

Special Assessment Policy

City of Wahpeton

March 3, 2016

1.0 Policy Goals

The goals of Wahpeton's special assessment policy are as follows:

1. Provide a source of funding, within the financial capacity of the City, for infrastructure needs for new development, redevelopment, and maintenance within the City in a cost-effective manner.
2. Provide the Assessment Commission and staff with guidelines and methods to distribute infrastructure costs to benefitting properties in an equitable and consistent manner thereby enhancing the value of property by assigning a proportionate value of the improvements to the properties deriving benefit from the improvement.
3. Provide a well-maintained infrastructure system that services individual properties and takes advantage of economies of regional scale and flexibility in the timing of infrastructure development.
4. To provide an effective tool for the management of municipal resources to support a highly functional and well-maintained system of infrastructure that promotes economic development and growth, fosters a sense of pride throughout the community, and facilitates the development and adoption of short and long-range capital improvement plans by identifying the magnitude and sources of funding available.

2.0 Introduction

A special assessment is a levy on a property to defray the cost of public improvements. Chapter 40 of the North Dakota Century Code grants cities the authority to use special assessments as a mechanism to finance a broad range of public improvements. The primary purpose of special assessments is to assign reasonable costs to those properties receiving a benefit from a public improvement project.

Special assessments are a tool to cities in that the public improvement costs are assigned to the benefiting properties. Properties that benefit from the improvements have the opportunity for involvement with the City Council through Public Hearings.

While the special assessment goals and policy have been listed herein, the Assessment Commission and/or the City Council has the authority to deviate from this policy when such rationale in equity arises or when state law requires such deviation.

3.0 Policy Definitions

- A. Abutting Property: A property directly adjacent to public improvements.
- B. Access: Properties shall be considered to have access to public street improvements when they may enter onto the improvement from their own private driveway, or when the street classification would allow the property to be granted driveway access. Properties shall be considered to have access to underground utility improvement when they directly abut and are within 150 feet of the utility.
- C. Adjusted Area: An area of a benefiting property that has been modified by an adjustment factor to more accurately represent the true benefit that property receives from an improvement in comparison to other properties in the assessment area. The adjustment will be based on the improvement design parameters that are applicable to that parcel, as approved by the City Council. Design parameters that may be used to determine the adjustment factor include, but are not limited to, trip generation, stormwater runoff coefficients, water sewer and water use, needed fire flow, and zoning or future land use.
- D. Adjusted Front Footage: A modified lineal front footage designed to compensate for irregularly shaped lots and corner lots to make apportionment of assessment more equitable. The adjusted front footage may be greater than or less than the actual front footage.
- E. Assessed Cost: Those costs of public improvement that have been determined to benefit specific properties. The assessable cost will be equal to the project minus the City cost. Project costs eligible for assessment include all costs associated with the improvements, including, but not limited to, land acquisition, demolition, construction, administration, engineering, legal, financing and other costs as determined by the City Council. The financing charges include all costs of financing the project. These costs include, but are not limited to, financial consultant's fees, bond attorney's fees, and capitalized interest.
- F. Assessable Area: The assessable area is the total area of all of the benefiting properties, when using an area based assessment.
- G. Assessable Front Footage: The assessable footage is the total front footage of all of the benefiting properties, calculated by using the front footage method.
- H. Assessment Rate: The assessment rate is determined by dividing the assessable cost of an improvement by the total number of assessment units such as the total adjusted front footage or square footage, acreage, number of lots, or number of parcels.
- I. Assessment Unit: Adjusted front foot, square foot, acre, lot, unit or a parcel of land.
- J. Benefit: The increase in property value as a result of a public improvement including but not limited to street, sidewalk, curb and gutter, water main, sewer, park, or street landscaping.

- K. **Deferment**: A process of postponing the collection of the cost of public improvements and funding them as a system cost with the intention of assessing the cost at a later date.
- L. **Front Footage**: The distance measured along the right-of-way line that directly abuts an improvement, not counting Side-Lot Footage.
- M. **Local Sanitary Sewer**: Sanitary sewer lines that serve the abutting properties.
- N. **Lot Definitions**:
1. **Corner Lot**: A lot located at a street intersection having both front and side-lot footage.
 2. **Double frontage Lot**: A lot with access to two separate non-intersecting or intersecting streets but not a corner lot.
 3. **Irregularly Shaped Lot**: Those lots abutting curved streets, cul-de-sacs, or other lots where there is more than five feet of difference between the front and back lot lines.
 4. **Rectangular Lot**: A lot with less than five feet of difference in length between the front and back lot lines.
- O. **Project Buy Down**: The amount the City participates on an improvements project to lower the assessments for properties within the district.
- P. **Public Improvement**: Improvements as allowed by the State of North Dakota Century Code Section 40-22-01 as amended; that provide a special benefit to properties. Public Improvements include, but are not limited to:
1. The construction or replacement of a water supply system, or a sewerage system, including the construction and erection of wells, intakes, pumping stations, settling basins, filtration plants, standpipes, water towers, reservoirs, water mains, sanitary and storm sewer mains and outlets, facilities for the treatment and disposal of sewage and other municipal, industrial, and domestic wastes, and all other appurtenances and structures used or useful for a complete water supply and sewerage system.
 2. The improvement of the municipal street system and any part thereof, including any one or more of the processes of acquisition, opening, widening, grading, graveling, paving, repaving, surfacing with tar, asphalt, bituminous, or other appropriate material, resurfacing, resealing, and repairing or any street, highway avenue, alley, or public place within the municipality, and the construction and reconstruction of overhead pedestrian bridges, pedestrian tunnels, storm sewers, curbs and gutters, sidewalks, and service connections for water and other utilities, and the installation, operation, and maintenance of street lights and all types of decorative street lighting.
 3. The improvement of boulevards and other public places by the planting of trees, the construction of grass plots and the sowing of grass seed therein, and the maintenance and preservation of such improvements by the watering of such trees and grass, the cutting of such grass, and the trimming of such trees, or otherwise in any manner which may appear necessary and proper to the governing body of the municipality.

