



Special Assessment Policy

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This Policy is effective as of January 6, 2025, and will supersede all previous assessment policies, and such amendments thereto.

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Section 1: Policy Purpose & Goals

The purpose of this policy is to establish a consistent, uniform, fair, and equitable manner of assessing *public improvements* to benefiting properties. The procedures used by the City of Inver Grove Heights for levying *special assessments* are designed to be in conformance with those specified by [Minnesota Statute, Chapter 429 - Local Improvements, Special Assessments](#).

The goals of the City of Inver Grove Heights special assessment policy are to:

1. Provide a stable and continuing source of funding within the financial capacity of the City to accommodate the infrastructure needs of new development, redevelopment, and maintenance of existing infrastructure facilities within the community in a cost-effective manner.
2. Provide the City Council and staff with clear guidelines and methods to efficiently distribute infrastructure costs to benefiting properties in an equitable and consistent manner, thereby enhancing the value of property by assigning a proportionate value of the improvements to the properties deriving from the improvement.
3. Provide an effective tool for the management of City resources to support a highly functional and well-maintained system of infrastructure that promotes economic development and growth, fosters a sense of pride throughout the community, and facilitates the development and adoption of short- and long-range capital improvement plans by identifying the magnitude and sources of funding available.

Section 2: Introduction

A *Special Assessment* is a charge imposed on real property to help defray the cost of public improvements. The State of Minnesota constitution allows the legislature to authorize local governments to use *special assessments* to help pay for local improvements based on the benefit the improvement provides to individual properties. Since 1953, that authority has been detailed in [Minnesota Statute, Chapter 429 – Local Improvements, Special Assessments](#). Chapter 429, as it is henceforth referenced in this policy, authorizes local government entities such as cities, towns, and counties to make specific improvements and recoup the costs through special assessments, and outlines the requirements and procedures that a local government entity must follow to impose *special assessments*.

The City of Inver Grove Heights (“City”) utilizes *special assessments* as a tool to help finance the construction of major infrastructure projects (roads, sidewalks/trails, storm sewer facilities, water facilities, sanitary sewer facilities, etc.), as well as the rehabilitation and/or replacement of public infrastructure as it ages. The City has utilized several versions of a formal special assessment policy (“Policy”) dating to 1981, with the most recent policy being adopted in 2016.

In 2022, the Pavement Management Program Citizen Task Force delivered a report focused on recommendations for the City to improve its Pavement Management Initiative, which included a review of the City’s Special Assessment Policy provisions. The primary recommendation of the Citizen Task Force related to the Policy was to maintain the general rates and structure of the assessment policy, but to make clarifying changes to ensure consistent application of the policy provisions for different types of projects. The Policy modifications put forth in this current version include:

- Use of “plain language”, to better explain technical aspects of the Policy.
- Inclusion of definitions for common words/phrases utilized throughout the Policy.
- Inclusion of links to referenced State Statute, City Code, and various other City Council-adopted documents that are utilized in the implementation of this Policy.
- Revised public improvement project process summary.
- Modified assessment calculation methods, with clear visual descriptions and examples of assessment calculations.
- Updated assessment rate tabulations and descriptions, standardizing language across different improvement types (street, utilities, etc.), and incorporating the revised Pavement Management Initiative project types identified through the Citizen Task Force effort.
- Condensed description of assessment payment period and process, including the addition of partial prepayment options and an assessment payment period based on *special assessment* amount, not project type.

Words that are *italicized* within the Policy are defined in **Appendix A - Definitions**.

The ***bold italicized*** words reference other sections within the Policy.

Section 3: Public Improvement Project Types

The types of *public improvements* that are eligible for the levying of *special assessments* are detailed in Chapter 429 ([§429.021](#)), with an additional provision in Minnesota Statute Chapter 459 ([§459.14](#)). At the discretion of the City Council, the City may choose to levy *special assessments* for any type of eligible project as allowed by Statute. The primary project types that the City regularly levies *special assessments* for new and/or rehabilitation/replacement of public infrastructure are:

- Streets, curb and gutter, and appurtenant improvements thereto (new and rehabilitated/replaced)
- Sidewalks, trails, and other non-motorized transportation facilities (new and rehabilitated/replaced)
- Storm sewer and storm water management systems (new and rehabilitated/replaced)
- Sanitary sewer systems (new)
- Water systems (new)
- Streetlights and street lighting systems, including decorative lighting (new and replaced)
- Abatement of nuisances as defined in City Code and allowed by [§429.101](#)

Section 4: Public Improvement Process

The *public improvement* process is defined by Chapter 429 and applies for projects where *special assessments* may be levied. Statute allows for some flexibility in how local governments can choose to review and approve projects, and how to levy *special assessments* (i.e., before vs. after construction). The City's *public improvement* process for projects with *special assessments* is as follows:

4.1 Project Initiation

Public improvement projects may be initiated in several ways. The following are the most common methods utilized by the City:

City Initiated Projects

On recommendation of staff through the Capital Improvement Plan (CIP) process, the City Council decides an improvement is necessary and desirable for the community, and schedules it for a specified year within the CIP.

Partner Agency Projects

A project may be initiated by a public agency, such as the Minnesota Department of Transportation (MnDOT), Dakota County, or an adjacent City.

1. Such partner projects generally include interagency agreements (i.e., joint powers and/or cooperative agreements) that detail the scope and cost of such projects, allowing the City to determine if participation in such a project is fiscally viable and/or in the best interest of the community, and plan for these projects through the CIP process.

Petitioned Projects

Chapter 429 ([§429.031](#)) specifies that *public improvements* may be initiated by *petition* of owners of not less than 35% in frontage of the real property abutting a requested improvement. Additionally, a developer may *petition* the City for *public improvements* related to a new subdivision or plat, to have the City provide new streets or public utilities to service new development. A developer *petition* will not be considered without the developer waiving all rights to appeal the assessment through a formal [Development Contract](#).

When property owners or a developer submit a *petition* for any *public improvement*, the following process will be undertaken:

1. The Engineering Division will receive and review the *petition* for completeness.
2. A staff member from the Engineering Division will be assigned to reach out to the *petition* submitter, and schedule a meeting to discuss the following items:
 - a. Scope and parameters of the *petition* as submitted.
 - b. Review items within the *petition* related to City Code, policy, CIP, or Chapter 429 that may impact the *petitioned* request.
 - c. Review *assessment waiver* provisions, if applicable.
 - d. Request and/or provide clarity on the needs and desires for a project, to provide education to petitioners regarding project planning, cost, and general process.

3. After the staff review and initial meetings with a petitioner, if a petitioner desires to move forward with formal presentation and review before the City Council, staff will prepare a schedule and timeline for a formal agenda item to be presented and prepare a submittal as part of a Regular Agenda item on a future City Council meeting. The petitioner will be informed of the proposed meeting date.
4. At the scheduled Council Meeting, staff will present to the City Council the *petition*, options to address the *petitioned* request, and staff's recommendation on how to proceed with the *petition* request, and the petitioner will be given an opportunity to speak to the Council.

4.2 Feasibility Report

In response to the City Council's desire to proceed with a project, the City Council will authorize the preparation of a *feasibility report* for the proposed *public improvements*. As defined in **Appendix A**, a *feasibility report* is an engineering and fiscal planning document that details whether a *public improvement* is necessary, cost-effective, and feasible to complete. The key components of a *feasibility report* include:

1. Project Scope
2. Cost Estimates
3. Funding Sources
4. List of Benefiting Properties
5. Preliminary Assessment Calculations and Preliminary/Draft *Assessment Roll*
6. Feasibility and Recommendations Regarding the *Public improvement*

4.3 Public Hearing

Upon completion of the *feasibility report*, the City Council schedules and holds a *public hearing*, to accept the *feasibility report* and discuss the merits of authorizing that a project proceeds to final design. *Public hearings* require specific public notification in accordance with Chapter 429 ([§429.031](#)), including two publications in legal newspapers, and direct notification to benefiting property owners via US Mail. After the *public hearing* is held, the City Council votes on a resolution ordering the improvements, setting a timeline for the project to be bid, and directing staff to prepare final plans and construction specifications. Upon authorizing the improvements, the assessments become *pending*, but will not be finalized until the assessment hearing.

1. A vote on a resolution is typically held on the same date as the *public hearing*, but the City Council may choose to table the discussion or extend the *public hearing* to a future meeting date. A formal vote to authorize a *public improvement* must be held within six months of the initial *public hearing* date, or else the *public hearing* process must re-start.
2. *Public improvement* projects with assessments that are initiated through the *petition* process and meet the requirement of 35% *front footage*, as described in **Section 4.1**, may be authorized via the *public hearing* process with a three-fifths majority vote of the City Council.
 - a. *Public improvement* projects with assessments initiated in any other manner (City or other public agency) require authorization via the *public hearing* process with a four-fifths majority vote of all members of the City Council.
3. *Public hearings* are not necessary for *petitioned* projects where 100% of the benefiting property owners have *petitioned* for the project, or 100% of benefiting property owners have

signed an *assessment waiver*. A City Council resolution with a three-fifths majority vote is still necessary to authorize improvements for either of these scenarios.

4.4 Final Plan Design, Bidding, and Construction

Final plan and construction specification compilation occurs following the City Council authorization of improvements. While City Council approval of plans and specifications and authorization of the advertisement for contract bids is not required under Chapter 429 ([§429.041](#)), the City may choose on a project-specific basis to follow this step to ensure transparency in the assessment process, and to consider any changes in cost or scope that may have occurred through the final plan design process.

