

Exhibit A

Administrative Code Appendices A-7 & A-8

Chapter A-7. - Policy—Certain Local Improvements

WHEREAS, The council of the City of Saint Paul recognizes that the primary benefit from public improvements constructed on trunk highways, municipal state-aid routes, county highways and county state-aid routes is to the general public rather than to adjoining properties; now, therefore, be it

RESOLVED, That the following types of public improvements shall be constructed without the levying of special assessments therefor on previously graded or paved trunk highways, municipal state-aid routes, county highways and county state-aid routes: grading and surfacing of streets, curbs, gutters, boulevards, trees, sidewalks, lights, and surface drainage structures; and be it

FURTHER RESOLVED, That this policy shall be effective for all improvements approved by final orders adopted after the date this resolution is adopted, approved and published.

(C.F. No. 266797, 2-17-76)

RESOLVED, That the council of the City of Saint Paul does hereby adopt as the policy for the City of Saint Paul that all sidewalk reconstruction projects shall be approved without the levying of local improvement assessments.

FURTHER RESOLVED, That this policy shall be effective for all improvements approved by final orders adopted after the date this resolution is adopted, approved and published.

(C.F. No. 266798, 2-17-76)

WHEREAS, Council File 266798 adopted February 17, 1976, provides for no assessment of sidewalk reconstruction; and

WHEREAS, There has been severe cutbacks in state and federal funding to the City of Saint Paul; and

WHEREAS, The City of Saint Paul is forced to make significant budget reductions for 1982; and

WHEREAS, The City of Saint Paul Sidewalk Replacement Program is a necessary program to provide adequate and safe sidewalks; and

WHEREAS, The policy of providing one hundred (100) percent city funding for sidewalk reconstruction is no longer economically feasible; now, therefore, be it

RESOLVED, That said policy be amended to provide for fifty (50) percent city funding on reconstruction of sidewalks, the remainder of the required funding to be assessed against the abutting property; be it

FURTHER RESOLVED, That the department of public works be requested to submit a recommendation to the city council as to the procedure and guidelines necessary to implement this policy.

(C.F. No. 277504, 10-1-81)

WHEREAS, The City of Saint Paul's assessment policy regarding new construction and reconstruction of sidewalks was previously set forth in:

Council File No. 266797, adopted February 17, 1976;

Council File No. 266798, adopted February 17, 1976;

Council File No. 268302, adopted December 21, 1976;

Council File No. 277504, adopted October 1, 1981; and

WHEREAS, The city council, upon advice and recommendation of staff from the departments of public works and finance and management services, has discussed the need for revision to Saint Paul's Assessment Policy regarding sidewalks,

NOW, THEREFORE, BE IT RESOLVED, That Saint Paul's assessment policy regarding new construction and reconstruction of sidewalks is as follows:

New Construction—Residential

"Aid" streets. Residential properties (properties with one-, two- and three-family structures) on "aid" streets (streets designated as municipal, state-aid, county-aid or trunk highway) will pay fifty (50) percent of the cost of new sidewalk construction abutting the property. Corner residential properties will receive a credit not to exceed one hundred fifty (150) feet of new sidewalk abutting the "long side" of these properties and will pay fifty (50) percent of the cost for the remaining footage on the long side. Residential properties within a commercial area with wider than normal sidewalks will pay the standard rate for a normal five-foot-wide sidewalk.

Non-"aid" streets. Residential properties on streets other than "aid" streets will pay one hundred (100) percent of the cost of new sidewalk construction abutting the property. Corner residential properties will receive a credit not to exceed one hundred fifty (150) feet of new sidewalk abutting the "long side" of these properties and will pay one hundred (100) percent of the cost for the remaining footage. All residential properties within a commercial area with wider than normal sidewalks will pay the standard rate for a normal five-foot-wide sidewalk.

New Construction—Commercial

Commercial properties (all properties not designated as residential) on all classes of streets will pay one hundred (100) percent of the cost of new sidewalk construction abutting any portion of the property. No "long side" credit will be available to corner commercial properties.

Reconstruction—Residential

Residential properties on all streets will pay fifty (50) percent of the cost of reconstructed sidewalks abutting the property. Corner residential properties will receive a credit not to exceed one hundred fifty (150) feet of reconstructed sidewalk abutting the "long side" of these properties and will pay fifty (50) percent of the cost for the remaining footage on the long side. Residential properties within a commercial area with wider than normal sidewalks will pay the standard rate for a normal five-foot-wide sidewalk.

Reconstruction—Commercial

Commercial properties on all classes of streets will pay one hundred (100) percent of the cost of reconstructed sidewalks abutting any portion of the property. No "long side" credit will be available for corner commercial properties.