4. The acquiring of the necessary land and easements and the construction of the necessary works, within and without the municipality, for flood protection of properties within the municipality.
 5. The acquiring or leasing of the necessary property and easements and the construction of parking lots, ramps, garages, and other facilities for motor vehicles.
- Q. Side-Lot Footage: In the case of corner lots, the longest distance measured along the right-of-way shall be considered the side of the lot, regardless of the address or the direction that the house faces, or the driveway location.
- R. Special Assessment: A legal process whereby the benefited property is charged for all or a portion of the cost of public improvements.
- S. Street: All public ways designed as means of access to the adjoining properties.
- T. System Cost: That portion of the assessable cost that benefits properties whose assessments are deferred because they are located outside of City limits or are unable to make use of the improvements due to factors beyond their control. An example would be a sanitary lift station that is installed to serve an area greater than the City Limits. The City will pick up the initial cost and then assess at a later date when benefitted property is annexed into the City.
- U. Underground Utility: Underground utilities include sanitary sewer, water main, and storm sewer pipes.

4. **Methods of Assessment**

- A. Adjusted Front Foot Method: This method computes the assessable frontage for the project and for each property. The assessment rate is obtained by dividing the total assessable cost by the assessable footage in an assessment district. The assessment for each property in the district is obtained by multiplying the assessment rate times the adjusted front footage for each property. Adjusted front footage is determined as follows:
- a. *Rectangular Lots* - Adjusted front footage shall be the same as the front footage at the right-of-way.
 - b. *Irregularly Shaped Lots* - Adjusted front footage will be calculated by adding the front and back lot lines and dividing by two, although other methods may be used at the City's discretion if they are determined to be more equitable.

For lots with more than four sides, the rear lot footage will be the longest segment of the rear lot.

- c. *Corner Lots* – The adjusted front footage will be calculated as follows:
 - Residential Corner Lot: Improvements bordering the Front Lot Footage will be assessed the actual Front Lot Footage. Improvements bordering the Side Lot Footage will be assessed at a rate of one quarter the Side Lot Footage.

 - Commercial/Multi-Family Front Footage Method: Improvements bordering the Front Lot will be assessed the entire length of the Front Lot Footage. Improvements bordering the Side Lot will be assessed the entire length of the Side Lot Footage.

- d. *Double Frontage Lots* – May be assessed for any street improvement that it has direct access. The adjusted front footage for each improvement will be determined in accordance with the above-described policies, whichever is appropriate.

B. Area Method: This method computes cost on a square foot basis. The assessment rate is determined by dividing the total assessable cost by the total benefiting area. A parcel's assessment is then determined by multiplying the assessment rate times the benefiting area of the parcel. When the benefiting area includes both platted and unplatted properties, the gross benefiting area will be used to apportion the benefit among the properties. If all uses are the same in a project area (single family, multi-family, commercial, or industrial), the assessment rate is the same for all.

C. Fixed Cost Method: This method computes the costs on the basis of individual assessment units. The total project cost is divided by the total number of assessment units to calculate the fixed cost. Assessment units can be determined on a per unit basis. For lots that may be further subdivided, the City may determine the number of assessable units based on the number of equivalent lots that could be created from a particular parcel.

5. Spreading the Assessments Reconstruct Projects

- A. Storm Sewer: Assessments to be spread by the Area Method, unless otherwise specified by the Assessment Commission.

Each property is generally recognized as receiving benefit based on the square footage of the lot draining into the storm sewer system.

Regional stormwater ponds, pond outlets, and storm sewer lift stations will be assessed the same as storm sewer. All properties that are benefitted by the pond or storm sewer lift station will be included in the district boundary.

In cases where the design service area includes properties that are not annexed or have not been developed; the City will pay for these costs and assess after properties are annexed into the City. This would be treated as a system cost.

- B. Sanitary Sewer: Assessments to be spread by the Adjusted Front Foot Method for local sanitary sewers, unless otherwise specified by the Assessment Commission. The assessments for Trunk Sewers and Lift Stations shall be spread by the Area Method, unless otherwise specified by the Assessment Commission.

The entire cost of installing sanitary sewer that is 8-inches in diameter shall be assessed to the abutting properties.

The cost of pumping stations, force mains, and oversizing the sanitary sewer to provide service to properties that do not directly abut the improvements shall be proportionally assessed to the entire benefitted area.

In cases where the design service area includes properties that are not annexed; the City will pay for these costs and assess after properties have been annexed into the City. This would be treated as a system cost.

If larger diameter sanitary sewer mains are required to serve commercial, industrial or institutional properties, the increased cost of installation shall be assessed to those properties.

- C. Watermain: Assessments to be spread by the Adjusted Front Foot Method for watermains that are 8-inches or less in diameter, unless otherwise specified by the Assessment Commission.

The cost for oversizing the watermain for general distribution purposes will not be assessed. The City will pay the cost for oversizing and trunk water lines.