The advertisement period for bids is detailed in Chapter 429 and varies based on the estimated construction cost for the *public improvement*. The City typically uses a sealed bid process and advertises bids for *public improvements* with *special assessments* for at least three (3) weeks. Upon receipt of bids, the sealed bids are opened, and the bids are reviewed by staff for conformance with the contract bidding documents, and a formal bid tabulation is developed. If the bids are found to be in conformance with anticipated budgets, staff prepare a recommendation and resolution for the City Council to award a contract based on the bid requirements (lowest responsible bidder or best-value alternative). Concurrently, staff will prepare a final project budget resolution for the City Council to review and approve, comparing the *feasibility report* costs and the as-bid costs, and detailing the funding sources to be utilized for the construction of the *public improvement*.

Upon City Council approval of resolutions awarding a contract and setting the project budget, construction of the *public improvement* in accordance with the plans and specifications commences. The timeframe for construction of every project varies and will impact the final timing of the *assessment hearing*, as detailed in **Section 4.5**.

Should a *project bid* not be awarded, due to financial or other project concerns of staff or the City Council, staff will provide recommendations as to the next steps in the project review process. These steps may include revised plans, re-bidding, or potential tabling or termination of a project.

4.5 Assessment Hearing

When a project is deemed to be *substantially complete*, the *assessment hearing* is scheduled. Chapter 429 ([§429.061](#)) allows for the *assessment hearing* to be held prior to construction (based on estimated *public improvement costs* after bids are received); however, the City typically holds the hearing after construction is *substantially complete*, allowing final assessments to be based on the actual project costs incurred.

1. After completion of a project, a final cost report is prepared that calculates the actual project costs (construction costs plus all overhead costs such as legal, engineering, administrative, and finance (LEAF) costs).
2. The final *assessment roll* is generated and cross-checked against the preliminary *assessment roll* for accuracy in address and assessment calculation data.
3. Notice for the *assessment hearing* (time, place, and assessment amount) is performed in accordance with Chapter 429. This notice includes one publication in a legal newspaper, and direct notification to benefiting property owners via US Mail.

4. The City Council conducts the *assessment hearing* at a City Council meeting. Following the *assessment hearing*, the City Council votes on a resolution to adopt the *assessment roll*, thereby levying the assessments and beginning the assessment collection process.

4.6 Assessment Payment and Certification

After the *assessment hearing* is held, there are several options for benefiting property owners to pay their assessment, and steps that City staff take to certify assessments with the Dakota County Auditor. These items are detailed in ***Section 7***.

Section 5: Assessment Calculation

Assessable costs may be distributed to *benefited properties* using a variety of *assessment methods*. The specific method chosen depends on the project type, parcel layout, and parcel type/zoning classification. The City utilizes three primary assessment calculation methods for *public improvements*:

1. Per Lot
2. Adjusted Front Footage
3. Area

Assessments must be applied uniformly to the same classification of property within an assessed area. That means that for some properties (i.e., residential lots zoned R-1, R-2, E-1, etc.), the per lot *assessment method* may provide the most equity, while for other properties (i.e., business or PUD lots), the *area* or *front footage* method may be more equitable. The City endeavors to be consistent in the application of assessments and may utilize one or more of the assessment calculation methods for a project. The specific type of assessment calculation utilized, and the calculation applied thereto, will be detailed in the *public improvement feasibility report* for each project and summarized in the *assessment roll*.

5.1 Per Lot Assessment Method

When the “per lot” *assessment method* is utilized, all lots in the *assessable area* with similar zoning classification are assessed equal amounts, independent of their area or *front footage*. The “per lot” method for assessments is most utilized for street improvement projects, where most, if not all, properties are single-family residential (E-1, E-2, R-1, and R-2 parcels where the number of dwelling *units* can be ascertained). The *assessable cost* is divided by the total number of properties to determine the *per-property assessment rate*.

Example:

Total Assessable Cost:	\$10,000
Number of Lots/Properties:	5
Per Lot Assessment:	$\$10,000/5 \text{ Lots} = \underline{\underline{\$2,000/\text{Lot}}}$

Special Considerations

1. When a “per lot” *assessment method* is utilized in combination with an “*adjusted front foot*” or “*area*” *assessment method*, the sum of the total *adjusted front footage* or total area attributed to be assigned on a “per lot” basis will be calculated, and the total divided by the total number of lots to determine a “per lot” *assessment rate*. Refer to example in ***Exhibit B-1*** and ***Exhibit B-2*** in ***Appendix B***.
2. For street improvement projects, corner residential lots will be assessed on a “per lot” basis for the street where the primary driveway access is located. If a residential property has two driveway accesses, the driveway on the longest *adjacent/abutting property* frontage will be identified as the “primary” driveway. If no driveway exists on a parcel, the access frontage will be the side on which the property address is assigned. Refer to example in ***Exhibit B-1*** in ***Appendix B***.

3. When considering larger residential lots for a per *lot assessment*, the ability for a lot to subdivide may be considered. The *assessable cost* of the *public improvement* may be allocated to subdividable lots based on the number of residential parcels that the property could be subdivided into. The number of lots will be based on the size of surrounding residential properties in the *assessable area*, City Code requirements for lot subdivision, and zoning classification.

5.2 Adjusted Front Foot Assessment Method

The “*adjusted front foot*” *assessment method* considers that individual parcels vary by size, area, zoning classification, and land use type. The procedure for calculating the “*adjusted front foot*” for different parcels will vary based on the following conditions:

1. *Rectangular Lots*: The *adjusted front footage* is the actual *front footage* of the lot.
2. *Odd-Shaped Lots*: For use on lots that exist on cul-de-sacs and curved streets where the front and back lot footage is not proportional to the lot depth. The computation for *adjusted front footage* may be computed as follows:
 - a. Taking the average of the front and back *front footage* of the lot; or
 - b. Using the width of the lot at the building setback line, as defined in City Code; or
 - c. Using the average lot width for comparable properties in the *assessable area*; or
 - d. Another method deemed appropriate and detailed in the feasibility study to calculate the assessment fairly and equitably for the property and approved by the City Council.
 - e. Refer to examples in ***Exhibit B-3*** in ***Appendix B***.
3. *Flag Lots*: For use on lots that are flag-shaped and have main access to a street or project area but are otherwise “landlocked” by other properties with no secondary street frontage or access. The *adjusted front footage* for flag lots shall be considered the greater of the rear-lot property line (farthest from the street access), or the sum of the main access frontage plus the portion of the lot that is adjacent and parallel to, but not abutting, the street *right-of-way*. Refer to example in ***Exhibit B-3*** in ***Appendix B***.
4. *Corner Lot Adjustment (Single-Family Residential Properties Only)*: ***NOTE: This method only applies to projects where single-family residential parcels are assessed on an adjusted front footage basis.*** For a corner *lot assessment*, the short side is assessed for the actual *front footage* and the long side is assessed for *front footage* that exceeds 135'. Refer to example in ***Exhibit B-3*** in ***Appendix B***.
5. *Non-Single-Family Lot Adjustment*: The actual frontage for non-single-family lots (all zoning classifications other than E-1, E-2, R-1, and R-2 parcels where the number of dwelling *units* can be ascertained), after applying the procedures noted in items 1-3 above, will be multiplied by a factor of two (2) for any *adjacent/abutting property* frontage where a driveway exists to calculate the *adjusted front footage*. This is done to account for the fact that non-single-family parcels may have multiple access points to a roadway and generate more traffic than single-family parcels. For non-single-family parcels with *adjacent/abutting property* frontage that does not have a driveway, the *adjusted front footage* for the applicable frontage will be as measured as the actual frontage. Refer to ***Exhibit B-1*** in ***Appendix B***.
6. *Common Interest Parcels*: When *common interest* parcels exist within an *assessable area*, the *adjusted front footage* shall be calculated as defined in item 5 above, and subsequently divided equally to all taxable parcels with a *common interest* in that parcel.

Adjusted front footage will be determined based on plat maps, section maps, and property data supplied by Dakota County via GIS or other digital mapping means. In areas where parcels are unplatted, the centerline length of the roadway or utility improvement may be utilized and extrapolated to calculate the *front footage* of an *adjacent property*.

Upon determination of the “adjusted front foot” calculation for each parcel within a project’s *assessable area*, the *assessable cost* is divided by the sum of the “adjusted front foot” calculation for all properties to determine a per-adjusted front foot *assessment rate* for the project.

Example:

Total Assessable Cost:	\$10,000
Total Adjusted Front Footage:	2,000 Feet
Per Adjusted Front Foot Assessment:	$\$10,000/2,000 \text{ Feet} = \mathbf{\$5/Adjusted Front Foot}$

Special Considerations

1. When an “adjusted front foot” *assessment method* is utilized in combination with an “per lot” *assessment method*, the sum of the total *adjusted front footage* attributed to be assigned on a “per lot” basis will be calculated, and the total divided by the total number of lots to determine a “per lot” *assessment rate*. Refer to example in ***Exhibit B-1*** in ***Appendix B***.

5.3 Area Assessment Method

The “area” *assessment method* shall be based on the area (square feet or acres) of benefiting properties within an *assessable area*. Upon determination of the total area calculation for each parcel within a project’s *assessable area*, the *assessable cost* is divided by the sum of the “area” calculation to determine a per-square foot (or per acre) *assessment rate* for the project.

Example:

Total Assessable Cost:	\$10,000
Total Parcel Area:	1,000 Square Feet
Per Square Foot Assessment:	$\$10,000/1,000 \text{ square feet} = \mathbf{\$10/Square Foot}$

Special Considerations

1. When an “area” *assessment method* is utilized in combination with a “per lot” *assessment method*, the sum of the total area attributed to be assigned on a “per lot” basis will be calculated, and the total divided by the total number of lots to determine a “per lot” *assessment rate*. Refer to example in ***Exhibit B-2*** in ***Appendix B***.
2. ***Stormwater Easements***: Parcels that contain a drainage and utility easement for the purposes of stormwater ponding or stormwater treatment will have the area calculation reduced by the area of the stormwater ponding easement. For instance, a 50,000 square foot parcel that is encumbered by a 10,000 square foot stormwater ponding easement will have an *assessable area* of $50,000 - 10,000 = 40,000$ square feet.
 - a. Front, rear, and/or side yard drainage and utility easements that are applied equally throughout a plat that covers all or portions of the *assessable area* will not be considered for area calculation reduction.

