

Town Of Troy, Wisconsin  
Special Assessment Guidelines

Adopted: February 20, 2025

The legal provisions delineating the Town of Troy's responsibilities in assessing costs for public improvements is found in Wisconsin Statutes, Subchapter VII of Chapter 66, and following.

It is the policy that all properties shall pay their fair share of the cost of local improvements as they benefit; it is not intended that any property shall receive the benefits of improvements without paying for them, except as may be set forth hereinafter.

Special Assessments are also governed by Town of Troy Ordinance Chapter 130 "Special Assessments and Charges".

These assessment policies are designed to serve as a general guide for the Troy Town Board in allocating benefit to properties for the purpose of defraying the cost of installing public facilities. The Board reserves the right to vary from these policies if the policies act to create obvious inequities where the assignment of benefit to particular property is difficult because of an extreme situation, which is unlikely to occur in the future.

These guidelines may be amended by approval from the Town of Troy Board.

Pursuant to these powers, and for the sake of consistency, the following definitions, guidelines, and formulas are adopted.

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## **I. Definitions**

### **A. Assessment:**

That portion of the project cost which is levied against any individual parcel. The total assessment cannot exceed the project cost and must be apportioned equally within properties having the same general land use, residential, agricultural, or commercial, based on benefits.

### **B. Benefits**

Increase in value of property resulting from the improvement installed.

### **C. Construction Cost**

Amount paid to contractors for furnishing and installing materials of construction.

### **D. Contract Cost**

Amount paid to supply materials, services, and right-of-way for the project; normally includes construction, engineering, legal, right-of-way, and condemnation costs.

### **E. Construction Interest (Capitalized Interest)**

Cost of financing during the time prior to levying and collection of assessments.

### **F. Expense to be Assessed**

Miscellaneous costs incurred by the Town in addition to contract cost, including construction interest, advertising, financial charges, administration, and assessing. If the expenses are attributable to more than one assessment roll, the expenses are apportioned on the same basis as the individual utility project cost bears to the total project cost.

### **G. Interest Rate**

The rate of Interest shall be at 2% above the Town's cost of borrowed funds.

### **H. Road Costs**

Total contract costs of road including grading, pavement, curb and gutter, topsoil and/or turf restoration in the boulevard areas, cross gutters, median construction, and proportional expenses. Storm drain costs may be included as a part of road costs when storm drainage is incidental to and associated with road construction.

### **I. Term**

The period of time over which an assessment, plus interest, is to be paid.

## **II. Cost Allocation**

There are two factors to be taken into consideration when considering the cost allocation of any improvement. One, “What is the public benefit as opposed to the private benefit?”, and two, “Is the allocation of the private benefit costs between or among the benefitted properties?”

### **A. Public/Private Benefit**

Regarding public and private benefit, the following policies are in effect in the Town of Troy.

#### **1. Road Improvements**

100% of the cost of new local road improvements will be allocated against the benefitted property. Repair or replacement of roads surface between shoulders (and/or curb and gutter) on either side of the road will not be assessed.

#### **2. Frontage Roads**

Where a frontage road is required to serve an area, the total cost of the road will be assessed against the total area benefitting from the road, which may include more than the property abutting the frontage road.

#### **3. Curb and Gutter**

The total cost of all work involved in the original construction of curbs and gutters shall be 100% assessed against benefitting property. When curb and gutter replacement is necessary, the total cost shall be 100% assessed against benefitting property. If the curb and gutter was only designed to augment standard drainage ditches and comprises less than 15% of the total lineal frontage of the project, the Town will be responsible for the curb and gutter replacement.

#### **4. Sidewalks and Bike/Pedestrian Trails**

(a) Where sidewalks or trails are to be installed on only one side of the road, new (first time) installation shall be assessed 100% against the adjoining property. Replacements shall be assessed 50% against the adjoining property, and 50% against properties on the opposite side of the road.

(b) New sidewalks or trails, where installed on both sides of the road, shall be assessed 100%, evenly distributed to adjoining property. Replacements shall be assessed 100% against the adjoining property

(c) Upon receipt of State or Federal subsidies or grants for initial sidewalk or trail installation, adjoining properties will be assessed 100% of the Town's costs. (Example: If the Town obtains a grant for 80% of a sidewalk project, the property would be assessed 20%) Upon receipt of grants or subsidies for sidewalk or trail replacements, the property owner shall be assessed up to 50% of the replacement costs, regardless of the Town subsidy or grant, but the assessment shall not exceed the Town's costs. (Example: If the Town received an 80% grant, the property would be assessed 20%. If the Town received a 40% grant, the property owners would be assessed no more than 50% of the costs of the costs of installation).

