

**GRANT VALLEY TOWNSHIP
ROAD IMPROVEMENT AND MAINTENANCE POLICY**

The purpose of this policy is to establish a clear, consistent and equitable methods for assessing costs associated with Grant Valley Township (“Town”) road blacktopping (paving) projects and other road improvement and maintenance operations. It shall be the policy of the Town to improve roads in a timely, orderly, financially responsible and fair manner.

I. General Road and Maintenance Policies.

The following provisions apply generally to the maintenance and improvements of Town roads:

1. The Town has determined that non-breakaway mailboxes are a public hazard in accordance with Minnesota Statutes, section 169.072. All new mailboxes must be of a breakaway design.
2. Properly classified and signed minimum maintenance roads will not be blacktopped unless the minimum maintenance designation is removed.
3. Should additional concerns arise, property owners may propose a review of a minimum maintenance road for consideration for additional maintenance at a regular monthly meeting of the Town Board.
4. Calcium Chloride. Property owners may request the application of calcium chloride for dust control. A fee will be charged, including any preparation costs associated with the project, as determined by the Town Board.

Individuals requesting calcium chloride application must reside on, or own property adjacent to, the roadway to be treated.

The Town Board is not obligated to apply calcium chloride on any road.

5. Criteria for upgrading and preparing roads for blacktopping:
 - (a) A minimum of 24-foot top with 2-foot shoulder (26-foot top).
 - (b) 2:1 slope.
 - (c) 2:1 black slope.

- (d) Top soil stripped, replaced and seeded in order to provide grass coverage. If seeding does not hold, seeding must be redone.
- (e) 6 inches of compacted state certified Class #5 gravel.
- (f) Ditch separation shall be a minimum of 2 feet with a ditch bottom minimum of 3 feet.
- (g) For new and platted roadways, the right-of-way shall be a minimum of 66' wide. The centerline shall be in the center of the road right-of-way.
- (h) 1½ inch leveling layer of bituminous followed by 1½ inch wear layer of bituminous for 3 inch total.
- (i) All paved roads must be striped.
- (j) Shoulders must be class #5 gravel.
- (k) A licensed surveyor shall survey the road and a copy of the survey shall be filed with the Town Clerk before construction begins. The width between the shoulder lines shall be uniform. The distance between the shoulder lines and the center shall be a minimum of 12 feet.

6. Road Classifications.

Road Category:	Description
Primary	A thoroughfare or major town road that sustains high traffic count from adjacent government localities.
Secondary	A street, avenue, lane or road that may connect one or more roads, or a dead-end road.
Development/Plat	A lane, way, drive, circle, cul-de-sac, avenue, street or court within a plat or development, or both.
Minimum Maintenance	A road that experiences occasional or intermittent passenger or commercial vehicle travel.

II. Blacktopping Town Roads.

The blacktopping of Town roads shall be completed in accordance with the financial circumstances of the Town; however, if landowners along a road desire to have their road blacktopped, the following options are available:

Subordinate Service District (“SSD”) (Minnesota Statutes, Chapter 365A)

A subordinate service district (“SSD”) is a special district established by a petition of property owners along a particular road. An SSD allows the Town to provide services to a specific geographical area, including blacktopping Town roads, and collect the costs to provide those services directly from the benefiting property owners through a special service charge collected through property taxes. The process to establish and finance an SSD is as follows:

1. Petitioners deliver to the Town a petition requesting the Town to blacktop a particular road. The petition must include a map of the boundary of the proposed SSD. The petition must be signed by at least 50% of the property owners in the proposed district. For the purposes of the petition, “property owners” individuals, entities and joint property owners. For example, if a property is owned by a married couple, they count as two property owners in the SSD.
2. The signatures on the petition are verified by the Town Clerk, and a written verification statement is prepared by the Town Attorney/Town Clerk.
3. The Town Attorney prepares a, and the Town Board adopts, a resolution calling for a public hearing on the SSD. The hearing must be held within 30 days of the verification.
4. (Optional) At its discretion, the Town Board may determine whether to order a feasibility study, and if it does, have the Town engineer perform the study and report back. Alternatively, the Town Board may gather information on potential costs to provide the requested services or improvements.
5. Prepare notice of the public hearing specifying the services to be provided and the district boundaries.
6. Publish the notice in the Town’s newspaper at least 14 days prior to the hearing, and mail notice to the affected property owners, including a copy of the hearing resolution, the petition, and the map of the district, at least 14 days prior to the hearing.