- b. Properties with stormwater ponding facilities that are not encumbered by a dedicated easement will not receive a reduction in the *assessable area*.
- 3. Common Interest Parcels: When *common interest* parcels exist within an *assessable area*, the area shall be calculated and subsequently divided equally between all taxable parcels with a *common interest* in that parcel.

5.4 Recommended Assessment Calculation Methods

Table 5.4.A summarizes the recommended assessment calculation methods that can be implemented for each type of zoning classification within the City.

TABLE 5.4.A - Assessment Calculation Method

Zoning Type		Recommended Assessment Calculation Method		
Code	Definition	Per Lot	Adjusted Front Footage	Area
A	Agricultural	X	X	X
E-1 & E-2	Estate Lots (Residential)	X ⁽⁴⁾	X	
R-1	Residential (Single-Family Homes)	X ⁽⁴⁾	X	
R-2	Residential (Duplex/Triplex)	X ⁽²⁾	X ⁽¹⁾⁽²⁾	
R-3	Residential (Apartments/High Density)		X ⁽¹⁾	X
R-4	Manufactured Homes		X ⁽¹⁾	X
B-1 - B-4	Business		X ⁽¹⁾	X
OP	Office Park		X ⁽¹⁾	X
PUD	Planned Urban Development		X ⁽¹⁾⁽³⁾	X
I-1 & I-2	Industrial		X ⁽¹⁾	X
P	Public/Institutional		X ⁽¹⁾	X

- (1) *Front footage* rate is doubled for multi-family zoning (R-2, R-3, R-4), business, office park, industrial, and public/institutional zoning classes when assessments calculated based on the “*adjusted front footage*” method only.
- (2) Where number of dwelling *units* can be confirmed, per lot rate may apply to R-2 zoning classifications when calculated based on a “per lot” basis alone, or in combination with other assessment calculation methods.
- (3) In PUD’s, the current land use type may be utilized to determine *front footage* rate to apply.
- (4) Refer to “lot equivalent” definition in **Appendix A**

The zoning classifications noted above are based on the zoning classification in place at the time of the adoption of this policy. Current zoning classifications are available on the City’s website: [Zoning Classifications](#).

The “per lot” method shall be utilized to the greatest extent possible on Pavement Management Initiative projects where the majority of properties are zoned single-family residential (E-1, E-2, R-1, and R-2 parcels where the number of dwelling *units* can be ascertained).

5.5 Unique Property Considerations

There are several types of unique property situations that may arise within the *assessable area* of a project. The following types of property are most encountered in the performance of Capital Improvement Projects where *special assessments* are utilized:

Public Right-of-Way

When a *public improvement* fronts the *right-of-way* of a City, County, State, or other political subdivision, that *right-of-way* shall be excluded from the calculation of *special assessments*.

Frontage Roads

Frontage roads along highways or other arterial streets are deemed to be of benefit to the adjacent properties. The cost of any *public improvements* on such frontage roads, notwithstanding any roadway width adjustments as defined in **Section 6.1**, will be assessable to the benefiting properties along the frontage road as follows:

1. For non-single-family parcels (all zoning classifications other than E-1, E-2, R-1, and R-2 parcels where the number of dwelling *units* can be ascertained), the entire cost of the roadway width for the *adjacent/abutting property* frontage will be assessed.
2. For single-family parcels (zoning classifications E-1, E-2, R-1, and R-2 where the number of dwelling *units* can be ascertained), the cost for half of the roadway width for the *adjacent/abutting property* frontage will be assessed.

Tax-Exempt Property

Apart from *public right-of-way*, benefiting property owned by the City, County, State, or other political subdivisions shall be regarded as being assessable on the same basis as if the property was privately owned. Property owned by other tax-exempt organizations such as charitable organizations, religious organizations, and school districts shall be regarded as being assessable on the same basis as if the property was taxable. The assessment calculation method for these properties will be applied based on the zoning classification of the benefiting property, to calculate the assessment fairly and equitably for all benefiting parcels.

1. When the calculated assessment for public property is not identified in a formal *assessment roll* for the *public improvement* project, the public property assessment cost will be otherwise identified in the budget for the *public improvement*, and where applicable, the payment of costs identified through an inter-agency cost sharing agreement.
2. The calculated assessment for private, tax-exempt property will be shown on the *assessment roll* for the *public improvement* project.

Railroad Property

While railroad property is assessable in accordance with Chapter 429, not all types of railroad property may be found to receive a *special benefit* from a *public improvement*. Determination of the *special benefit* and whether a railroad property is considered assessable will be determined through the *feasibility report* process.

Indirect Property Access

Properties that are in the *assessable area* of a *public improvement* and have access via easement (i.e., a private road or driveway) are considered to have indirect property access. Where such properties exist, the assessment calculation shall be based on the per lot or area assessment method as detailed in **Section 5.1**, or the area assessment method as detailed in **Section 5.3**, respectively. Indirect parcels shall be assessed at 50% of an equivalent direct access property of the same zoning classification.

Undeveloped Property

Undeveloped land within an assessable area may be assessed in accordance with the highest and best use of the property, as defined in the City's most current Comprehensive Plan. The zoning classification assigned to undeveloped property for the purposes of calculating a special assessment will be the zoning classification with the greatest density of development when comparing the current zoning classification, and the land use classification as defined in the Comprehensive Plan.

Section 6: Assessment Rates

The *assessment rate* that is utilized for a *public improvement* project will be based on the type of project being performed. **Table 6.1.A** summarizes the *assessment rates* applied to the noted project types:

TABLE 6.1.A - Assessment Rates

	Project Type	Percent Assessed
Street Improvements (Includes Storm Sewer)	New Construction	100%
	Reconstruction	35%
	Partial Reconstruction/Reclamation	55%
	Mill & Overlay	80%
	Gravel Road Paving (no Public Utilities)	80%
	Gravel Road Paving (with Public Utilities)	55%
	Routine Maintenance	Not Assessed
Utility Improvements (Sanitary Sewer & Water)	New Construction	100% ⁽¹⁾
	Reconstruction/Replacement	(2)
Other Improvements	Sidewalks/Trails (New Construction)	(3)
	Sidewalks/Trails (Repair)	(4)
	Sidewalks/Trails (Reconstruction/Replacement) ⁽⁵⁾	55%
	Streetlights	(6)

(1) Refer to **Section 6.2** regarding oversizing and over-depth costs.

(2) Refer to **Section 6.2** regarding assessments related to reconstruction/replacement costs.

(3) Refer to **Section 6.3** regarding application of special assessments for new sidewalks/trails.

(4) Refer to **Section 6.3**. Spot repair of existing sidewalk/trail facilities performed in conjunction with a street and utility project will be assessed at the same rate as the street improvements for the neighborhood in question.

(5) Includes full removal and replacement of existing sidewalk or trail facilities, or where applicable for bituminous trails, a mill and/or overlay.

(6) Refer to **Section 6.3** regarding new street light assessments.

6.1 Street Improvements

Street improvements are most often undertaken as part of the City's Pavement Management Initiative. These *public improvements* often include work on the pavement section, curb and gutter, adjacent sidewalks and trails, storm sewer systems, ditches, and boulevard areas within the *public right-of-way*.

New Construction

The construction of new streets with a full street section, curb and gutter (if within Municipal Urban Services Area (MUSA) boundary), storm sewer system, and appurtenant improvements in accordance with the current City [engineering design standards](#) for roadway classification is considered “new construction.” Costs of construction of new streets will be assessed based on the following minimum design standards:

1. 7-ton axle load (for local/residential streets).
2. 9-ton axle load (for collector and State Aid streets).
3. 6’ sidewalk (for local streets, when required by City Code).
4. 10’ bituminous trail and 6’ sidewalk (for collector and State Aid streets).
5. Design width of 32’ curb-face to curb-face (all street types).
6. Storm sewer facilities necessary to accommodate the above minimum roadway design standards, including piping, manholes, and stormwater treatment facilities (ponds, treatment structures, infiltration basins, etc.)

Where the installation of a roadway or stormwater features exceed the minimum standards noted above, the City Council may authorize funding of the improvements via any method deemed acceptable, including *special assessments*.

Reconstruction

Reconstruction is defined as the removal and replacement of pavement, curb and gutter (in urban areas), aggregate base and subgrade replacement, the partial or full reconstruction of storm sewer systems (including ditch grading for rural areas), and appurtenant improvements in accordance with the current City [engineering design standards](#).

Where sidewalks or bituminous trail currently exist, the partial or full replacement of those facilities will be included in the *assessable cost* for the *public improvement* project.

Partial Reconstruction/Reclamation

Partial Reconstruction/Reclamation is defined as the removal/recycling of pavement and/or aggregate base, spot curb repair (in urban areas) and spot storm sewer repairs (including minor ditch grading for rural areas), and appurtenant improvements in accordance with the current City [engineering design standards](#). Partial reconstruction/reclamation may include spot subgrade correction (not to exceed 50% by total *area* of the *public improvement*).

Where sidewalks or bituminous trail currently exist, the partial or full replacement of those facilities will be included in the *assessable cost* for the *public improvement* project.

Mill & Overlay

Mill and overlay is defined as the removal of the top 1.5"-4" of pavement via mechanical milling, and placement of new bituminous pavement surfacing on the roadway. Work may include spot repairs to storm sewer structures and/or castings, and spot curb repair in accordance with the current City [engineering design standards](#).