## 5. Other Property or Neighborhood Specific Improvements

Developers are required to pay 100% of cost of all other property or neighborhood specific improvements, including, but not limited to:

- Any road surface that is not asphalt or graded class 5 (pavers, concrete, etc.)
- Lighting and associated electrical
- Development specific bridges, tunnels, overpasses or culverts
- Retaining walls
- Shoulder pull offs
- Development specific landscaping, signs, or cul-de-sac structures
- Stormwater management systems

Repair or replacement of property or neighborhood specific improvements will be assessed at 100%.

## B. Town-owned Property

Town-owned property will be assessed against the Town at the same rate as per assessment against private property in the same project.

## C. Special Assessment Administrative Fees

The following charges shall be added to final special assessment costs.

- Project Planning and Administration
- Legal
- Loan Origination Fee
- Interest during construction
- Interest during assessment term

### **III. Payment Guidelines**

A. Benefitting property owners failing to pay special assessment installments during January shall have a late payment penalty of 1% per month, commencing on February 1st, added to subsequent payments.

#### **B. Payment Upon Transfer of Property**

All special assessments are to be paid in full by the seller to the Town, prior to transfer of ownership.

#### **C. Extraordinary Costs**

The Town or others may be responsible for extraordinary costs for major utility and road improvements (including right-of-way acquisition) which benefit a much broader area than the subdivision under consideration.

#### **D. Private Benefit**

Once it has been determined how the cost of a project is to be divided between the public at large and the private property, the next step is to determine how the costs assigned to the private sector will be divided among the parcels of land thus benefitted.

#### **IV. Development Participation By The Town**

There are situations when the Town may be involved in road, storm sewer, and utility installation that benefit private development, such as:

- When it has been determined that oversizing of improvements is required.
- When multiple property owners are involved in a project and total voluntary participation cannot be reached.

Under the foregoing conditions, the improvement could be implemented under a special agreement or as determined by the Town Board on a project specific basis.

## **V. Special Assessment Methods**

Common practice has been to utilize a formula, involving one or more factors, which serves as an index for benefits. Outlined below are the four basic formulas most commonly used. The Front Foot method will be used in the Town of Troy, unless the Town Board determines a different method is more appropriate for a given project.

### **A. Front Foot Method**

Formula:

$$(\text{Total Project Cost}) / (\text{Net Front Footage}) = (\text{Cost Per Foot})$$

$$(\text{Cost Per Foot}) \times (\text{Footage}) = (\text{Dollars Per Unit})$$

One of the most widely used formulas is the front foot method. When this method is used, benefit is assumed to be proportional to the front footage of the property.

### **B. Area Method**

Formula:

$$(\text{Project Cost}) / (\text{Gross Acres or Square Footage}) = \text{Cost Per Acre or Square Foot}$$

### **C. Lot or Connection Method**

Formula:

$$(\text{Costs of Roads, Sanitary Sewer, Watermain}) / (\text{Number of Assessable Units}) = \\ \text{Dollars Per Unit}$$

### **D. Trip Generation Method**

Formula:

$$(\text{Trips per Parcel}) \times (\text{Project Costs}) / (\text{Traffic Trips in Special Assessment District}) = \\ \text{Share Per Parcel}$$

### **E. Method Variations**

#### **1. Special Improvements**

Occasionally, there may be a need or request for special improvements. These special improvements shall be assessed against the benefitting property in the amount of the actual cost of the special improvement.

#### **2. Combined Methods**



There is nothing to prohibit the Town Board from combining two or more of the above methods. The Board could assess road improvements using the front foot method, and storm drainage on an area basis, if they appear to be the most equitable means of assessing the various project costs.

### 3. Definition of What Constitutes a Residential Unit

The policy of the Town of Troy is as follows:

- (a) A unit is typically a dwelling for a single family.
- (b) Multiple family structures will be assessed on a dwelling unit basis, i.e., a duplex equals two dwelling units.
- (c) Each pad in a trailer park shall constitute a dwelling unit.

4. Improvements to property outside the Town limits of Troy which abut the Town shall be assessed under the provisions of Chapter 66.0707 of Wisconsin Statutes, which allows a Town to assess abutting property in an adjoining town, village, or city if the adjoining municipality approves by resolution such assessment levy.

If such agreement is not feasible, then connection charges will be used, where legally possible. Otherwise, the special assessments will be held in abeyance until such time as the property is annexed to or consolidated with the Town. At that time, the Town will spread the assessment plus the accrued interest in an equitable manner.