- D. Sewer and Water Services: Assessments to be spread by the Fixed Cost Method, unless otherwise specified by the Assessment Commission. The assessment will be based on the number and size of sewer and/or water services installed for each individual property.

- E. Local Street: Assessments for Local Streets including but not limited to the costs for the street, curb and gutter, sidewalk, driveway, street lighting, traffic control, and street signage shall be spread to the abutting properties by the adjusted front footage method, unless otherwise specified by the Assessment Commission. The assessment rate will be equal to the assessable cost of the improvement divided by the total front and side lot footage.

- F. Urban Roads: Assessments for Urban Roads including but not limited to the costs for the street, curb and gutter, sidewalk, driveway, street lighting, traffic control, and street signage shall be spread by the Area Method, unless otherwise specified by the Assessment Commission. Urban Roads benefit a larger area than just the properties abutting the street, therefore assessments are spread over a larger area than the abutting properties. The assessment rate for properties that abut the improved Urban Road will generally be higher than those properties in the district that do not abut the improved Urban Road. The assessment rates will be computed by engineering during design and presented to the Assessment Commission for approval.

- G. Interest Rate on Assessments: Interest rates vary depending on the condition of the bond market at the time of project financing. The City will determine the interest rate to be used for each specific project. The project interest rate will be charged on an annual basis on the unpaid balance of the total assessment. The interest rate will be computed as the bond rate plus 1.5% or as amended by North Dakota Century Code 40-24-02. Special assessments may be paid without interest within ten days after the city's governing body approves the assessment list and thereafter bear interest at an annual rate not exceeding 1.5% above the average annual interest rate on the bonds.

- H. Administration Costs: Administrative fees shall be applied to each special assessment project to recover unallocated indirect expenses. The fees shall be based on the total construction cost and may be calculated at a rate up to 3% or as otherwise determined by the City Council.

- I. Length of Assessment: The assessment period for all improvements is subject to the requirements of the bond market at the time of project financing and thus may vary in length from the time periods proposed.

STREET

100'

140'

140'

100'

ALLEY

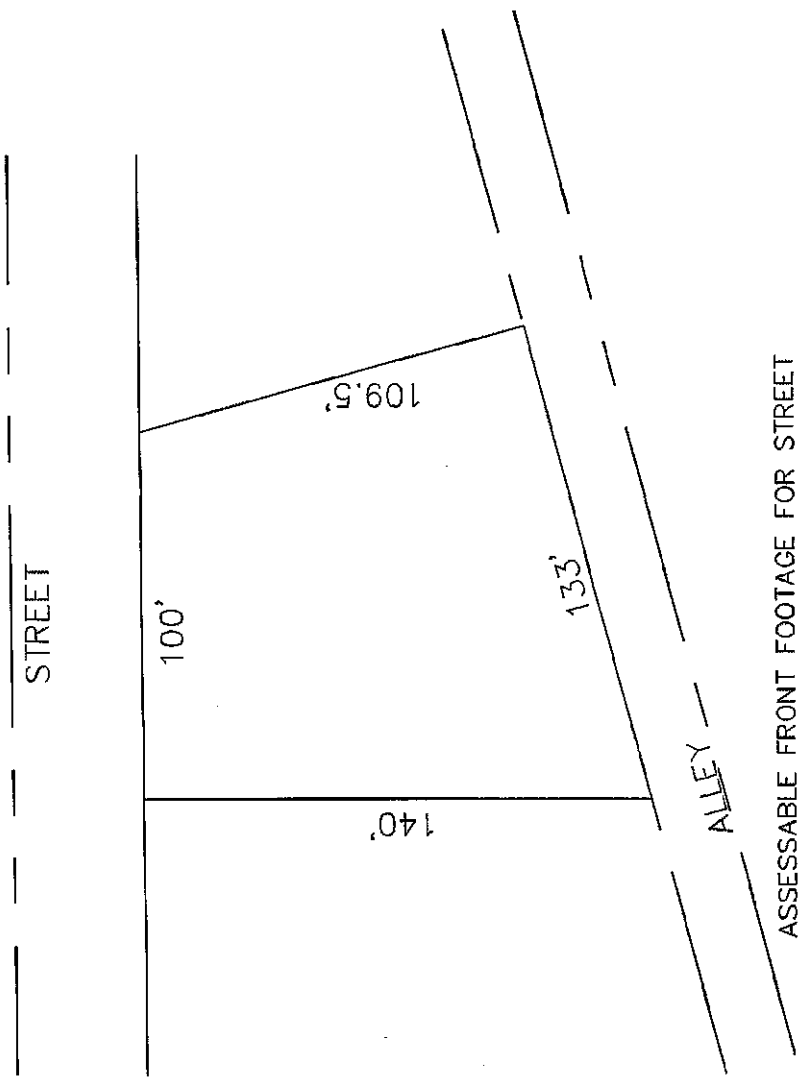
ASSESSABLE FRONT FOOTAGE FOR
STREET AND UNDERGROUND UTILITY
IMPROVEMENTS = 100.00' (Front Only)

