

BASIS OF SPECIAL ASSESSMENTS

Special Assessment is the method the City uses to pay for public improvements that affect benefiting properties. Improvements in the public right-of-way and dedicated public easements funded by a developer are considered public improvements if they meet the City design standards. The costs of the improvement are allocated to the parcels/lots that benefit from these improvements.

All properties will be assessed for a local street and proportionate share of an arterial street unless the developer pays the cost of the local street and/or arterial streets under a three way agreement with the City.

Notification letters are sent to property owners included in a special assessment district. The letters identify the proposed improvement project and provide an estimated cost range of the property assessment. Letters for non-petitioned projects are sent before the project is approved by the City Commission. Letters for petitioned projects are sent to non-petitioned properties after the bids for the project are received.

The following policy is the basis for special assessments when the public improvement is petitioned by a developer or initiated by the City. This policy has been developed in accordance with North Dakota Century Code Title 40 that relates to municipal government.

1. **Special Assessment Districts**

A. **Storm Water**

- Cost allocation based on parcel/lot Square Footage.
- District boundaries are determined by watershed areas.
- Coulees, Detention Ponds, and other nondevelopable lots are not assessed for storm water.
- For Regional Storm Water, Utility assumes cost for unannexed property via assessment to City owned parcel. This cost is held in abeyance and assessed in a continuous district to previously unannexed land when the land is subsequently annexed. (See Continuous Districts below).
 - Factor applied to unannexed property shall coincide with the Comprehensive Land Use Plan.

B. **Street Lights**

- Cost allocation is based on a per parcel/lot for residential and square foot for commercial.
- Boundaries are drawn to include properties that benefit from the improvement.
- City considers installing street lights when 50% of lots are either permitted or contain building structures or sooner if transportation safety issues exist.
- Corner lots only pay a 1/2 street light assessment for each side of the lot.

BASIS OF SPECIAL ASSESSMENTS (CONTINUED)

C. Streets

1. Local Streets

a. New Pavement/Reconstruction/Resurfacing - patch, level, mill & overlay, chip seal

- Cost allocation is based on a per parcel/lot for residential and square foot for commercial.
- Boundaries are drawn to include properties that benefit from the improvement.
- Corner lots are assessed based on one side and at a rate of 1/2 if only one street adjacent to the lot is being improved.
- City subsidy of 25% is provided for resurfacing projects.
- Balance of cost is assessed.

2. Collector Streets

a. New Pavement/Reconstruction/Resurfacing - patch, level, mill & overlay, chip seal

- Cost allocation is based on a per parcel/lot for residential and square foot for commercial.
- Boundaries are drawn to include properties that benefit from the improvement.
- Corner lots are assessed based on one side and at a rate of 1/2 if only one street adjacent to the lot is being improved.
- In non-commercial parcels/lots, city assumes cost to construct a street wider than 37 feet and pavement depth greater than local roadway design. Commercial parcels/lots are assessed full width and depth costs.
- City subsidy of 25% is provided for resurfacing projects.
- Balance of cost is assessed.

3. Arterial Streets

a. New Pavement/Reconstruction

- Cost allocation is based on a per parcel/lot for residential and square foot for commercial.
- Boundaries are drawn to include properties that benefit from the improvement (direct benefit) and those in the area half way to the next north-south and east-west arterial (secondary benefit).
- Direct benefit would be an assessment equivalent to new pavement assessment on a local street plus a share of secondary benefit as all parcels/lots pay for a local street plus a portion of the arterial streets.
- Secondary benefit would be proportionate amount of the direct benefit.
- Corner lots are assessed based on one side and at a rate of 1/2 if only one street adjacent to the lot is being improved.
- In non-commercial parcels/lots, city assumes cost to construct a street wider than 37 feet and pavement depth greater than local roadway design. Commercial parcels/lots are assessed full width and depth costs.
- Balance of cost, less assessments funded by other City resources, is assessed.

b. Resurfacing - patch, level, mill & overlay, chip seal

- Cost allocation is based on a per parcel/lot for residential and square foot for commercial.
- Boundaries are drawn to include properties that benefit from the improvement.
- Assessment to be is proportionate with assessment for typical local street resurfacing assessment.
Arterial streets require resurfacing more frequently than local streets. Lots on arterial streets will have their assessment adjusted to be proportionate to a local street assessment.
- Corner lots are assessed based on one side and at a rate of 1/2 if only one street adjacent to the lot is being improved.

BASIS OF SPECIAL ASSESSMENTS (CONTINUED)

- In non-commercial parcels/lots, city assumes cost to construct a street wider than 37 feet and thicker than local roadway design. Commercial parcels/lots are assessed full width and depth costs.
- City subsidy of 25% is provided for resurfacing projects.
- Balance of cost, less assessments funded by other City resources, is assessed.

4. ***Hard Surface Street Projects -***

- Cost allocation is based on a per parcel/lot for residential and square foot for commercial.
- Boundaries are drawn to include properties that benefit from the improvement.
- City subsidy of 50% is provided. The balance is assessed.

