

# Discussion Outline

## Water Special Assessments

### TYPE OF ASSESSMENT

It is necessary to establish the basis for assessment of improvements to individual property owners. There are principally two methods of assessment, unit and front foot. The basic philosophy of establishing a special assessment is to determine the most fair and equitable methodology for determining project cost allocation to the property owner. The assessment is required to have a rational basis for its charge in relation to the benefit received. All of the options presented below relate specifically to properties with in a designated assessment district.

**Front Foot Assessment:** The front foot assessment is based on the principal that the benefit derived from any individual property is in direct proportion to the number of lineal feet of street yard frontage on the improvement. The variables with the front foot assessment are as follows:

Variable	Option #1	Option #2	Option #3	Option #4
Feet assessed	Entire length of street yard of property	Minimum zoning requirement	Some maximum number	
Location of front foot measurement	Front ROW line	Building setback line	Average width	
Corner lots	Average of 2 sides	Shortest of 2 sides	Longest of 2 sides	
3 street fronts	Average of all 3 sides	Average of longest and shortest	Longest	Shortest
Cul-de-sac lots	Required setback along each side lot line and connecting those two points with a straight line.	Mid point of curve	Length of curve at building setback	
Extreme curves(over 45 angle)	Length of curve	Midpoint of curve		
Floodplain/wetland (undeveloped)	Do not assess, including portions of property	Assess at limited rate if buildable (example would be min. zoning)		
Irregular lots	Case by case	Minimum assessment		
No frontage	Case by case	Minimum assessment		
Maximum footage	No footage past the minimum for zoning	Maximum number which is average of properties	All assessable frontage	A percentage above the minimum zoning requirement
Divisible lots	Total frontage	Maximum of average of all lots for each	Zoning minimum for all lots	

**Unit Assessment:** A unit assessment is based on the principal of picking a base unit, such as a single family home, and then extrapolates costs based on units. This method assumes that there is a common basis that has little deviation and has a rational basis for charging potentially disparate property uses. There are typically two types of unit assessments that are used. In strictly residential areas a unit assessment is calculated using a single family home as the base unit. Then decisions would need to be made as how to treat vacant buildable lots and multi-family buildings. The other scenario is to assess based on water usage. This can be calculated off an estimate of a single family home and factored for other residential uses. Most commercial properties are currently metered for sewer usage and those numbers could be used. An example would be if an average home uses 67,500 gallons of water per year that would become the equivalent of one unit. The variables with unit assessments are below:

Variable	Option #1	Option #2	Option #3
Type of unit	Single family resident	Estimated Water usage	Combination of 1 & 2
Vacant property	Assign one unit	Determine if buildable	Zoned use average water usage
Multi-family	Assign one unit	2 bedrooms and under .5 or .75 units	Average usage as a percentage of single family

### **LATERAL POLICY**

It is necessary to determine the method for charging for water laterals for each property assessed. The other concern for laterals is any extra expenses that may be incurred due to a new development. An example of this would be that a property without service would look to develop and need to install the water main in a certain location that would result in longer than normal laterals for the adjacent properties to be served. The variables in regard to laterals are below:

Variable	Option #1	Option #2	Option #3
Length to be charged	Entire length of lateral to lot line	Average length of lateral on project	No charge to lot line all costs in project
Type of charge	Per unit charge	Actual cost per size	
New development extra expenses	Extra expense paid by new development	Assess total cost to all properties	

## PAYMENT OF ASSESSMENT

The payment of assessments can be done in multiple ways. Determination of timing, duration of payments, interest, deferrals, and customer contributions is necessary for each assessment. All assessments would need to be due and payable for the current year by November 1<sup>st</sup> in order to allow for any delinquencies to be placed on the tax roll. The variables for payments are below:

Variable	Option #1	Option #2	Option #3	Option #4
Payment	Cash prior to Nov. 1 <sup>st</sup> of assessment year no interest	Installments with interest	Lump sum prepayments at minimum rate	
Installments	10 Equal installments with interest	15 Equal installments with interest	20 Equal installments with interest	
Interest Charges	Equal to bond rate assessed on 12 month basis per installment	1% higher than bond rate to cover administration of bonds	Capped at specific year for deferrals	
Deferrals	Until connection or installment plan started	Until use is made of the vacant property	Until sale or transfer of property	Land division
Interest on Deferrals	Accrue from date of assessment	Accrue from date of connection	Accrue from start of payments	Capped at specific dollar amount
Customer Contributions (Village construction)	Accept contributions with no recapture	Contributions with recapture for actual costs without interest when customers connect	Contributions with recapture for actual costs with interest when customers connect	
Customer Contributions (Private construction)	Do not allow	Allow with no recapture	Allow with recapture same as Village construction	
Hardship Policy Qualifications	No policy	Earned not in excess of 50% of gross family median income for Waukesha County	Earned not in excess of 75% of gross family median income for Waukesha County	
Hardship Policy Payments	No interest or payment until use, sale, or change in economic status	19 annual installments at the established interest rate	19 annual installments with total interest established at ten year installment rate	