Where sidewalks or bituminous trail currently exist, spot repairs or replacement of those facilities (less than 35% by area) will be included in the *assessable cost* for the *public improvement* project. If full replacement of sidewalk or bituminous trail is performed (greater than 35% by area), the sidewalk and bituminous trail work will be reclassified under the "partial reconstruction/reclamation" category for calculating the assessment.

Gravel Road Paving

Existing gravel roads that are upgraded with pavement will include grading of the roadway and ditches, installation of storm sewer culverts, shoulder aggregate, and where necessary to accommodate drainage, installation of curb and gutter. The *assessment rate* for paving of gravel roads has been separated into the following two categories:

1. Gravel Roads with no Public Utilities: These are existing gravel roads with no sanitary sewer or water service, and/or located outside the Metropolitan Council's Municipal Urban Service Area (MUSA) boundary. The cost for the *public improvement* to upgrade the street to a paved street (with or without curb and gutter) and install storm sewer systems are assessed at a rate of 80% to *benefited properties*.
2. Gravel Roads with Public Utilities: These are existing gravel roads with sanitary sewer and/or water service, and are located inside the Metropolitan Council's Municipal Urban Service Area (MUSA) boundary. The cost for the *public improvement* to upgrade the street to a paved street (with or without curb and gutter) and install storm sewer systems are assessed at a rate of 55% to *benefited properties*.

Routine Maintenance

Routine maintenance activities include patching of potholes, placement of crack sealing, sealcoating, broad area patching (patching large segments of roadway utilizing City crews to address deteriorating sections of pavement without removal or replacement of existing pavement or subgrade surfaces), and other maintenance techniques that are deemed to be routine in nature are not assessed.

As it relates to storm sewer, routine maintenance includes cleaning of storm sewer structures, cleaning of pond sediment, replacement of castings (separate from Pavement Management Initiative street improvements), replacement of inlet and outlet structures from stormwater or infiltration basins, and other routine inspection and maintenance required as part of the City's Municipal Separate Storm Sewer System (MS4) permit with the Minnesota Pollution Control Agency.

Assessment Reduction for Wide Roadways

For the purposes of calculating street assessments for residential properties, the assessable rate calculation will be based on the lesser of:

1. 32' wide roadway (curb face to curb face); or
2. The actual road width, measured from curb face to curb face (or in the case of rural roads, from edge of pavement to edge of pavement), perpendicular to the centerline of the road.

For roads wider than 32' (curb face to curb face), the cost for the additional width of pavement over 32' will not be assessed.

For neighborhood reconstruction projects where road widths may vary between streets, the average of all roadway widths will be measured and applied equally to all *benefited residential properties* within the project area when determining if an assessment reduction for road width is applicable. There will be no assessment reduction associated with cul-de-sac or intersection areas.

There will be no assessment reduction associated with road width for adjacent/abutting property that is zoned as non-single-family (all zoning classifications other than E-1, E-2, R-1, and R-2 where the number of dwelling *units* can be ascertained).

6.2 Utility Improvements

Utility improvements include *public improvements* associated with the City's sanitary sewer and water main utilities. Improvements to these utilities are typically undertaken via new or redevelopment activities, or as part of the City's Pavement Management Initiative. In certain undeveloped areas within the Metropolitan Council's Municipal Urban Service Area (MUSA) boundary, extension of sanitary sewer and watermain may be requested by property owners via *petition* and considered in accordance with **Section 4.1**.

Storm sewer improvements are categorized the same as street improvements and are detailed in **Section 6.1**.

New Construction

Sanitary sewer and watermains installed as part of new subdivisions are assessed at a rate of 100%. This includes all costs associated with excavation, backfilling, compaction, and material costs required to complete the installation of the *public improvements* in accordance with the current City [engineering design standards](#). Credits resulting from the oversizing or over-depth of sewer and water utilities are detailed in **Table 6.2.A**. Trunk area charges are levied to all un-platted property at the time of plat in accordance with [City Code Title 3, Chapter 4](#). Where sanitary sewer or water service are extended to previously-platted or un-platted property, the assessment for the *trunk area assessment* will be determined as specified in [City Code, Title 3, Chapter 4](#). The City may levy a *lateral assessment* for any costs of sanitary sewer or water main extension that are above and beyond the *trunk area assessments*.

Reconstruction/Replacement

Reconstruction or replacement of existing sanitary sewer and water main infrastructure is not assessed, when reconstruction or replacement is a result of routine maintenance, or replacement of existing facilities with new facilities of similar size. Where water and sewer facilities may require upsizing via a *public improvement* due to new property development or redevelopment, the cost for the replacement may be assessed as “new construction”, but only to the new development or redevelopment property *benefited* by the upsizing improvement.

Water service lines are owned by the City from the mainline to the curb stop, generally located at the *right-of-way/property* boundary. The remaining water service from the curb stop to the building is owned by the respective property owner. Sanitary sewer service lines are owned by the respective property owner from the sewer main to the building, including the portion in the *right-of-way*. In the course of reconstruction or replacement of the mainline, the City may identify defective service lines that are owned by a private property owner and may require replacement. The costs for service line replacement that is not owned by the City will be 100% assessed to the *benefited property*.

Oversize & Over-Depth Considerations

The oversizing of sanitary sewer and watermain, and the installation of sanitary sewer at a depth necessary to serve adjacent development, is often necessary to ensure the design and installation and extension of new utility services is adequate to serve future development needs. The City recognizes that the oversizing or over-depth installation of sanitary sewer and water utility infrastructure provides benefit beyond individual development and subdivisions, and as such, the City will provide for a credit to developers or property owners who install these utilities. **Table 6.2.A** summarizes the oversizing and over-depth considerations the City will utilize in determining development utility credits:

TABLE 6.2.A - Utility Oversize & Over-Depth Considerations

	Oversize	Over-Depth	Calculation of Credit
Sanitary Sewer	12" or larger	24 feet or greater	Material Cost Difference (compared to 12" Sanitary Sewer) Material and Labor Cost (compared to 12" sanitary sewer at 24' depth)
Water Main	12" or larger	N/A	Material Cost Difference (compared to 12" Water main)

The calculation of cost differential related to utility oversize and over-depth credits will be determined by the City Engineer, and as agreed to in the [Development Contract](#) for the proposed *public improvements*.

6.3 Other Improvements

Other types of improvements include stand-alone sidewalk and bituminous trail improvements, street light installation, and other general improvements that may be eligible for *special assessments* in accordance with Chapter 429 ([§429.021](#)).

Sidewalks and Trails

Where **new** sidewalks/trails are proposed to be constructed as part of an adopted City Comprehensive Plan or City or County Sidewalk/Trail Plan, the costs for installation of these sidewalks may not be assessed. All remaining types of **new** sidewalks and trails, including but not limited to those constructed as a result of a property owner petition, as part of new street construction as defined in **Section 6.1**, or as part of a new development plat, the costs will be assessed to benefited properties at the “new street construction” rate as defined in **Table 6.1.A**.

Where existing sidewalks and trails serve a local neighborhood or street, the cost for spot repairs for these facilities may be assessed in conjunction with a street improvement project at the rates detailed in **Section 6.1**. Full reconstruction/replacement of existing sidewalk or trail facilities will be assessed at the rate noted in **Table 6.1.A**.

Maintenance activities such as patching, crack sealing, sealcoating, mud jacking, or grinding of trip hazards are considered routine maintenance, and are not assessed.

Streetlights

All costs for new streetlights installed as part of constructing *public improvements*, or the addition or replacement of streetlights to a neighborhood where streetlights provide insufficient coverage or did not previously exist, are to be assessed to the *benefited properties* at a rate of 100%. Further information regarding determination and assignment of street lighting costs are detailed in [City Code, Title 7, Chapter 4](#).

6.4 Special Benefit Analysis and Assessment Caps

To determine the *special benefit* received by a *benefiting property* due to a *public improvement* project, the City will perform a review of County-appraised property values for *benefitting properties* during the *feasibility study* process, to determine if the assessment rates are reasonable in value. In cases where the City believes the assessment rates for a project may exceed the *special benefit* value for properties within the *assessable area*, the City Council may request a *special benefit* analysis be performed by an independent appraiser, and the results will be included in the *feasibility study*. The assessment rates will be “capped” at the *special benefit* value for each property within the *assessable area*, as summarized in the preliminary assessment role in the *feasibility study*.

Section 7: Payment

Special assessments shall be levied for the designated term as summarized below:

\$0.00 - \$999.99	1 Year
\$1,000 - \$4,999.99	5 Years
\$5,000 - \$9,999.99	10 Years
\$10,000 and over	15 Years

Exceptions to these terms may be determined through *assessment waiver* agreement, [Development Contract](#), or deferment agreement (refer to **Section 8.2**), as approved by the City Council.

7.1 Assessment Interest

Accrual of interest will commence beginning on January 1 of the year following the certification of the *special assessment*, unless otherwise specified by the City Council. Interest will be calculated on a simple interest basis for the term of the assessment payment.

The interest rate is determined via the following process:

1. If the City issues bonds for the *public improvement*, the rate will be the City's current year bond rating +2%.
2. If the City does not issue bonds for the *public improvement*, the rate will be the current market interest rate for an AAA rated bond +2% at the time of the *assessment hearing*.

