

To: **Mayor and City Council**  
Through: **Ryan Schroeder, City Manager**  
From: **Ross Beckwith, Public Works & Parks Director/City Engineer**  
Date: **July 27, 2020**

## Special Assessments for Townhomes

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### **BACKGROUND INFORMATION:**

There have been questions about how townhomes/condos (medium density housing) are assessed in street improvement projects. The City assesses townhomes based on the amount of front footage the property has on the road being reconstructed. This is the same way that commercial properties, churches, parks and high density residential properties are assessed.

Take Fox Ridge Condo Association for example. Property owners were assessed for street improvement projects in 2015, 2017, 2019 and will likely again be assessed in 2022. In the case of Fox Ridge Association their property fronts Marie Avenue, Livingston Avenue, Fox Ridge Drive, Fox Ridge Court, Crusader Avenue and Humboldt Avenue (cul-de-sac). The entire area that makes up the association is assessed, not each individual unit based on which road they face. Fox Ridge association is rather large at 23.5 acres. When residents that live south of Crusader Avenue (still within Fox Ridge Assoc.) are assessed for work done on Marie Avenue it can certainly seem odd. However, by assessing the entire association (all properties within) for each improvement project that abuts their property they pay a lower dollar amount per project, but are assessed more often.

The 2015 Street Improvements Project reconstructed a portion of Marie Avenue, adjacent to Fox Ridge townhomes. Each Fox Ridge townhome was assessed \$223.28 for that project. Single-family homes were assessed between \$5,581 and \$9,991.

The 2017 Street Improvements Project reconstructed Fox Ridge Road and Fox Ridge Drive. Each townhome was assessed \$918.72. Single-family homes on the same project (Humboldt Ave.) were assessed an average of \$5,000.

The 2019 Street Improvements Project reconstructed Livingston Avenue and each Fox Ridge resident was assessed \$894.88. Single-family homes were assessed \$6,392.00

The current Capital Improvements Program shows the reconstruction of Crusader Avenue in 2022. The Fox Ridge association will again be assessed for this project, say at an estimated \$1,000 per unit. Therefore, after four reconstruction projects which surround their entire property they will have been assessed about \$3,000 per townhome. Whereas, a single family home is assessed two to three times amount for one reconstruction project. While assessments to the same properties keep coming, the dollar amounts are fairly low. The amount of property that these townhome associations own is quite large, as are the number of trips the combined association take per day on these roads.

A Special Benefit Appraisal was done prior to the 2019 Street Improvements Project for the Livingston Avenue reconstruction. For medium density housing (Fox Ridge condominiums), the opinion of special benefit was \$3,000. For a single family home it was \$7,800. That is only for the reconstruction of Livingston Avenue, not the other adjacent streets of Marie, Fox Ridge Road and Crusader. Therefore, the City's assessments are coming in much lower than the opinion of special benefit for each street improvement project.

**FISCAL IMPACT:**

Street reconstruction projects are financed in a variety of ways including state aid funds, assessments, bonds, grants and tax levy dollars. The City's current Special Benefit and Public Improvement Policy states that 25% of the project cost be assessed to the benefiting property owners. A reduction of assessments would either cause the general tax levy to make up the difference or reduce the size and or further delay street improvement projects.

**STAFF RECOMMENDATION:**

Staff recommends that calculations used to assess townhomes for street improvement projects remain unchanged.

Attachment: Map