

**ORONOCO TOWNSHIP  
OLMSTED COUNTY  
STATE OF MINNESOTA**

**RESOLUTION # 2018 - 08**

**RESOLUTION CREATING A POLICY PERTAINING TO ASSESSING  
THE COST OF ROAD IMPROVEMENTS TO BENEFITTED PROPERTIES**

**WHEREAS**, the Oronoco Board of Supervisors (hereafter "Town Board") is the road authority of Oronoco Township, and

**WHEREAS**, the Town Board believes that because of the continued growth of Oronoco Township and continued demand for upgrades to roads within the Township, it is appropriate for the Township to establish a policy clarifying the circumstances when the Township will improve certain roads and assess the cost to benefitted properties.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF  
THE TOWN OF ORONOCO, OLMSTED COUNTY, MINNESOTA:**

- I. GOALS. Oronoco Township considers safe roads to be our greatest priority.
- II. IMPROVEMENTS FOR ROADS EXCEEDING 800 TRIPS PER DAY
  - A. In cases where traffic on a road exceeds an average of 800 Trips Per Day, the Township will consider installing a blacktop surface on a road at the expense of the Township as a whole if the Town Board determines that it is fiscally feasible to do so and if they determine that this expense would result in a safer road.
  - B. In these cases, the decision to improve the road with bituminous is solely at the discretion of the Town Board.
  - C. In the event that the Township determines to improve the road, no special assessments will be needed to pay for said project, so the legal procedures for imposing special assessments, including the holding of public hearings will not occur, provided that the project does not entail any changes in the location of the existing right of way.

### III. IMPROVEMENTS FOR ROADS NOT EXCEEDING 800 TRIPS PER DAY

A. In situations where traffic on a road does not average 800 trips per day, and there is no consensus that a blacktopped surface would greatly increase safety on the road, the Town Board generally feels that a blacktopped surface is of lesser importance and is not a necessity. In these situations, the Town Board may still consider helping to facilitate the installation of a blacktop surface if:

1. Eighty-five percent (85%) of the property owners which would benefit from improvements to the road that would be assessed as part of this project sign a petition requesting the Town Board to consider the project, and the petition indicates that these owners agree to pay for all costs associated with the project including legal, engineering, oversight, etc., subject however to the limitation that any assessments associated with the project will not exceed the benefit conferred on the properties benefited by the project. The Township will also require that these property owners sign a waiver agreeing not to challenge any assessment levied by the Town Board for the project in a form approved by the Town Attorney.
2. If the petitioned for project is approved by the Town Board, the Township will not be financially responsible for any project costs including, but not limited to, the costs of all necessary construction work required to accomplish the road improvement, plus engineering, legal, administrative, financing and other contingent costs, including acquisition of right-of-way and other property. The finance charges include all costs of financing the project. These costs include but are not limited to financial consultant's fees, bond rating agency fee, bond attorney's fees, and capitalized interest. The interest charged to the project shall be included as financing charge.
3. The Township may undertake at its own expense base work and any road widening, straightening, sightline other improvement work that the Township determines is needed and fiscally feasible associated with the blacktopping project. The Town Board must also determine that the expense to the Township relating to the engineering, base work, legal fees and oversight of the project is fiscally responsible and justifiable.
4. In the event that the Town Board has doubt as to whether or not the costs of the proposed road project may exceed the special benefits to the property, the Town Board may require the property owners requesting improvement

to secure an appraisal or appraisals from a Minnesota licensed real estate appraiser at the petitioners' expense which demonstrates that the assessment made on each property owner who is not in favor of the blacktopping project does not exceed the increase in property value which those owners would receive as a result of the project. The Town Board must approve the selection of the licensed real estate appraiser used to support the proposed assessment. Further, the Town Board may require owners of property proposed to be assessed for the road improvement, to enter into an agreement with the Township waiving any and all appeal rights to the proposed assessment for road improvements.

5. It is the goal of the Township to establish a fair and equitable manner of assessing the increase in market value (special benefit) associated with the road improvement project for those properties that are directly and indirectly benefiting from the project.
6. The procedures to be used by the Township for levying special assessments for the project are those specified by Minnesota Statutes, Chapter 429 which provides that all or a part of the cost of improvements may be assessed against benefiting properties. Three basic criteria must be satisfied before a particular parcel can be assessed. The criteria are as follows:
  1. The land must have received special benefit from the improvement.
  2. The amount of the assessment must not exceed the special benefit.
  3. The assessment must be uniform in relation to the same class of property within the assessment area.