7.2 Assessment Payment and Certification

After the *assessment hearing* is held, benefiting property owners to pay their *special assessment* in several ways:

1. Property owners can pay all of their assessment "interest free" by submitting payment directly to the City of Inver Grove Heights within 30 days of the *assessment hearing*.
2. Following the 30-day period after the *assessment hearing*, the City will certify assessments to Dakota County, and will no longer accept assessment payments.
3. Upon certification to the County, any unpaid assessment will be added to the benefiting parcel's property taxes, with annualized installments amortized and based on the term of the assessment.
 - a. Assessments levied on or before October 31 will be included in the next year's property taxes (Example: Assessments levied on September 1, 2023, will be included in the 2024 property taxes)
 - b. Assessments levied on or after November 1 will be included in the following year's property taxes (Example: Assessments levied on November 15, 2023, will be included in the 2025 property taxes).
4. Payment of any remaining assessment balance can be made at any time after certification of the assessment to Dakota County by making payment directly to the Dakota County Auditor.
 - a. A property owner may pay all of their assessment "interest free" to the Dakota County Auditor until noon on the last business day of the calendar year in which the assessment was levied.

- b. After that time, interest will be due on any payoff amount for the calendar year in which the payment is made.

Section 8: Deferrals

Chapter 429 ([§429.061](#)) allows for *deferred* or delayed assessments. The City approved Resolution 2025-011 on January 6, 2025, approving a deferral policy for special assessments. This section provides a summary of Resolution 2025-011 and is meant to cover the most frequent cases encountered by the City in the performance of Capital Improvement Projects where *special assessments* are utilized.

8.1 Hardship Deferment

Deferment will be considered based on the following:

1. The property upon which the assessment is levied is a homestead property; AND
 2. One or more owners of the property meet the following criteria:
 - a. Is over 64 years of age; or
 - b. Is retired by virtue of a permanent and total disability; or
 - c. Is a member of the Minnesota National Guard or other military reserve service who is ordered into active military service, as defined by [Minnesota Statute, Chapter 190.05](#), subdivision 5(b) or 5(c), as stated in the person's military orders;
- AND
3. Payment of the assessment would be a hardship for the owner(s) of the property.

Hardship Definition

"Hardship" shall be deemed to exist if:

1. The average annual payments of principal and interest for all assessments levied against the property exceed one percent (1%) of the owner's adjusted gross income as filed in the owner's U.S. income tax return for the tax year prior to the year in which the assessment was certified; and
2. The total amount of the principal of the *levied assessment* exceeds \$300.

This definition is intended to provide a guideline for implementation of equitable hardship determination across all *public improvement* and property types. The City Council may determine that a hardship exists based on exceptional and unusual circumstances not covered by the standards and guidelines where the determination is made in a non-discriminatory manner and does not give the property owner an unreasonable preference or advantage over other property owners.

Hardship Deferment Application Process

Individuals seeking deferral shall make their application on a form prescribed by the City Clerk (See **Appendix C**). The form shall require the property owner to furnish to the City Clerk the documentation necessary to prove the hardship in accordance with the "Hardship Definition" section above. The request must be submitted within 30 days of the assessment hearing.

If the City Council agrees to a hardship deferment, it shall be memorialized via a resolution approved by the City Council, and subsequently recorded with Dakota County and on file with the Dakota County Auditor. The resolution shall state the assessment amount, deferral period, interest rate, and criteria regarding termination of deferrals, as defined in the following section.

Deferment Payment and Termination

If a deferral is granted, the payment of annual installments of principal and interest with respect to the *special assessment* shall be *deferred* until occurrence of one of the following:

1. The death of the eligible owner; provided no other owner is otherwise eligible for the benefits under the deferral resolution.
2. The sale, transfer, donation, or subdivision of the property, or any part thereof.
3. Contracting to sell, transfer, or donate the property.
4. The property no longer has its homestead status.
5. The owner is no longer eligible for deferral.
6. The City Council determines, for any reason, that there would be no hardship to require immediate full or partial payment.

The interest shall accrue on the basis of simple interest during the period of deferment and shall be added to the principal amount of the *special assessments*, and both principal and interest shall become payable at the end of the deferment.

If the deferment ceases prior to the last year over the term by which the original assessments were levied (refer to **Section 7**), then the *deferred* unpaid installments of principal, together with the accrued interest, shall become due and payable with the real estate taxes in the next calendar year. The remaining principal installments, if any, together with interest, shall be paid in the years originally levied.

If the deferment ceases in or after the last year over the term by which the original assessments were levied (refer to **Section 7**), then the entire unpaid principal amount of the *special assessments*, together with the accrued interest, shall become due and payable with the real estate taxes in the next calendar year.

8.2 Other Deferments

The City Council has the authority to defer assessments for unimproved or undeveloped property as deemed appropriate. If deferments are granted for unimproved property, they shall be for a term of no longer than 15 years, and interest shall accrue over the period of the deferment.

Deferments shall be memorialized via a formal deferment agreement, and a resolution approved by the City Council. These documents shall be subsequently recorded with Dakota County and on file with the Dakota County Auditor. The deferment agreement and resolution shall state the assessment amount, deferral period, interest rate, and criteria regarding termination of deferrals.

Section 9: References

The digital references listed below were utilized in the compilation of this Policy and are accurate as of the date of adoption.

Minnesota Statute, Chapter 190: <https://www.revisor.mn.gov/statutes/cite/190>

Minnesota Statute, Chapter 429: <https://www.revisor.mn.gov/statutes/cite/429>

Minnesota Statute, Chapter 459: <https://www.revisor.mn.gov/statutes/cite/459.14>

League of Minnesota Cities - Special Assessment Toolkit: <https://www.lmc.org/wp-content/uploads/documents/Special-Assessment-Toolkit.pdf>

City of Inver Grove Heights - City Code:

https://codelibrary.amlegal.com/codes/invergrovehtsmn/latest/invergrovehts_mn/0-0-0-1

City of Inver Grove Heights Zoning Classifications:

<https://igh.maps.arcgis.com/apps/MapSeries/index.html?appid=d3b2e6703e514b9cbc9156a449036ce4>

Appendix A - Definitions

Adjacent/Abutting Property: A property directly adjacent to a *public improvement*

Access: Properties shall be considered to have access to public street improvements when they may enter onto the improvement from a private driveway, private road, common driveway, shared easement, or public street. A property with an alley or front and rear/side street footage will be deemed to have primary access on the frontage where the driveway is located. Refer to **Section 5** for determination of “primary” driveway location where more than one driveways exist.

A property need not be an *adjacent/abutting property* to have access to the street; such properties will be considered to have *indirect access*. Properties shall be considered to have access to underground utility improvements when they directly abut a public utility improvement within a street or utility easement, and the utility is less than 150 feet from the property.

Adjusted Front Footage: Where the *assessable footage* of a *benefited property* has been modified by an adjustment factor to more accurately represent the true benefit that a property receives from an improvement in comparison to other properties in a project area. The adjustment will be based on the design parameters of the that are applicable to that parcel, as approved by the City Council. Refer to the “Assessment Calculation” section of this policy.

Assessable Area: The area of an *adjacent/abutting property*, and/or a property with access, to an improvement.

Assessable Cost: The portion of the *public improvement cost* to be financed by *special assessments*.

Assessable Footage: The *front frontage* of an *adjacent/abutting property*, and/or a property with access, to an improvement, minus any non-assessable frontage and/or corner lot credits.

Assessment Hearing: A hearing held during a City Council meeting, where the project costs and final *assessable costs* are summarized based on the expected final project costs, and the final *levied assessments* are determined and voted on by the City Council.

Assessment Method: The method of distributing *assessable costs* to benefiting parcels. Refer to **Section 5**.

Assessment Rate: The *assessable cost* calculated by the *assessment method* utilized. The *assessment rate* may be weighted to apportion the benefits of the *public improvement* fairly and equitably to properties of different zoning or land use classifications.

Assessment Roll: A tabular format of all *special assessments* for a *public improvement*, including the current property owner name, property address, property identification number, *special assessment rate*, and individual property assessment. A draft *assessment roll* is prepared with the Feasibility/Preliminary Report based on preliminary cost estimates, while a final *assessment roll* is prepared for the *Assessment Hearing* based on as-bid or final construction costs.

Assessment Waiver: A legal document whereby a benefiting property owner has agreed to pay and not challenge a *special assessment*.

Benefited Property/Assessable Property: A property determined to receive a *special benefit* due to a *public improvement*. Typical *benefited properties* may consist of *adjacent/abutting properties*, and/or property with *access*, to a *public improvement*, and properties where a *special benefit* may be realized by a *public improvement* in an *assessable area*. Property owned by other political subdivisions, school districts, non-profit organizations, and other parcels exempt from property taxes are *benefited property* when adjacent/abutting or with *access* to a *public improvement*.

Certified Assessment: An assessment that has been levied and forwarded to the Dakota County Auditor for including on the property tax rolls.

City Cost: The cost share of a *public improvement* that the City will pay based on this special assessment policy, as approved by the City Council.

Common Interest: Parcels zoned as planned urban developments (PUD) and for manufactured home communities, as well as properties with common-interest ownership via homeowner's associations (HOA) such as townhomes, condominiums, and where applicable, single-family homes.

Deferred Assessment: A *certified assessment* for which the levy will be delayed. Refer to ***Section 8***.

Feasibility/Preliminary Report: An engineering and fiscal planning document that details whether a *public improvement* is necessary, cost-effective, and feasible to complete. A feasibility or preliminary report is mandated by Chapter 429 ([§429.031](#)), unless *petitioned* by 100% of *adjacent/abutting property* owners requesting the full cost of an improvement be assessed against their properties.

Front Footage: The distance measured along the *right-of-way* line that directly abuts an improvement. Where improvements occur in unplatted areas or where *right-of-way* exists by prescriptive easements or rights, the *front footage* will be the distance measured along the centerline of the road in which the improvement is occurring.

Indirect Access: A property that may have *access* to a *public improvement*, is a *benefited property*, but is not an *adjacent/abutting property*. Access may be through a public or private easement, private road, driveway, or a common/shared driveway.

