

VILLAGE OF CLEVELAND
MANITOWOC COUNTY, WISCONSIN
SPECIAL ASSESSMENT POLICY

Approved 07/21/2020

This policy shall apply to public street projects when so directed and authorized by the Village Board of Cleveland.

Charges against Benefiting Properties; When Applied

Where a property abutting a public way benefits from a public works project, such as the improvement or reconstruction of existing street surfaces or addition of utility infrastructure, a share of the total project cost shall be charged to that property pursuant to Ch. 66, Wis. Stats., or such other authority as may be allowed by law. The Village Board may authorize alternative financing methods for new infrastructure serving commercial and/or residential development.

Where “**no benefit**” can be ascribed to the abutting lot from the construction involved, no charge will be made. Where the benefit is delayed, or when allowed by this policy, assessments may be **deferred** with the approval of the Village Board. All property owners, including **nonprofit/non-taxable** entities, are responsible for improvement costs per the terms of this policy, unless otherwise exempted by law.

General Provisions

1. Eligible Project Costs.
 - a. Project costs eligible for assessment include, but are not limited to, roadway excavating, grading, gravelling, paving, curb and gutter, water mains, sanitary and storm sewer infrastructure and related appurtenances, laterals, engineering and design expenses, inspection charges, permit and attorney fees, interest on bonds or notes issued in anticipation of the collection of assessments, administration costs, and any other item of direct or indirect cost that may reasonably be attributed to the proposed work or improvement.
 - b. Administration costs shall be 1% of the total of all other eligible project costs.
2. Excludable Costs. The Village shall not assess the costs for water main and sewer main pipe material, or for the increased costs for storm sewer main pipe material greater than 15 inches in diameter.
3. Extension of Mains.
 - a. The Village may require water, sanitary, or storm sewer mains (the “improvement”) to be installed through an undeveloped property to serve other areas.
 - b. The Village may allow the owner of an undeveloped property to defer payment of the special assessments imposed against that property until such time as there is use of the improvement made in connection with the property, notwithstanding section Terms of Payment #3.
4. Bases for Assessment. Eligible project costs may be assessed on a front footage basis, or an area basis over the entire area of assessment, or other reasonable basis. The Village Engineer shall make a recommendation on the boundaries of the assessable area and methods of assessment as part of the Engineer’s Report.

5. Method of Assessment—Front Footage.

- a. Assessments shall be calculated for each individual parcel on the basis of the front footage of the parcel abutting the project area or containing the improvements.
- b. The minimum assessable frontage for lots on cul-de-sacs and curves shall be 80 feet.
- c. Large lots shall be defined as lots that have frontage on any one side greater than 250 feet.
 1. Owners of **undeveloped** large lots may request a deferred assessment per the terms of this policy.
 2. Owners of **developed** large lots may request a deferred assessment per the terms of this policy for that portion of the abutting frontage in excess of 250 feet.

6. Method of Assessment—Area Assessment.

- a. The area method of assessment shall be based on the number of square feet or acres within the boundaries of the area benefiting from the project. Calculations of assessable area shall not include public rights-of-way, public trails, public stormwater ponds, or natural waterways, swamps, lakes, or wetlands as designated by the Wisconsin Department of Natural Resources.
- b. The assessment rate (i.e. cost per square foot or per acre) shall be determined by dividing the total assessable cost by the total assessable area, and multiplying the result by 75%. The assessment shall be determined by multiplying the assessment rate and the number of square feet or acreage of the lot.
- c. It may be determined that only a portion of a lot receives the special benefit. In such cases, area calculations **may** be based on a lot depth or configuration which is appropriate for the benefit received. The Village Engineer shall propose an appropriate lot depth or configuration consistent with this policy.