Rectangular Interior Residential Lot Assessment Details

Project Name and Address
Detail
A

No.	Reviewer/Owner	Initials
	None	

Drawn By: Kyle R
Date: Nov 2015
Checked By:
Date:
Sheet:
1 of 1

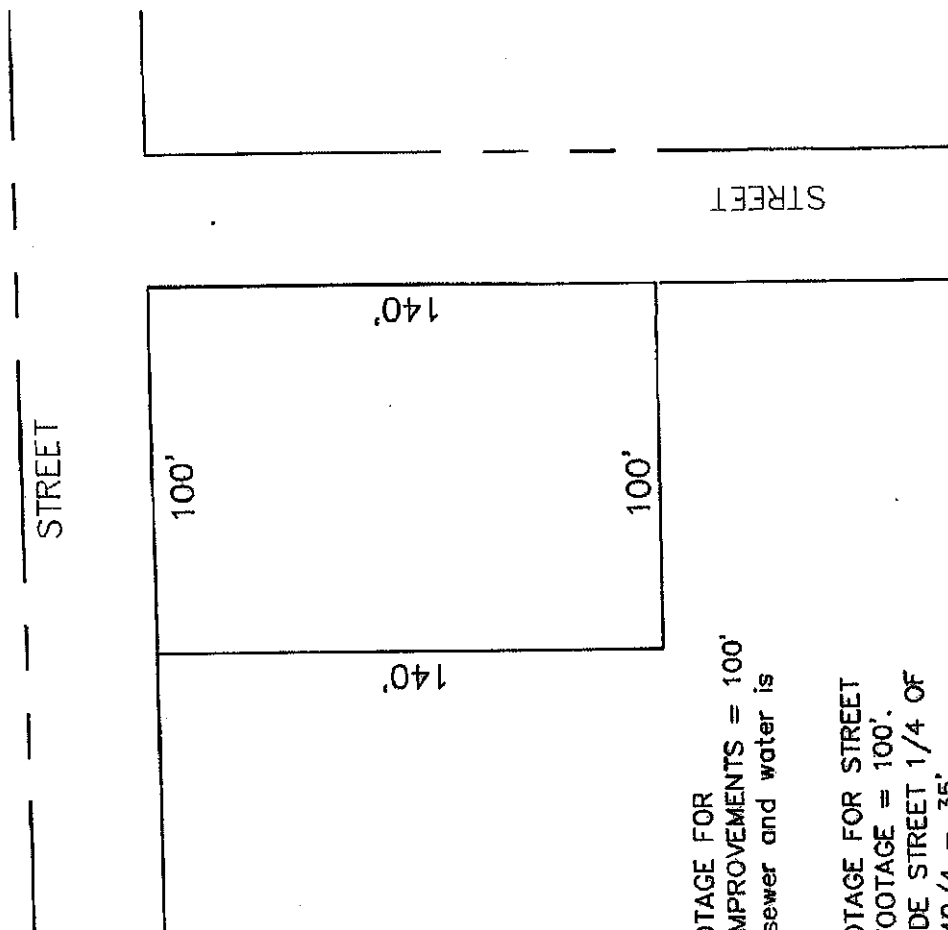


ASSESSABLE FRONT FOOTAGE FOR STREET
AND UNDERGROUND UTILITY IMPROVEMENTS =
 $(100' + 133') / 2 = 116.5'$

**Irregular Shaped Interior Residential Lot
Assessment Details**

Project Name and Address:
**Detail
B**

No.	Revision/Issue	Date
	None	



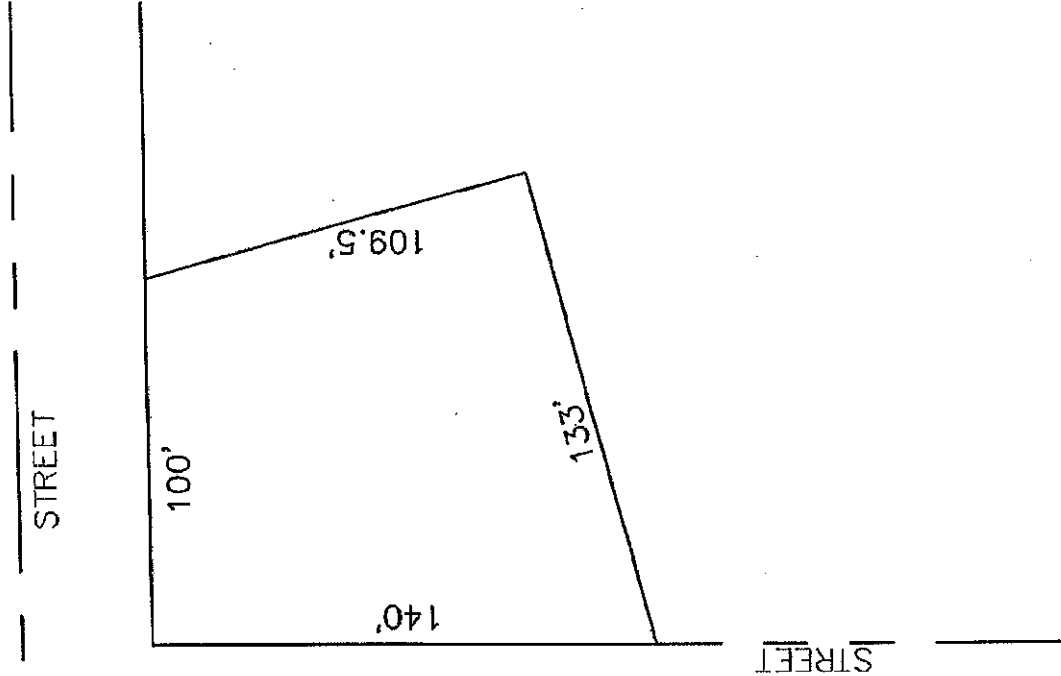
ASSESSABLE FRONT FOOTAGE FOR UNDERGROUND UTILITY IMPROVEMENTS = 100' or 140'. Whichever side sewer and water is obtained.