Improvement Cost: The total cost of the *public improvement* which shall include, but not be limited to: preliminary design, final design, *right-of-way*, easement, construction, legal, engineering, administrative, finance, and other costs associated with the improvement.

Lateral: The portion of a *public improvement* that provides direct utility service to a limited area as necessary to provide a minimum standard service to meet the area's immediate or future service demands.

Lateral Assessment: The *assessable costs* calculated to account for the cost of extension of *lateral* sanitary sewer or water service to a *benefited property* as part of a *public improvement*. The *lateral assessment* for a given utility is typically calculated by taking the total utility cost, subtracting the *trunk area assessment*, and then appropriating the cost fairly and equitably to properties based on the *assessment method* utilized.

Levied Assessment: An assessment that has been approved by the City Council.

Lot Assessment: The assessable cost of a *public improvement* is allocated to each property based on the classification of the zoning/land use of the property. Refer to **Table 5.4-A** in **Section 5.4**.

Lot Equivalent: The number of in-place dwelling units that can be ascertained for single-family residential parcels (E-1, E-2, R-1, and R-2). Lot equivalent may consider actual land use, and many not match current zoning (i.e., a parcel zoned R-2 but only containing a single dwelling unit).

Pending Assessment: A *preliminary assessment* that has been specified in a feasibility study/report that has been accepted by the City Council via a Council Resolution.

Petition: A formal request submitted by *adjacent/abutting property* owners to the City to request a *public improvement*. *Petitions* require a minimum of 35% of the property owners, determined by *front footage* of *adjacent/abutting property*, to be included in the *petition* to meet the requirements of Chapter 429 ([§429.031](#)) related to City Council approval for a *petitioned public improvement*.

Project Bid: The formal process of selecting a contractor to perform the construction phase of a project. A *public improvement* project performed under this policy must be competitively bid, with the lowest responsible bidder being awarded a contract to perform the construction work.

Public Hearing: A hearing held during a City Council meeting where the merits of the project are discussed based on the *Feasibility/Preliminary Report*. Following a *public hearing*, the City Council votes on whether to advance the project to final design.

Public Improvement: Improvements as allowed by [Minnesota Statute, Chapter 429](#) that provide a *special benefit* to properties, including but not limited to streets, sidewalks/trails, curb, gutter, sanitary sewer systems, storm sewer systems, water treatment and distribution systems, etc.

Public Right-of-Way: The area on, below, or above a public roadway, highway, street, or sidewalk in which a government subdivision (i.e., City, County, State, etc.) has an interest in maintenance of an existing transportation facility, or the future installation of a transportation facility.

Special Assessment: A charge imposed on a *benefited property* to help defray the cost of *public improvements*.

Special Benefit: The increase in property valuation because of a *public improvement* for which a *special assessment* may be applied.

Street: All public ways designed as means of access to *adjacent/abutting properties*. *Streets* may exist within dedicated or prescriptive right-of-way or easements.

Substantial Completion: Defined specifically and in detail in the construction contract documents for each *public improvement*, this is typically point that a project is determined to be complete enough for the public to utilize a project, and for the *special benefit* value received by benefiting properties to be realized. For most *street* projects, *substantial completion* typically is the point that the final layer of roadway pavement has been placed, all other hard-surface areas (curb and gutter, sidewalk, driveways, etc.) have been completed, and 95% of the contract work by cost has been completed.

Trunk Area Assessment: An assessment for the extension of trunk sanitary sewer or water to a previously platted or un-platted area that has not been previously assessed for sewer or water service. The *trunk area assessment* is set annually via [City Code, Title 3, Chapter 4](#).

Unit: A *unit* may include, but is not limited to a household, a dwelling *unit*, a parcel/lot, or a similar collection of measurements that can be quantified and divided equally among *benefiting properties*.

Appendix B - Assessment Calculation Examples

ADJUSTED FRONT FOOT & UNIT COMBINATION EXAMPLE

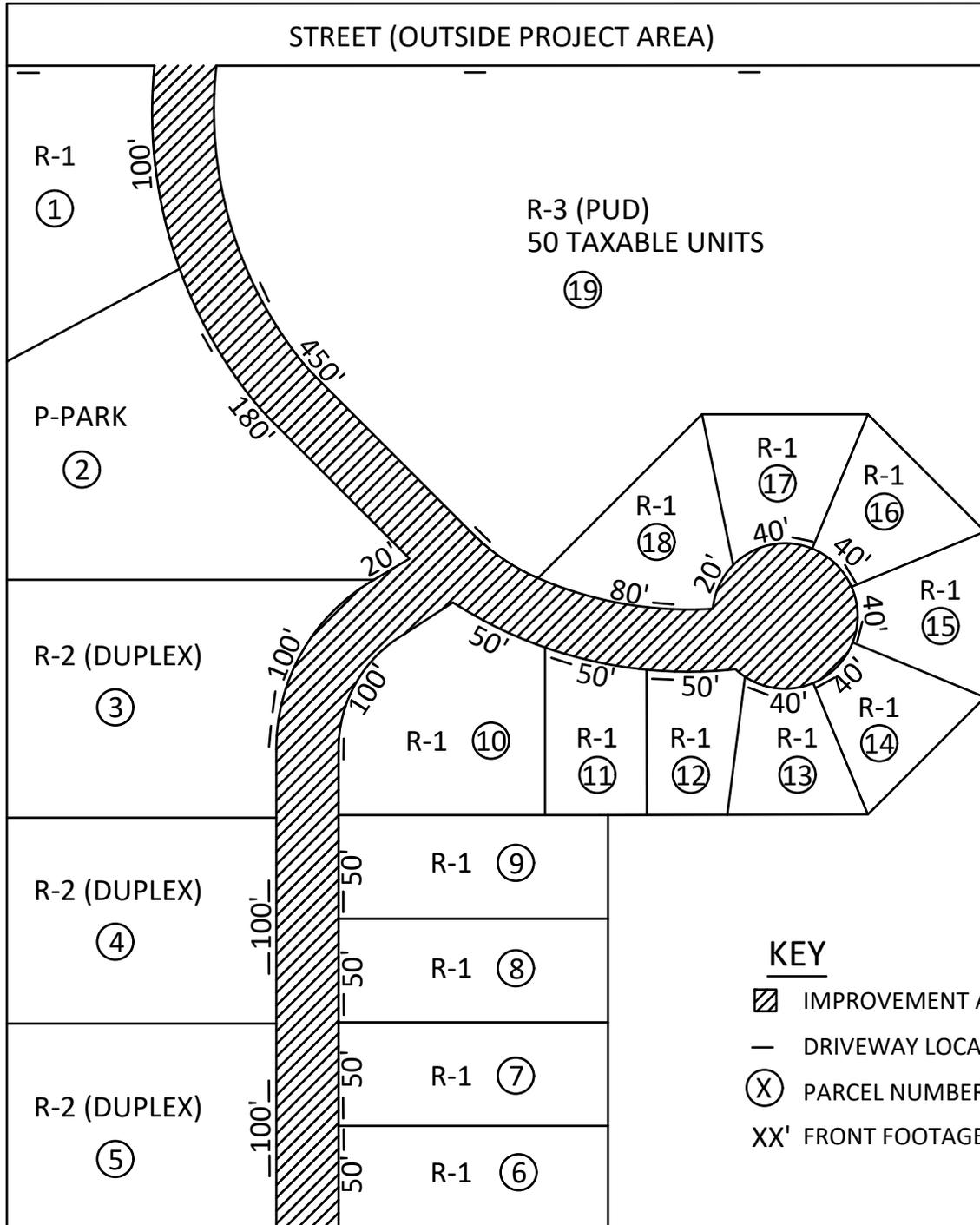


EXHIBIT B-1

SAMPLE ASSESSMENT CALCULATION and ASSESSMENT ROLL

Map #	Property Type Classification	Driveway Access in Project Area	SF Residential Front Footage	Non-Residential Front Footage	Adjusted Front Footage	Equivalent SF Residential Units	Per Policy Assessment	Notes
MILL & OVERLAY								
1	R-1 - SF RESIDENTIAL	0	100		100	1	\$0.00	Driveway access not on project street. No assessment (Assessment Policy Section 5.1, Special Consideration #2)
2	P - PARK	1		200	380		\$31,274.00	City Property - Assessment Paid Through Pavement Management Fund Driveway Side - 2X Length. Non-DW Side, 1X Length
3	R-2 - SF RESIDENTIAL	2	100		100	2	\$9,464.50	Duplex - 2 Units
4	R-2 - SF RESIDENTIAL	2	100		100	2	\$9,464.50	Duplex - 2 Units
5	R-2 - SF RESIDENTIAL	2	100		100	2	\$9,464.50	Duplex - 2 Units
6	R-1 - SF RESIDENTIAL	1	50		50	1	\$4,732.25	
7	R-1 - SF RESIDENTIAL	1	50		50	1	\$4,732.25	
8	R-1 - SF RESIDENTIAL	1	50		50	1	\$4,732.25	
9	R-1 - SF RESIDENTIAL	1	50		50	1	\$4,732.25	
10	R-1 - SF RESIDENTIAL	1	150		150	1	\$4,732.25	
11	R-1 - SF RESIDENTIAL	1	50		50	1	\$4,732.25	
12	R-1 - SF RESIDENTIAL	1	50		50	1	\$4,732.25	
13	R-1 - SF RESIDENTIAL	1	40		40	1	\$4,732.25	
14	R-1 - SF RESIDENTIAL	1	40		40	1	\$4,732.25	
15	R-1 - SF RESIDENTIAL	1	40		40	1	\$4,732.25	
16	R-1 - SF RESIDENTIAL	1	40		40	1	\$4,732.25	
17	R-1 - SF RESIDENTIAL	1	40		40	1	\$4,732.25	
18	R-1 - SF RESIDENTIAL	1	100		100	1	\$4,732.25	
19	R-3 - CONDOS (PUD)	2		450	900		\$74,070.00	Assessment Divided Among 50 Units in PUD \$73,469.39/50 Units = \$1,469.39/Unit
TOTALS		22	1150	650	2430	20	\$ 195,257	