BE IT FURTHER RESOLVED, That this policy shall be effective for all sidewalk improvements approved by final orders in 1984 and thereafter.

BE IT FURTHER RESOLVED, That in all other respects other than sidewalk assessments, Council File No. 266797, adopted February 17, 1976, Council File No. 266798, adopted February 17, 1976, Council File No. 268302, adopted December 21, 1976, and Council File No. 277504, adopted October 1, 1981, shall remain in full force and effect.

(C.F. No. 84-632, 5-17-84)

Chapter A-8. - Special Assessment Policy

RESOLVED, That the council of the City of Saint Paul does hereby approve and adopt, as the local public improvement special assessment policy for the City of

Saint Paul, the attached mayor's recommended Special Assessment Policy; and be it

FURTHER RESOLVED, That this approved local public improvement special assessment policy shall apply to all improvements authorized by the city council effective January 1, 1976; and be it

FURTHER RESOLVED, That the reconstruction of standard improvements, i.e., streets, curbs and gutters shall be done in accordance with the Residential Street Repaving Plan, including petition improvements, to be developed by the department of public works and city planning.

(C.F. No. 268302, 12-21-76)

CITY OF SAINT PAUL LOCAL PUBLIC IMPROVEMENT SPECIAL ASSESSMENT
POLICY

SECTION 1: PURPOSE

The purpose of this policy statement is to integrate and codify all existing and proposed city policies concerning the use of special assessments to finance the construction of local public improvements.

SECTION 2: DEFINITIONS

- a. *Abutting property*: Property directly adjacent to, or directly utilizing or being serviced by, a local public improvement.
- b. *Assessable front footage*: Dimension or amount of benefitted property which abuts a local public improvement. Basis of most local public improvement cost calculations.
- c. *Benefit*: The increase in value enjoyed by real property as a result of the installation of a standard local public improvement.
- d. *Improvement standard*: Local public improvements meeting explicit specification and/or performance standards developed and promulgated by the department of public works.
- e. *Local public improvements*: Capital improvements providing a special benefit to properties, including, but not limited to, streets, sidewalks, street lights, street curbs and gutters, alleys, sanitary sewers, relief or storm sewers, water mains, driveways, utility connections, service or carriage walks, trees, sod, and asphalt mats between sidewalks and street curbs.
- f. *Long side footage*: Dimension or amount of benefitted property which abuts a local public improvement, the principal purpose of which improvement is to interconnect other improvements rather than to service abutting properties.

g. *First time construction*: In an area characterized by: (1) substantial amounts of vacant and undeveloped land, and (2) absence of all or several local public improvements, where the provision of an approved local public improvement is first time construction. (Paving of previously tarred streets will not be considered first time construction.)

h. *Special assessment*: A legal process whereby specially benefitted property is charged for all or a portion of the cost of installation of a local public improvement which benefits such property.

i. *Tax exempt property*: Property not required by law to pay property taxes or other taxes to the City of Saint Paul.

j. *Utility connections*: That part of the utility service within the street right-of-way connecting the utility main to the serviced property.

SECTION 3: POLICY

It is the policy of the City of Saint Paul that the reconstruction of local public improvements shall be done without assessments and that first time construction in new development areas shall be done by total assessment of the improvement cost to the benefitting properties. This policy extends the scope of previous city council policies established in Council File 266798 (no assessment for sidewalk reconstruction) and Council File 266797 (no assessment for reconstruction of aid streets). While there are exceptions to these policies, they form the policy direction needed for implementation of a uniform special assessment policy.

SECTION 4: ASSESSMENT RATES

Subject to the amount of benefit received and to the exceptions and special cases noted below, the following percentage of improvement installation costs will be levied as a special assessment against benefitted properties:

Table I
Special Assessment Rates

EXPAND

| Improvement | Percent of Project Costs Financed by Assessment | |
|---------------------------------------|---|-------|
| | First Time Construction | Other |
| Streets | 100% | 0% |
| Curbs and gutters | 100% | 0% |
| Street lights | 100% | 0% |
| Sidewalks | 100% | 0% |
| Sanitary sewers | 100% | 0% |
| Water mains | 100% | 0% |
| Alleys | 100% | 100% |
| Utility connections (Sewer and water) | 100% | 0% |
| Storm sewers | 100% | 0% |
| Relief sewers | 20% | 0% |
| Asphalt mats* | 100% | 0% |
| Driveways* | 100% | 0% |
| Service or carriage walks* | 100% | 0% |

*Refers to area on (1) private property, or (2) between sidewalk and street.