ASSESSABLE FRONT FOOTAGE FOR STREET IMPROVEMENTS FRONT FOOTAGE = 100'. IF IMPROVEMENTS ON SIDE STREET 1/4 OF SIDE LOT FOOTAGE = 140/4 = 35'

Rectangular Residential Corner Lot Assessment Details

Project Name and Address
Detail C

No.	Name	Position/Title	Date



ASSESSABLE FRONT FOOTAGE FOR UNDERGROUND UTILITY IMPROVEMENTS
 = Average of Front & Back $(100' + 133')/2 = 116.5'$ or Average of Sides $(140' + 109.5')/2 = 124.75'$
 Whichever side sewer and water is obtained.

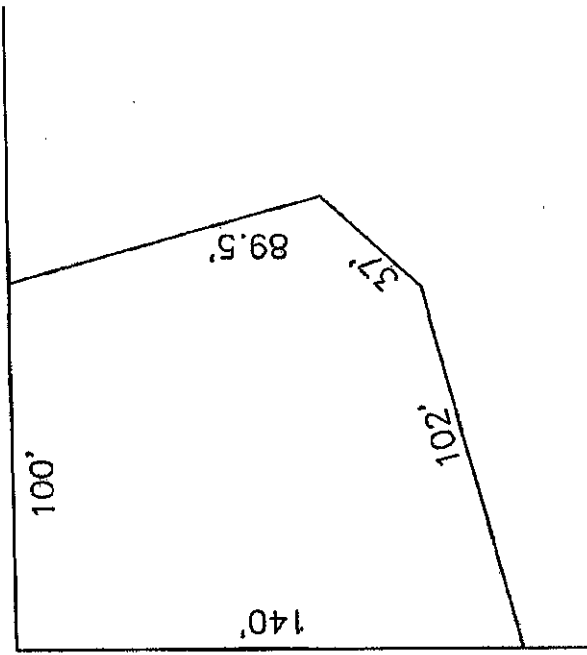
ASSESSABLE FRONT FOOTAGE FOR STREET IMPROVEMENTS = Average of Front & Back $(100' + 133')/2 = 116.5'$. If improvement on side street $1/4$ of average of sides = $((140' + 109.5')/2)/4 = 31.2'$

Irregular Shaped Corner Residential Lot Assessment Details

Project Name and Address:
Detail D

No.	Revision/Name	Date

STREET



STREET

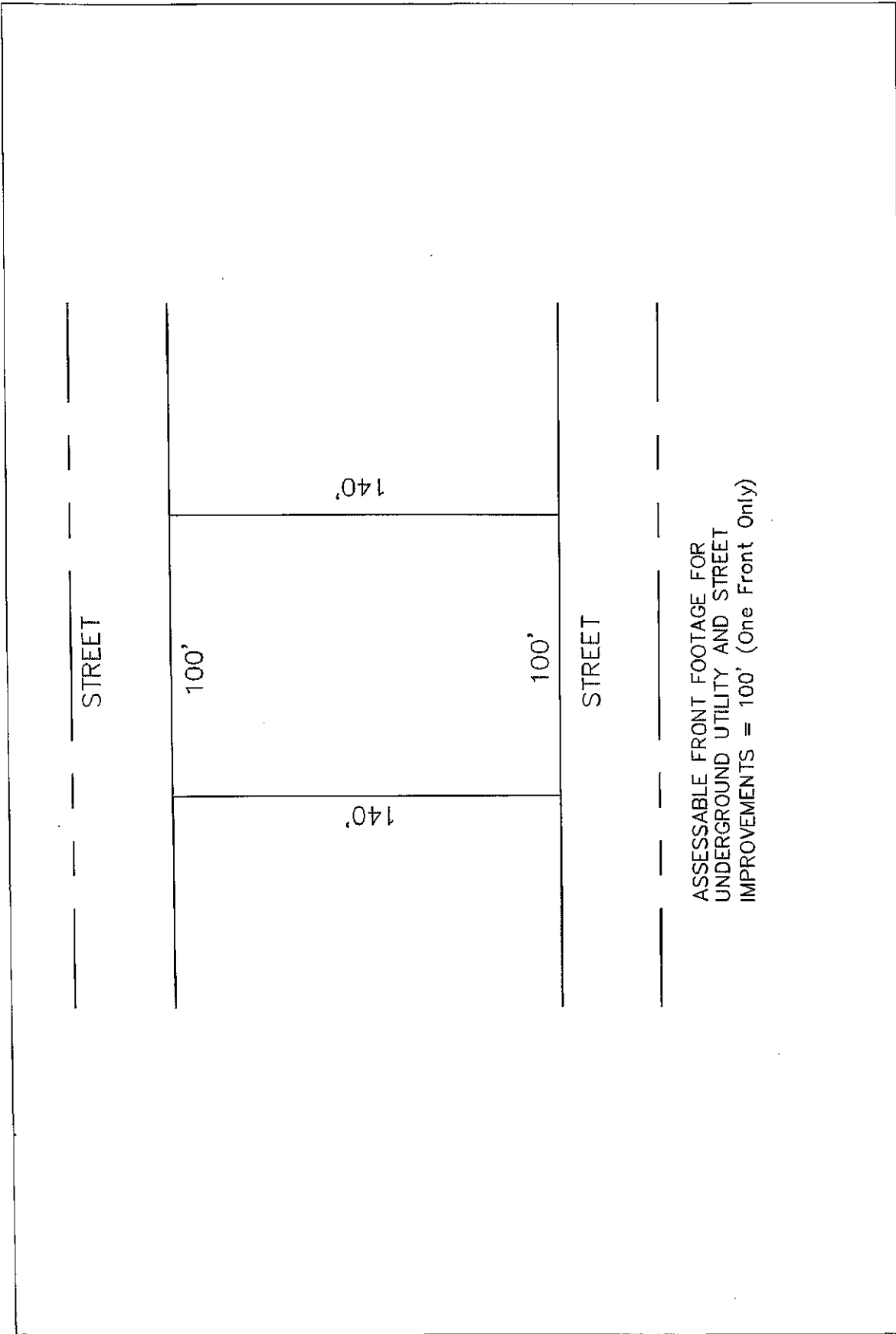
ASSESSABLE FRONT FOOTAGE FOR UNDERGROUND UTILITY IMPROVEMENTS
 = Average of Front & Longest Back Lot Dimension $(100' + 102')/2 = 101'$
 or Average of Sides $(140' + 89.5')/2 = 114.75'$
 Whichever side sewer and water is obtained.