7. Allocation of Project Costs.

- a. Non-taxable properties shall be assessed 100% of eligible project costs.
- b. Corner lots abutting County Trunk, State, or Federal Highways shall be assessed using the same cost allocations as interior lots, provided in the table below.
- c. Corner lots exceeding one acre shall be assessed as follows:
 1. The first 250 feet of frontage on each side of a corner lot shall be assessed using the cost allocations for interior lots, provided in the table below.
 2. That portion of frontage on each side of a corner lot in excess of 250 feet shall be assessed at 100% of eligible project costs.
- d. Large lots shall be defined as lots that have frontage on any one side greater than 250 feet.
 1. Owners of undeveloped large lots may request a deferred assessment per the terms of this policy.
 2. Owners of developed large lots may request a deferred assessment per the terms of this policy for that portion of the abutting frontage in excess of 250 feet.
- e. Taxable properties shall be assessed as provided in the following table:

PROJECT COST	INTERIOR LOTS	VILLAGE SHARE	CORNER LOTS < 1 AC	VILLAGE SHARE
All roadway costs, except as provided below	75%	25%	60%	40%
Storm sewer main, 15" or less	75%	25%	60%	40%
Water, sanitary, or stormwater laterals	100%	0%	100%	0%
Shoulders and ditches	100%	0%	100%	0%
Driveways, including removal costs	100%	0%	100%	0%
Sidewalks	100%	0%	100%	0%
Increased costs for storm sewer main greater than 15"	0%	100%	0%	100%
Water or sanitary sewer main	0%	100%	0%	100%
Acquisition of rights-of-way or permanent easements	0%	100%	0%	100%

Terms of Payment

1. **Invoices; Extension to Tax Roll.** Invoices will be mailed on or before October 1 of the year of assessment. Property owners will have no less than thirty (30) days from the date of the invoice to make payment, or choose to participate in the Installment Payment Plan as indicated in the table below. Property owners who do not respond to the invoice will have the entire outstanding balance extended to the tax roll in full as a special assessment.

<u>AMOUNT DUE</u>	<u>PAYMENT PERIOD</u>
Less than \$1000	Installments Not Available
\$1000 - \$7500	5 years
\$7501 - \$15,000	10 years
Greater than \$15,000	15 Years*

* An alternate payment period can be established in five-year increments and cannot exceed the maximum term of the project's financing. For example, if a bond issue financing the project is to be paid in full over 15 years, the payment period cannot exceed 15 years.

2. **Installment Payment Plan.** Participation in the Installment Payment Plan must be requested in writing on a form prescribed by the Clerk-Treasurer's office. The following terms will apply:
 - a. Each parcel is independent under this policy. Amounts due on multiple parcels cannot be combined, regardless of ownership, except with the explicit approval of the Village Board.
 - b. Participants in the installment payment plan will be charged a special assessment pursuant to Ch. 66, Wis. Stats., which will appear on the real estate tax bill. Tax-exempt property owners will be invoiced annually in the final quarter of the year, with payment due no less than thirty (30) days from the date of the invoice.

c. Interest

1. If the project is financed with a singular debt issue, interest will be applied at 1% above the borrowing rate paid by the Village. If the project is financed with multiple bonds, interest will be applied at 1% above the average of the bond interest rates.
2. If construction is completed without the need to issue debt, interest will be applied at 1% plus the Wall Street Journal Prime Rate at the time the Village Board approves a final resolution to levy assessments, pursuant to Sec. 66.0703(8), Wis. Stats.
3. Interest charges will be waived if full payment is made prior to the earliest statutory date the outstanding balance could be extended to the real estate tax roll.

d. Payment on the outstanding principal after selection of an Installment Payment Plan is allowed. The result would be a shortened overall payment period as the amount of principal extended to each year's tax roll would not change.

- ▶ For example, a property owner chooses an installment payment plan for an assessment of \$10,000 to be paid with the property taxes over 10 years. The principal applied to the tax roll each year would be \$1,000, plus interest. After two years of tax roll payments, the property owner remits a mid-year payment of \$2,000. This would be applied entirely to the principal balance, reducing the outstanding principal to \$6,000. The \$1,000 annual principal payment would still be extended to the tax roll that fall, but the assessment would be paid in full within 8 years instead of 10 years.

3. Deferred Assessments. In circumstances outlined in this policy, a property owner may request a deferred assessment. If the deferral is approved by the Village Board, the following terms will apply:

- a. Payment of the assessment with interest will be due when the benefit is realized or within fifteen (15) years of the date of the invoice, whichever is earlier. The Installment Payment Plan is not available for a deferred assessment. If unpaid, the entire outstanding balance will be extended to the real estate tax roll in full as a special assessment.
- b. Notwithstanding the foregoing, interest shall be extended to the tax roll for payment with the real estate taxes.

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