It is important to recognize that the actual cost of extending an improvement past a particular parcel is not the controlling factor in determining the amount to be assessed. However, in most cases the method for assigning the value of the benefit received by the road improvement, and therefore the amount to be assessed, shall be the cost of providing the improvement. This shall be true provided the cost does not demonstrably exceed the increase in the market value of the property being assessed. The entire project shall be considered as a whole for the purpose of calculating and computing an assessment rate. In the event that the Town Board has doubt as to whether or not the costs of the project may exceed the special benefits to the property, the City Council may obtain such appraisals as may be necessary to support the proposed assessment.

This policy is intended to serve as a guide for a systematic assessment process in the Township. There may be exceptions to the policy or unique circumstances or situations which may require special consideration and discretion by Township staff and the Town Board.

- B. Once a group of property owners decide to pursue a Road Improvement project, and have followed the steps outlined above, the Town Board will formally approve the project and will follow the requirements set forth under state law for levying assessments on properties including any required public hearings on the matter. If the Town Board determines that the right-of-way should be altered prior to the installation of the blacktop, this should be considered an additional separate project from the blacktopping project. The Town Board will then follow the requirements set forth under state law to establish or alter a right of way at its own expense.
- C. All assessments must either be prepaid or added to the property taxes of the parcels benefited by the project with interest at for a period as determined by the Town Board – usually not to exceed 10 years. With regard to interest, The Township will charge interest on special assessments at a rate specified in the resolution approving the assessment roll. If bonds were sold to finance the improvement project, the interest rate shall be two percent (2%) more than the average interest rate of the bonds, rounded to the nearest quarter of a percent.
- D. With regard to property that may benefit from the road project but are is currently unimproved or developed, the Township reserves the right to defer the assessment as to such property until such time as the property develops. As such, any property owner of property which is unimproved at the time of the road improvement project, but who constructs a home or business on the property less than 10 years after the end of the fiscal year in which the blacktopping took place shall pay an assessment proportionate to the assessment paid by the original group of property owners who paid for said road improvement, subject however to the limitation that any assessments do not exceed the benefit conferred on these properties by the project. This assessment shall be due in full on January 1st of the year after the home or business on the property is completed.
- E. Any unimproved property benefited by the road improvement project that is developed for either residential or business construction after the adoption of the original road improvement assessment may be subject to future

assessments if major repairs or replacement of the blacktop are authorized by the Township.

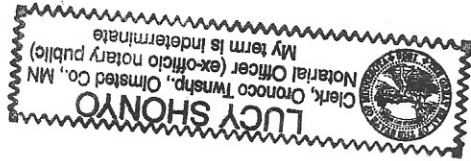
- F. The fact that the benefitted property owners have been assessed to help pay for an improved surface on a town road does not give these owners any more rights to control the future use of the Township road which may serve future homes, businesses, subdivisions, etc. as compared with other users of the affected road than if the road improvement project had never happened.

#### IV. ROAD MAINTENANCE AFTER A ROAD IS IMPROVED

- A. Blacktopped roads have a finite lifetime. If major repairs and/or replacement of the road is necessary but funding for said repairs is not economically feasible, the Town Board, as the statutory road authority, reserves the right to allow the road to revert back to its original crushed-rock surface at its sole discretion.
- B. In situations where a blacktopped surface is installed on a road is in need of repair or improvement, it is the policy of the Township as follows:
  - 1. For improved roads where traffic on a road exceeds an average of 800 Trips Per Day, the Township shall be responsible for for the reasonable upkeep and regular maintenance of the road after it is improved as well as any future required major repairs when the Town Board feels that it is needed and fiscally responsible for the Township's budget. The Town Board also reserves the right to grind up the bituminous portion of the road and return said road back to gravel.
  - 2. For improved roads where traffic on a road does not exceed an average of 800 Trips Per Day, the Township is only responsible for the reasonable upkeep and regular maintenance of the road after it is improved – i.e. crack-sealing and chip sealing, patching major divots or depressions, replacing minor broken-up sections when feasible, etc. when the Town Board feels that it is needed and fiscally responsible for the Township's budget. Further, the Town Board reserves the right to assess benefitting properties pursuant to Minnesota Statutes, Chapter 429 for all of the costs associated with any future major repairs or improvements to the improved road such as an overlay, etc. and for eventual replacement of the new blacktopped surface in the Township's sole discretion. The Town Board also reserves

the right to grind up the bituminous portion of the road and return said road back to gravel.

Passed and adopted by the Board of Supervisors of Oronoco Township, Olmsted County, Minnesota, this 4<sup>th</sup> day of June, 2018.



By: Neil Stolp  
Neil Stolp, Chairperson

Attest: Lucy Shonyo  
Lucy Shonyo, Clerk