ASSESSABLE FRONT FOOTAGE FOR STREET IMPROVEMENTS = Average of Front & Longest Back Lot Dimension $(100' + 102')/2 = 101'$. If improvement on side street $1/4$ average of side dimensions = $(140' + 89.5')/2 \times 1/4 = 28.69'$

**Irregular Shaped Corner Residential Lot
 More Than 4 Sides Assessment Details**

Project Name and Address
Detail E

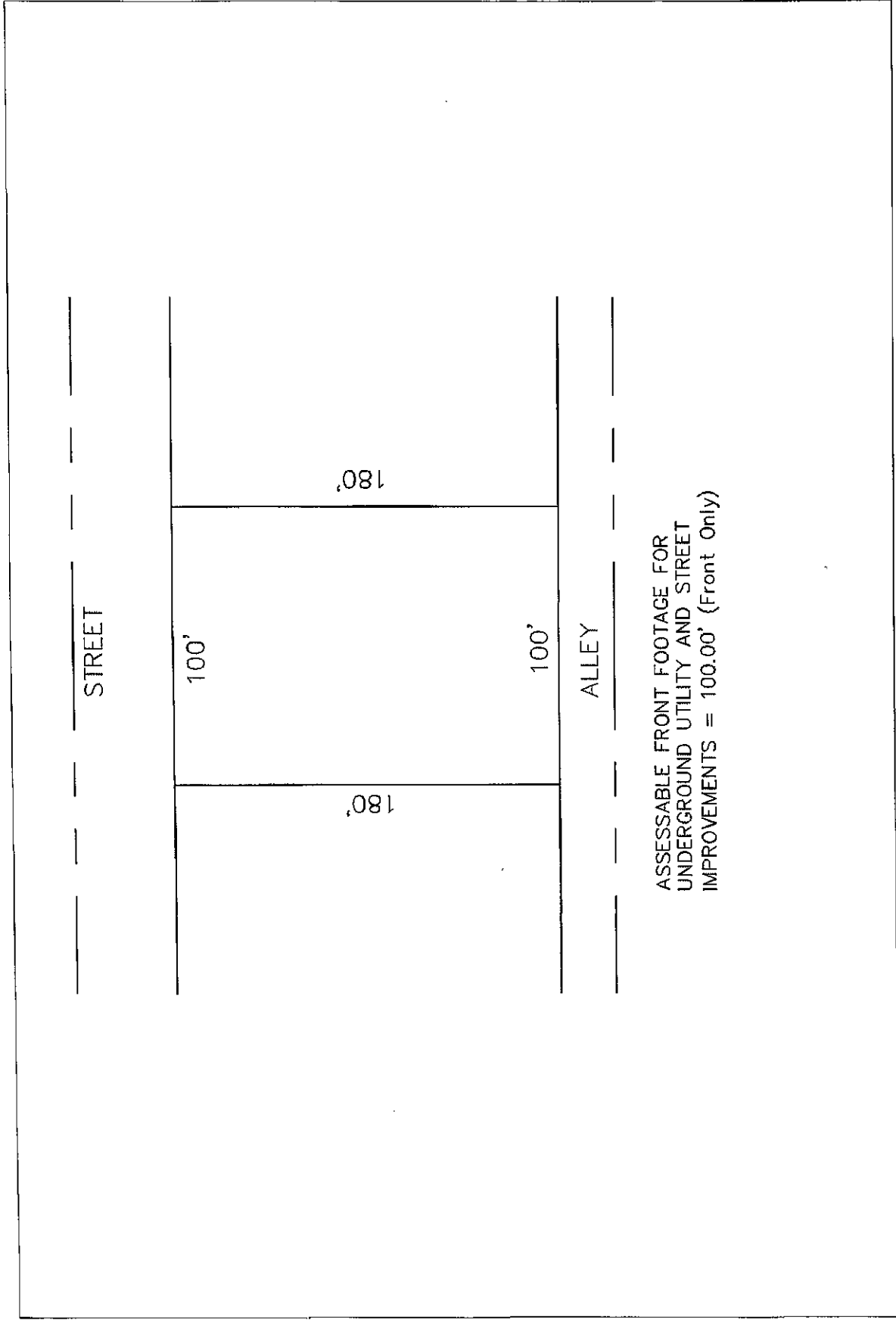
No.	Name	Date



**Rectangular Interior Residential Lot Abutting Two
Parallel Streets Assessment Details**

Project Name and Address:
**Detail
F**

No.	Revision/Issue	Date
	None	



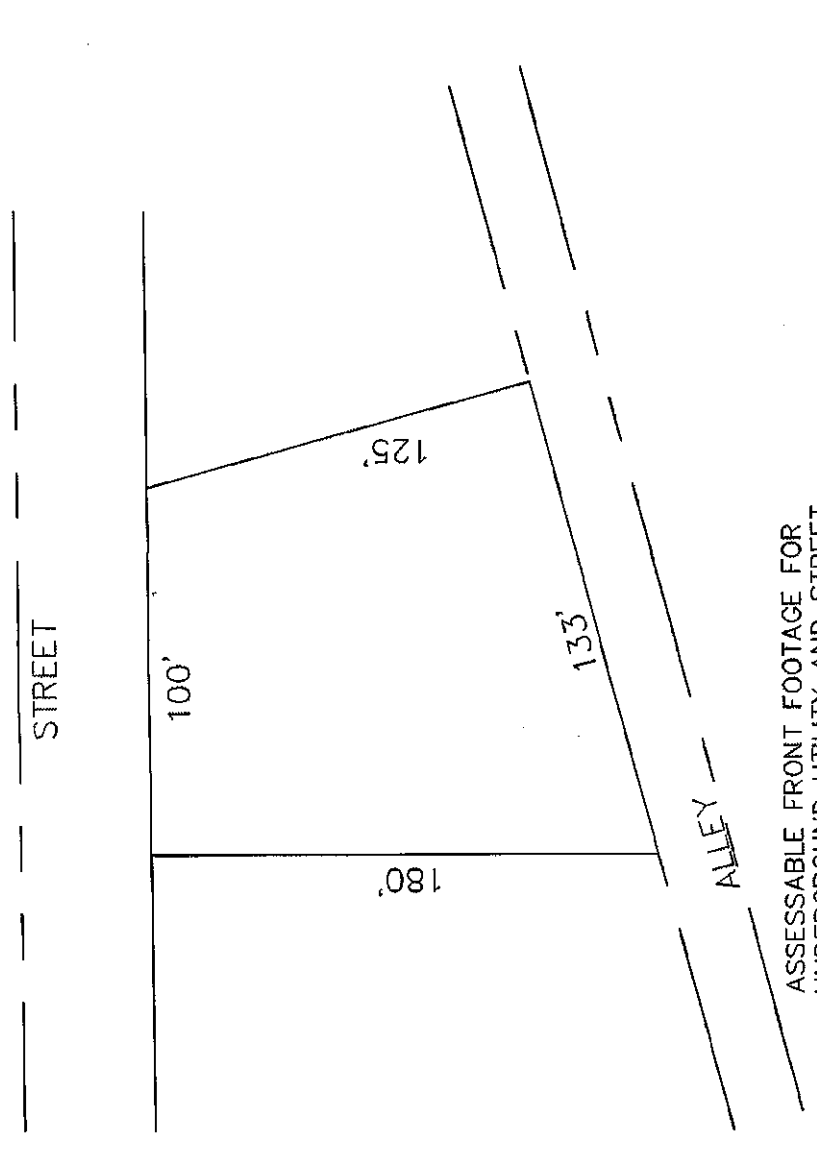
ASSESSABLE FRONT FOOTAGE FOR
 UNDERGROUND UTILITY AND STREET
 IMPROVEMENTS = 100.00' (Front Only)