5. ***Pavement Reconstruction with Ground Water Projects (with Subbase Drainage System) -***

- Cost allocation is based on a per parcel/lot for residential and square foot for commercial.
- City subsidy of 70% is provided.
- Commercial parcels/lots are assessed at two times the residential rate, plus a proportionate amount for full-width and extra-depth costs, where applicable.
- Balance of cost, less assessments funded by other City resources, is assessed.

6. ***Alleys (public alleys with existing asphalt or concrete pavement) -***

- The full cost to pave, resurface, or reconstruct public alleys will be assessed proportionately, without subsidy, based on a per parcel/lot for residential and square foot for commercial, to properties that either abut the alley or have access to their property via the public alley.

D. **Concrete Curb & Gutter/Sidewalk/Driveways (New and Repairs)**

- New Pavement/Reconstruction/Resurfacing
 - Sidewalk and Driveways assessed to individual parcels/lots.
 - Curb & Gutter and ADA Ramps included as project costs.
- Owner-Elected Improvement
 - Total cost assessed directly to individual parcels/lots.

E. **Federal Aid Projects**

- Parcels/lots included in Federal Aid projects are to be assessed equivalent to what they would have paid if federal funding was not involved. (See Arterial Streets above.)

F. **Water Mains (new)**

- Cost allocation is based on parcel/lot Front Footage.
- Half the cost to install 8" water main for residential or 12" for commercial is calculated and then allocated to all parcels on the one side of improvement proportionately based on lot frontages. Same is done for the other side of improvement.
- City assumes cost of over-sized main installation and costs for nondevelopable lots.

G. **Sewer Mains (new)**

- Cost allocation based on parcel/lot Front Footage.
- Half the cost to install 8" sewer main for residential or 10" for commercial is calculated and then allocated to all parcels on one side of improvement proportionately based on lot frontages. Same is done for the other side of improvement.
- City assumes cost of over-sized main installation and costs for nondevelopable lots.

2. Continuous Districts

A. Regional Trunk Infrastructure Fee

a. Formula for Assessment

- Intended to recover the costs that Water and Sewer Utilities have assumed for over-sized mains and other general infrastructure such as treatment plants, pump stations, reservoirs, and trunk water and sewer mains already in place that will serve property upon annexation.
- Cost allocation based on parcel/lot square footage. Rate per square foot determined annually. Minimum charge set at 10,000 SF. Costs to be assessed upon annexation of parcels.

B. Main Lines Built by City Prior to Annexation (Not over-sized mains)

- Costs held in abeyance to be assessed upon annexation of parcels.

a. Water

- Assessed only if a parcel has the ability to tap directly into the water line and has not already paid for a watermain.

b. Sewer

- Criteria to assess is based on a parcel having ability to directly tap into the sewer line and has not already paid for a sewer line.

c. Cost allocation based on parcel/lot Front Footage.

- Assessment is triggered by annexation, prospectively from 2007 annexations on.
- If a specific utility or assessment district was created to install water or sewer main, that cost is used as the basis of the assessment.
- If an over-sized main was installed, an average per foot cost of the prior year's three-way agreements or assessment districts is calculated by Engineering Department to apply to now annexed property.

C. Storm Water - Regional projects that include unannexed property

- Costs held in abeyance to be assessed upon annexation of parcels.
- Cost allocation based on parcel/lot square footage of the initial project.

3. Rural Road Usage Policy

- The cost of an improvement for streets or street lights for property not annexed that benefit from the improvement will be held in abeyance until those properties are annexed. The assessment is in accordance with the City Commission Rural Road Usage Policy.

4. Factors

A. The following factors are applied in all assessment districts except water and sewer mains and Continuous Districts:

- Factors applied are:
 - Commercial - 2.0; Residential - 1.0
 - Agricultural - Factor applied shall coincide with Comprehensive Land Use Plan.
 - Public Park Property - if it contains a revenue producing facility (i.e. pool) then Commercial - 2.0; otherwise same as Residential - 1.0.
 - Schools & Churches - Commercial - 2.0.
- Stormwater Lots - 0.5
 - Stormwater lots are subject only to paving and street lighting assessments on a per parcel/lot residential basis.

5. Parcels with Access via Private Drives or Access Easements

- Private drives are roadways, whether named or not, that lead from a public street to more than one private residential property and are owned and maintained by private individuals or organizations rather than the city.
- An access easement allows owners of property that does not have direct access to a public street to pass through the adjoining land to access their property.
- Commercial properties that gain access to their property from a public street via a private drive or an access easement are assessed for pavement and street lighting improvements to the public street based on 75% of their lot square footage or adjusted square footage, if applicable.
- Residential properties that gain access to their property from a public street via a private drive or an access easement are assessed for pavement and street lighting improvements to non-arterial public streets based on 50% of their parcel/lot or adjusted parcel/lot, if applicable.
- Actual costs of concrete repairs to driveway aprons or sidewalk on the shared access will be assessed proportionately to all parcels sharing the access.

6. Adjustments

- Adjustments may be made if the literal application of the policies result in an inequitable assessment and in order to achieve a more equitable assessment.