

## BASIS OF SPECIAL ASSESSMENTS

---

Special Assessment is the method the City of Bismarck (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's 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 non-petitioning 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-petitioning 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**

#### ● **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 districts, the Public Works Utility Operations Department assumes the cost for unannexed property via assessment to a 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. This only applies to remaining masterplanned projects in North Washington Street, Carufel's and Tyler Coulee watersheds (see Continuous Districts below).
  - Factor applied to unannexed property shall coincide with the Comprehensive Land Use Plan.

#### ● **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 may consider installing street lights when 50% of lots are either permitted or contain building structures or if transportation safety issues exist.
- Corner lots only pay a 1/2 street light assessment for each side of the lot.

- **Streets**

- 1. **Local & Collector Streets**

- New Pavement/Reconstruction/Resurfacing - patch, level, mill & overlay, seal coat, concrete pavement repair*

- 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.
      - Multi-street properties are those with more than one street adjacent to the property. Multi-street properties are assessed based on the street(s) being improved.
        - For residential multi-street properties with two adjacent streets, 1/2 of the assessment is allocated to each street.
        - For residential multi-street properties with more than two adjacent streets, a proportion of the assessment is allocated to each street relative to the total number of streets improved.
        - For commercial multi-street properties, the portion of the adjacent street footage within the district relative to the parcel's total adjacent street footage is allocated.
      - In non-commercial parcels/lots with reconstruction/resurfacing and streets wider than 37 feet, the City assumes the cost for the additional width of pavement wider than 37 feet and thicker than local roadway design. Commercial parcels/lots are assessed full width and depth costs. Commercial parcels/lots are assessed full width and depth costs.
      - City subsidizes 25% for resurfacing projects.
      - City subsidizes 70% for reconstruction projects.
      - Balance of remaining cost is assessed unless other City resources are identified and approved.

- 2. **Arterial Streets**

- a. *New Pavement/Right of Way Corridor Reconstruction*

- Typical project components include grading, surfacing, pedestrian facilities, drainage systems, lighting and traffic control.
        - Cost allocation is based on a per parcel/lot for residential and square foot for commercial.
        - District boundaries are drawn to include properties that benefit from the improvement (direct benefit) and properties in the area half-way to the next north-south or east-west assessed arterial street (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 a proportionate amount of the direct benefit.
        - Multi-street properties are those with more than one street adjacent to the property. Multi-street properties are assessed based on the street(s) being improved.
          - For residential multi-street properties with two adjacent streets\*, 1/2 of the assessment is allocated to each street.
          - For residential multi-street properties with more than two adjacent streets\*, a proportion of the assessment is allocated to each street relative to the total number of streets improved.
          - For commercial multi-street properties, the portion of the adjacent street\* footage within the district relative to the parcel's total adjacent street\* footage is allocated.
        - \*ND Dept. of Transportation Regional Highways are excluded from multi-street allocations (Effective for all assessment districts confirmed by the City Commission after December 31, 2020).
        - In non-commercial parcels/lots with streets wider than 37 feet, the City assumes the cost for the

additional width of pavement wider than 37 feet and pavement depth greater than local roadway design. Commercial parcels/lots are assessed full width and depth costs.

- Balance of remaining cost is assessed unless other City resources are identified and approved.

b. *Reconstruction/Resurfacing* -

- Typical project components include full depth pavement replacement, patch, level, mill & overlay, seal coat, concrete pavement repair
- 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.
- Special Assessments are proportionate with costs for typical local street. Generally, arterial streets require resurfacing more frequently than local streets. Lots on arterial streets will have their special assessment adjusted to be proportionate to a local street special assessment.
- Multi-street properties are those with more than one street adjacent to the property. Multi-street properties are assessed based on the street(s) being improved.
  - For residential multi-street properties with two adjacent streets\*, 1/2 of the assessment is allocated to each street.
  - For residential multi-street properties with more than two adjacent streets\*, a proportion of the assessment is allocated to each street relative to the total number of streets improved.
  - For commercial multi-street properties, the portion of the adjacent street\* footage within the district relative to the parcel's total adjacent street\* footage is allocated.
- \*ND Dept. of Transportation Regional Highways are excluded from multi-street allocations (Effective for all assessment districts confirmed by the City Commission after December 31, 2020).
- In non-commercial parcels/lots and streets wider than 37 feet,, the City assumes the cost for the additional width of pavement wider than 37 feet and thicker than local roadway design. Commercial parcels/lots are assessed full width and depth costs.
- City subsidizes 25% for resurfacing projects.
- City subsidizes 70% for reconstruction projects.
- Balance of remaining cost is assessed unless other City resources are identified and approved.

3. ***Alleys (public alleys with 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 property and square foot for commercial property, to properties that either abuts the alley or have access to their property via the public alley.

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

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

● **Federal/State/Local Aid Projects**

- Parcels/lots included in Federal/State/Local Aid projects are assessed equivalent to the method used for a local roadway (Refer to Arterial Streets section above).

## **2. Continuous Districts**

- A. **Regional Trunk Infrastructure Fee (only applied to property annexed prior to Feb 1, 2019, if applicable)**
- Apply special assessments policy in effect at the time of annexation.
- B. **Main Lines Built by City Prior to Annexation (Not over-sized mains) (only applied to property annexed prior to Feb 1, 2019, if applicable)**
- Apply special assessments policy in effect at the time of annexation.
- C. **Storm Water - Regional projects that included unannexed property**
- Costs held in abeyance are assessed upon annexation of those parcels.
  - Cost allocation is based on parcel/lot square footage of the previous project(s).
- D. **Rural Road Usage Policy**
- a. The improvement cost for streets or street lights for property not annexed that benefit from the improvement will be held in abeyance until those properties are annexed to the City in accordance with the City Commission Rural Road Usage Policy and NDCC 40-23-19.

## **3. Factors**

- A. **The following factors are applied to all special assessment districts, except 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 the property contains a revenue producing facility (i.e. pool), then Commercial - 2.0; otherwise, same application 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.

## **4. Parcels with Access via Private Drives**

- Private drives are named roadways that lead from a public street to more than one property and are owned and maintained by private individuals or organizations rather than the City.
- Commercial properties that gain access to their property from a public street via a private drive 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 access their property from a public street via a private drive 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 private drive will be assessed proportionately to all parcels utilizing the private drive.

## **5. Adjustments**

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

## **6. Errors or Omissions**

- Corrections may be made to existing special assessments if errors or omissions of the applicable policy are determined at the time the error is identified.