Blue Cells - Denotes Per Lot (Unit) Assessment Method Utilized
Yellow Cells - Denotes Adjusted Front Foot Assessment Method Utilized

IGH STREET & STORM ASSESSMENT (MILL & OVERLAY)			
ASSESSMENT RATE CALCULATIONS			
A	TOTAL STREET & STORM COST:	\$250,000.00	Public Improvement Cost (Street & Storm Only) - EXAMPLE COST ESTMATE
B	ASSESSABLE STREET & STORM COST (80%):	\$200,000.00	= Line A x 80%
C	TOTAL PROJECT ADJUSTED FRONT FOOTAGE (LF):	2,430	From Table Above (Total of Adjusted Front Foot)
D	NET ASSESSMENT RATE PER ADJUSTED FRONT FOOTAGE (LF):	\$82.30	= Line B / Line C
E	FRONT FOOTAGE OF SF RESIDENTIAL PARCELS	1,150	From Table Above (Total of SF Residential Front Footage)
F	ASSESSMENT APPLIED TO SF RESIDENTIAL PARCELS	\$94,645.00	= Line D x Line E
G	NUMBER OF SF RESIDENTIAL UNITS	20	From Table Above (Total of Equivalent SF Residential Units)
H	ASSESSMENT RATE PER RESIDENTIAL UNIT	\$4,732.25	= Line F / Line G

EXHIBIT B-2

SAMPLE ASSESSMENT CALCULATION and ASSESSMENT ROLL

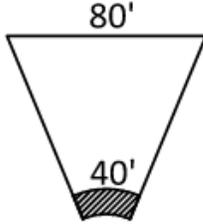
Map #	Property Type Classification	Driveway Access in Project Area	SF Residential Area (Acres)	Non-Residential Area (Acres)	Total Area (Acres)	Equivalent SF Residential Units	Per Policy Assessment	Notes
MILL & OVERLAY								
1	R-1 - SF RESIDENTIAL	0	0.25		0.25	1	\$0.00	Driveway access not on project street. No assessment (Assessment Policy Section 5.1, Special Consideration #2)
2	P - PARK	0		0.5	0.5		\$10,869.57	City Property - Assessment Paid Through Pavement Management Fund
3	R-2 - SF RESIDENTIAL	2	0.5		0.5	2	\$11,304.35	Duplex - 2 Units
4	R-2 - SF RESIDENTIAL	2	0.5		0.5	2	\$11,304.35	Duplex - 2 Units
5	R-2 - SF RESIDENTIAL	2	0.5		0.5	2	\$11,304.35	Duplex - 2 Units
6	R-1 - SF RESIDENTIAL	1	0.25		0.25	1	\$5,652.17	
7	R-1 - SF RESIDENTIAL	1	0.25		0.25	1	\$5,652.17	
8	R-1 - SF RESIDENTIAL	1	0.25		0.25	1	\$5,652.17	
9	R-1 - SF RESIDENTIAL	1	0.25		0.25	1	\$5,652.17	
10	R-1 - SF RESIDENTIAL	1	0.4		0.4	1	\$5,652.17	
11	R-1 - SF RESIDENTIAL	1	0.3		0.3	1	\$5,652.17	
12	R-1 - SF RESIDENTIAL	1	0.25		0.25	1	\$5,652.17	
13	R-1 - SF RESIDENTIAL	1	0.25		0.25	1	\$5,652.17	
14	R-1 - SF RESIDENTIAL	1	0.25		0.25	1	\$5,652.17	
15	R-1 - SF RESIDENTIAL	1	0.25		0.25	1	\$5,652.17	
16	R-1 - SF RESIDENTIAL	1	0.25		0.25	1	\$5,652.17	
17	R-1 - SF RESIDENTIAL	1	0.25		0.25	1	\$5,652.17	
18	R-1 - SF RESIDENTIAL	1	0.25		0.25	1	\$5,652.17	
19	R-3 - CONDOS (PUD)	2		3.5	3.5		\$76,086.96	Assessment Divided Among 50 Units in PUD \$76,086.96/50 Units = \$1,521.74/Unit
TOTALS		21	5.2	4	9.2	20	\$ 194,348	

Blue Cells - Denotes Per Lot (Unit) Assessment Method Utilized
Purple Cells - Denotes Area Assessment Method Utilized

IGH STREET & STORM ASSESSMENT (MILL & OVERLAY)			
ASSESSMENT RATE CALCULATIONS			
A	TOTAL STREET & STORM COST:	\$250,000.00	Public Improvement Cost (Street & Storm Only) - EXAMPLE COST ESTMATE
B	ASSESSABLE STREET & STORM COST (80%):	\$200,000.00	= Line A x 80%
C	TOTAL PROJECT AREA (ACRES):	9.2	From Table Above (Total Area)
D	NET ASSESSMENT RATE PER ACRE:	\$21,739.13	= Line B / Line C
E	ACRES OF SF RESIDENTIAL PARCELS	5.2	From Table Above (Total of SF Residential Front Footage)
F	ASSESSMENT APPLIED TO SF RESIDENTIAL PARCELS	\$113,043.48	= Line D x Line E
G	NUMBER OF SF RESIDENTIAL UNITS	20	From Table Above (Total of Equivalent SF Residential Units)
H	ASSESSMENT RATE PER RESIDENTIAL UNIT	\$5,652.17	= Line F / Line G

Exhibit B-3 - Adjusted Front Footage Examples

Average of Front & Back Footage



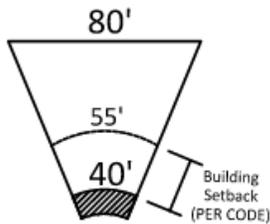
Front Footage: 40'

Back Footage: 80'

Average Footage: $(40' + 80') / 2 = 60'$

Adjusted Front Footage: 60'

Footage at Building Setback



Front Footage: 40'

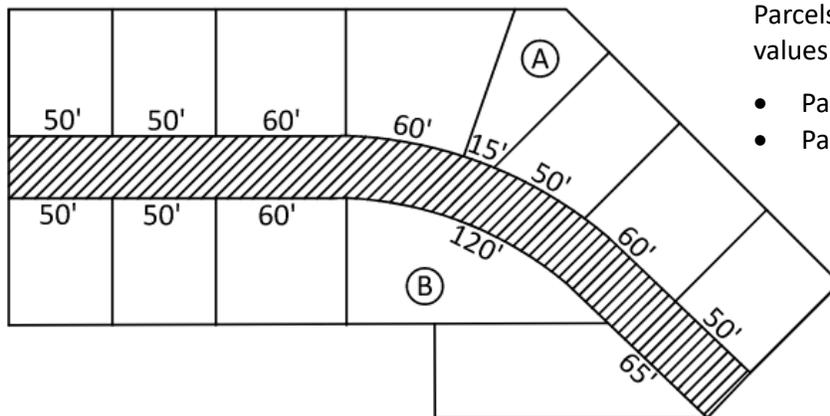
Back Footage: 80'

Building Setback Distance: Per City Code

Footage at Building Setback: 55'

Adjusted Front Footage: 55'

Average Footage of Comparable Properties in Assessable Area



Parcels "A" and "B" have unique frontage values

- Parcel "A" is very short
- Parcel "B" is very long

Determine average Front Footage based on other properties in assessable area:

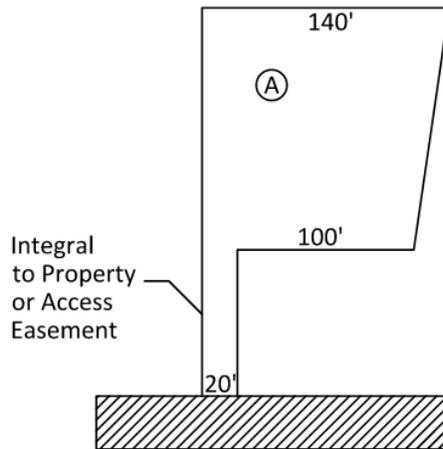
Total of all Other Property Frontage: 595'

Number of Other Properties: 11

Average Footage: $595 / 11 = 54'$

Adjusted Front Footage for Parcels "A" and "B": 54'

Flag Lots



Front Footage: 20'

Adjacent & Parallel Front Footage: 100'

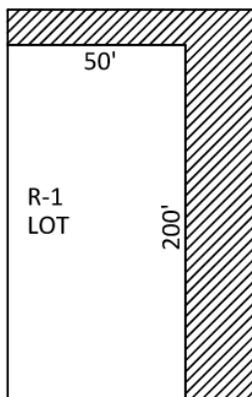
Total of Front + Adjacent & Parallel: $20 + 100 = 120'$

Back Lot Footage: 140'

Greater of Two Values: $140' > 120'$

Adjusted Front Footage: **140'**

Corner Lot Adjustment



Short Side Frontage: 50'

Long Side Frontage: 200'

Discounted Long-Side Frontage: -135'

Sum of Footage: $50 + 200 - 135 = 115'$

Adjusted Front Footage: **115'**

Appendix C - Hardship Deferral Application



8150 Barbara Avenue
Inver Grove Heights, MN 55077
651-450-2500
Engineering: 651-450-2570
Streets and Utilities: 651-450-4309
www.ighmn.gov

REQUEST FOR DEFERRAL OF SPECIAL ASSESSMENTS

The undersigned apply to the City of Inver Grove Heights for a deferral of a special assessment on City Project No. _____

NAMES OF ALL OWNERS

BIRTH DATE

PROPERTY ADDRESS

PROPERTY ID #

OWNER CONTACT INFO

Phone

E-mail

Check all that apply:

- 65 years of age or older
- Permanent and Total (100%) Disability
- Active military service

The applicant(s) must provide evidence of their status eligibility and attach a copy of their signed and dated U.S. federal tax return for the year prior to the year the assessment is certified.