SECTION 5: POLICY EXCEPTIONS AND SPECIAL CASES

a. *Policy exceptions; subsidy for development:* In order to encourage and foster appropriate new development, the city council may, at its discretion, budget and use funds to subsidize some portion of special assessments in new development areas for new construction of local public improvements. In exercising this prerogative, the city council will not approve subsidies which exceed the projected tax revenues of a given development during the projected life of the improvement. In no case will the development of properties for tax exempt purposes be subsidized.

b. *Special case—Extraordinary costs.* The special assessment rates shown on Table I are meant to apply to the usual or normal costs associated with the installation of a given improvement in a given year. In all cases, the city may pay all costs which exceed these usual or normal costs. This includes such miscellaneous extra cost items as removing trees in order to install sidewalks, or unusual soil or slope conditions.

c. *Special case—Improvement intersections:*

- (1) When improvements intersect, e.g., street crossings, alley intersections, curbs and gutters, etc., the city will pay such intersection

costs for that area between the extension of relevant private property lines.

(2) When a sidewalk crosses a driveway servicing residential property, requiring a thicker slab, these minor additional costs will be borne by the city. When a sidewalk crosses a driveway servicing some other class of property, these additional costs may be assessed against the abutting property at the discretion of the city council according to rules and guidelines promulgated by the valuation engineer or other appropriate administrative personnel.

(3) Alley installation costs will be paid by the city for that portion of an alley which abuts a public boulevard and provides access from a street.

(4) Improvement of a service or carriage walk in connection with the installation of a new sidewalk will be paid by the city when such improvement work does not exceed eight (8) square feet on either side of the sidewalk. Work in excess of eight (8) square feet will be charged against the abutting property.

d. *Special case—Irregular parcels or improvement design.* Difficulties arise in determining assessable front footage because of property parcels of irregular shapes. It is the responsibility of the valuation engineer or other appropriate administrative personnel to promulgate rules and guidelines which specify how front footages will be determined for irregularly shaped parcels.

Assessable front footage shall be determined on the simplest basis possible. Assessment revenues foregone by the city because of this policy will be paid by the city. Special construction features in improvements servicing specific properties will always be fully assessed against those specific properties unless the city council determines, based on staff recommendation, that a measure of public benefit exists; in which case, the council may determine the amount of assessment.

e. *Special case—Long side aid.* Long side footage (as opposed to the normal "short side" front footage) is that part of a property which abuts an improvement whose purpose is usually, but not always, to connect improvements and thus form an urban improvement system. The overwhelming benefit of such improvements is to the public at large rather than to the abutting property. (See Attachment I for a descriptive illustration.)

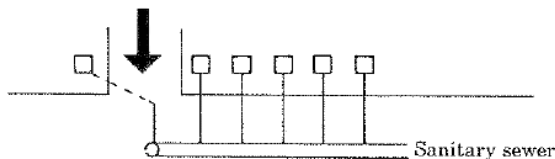
The following long-side assessment policies apply to first time construction and to all property classes:

EXPAND

| Improvement | Corner Lot Assessment |
|--|--|
| Streets Curbs and gutters Street lights Sidewalks Sanitary sewers Water mains | Short side frontage to be assessed on the basis of 100% of frontage. The first 125 feet of the long side to be assessment-free. Remainder of long side frontage to be based on 100% of remaining frontage. |
| Alleys | Maximum assessment against one building site to be 100% of short side frontage plus 10% of long side frontage. |
| Asphalt mats | 100% |
| Driveways | 100% |
| Service or carriage walks | 100% |
| Utility connections | 100% |

f. *Special case—Sanitary sewer advance assessment charge.* The city assesses property a portion of sanitary sewer construction costs when such property connects to a sanitary sewer not abutting the property (Sections 76.01—76.03, Legislative Code).

Illustration of Advance Assessment Situation



If the affected property ever has a sanitary sewer built which abuts the property, the property is (1) assessed these construction costs, and (2) is reimbursed the difference between this assessment and the advance assessment, or (3) reimburses the city if the assessment is higher than the advance assessment. This policy will continue in accordance with the assessment rates shown in Table I.

SECTION 6: IMPROVEMENT INSTALLATION REQUIREMENTS

All improvements installed will meet the standards of the department of public works and the following improvements will be required in connection with new development of property: Streets, sewers, curbs and gutters, street lights, sidewalks, sanitary and storm sewers, water mains, tree planting, utility connections and alleys (where development is so designed).

These improvements to be constructed in connection with new development of property need not be built at the time of development, but must be installed within five (5) years of the beginning of construction of facilities on the property. Legal documents and administrative procedures effected subsequent to this policy statement in order to implement this policy will be considered to be fully incorporated in this statement. (NOTE: The building code must be amended to enforce this policy.)