

**ESTIMATED ASSESSMENTS
USDA-RD INFRASTRUCTURE IMPROVEMENT PROJECT
SILVER LAKE, MINNESOTA
SEH NO. SILAK 171969
MARCH 14, 2024**

ESTIMATED ASSESSMENT RATES*

<u>Item</u>	<u>Estimated Assessment Rate*</u>
Reconstructed Street	\$5,400 per REU
Water Service Line (Open Cut)	\$3,300 Each
Sanitary Sewer Service Line (Open Cut)	\$2,700 Each
Sanitary Sewer Service Line (Cured-in-Place Pipe Lining)	\$3,700 Each

*Assessment rates presented here are preliminary. Final determination and approval of the assessment rates will be made by the City Council prior to the assessment hearing. The assessment rates are intended to bear a relationship to the perceived value of the benefits the property receives due to the project.

PRELIMINARY ASSESSMENT POLICY

Residential Equivalent Unit (REU) Basis

Street and utility improvements shall be assessed by treating one residential parcel (lot) adjacent to the project as one Residential Equivalent Unit (REU). For large, sub-dividable residential lots, total REUs will be determined by dividing the front footage by 75 feet. The calculation shall be rounded down to the nearest whole number, unless a given frontage is less than 75 feet, in which case, round up to one REU.

For residential lots having two or more sides/frontages (corner lots and/or multi-sided lots), assess at a rate of 0.5 residential equivalent units per side. If the project only fronts one side of the lot, it shall be assessed 0.5 REUs. If the project fronts both sides of the lot, the assessment rate shall be 0.5 REUs per side for a total of one REU. For rectangular corner lots, the "front footage" shall be equal to the dimension of the shorter of the two sides of the lots (regardless of the orientation of the house). Residential corner lots shall be subject to multiple REUs if the lot is able to be sub-divided into multiple lots, with each potential lot needing a front footage of at least 75 feet and a total area of at least 10,000 square feet.

For multi-family, commercial, industrial, or institutional lots, determination total REUs shall follow the same calculation procedure as residential lots, then the assessed rate shall then be multiplied by 1.2 (e.g. if a commercial lot is determined to have one REU adjacent to the project, the lot shall be assessed the equivalent of 1.2 REUs). Churches shall follow the same calculation procedure as residential lots (i.e. no multiplier shall be applied).

Reconstructed Street

Twenty-five percent of the cost of the city's portion of the reconstructed street improvements (including associated contingency, administration, engineering, and financing costs) shall be divided by the total amount of REUs in the reconstructed areas. Each lot shall be assessed this amount multiplied by its total REUs.

Street improvements include street, drain tile, driveway, curb and gutter, and sidewalk.

Water and Sanitary Sewer Service Lines (Open Cut)

One hundred percent of the actual cost (including associated contingency, administration, engineering, and financing costs) of providing service connections to the right-of-way shall be assessed to the lot.

Sanitary Sewer Service Lines (Cured-in-Place Pipe Lining)

Fifty percent of the actual cost (including associated contingency, administration, engineering, and financing costs) of providing service connections to the right-of-way shall be assessed to the lot.

**City Council reserves the right to adjust the assessment policy as deemed necessary to align with the intended principle of the policy on a case-by-case basis.