7. Hold the public hearing, and adopt a resolution establishing or deny the establishment of the SSD, either at the hearing or within 30 days of the public hearing.
8. Within 20 days after adoption of a resolution establishing an SSD, publish the resolution once in the Town's newspaper. The Town must obtain an affidavit of publication from the newspaper.
9. Mail notice of the establishment (a copy of the resolution with a cover letter) to each property within the SSD. The notice is sent to same address as on the property tax statement.
10. Within 60 days of publication of the resolution establishing the SSD, a petition of at least 25% of property owners within the SSD requesting a referendum on the SSD may be submitted to the Town. The Town Clerk verifies the signatures, and if sufficient, a special election is called by the Town asking the question "Shall a subordinate service district be established to provide (service to be provided) finance by (revenue source)". The only voters in the special election are the property owners within the boundaries of the SSD.
11. If there is no petition for a reverse referendum within 60 days, the SSD begins 60 days after publication of the resolution establishing the SSD.

The Town Board may hire a financial advisor to assist it with explaining issues associated with owner payments and repaying the debt (bonds) issued to finance the project.

The Town Board requests, to the extent possible, that petitions for the establishment of an SSD be submitted to the Town on or before February 1st, if there is an expectation that the project be completed in the same calendar year. In the event an SSD is established, the Town Board will consider the Town's road plan, the necessity of the paving and the financial circumstances of the project.

For SSD road improvements (gravel to bituminous), the Town will be responsible for 100% of costs for overlay repair and other pre-blacktopping costs.

Special Assessment (Minnesota Statutes, Chapter 429)

- A. Policy. The procedures used by the Town in levying special assessments are those specified in Minnesota Statutes, Chapter 429, which provides that all or part of the cost of improvements may be assessed against benefitting properties. This policy shall serve as a guide for the current and future Town Boards, as well as for all persons concerned with assessments related to public improvements within the Town. It is the intent and purpose

of this policy to provide for and ensure consistent, uniform, fair, and equitable treatment (insofar as it is practical, lawful, and possible) of all property owners with regard to the assessment of costs associated with public improvements within the Town. While this policy shall serve as a guide for current and future Town Boards, there may be exceptions to the policy or unique circumstances or situations which may require special consideration and discretion by the Town Board, subject to applicable law. Nothing in the policy is intended to limit, or shall be construed as limiting, the Town Board's authority under law to impose and collect special assessments.

- B. “Special Benefit” and “Uniformity”. Special assessments are charges levied against real property for the costs of a public improvement that provides a “special benefit” to the assessed properties. Special benefit must be determined on a project-by-project basis, and on a parcel-by-parcel basis. The rate of a special assessment must be uniform and levied equally upon all property receiving special benefits. Assessment must be confined to property benefited, and the amount of the assessment shall not exceed the special benefit.
- C. Special Assessment Uses. Special assessments may be used to pay the costs of all or a portion of public improvement projects including the maintenance, repair, or replacement of the Town's infrastructure. The Town specifically has the authority to specially assess costs related to any projects, pursuant to the provisions of Minnesota Statutes, section 429.021, 429.101, 459.14, and any other relevant laws, as they may be amended from time to time. Improvement projects may include, but are not limited to, the construction, reconstruction, installation, or replacement of the following: (1) Roads, (2) storm sewer systems, (3) street lights and (4) curbs and gutters.
- D. Procedures and Policy. The Town shall follow the applicable procedures set forth in Minnesota Statutes, chapter 429 when undertaking a public improvement project for which any portion of its costs will be specially assessed. The Town will work with the Town Engineer and the Town Attorney as needed to help ensure it has the necessary information and is following the required procedures.
- E. Modifications. The Town Board reserves the right to vary from these policies where, in the sole discretion of the Town Board, it is appropriate under the facts of the particular situation.
- F. Costs Assessed. The cost of all public improvements shall be assessed upon property in relation to the special benefit received.
- G. Definitions and General Principles. The following general principles shall be used as a basis for the Town's assessment for all public improvement projects:

1. “Project Cost” means the total cost of all necessary construction work required to accomplish the improvement, plus all engineering, legal, administrative, financing, and other contingent costs, including the costs of any necessary land acquisition.
2. “Town Cost” means the total cost of a public improvement which the Town will pay. Such amounts shall be determined and established by Town resolution.
3. “Assessable Cost” means the Project Cost minus the Town Cost.
4. “Interest” means the amount of interest the Town shall assess on special assessments it levies. In the event that the Town issues bonds or other debt to construct a public improvement, the Town shall fix a rate of interest equal to the interest on the issued debt plus two percent. In the event that the Town does not issue debt, the Town shall set the interest rate on assessments at two percent.
5. “Prepayment” means the opportunity for property owners to pay the full cost of their assessment within 30 days of the assessment hearing. Such payments shall be without interest.
6. “Project Assistance” means financial assistance that the Town may receive from other sources (e.g., federal or state government) which may be used to defray the costs incurred in an improvement project. To the extent that any Project Assistance is received, it shall first be applied to the Town Cost. In the event there are funds remaining, those funds shall then be applied to lower the Assessable Cost. Finally, if the Town receives funds which are in excess of the total Project Cost, it shall deposit the remaining funds in its Roads budget, subject to any terms or conditions which may apply to the funds.
7. “Assessable Property” means property subject to being specially assessed. Assessable property includes property owned by the Town and other political subdivisions, including municipal building sites, parks and playgrounds, but not including public streets, alleys, and right-of-way, and such property shall be assessed on the same basis as if such property was privately owned. Private rights-of-way shall be assessable.

H. Initiation of Improvement Projects. Road and other public improvement projects may be initiated in the following ways:

1. By petition of owners of at least 35% of the frontage of the property abutting the proposed improvement (if 100% of the owners sign the petition the Town Board is able to utilize a streamlined approval process); or
2. By the Town Board when, in its judgment, such action is required and in accordance with the Town's road plan.

I. Ordering the Project - Voting Requirement. Depending on how a public improvement project is initiated, state law provides certain voting requirements, which are as follows:

1. For projects which are initiated upon the filing of a petition of 35% or more of the abutting owners – a majority of the members of the Town Board must vote to approve the resolution ordering the improvements.
2. For projects which are initiated upon the filing of a petition of 100% of the abutting owners, the resolution approving the public improvement project and assessing the entire cost of the improvement to those properties may be adopted by a vote of a majority of the members of the Town Board without a public hearing.
3. For projects which are initiated by the Town Board – the Town Board must unanimously vote to approve the resolution ordering the improvements.

J. Methods of Assessment. State law provides different methods for assessing Project Costs. The three methods are: (1) per lot; (2) adjusted front foot; and (3) area assessments. The feasibility report prepared for the proposed public improvement project shall recommend one of these methods, or a combination thereof, based upon which method would best reflect the respective benefits which will be received for the properties within the area to be assessed.

The following methods of assessments, as described and defined below and as may be further defined in state law, are hereby established as the methods of assessment for the Town. Regardless of the method used, all properties, including those owned by governmental agencies and other tax-exempt entities, are included in the calculation and are subject to assessment as provided in this policy and under state law.

1. Per Lot. The “per lot” method of assessment shall be based on an equal assessment of all lots within the benefitted area. The “assessment per lot” shall be the quotient of the Assessable Cost divided by the total number of assessable lots or parcels benefitting from the public improvement.

2. Adjusted Front Foot. The “adjusted front foot” method of assessment shall be based on the quotient of the Assessable Cost divided by the total frontage benefitting from the public improvement. For purposes of calculating the adjusted front footage, the Town shall apply the following:
 - (a) The actual physical frontage of a benefitting property shall not be used to calculate the assessment for a particular parcel. Rather, an “adjusted front footage” shall be calculated for each parcel.
 - (b) The purpose of this method of assessment is to equalize the assessment calculations for lots of similar size, despite their physical shape (e.g., rectangle lots versus pie-shaped lots).
 - (c) Rectangular Lots – these lots are defined as those lots having less than a two foot difference between the front and rear lot lines. The adjusted front footage for these lots is equal to the actual front footage of the lot. For rectangular lots whose frontage is greater than its depth, the odd-shaped lot method of calculation shall be used.
 - (d) Odd-shaped Lots – For odd-shaped lots, defined as those where there is more than a two foot difference between the rear and front lot lines, the adjusted front footage shall be computed by dividing the area of the lot by 12,000 square feet to determine the equivalent number of front footage units in the parcel. The number of units, multiplied by 65 feet, will give the adjusted front footage.
 - (e) Corner Lot Adjustments – For street and trail assessments, the short side will be assessed the actual front footage. The long side will be assessed one-half the actual side footage or 75 feet, whichever is greater. Sanitary sewer and watermain projects will only be assessed on the short side of a corner lot.
3. Area. The area method of assessment shall be based on the number of square feet or acres within the boundaries of the appropriate property lines of the areas benefitting from the project. The assessment rates (i.e., cost per square foot) shall be calculated by dividing the total assessable cost by the total assessable area. On large lots, the Town Engineer may determine that only a portion of the lots receives the benefit and may select a lot depth for the calculations equal to the benefit received.