Owner Signature: _____

Owner Signature: _____

Dated: _____

Application and supplemental materials must be completed and received by the City of Inver Grove Heights no later than 30 days after the project assessment hearing.

SUBMIT APPLICATION AND SUPPLEMENTAL MATERIAL TO:

**CITY OF INVER GROVE HEIGHTS
8150 BARBARA AVE
INVER GROVE HEIGHTS, MN 55077
ATTN: ENGINEERING DEPT.**

OR

EMAIL TO: engineeringinfo@ighmn.gov

Eligibility Requirements per Resolution No. 2025-011

If the property is the homestead of the eligible applicant as on file with Dakota County, if payment of the assessment would be a hardship (as defined below) for the owner of the property, and if one or more of the following conditions exist:

1. One or more of the owners of the property is 65 years of age or older; or
2. One or more of the owners of the property is retired by virtue of a permanent and total disability; or
3. One or more of the owners of the property is a member of the Minnesota National Guard or other military reserves who is ordered into active military service (as defined in Minnesota Statutes Section 190.05, subdivision 5(b) or 5(c)) as stated in the person's military orders.

"Hardship" shall be deemed to exist if (1) the average annual payments of principal and interest for all assessments levied against the property exceed one percent of the owner's adjusted gross income as filed in the owner's U.S. income tax return for the tax year prior to the year in which the assessment was certified; and (2) the total amount of the principal of the levied assessment exceeds \$300.00. The "average annual payment" is the total principal of the levied assessment plus the interest that would be payable based on a declining principal balance during the number of years over which the principal assessment was originally spread with the sum of principal and interest then being divided by the number of years over which the principal assessment was originally spread.

Deferrals granted pursuant to this resolution shall terminate upon the occurrence of any of the following events:

- (a) The death of the eligible owner provided that no other owner is otherwise eligible for the benefits under Resolution No. 2025-011.
- (b) The sale, transfer, donation or subdivision of the property or any part thereof.
- (c) Contracting to sell, transfer or donate the property.
- (d) The property no longer has its homestead status.
- (e) The owner is no longer eligible for a deferral.
- (f) The City Council determines, for any reason, that there would be no hardship to require immediate, full or partial payment.

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 2025-011

RESOLUTION APPROVING A POLICY FOR HARDSHIP DEFERRAL OF SPECIAL ASSESSMENTS

WHEREAS, pursuant to Minnesota Statutes §435.193, any county, city, or town making a special assessment may, at its discretion, defer the payment of that assessment for the following reasons:

1. Any homestead property owned by a person 65 years of age or older, for whom it would be a hardship to make the payments; or
2. Any homestead property owned by a person who is retired by virtue of a permanent and total disability, for whom it would be a hardship to make the payments; or
3. Any homestead property owned by a person who is a member of the Minnesota National Guard or other military reserves who is ordered into active military service (as defined in Minnesota Statutes §190.05, subdivision 5(b) or 5(c)), as stated in the person's military orders, for whom it would be a hardship to make the payments.

NOW, THEREFORE, BE IT RESOLVED BY THE INVER GROVE HEIGHTS CITY COUNCIL, THAT:

1. The City Council of the City of Inver Grove Heights shall have the authority to defer the payment of any special assessment hereafter made for local improvements constructed by the City within the City of Inver Grove Heights when it is determined that:

a. The property upon which the assessment is to be levied is homestead property.

AND

b. One (1) or more of the following conditions exist:

- i. One (1) or more of the owners of the property is 65 years of age or older; or
- ii. One (1) or more of the owners of the property is retired by virtue of a permanent and total disability; or
- iii. One (1) or more of the owners of the property is a member of the Minnesota National Guard or other military reserves who is ordered into active military service, as defined in Minnesota Statutes §190.05, subdivision 5(b) or 5(c), as stated in the person's military orders.

AND

c. Payment of the assessment would be a hardship for the owner of the property.

2. Upon showing that the requirements have been met, the authority to recommend the deferment of payments to the City Council is hereby delegated to the City Clerk of the City of Inver Grove Heights, or their designee. The decisions of the City Clerk may be appealed to the City Council, who, in its discretion and pursuant to the provisions of Minnesota Statute §435.193, may overrule the City Clerk and approve the deferral.

3. "Hardship" shall be deemed to exist if:
 - a. The average annual payments of principal and interest for all assessments levied against the property exceed one percent of the owner's adjusted gross income as filed in the owner's U.S. federal income tax return for the tax year prior to the year in which the assessment was certified; and
 - b. The total amount of the principal of the levied assessment exceeds \$300.00.

The "average annual payment" is the total principal of the assessment plus the interest that would be payable based on the amortization of the annual payment over the levied assessment payoff period, as identified in the City's Special Assessment Policy that is in place at the time the assessment is levied.

Irrespective of the standards and guidelines for hardship as stated above, nothing herein shall be construed to prohibit the Council from determining that a hardship exists on the basis of exceptional and unusual circumstances not covered by the standards and guidelines where the determination is made in a non-discriminatory manner and does not give the application and unreasonable preference or advantage over other applicants.

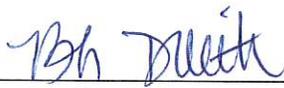
4. Individuals seeking deferral shall make their application on a form prescribed by the City Clerk or the Dakota County Auditor within 30 days of the assessment hearing. The form shall require the applicants to furnish to the City their signed and dated U.S. federal income tax return for the year prior to the year in which the assessment was certified. The application shall be filed with the City Clerk. If a deferral is granted, the terms of the deferral shall be memorialized in a resolution approved by the City Council. The resolution shall be recorded with the Dakota County Recorder and filed with the Dakota County Auditor.
5. The interest rate for any deferral shall be equivalent to the interest rate levied for the special assessment and shall be calculated based on simple interest on an annual basis over the period of the deferral.
6. If a deferral is granted, the payment of the annual installments of principal and interest with respect to the special assessment shall be deferred until occurrence of one of the termination events set forth in Item #7 below. The interest shall accrue during the period of deferment and shall be added to the principal amount of the special assessments and shall be payable with the principal amount when the principal amount becomes payable at the expiration of the deferment.

If the deferment ceases prior to the last year of the payoff period over which the special assessments were originally levied, then the deferred unpaid installments of principal, together with the accrued interest on the unpaid principal balance, shall become due and payable in the next calendar year, and shall become payable with real estate taxes in the next calendar year. The remaining principal installments, if any, together with interest, shall be paid in the years originally levied.

If the deferment ceases in or after the last year of the payoff period over which the assessments were originally levied, then the entire unpaid principal amount of the special assessments, together with accrued interest, shall become due and payable in the next calendar year and shall be payable with the real estate taxes in the next calendar year.

7. Deferrals granted pursuant to this resolution shall terminate upon the occurrence of any of the following events:
 - a. The death of the eligible owner provided no other owner is otherwise eligible for the benefits under this resolution.
 - b. The sale, transfer, donation, or subdivision of the property or any part thereof.
 - c. Contracting to sell, transfer, or donate the property.
 - d. The property no longer has its homestead status.
 - e. The owner is no longer eligible for a deferral as noted in Item #1 above.
 - f. The City Council determines, for any reason, that there would be no hardship to require immediate full or partial payment of the deferment.
8. The City Clerk shall be responsible for establishing and maintaining procedures assuring that the terms for continued eligibility are met.
9. This resolution supersedes City Resolution No. 09-13.

Approved by the City Council of the City of Inver Grove Heights, Minnesota this 6th day of January 2025.



Brenda Dietrich, Mayor

ATTEST:


Rebecca Kiernan, City Clerk

Appendix D - Policy Adoption Resolution

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 2025-006

RESOLUTION APPROVING AN UPDATE TO THE CITY'S SPECIAL ASSESSMENT POLICY

WHEREAS, on November 27, 2023, the City Council approved the most recent version of the City's Special Assessment Policy (Resolution 2023-289); and

WHEREAS, through implementation and application of the policy to projects scheduled to be constructed in 2025, staff have identified minor corrections related to policy definitions, interest descriptions, and sample assessment rolls contained within the Special Assessment Policy; and

WHEREAS, the items addressed are superficial in nature, and do not impact the calculations or application of the Special Assessment Policy to projects previously authorized by Council; and

WHEREAS, to correct these items and maintain public transparency, City staff recommend an amendment to the Special Assessment Policy.

NOW, THEREFORE, BE IT RESOLVED BY THE INVER GROVE HEIGHTS CITY COUNCIL, THAT:

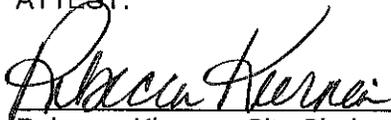
1. The updated Special Assessment Policy with Amendment No. 1 incorporated, dated January 6, 2025, is hereby adopted.
2. The updated Special Assessment Policy, and any amendments thereto, is effective as of January 6, 2025, and will supersede all previous assessment policies, and such amendments thereto.
3. Staff is directed to implement and finalize the recommended changes made to the Special Assessment Policy, integrate any resolutions and other appendices approved, and publish the amended Special Assessment Policy to the City's website.

Approved by the City Council of the City of Inver Grove Heights, Minnesota, this 6th day of January 2025.



Brenda Dietrich, Mayor

ATTEST:



Rebecca Kiernan, City Clerk