the case of a pie-shaped lot, irregular lot or flag lot the benefitted property owner shall pay an assessment based on the minimum lot width required in the zoning

district. This accounts for the fact all properties receive the same minimum benefit regardless of the amount of frontage.

2.3. Trunk sewers that serve large areas may be assessed on a case-by-case basis depending upon individual circumstances for that trunk sewer. Typically a trunk sewer would be assessed on an area-wide or flow basis as determined by the City Council.

3.4. For sewers, which serve both as a Benefitted properties served by a trunk sewer that also serves as their lateral sewer shall pay a special assessment based on the same formula as a lateral sewer and a lateral sewer, the lateral sewer assessment shall be based on the cost of an equivalent 8-inch sewer.

4. For trunk sewers the method of assessment will be area and flow contribution. If the flow contribution does not vary more than 50% the method of assessment may be area only.

5. For lateral sewers the method of assessment shall be equally based on the area of the property and the frontage along the sewer.

6.5. The corner lot and double frontage reduction as outlined in the policy for street improvements shall be applied to the frontage portion of a lateral sanitary sewer assessment.

7.6. If a small diameter pressure sewer system small diameter pressure sewer system is are installed, the cost of individual grinder pumps and their installation may be included in the project cost special assessment as determined on an individual project by project basis by the City Council.

#### Water Mains

The basis for a special assessment for a water main is the cost to construct a minimum sized water main, including fire hydrants, that meets city specifications (typically eight inch) in an undeveloped area. When a water main is constructed in an undeveloped area the cost is less expensive because the water main can be constructed without having to construct around impediments such as driveways, streets and underground utilities. In developed areas constructing around such impediments increases the cost of construction. This method is equitable since all property owners pay an assessment based on the same minimum requirements whether the cost of the water main is included in the purchase of the property or through a special assessment at a later date.

1. It is the policy of the City of Johnston to special assess benefitted properties for water mains to serve the property.

1.2. In the case of a pie-shaped lot, irregular lot or flag lot the benefitted property owner shall pay an assessment based on the minimum lot width allowed in the area based on zoning. This accounts for the fact all properties receive the same minimum benefit regardless of the amount of frontage.

2. It is the policy of the City of Johnston not to assess the cost of feeder mains to serve large portions of the water system.

3. Trunk water mains to serve large areas may be assessed on a case-by-case basis depending upon circumstances for the trunk main. Typically a trunk main would be assessed on an area-wide basis based on the amount of area that would be served by the trunk main.

~~3. The size of the water main to be assessed to a benefited area will be determined in accordance with the then current policy of the City as set forth in the design standards of its standard specifications for street and utility improvements.~~

~~2.4. If a water main is to serve both as a service main for benefited properties and a feeder trunk main to the benefitted property, the cost of the equivalent service main as set forth in the design standards will be the basis for the assessment.~~

~~3.5. Appurtenances such as valves and fire hydrants to serve the benefited area will be included in the project cost for assessment purposes.~~

~~6. For service water mains the method of assessment shall be equally based on the area of the property and the frontage along the water main.~~

~~7.6. The corner lot and double frontage reduction as outlined in the policy for street improvements shall be applied to the frontage portion of a service-water main assessment.~~

#### Sidewalks

It is the general policy of the city that sidewalks shall be provided along the frontage on all improved street. Typically sidewalks are constructed as a part of the development process although Johnston has significant areas of the community where sidewalks have not been constructed since the existing roadway has not been improved.

1. It is the policy of the city to special assessment benefited properties for the construction of sidewalks.
2. Assessments for sidewalks shall be based on the cost to construct a four (4) foot wide sidewalk, four (4) inch in depth constructed of Portland Concrete Cement (PCC) along each street frontage. Sidewalk sections through a driveway are required to be constructed six (6) inches in depth.
3. In cases where the city has determined that a recreation trail is preferable to a sidewalk, the property owner will be assessed for the equivalent of a four-foot wide, four inch in depth PCC sidewalk.
4. The cost to construct other improvements to accommodate a sidewalk or trail such as retaining walls, etc. will be the responsibility of the city.
5. No corner lot or double frontage on two streets reductions are offered on sidewalk construction.

#### Special Assessment Financing

Per sections 384.60.1(b) and 384.60.1(c) of the Iowa Code the city has the ability to determine the number of annual installments and the interest rate charged to benefitted property owners for special assessments. Although the following policy statements are typical, the City Council reserves the right to consider different payment parameters as allowed by state law.

1. Special assessments are typically spread on the property taxes for up to ten (10) annual installments.

2. The City Council establishes the interest rate to be charged on a special assessment. Typically the interest rate is based on the cost in which the city can borrow money to finance the project.

#### Initiating a public project subject to a special assessment

There is considerable expense involved in the preparing engineering plans, specifications, cost estimates and legal proceedings to comply with statutory requirements for a project that is subject to a special assessment. For this reason the city desires to assure that such expenditures are made only in those situations where there is a demonstrated interest in proceeding with a project.

The City Council will consider initiating a project that is subject to a special assessment under the following circumstances:

#### Citizen initiated special assessment project:

1. Upon receipt of a petition requesting an improvement signed by at least sixty (60) percent of the property owners which will benefit from the project and are subject to the special assessment; or
2. Upon receipt of a written request or verbal request made at a public meeting of the City Council whereby the property owner(s) request the city conduct a poll of property owners that will benefit from the improvement. The results of the poll must indicate at least sixty (60) percent of the property owners that will benefit from the improvement are in support of the project.
3. Initiating a special assessment project requires an affirmative vote of not less than four members of the City Council.

The city will provide the petitioners with preliminary estimates of the project costs, properties subject to the assessment and the estimated amount of the assessment.

#### City Council initiated special assessment project:

1. The City Council has identified the project as a part of the Strategic Planning process, has included it in the Capital Improvement Program (CIP) or has included the project in the annual operating budget.
2. The City Council has determined completion of the project is in the best interest of the public health, safety and welfare of the properties that will benefit from the project.