The following items shall not be included in area calculations: public right-of-way; natural waterways; swamps; lakes; and other wetlands designated by the Minnesota

Department of Natural Resources or the Town. The Town Engineer will make a recommendation on the boundaries or parameters of the benefitted area in the feasibility report.

- K. Assessments. The total amount of assessment for a public improvement project shall not exceed the project cost and shall be apportioned equally among properties having the same general land use based on special benefit. The project cost of an improvement includes the costs of all necessary construction work required to accomplish the improvement, including: (1) engineering fees, (2) legal fees, (3) administrative fees, (4) financing, (5) other contingent costs and (6) acquisition of right-of-way and other property.
- L. Assessment Allocation and Period. The standard allocation and term of assessment for public improvements shall be based upon the type of improvement made, as set forth in the table below. The term of any assessment will generally not exceed the term of a bond's duration when a bond is issued to finance the project's costs. Any assessment that is less than \$100.00 shall be prepaid or shall be certified as the entire amount payable in one installment in the upcoming year. The Town Board may, however, establish a shorter or longer term if it is determined to be in the best interest of the Town.

Type of Improvement	Allocation of Cost (Property Owner/Town)	Assessment Period
Permanent Road Surfacing – Primary Roads	New Construction (gravel to bituminous) - 0% / 100%	
Permanent Road Surfacing – Secondary Roads	New Construction (gravel to bituminous) - 40% / 60%	10 years
Overlay Repair and Pre-Blacktopping Costs – All Roads	New Construction (gravel to bituminous) – 0% / 100%	
Storm Sewer Systems	New Construction – 100% / 0%	10 years
Street Lights	New Construction – 100% / 0%	10 years
Reconstruction or Rebuild	30% / 70%	10 years

M. Reassessment. The Town shall design public improvements to last for a definite period. Public improvements are judged to have normal usable life expectancies. For the purposes of this policy, the life expectancy shall be as follows for the following improvements, unless otherwise stated in the resolution ordering the improvement, in which case the life set forth in the resolution shall govern:

1. Roads (bituminous surface, curb and gutter) – 25 years
2. Storm Sewers – 30 years

When an existing improvement is ordered to be renewed, repaired or replaced prior to the expiration of the life expectancy, the assessments to be levied therefore shall be the proportionate share of the costs based on the ratio of the age of the improvements to the adjudged usable life expectancy.

N. Interest Rate. The finance charges include all costs of financing the project. These costs include, but are not limited to, financial consultant's fees, bond rating agency fee, bond attorney's fees, carrying cost and capitalized interest and shall be equal to the "project costs" of the current project, minus Town cost and other financial assistance. The interest to be used for special assessments shall be determined by the interest rate of the Town's most recently issued bond if that bond was issued within the previous two years. If the previous issue was more than two years prior to the assessment date, the rate shall be determined by the rate that the Town would receive at the time of assessment as estimated by the Town's bond counsel. Additionally, there shall be an additional two percent (200 basis points) added to the rate to account for the costs listed above, assessment prepayment and default. The rate shall not exceed the legal maximum as stated in Minnesota Statutes, section 429.061.

O. Deferral of Assessments. Special assessments for senior citizens and property owners retired due to a permanent and total disability for whom it would be a hardship to make payments homeowners may be deferred, at the Town Board's discretion, pursuant to Minnesota Statutes, sections 435.193(a)(1). Special assessments for persons who are members of the military ordered into active military service and for whom it would be a hardship to make payments may be deferred, at the Town Board's discretion, pursuant to Minnesota Statutes, section 435.193(a)(2). In order to qualify for a hardship deferment, a property owner must meet the following conditions:

1. The property owner must apply for deferment no later than thirty (30) days after the adoption of the assessment roll by the Town Board.

2. The property owner must be the owner of the property.
3. The property owner must occupy the property as their principle place of residence.
4. The property owner's income from all sources shall not exceed the current "Very Low (50%) Income Limits" as provided in the area median income limits published annually by the United States Department of Housing and Urban Development.

In order to qualify for a disability and hardship deferment, a property owner must meet the hardship conditions set forth above and must also present documentation of permanent and total disability status.

Notwithstanding the conditions cited above, the Town shall have the discretion to determine a hardship on the basis of exceptional and unusual circumstances in accordance with Minnesota Statutes, section 435.193(b).

Any and all deferments terminate, and all amounts accumulated plus interest, shall become due upon the occurrence of any of the following events:

1. The death of the property owner and the spouse of the property owner is not eligible for deferment;
2. The sale, transfer or subdivision of the property or any part of the property;
3. The property loses its homestead status; or
4. The property owner is no longer determined to be in a hardship by the Town.

- P. Partial and Full Prepayments of Assessments. After the Town Board has adopted the assessment roll in a local improvement hearing, the owner of any property specially assessed may, prior to certification of the assessment to the County Auditor, pay to the Town all or a portion of the assessment, but not less than \$100.00. The remaining unpaid balance (if any) shall be spread over the period of time established by the Town Board for installment payment of the assessment.

At any time after certification to the County Auditor, the owner of any property against which a special assessment has been levied may pay the full amount of the remaining assessment. Interest accrued prior to December 31st in the year in which such a prepayment is made shall also be paid with the prepayment. If full payment is made prior to certification to the County Auditor, interest through December 31st shall be waived.

- Q. Private Developer Projects. The Town will not participate in the costs of improvements necessitated by private developer projects through the special assessment policy.
- R. Projects Completed with Costs Under Estimate. Improvement costs shall be assessed according their actual costs. Estimates shall not provide the basis for the assessment amount.
- S. Tax Forfeited Properties. Properties, which have been forfeited for non-payment of taxes, are subject to possible reassessment pursuant to Minnesota Statutes, section 429.071. The amount of special assessments subject to reassessment is determined by Town Board resolution following sale by the County for the tax-forfeited land. Following the sale of a tax forfeited property, the Town may conduct an assessment hearing and re-assess the amount remaining unpaid on the original assessment. The assessment terms and conditions will be determined by the Town Board. In reassessing such property, the Town will follow the same procedure as for an original assessment under Minnesota Statutes, section 429.061 including advance notice and public hearing.
- T. Tax Exempt Properties. Government units including private cemeteries, churches, hospitals, schools, and similar institutions must pay special assessments. Railroads are also subject to special assessments. Government units subject to special assessments include state agencies, cities, school districts, and counties. However, federal government entities are exempt from special assessments.
- U. Reapportionment. Special assessments that have been levied against a tract of land that is subsequently subdivided may be reapportioned pursuant to Minnesota Statutes, section 429.071 and any applicable Town ordinances.
- V. Deferred Assessments of Green Acres Parcels. Parcels certified as “Green Acres” by the County Assessor under Minnesota Statutes, section 273.111 may defer the assessment until such time as the property no longer meets the Green Acres requirements and no longer carries the designation. Any other deferral of assessments shall be allowed on a case-by-case basis to be approved by the Town Board.
- W. Right to Appeal. Pursuant to Minnesota Statutes, section 429.081, any person aggrieved, who is not precluded by failure to object prior to or at the assessment hearing, or whose failure to object is due to a reasonable cause, may appeal to the district court by serving a written notice upon the chairperson or clerk of the Town within 30 days after the adoption of the assessment.

Platted Developments

All costs associated with blacktopping of public right-of-way dedicated to the Town in plats shall be the responsibility of the developer or property owners and requires a development agreement with the Town, which includes, but is not limited to, the following requirements:

1. Preliminary and final platting;
2. Approval of road other public improvement plans;
3. Road warranties and acceptance standards;
4. Construction timelines;
5. Financial security for the Town;
6. Required easements; and
7. Insurance and indemnification.

Adopted this ____ day of _____, 2026.

Chairperson, Grant Valley Township

Attest: _____
Clerk, Grant Valley Township