Rectangular Interior Commercial Lot
 Assessment Details

Project Name and Address
 Detail
 G

No.	Revision/Status	Date

Drawn By: Kyle R
 Date: Nov 2015
 Checked By:
 Date:
 Sheet:
 1 of 1

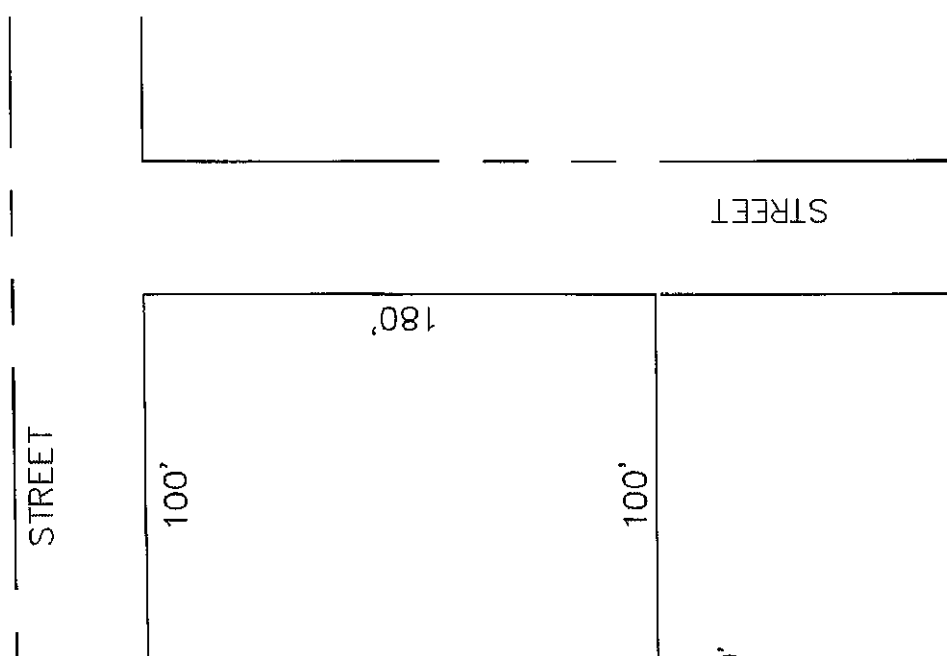


ASSESSABLE FRONT FOOTAGE FOR UNDERGROUND UTILITY AND STREET IMPROVEMENTS = $(100' + 133')/2 = 116.5'$

Irregular Shaped Interior Commercial Lot Assessment Details

Project Name and Address:
Detail H

No.	Revision/Issue	Date
	None	



ASSESSABLE FRONT FOOTAGE FOR UNDERGROUND UTILITY IMPROVEMENTS = 100' or 180' Whichever side sewer and water is obtained.

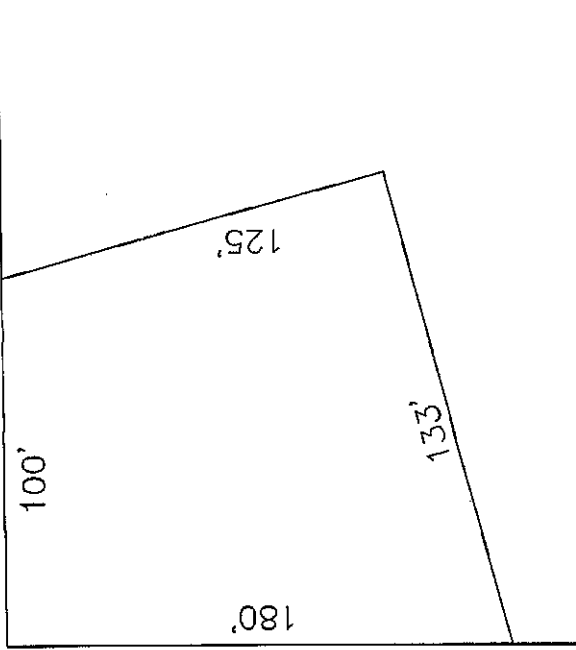
ASSESSABLE FRONT FOOTAGE FOR STREET IMPROVEMENTS = Front + Full Side (100' + 180') = 280'

Rectangular Commercial Corner Lot Assessment Details

Project Name and Address:
Detail 1

No.	Revision/Issue	Date
	None	

STREET



ASSESSABLE FRONT FOOTAGE FOR UNDERGROUND UTILITY IMPROVEMENTS = Average of Front & Back $(100' + 133')/2 = 116.5'$ or Average of Sides $(180' + 125')/2 = 152.5'$ Whichever side sewer and water is obtained.

ASSESSABLE FRONT FOOTAGE FOR STREET IMPROVEMENTS = Average of Front & Back $(100' + 133')/2 = 116.5'$. If improvement on side street as well average of sides added = $((180' + 125')/2) + 116.5' = 269'$

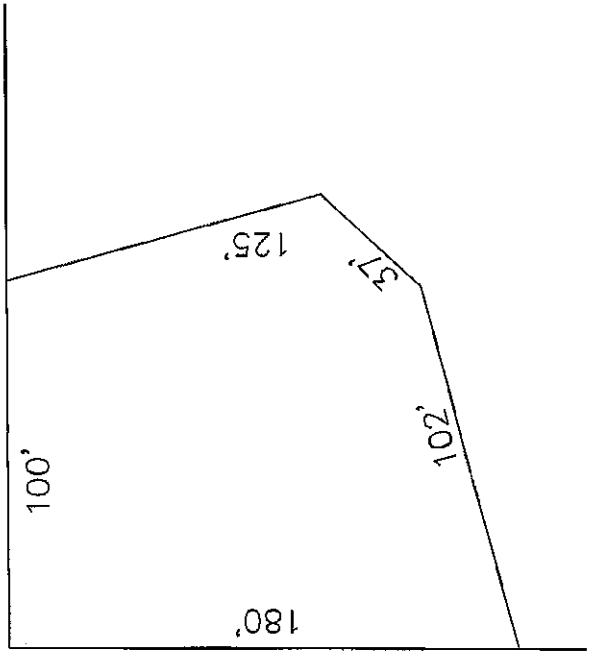
STREET

Irregular Shaped Corner Commercial Lot Assessment Details

Project Name and Address
Detail J

No.	Revision/Issue	Date
	None	

STREET



ASSESSABLE FRONT FOOTAGE FOR UNDERGROUND UTILITY IMPROVEMENTS = Average of Front & Longest Back Lot Dimension $(100' + 102')/2 = 101'$ or Average of Sides $(180' + 125')/2 = 145'$ Whichever side sewer and water is obtained.

ASSESSABLE FRONT FOOTAGE FOR STREET IMPROVEMENTS = Average of Front & Longest Back Lot Dimension $(100' + 102')/2 = 101'$. If improvement on side street as well average of sides added = $((180' + 125')/2) + 101' = 246'$

STREET

**Irregular Shaped Corner Commercial Lot
More Than 4 Sides Assessment Details**

Project Name and Address:
Detail K

None	
No.	Revision/Date

STREET

100'

180'

180'

100'

STREET

ASSESSABLE FRONT FOOTAGE FOR UNDERGROUND UTILITY IMPROVEMENTS = 100' where sewer and water is obtained.

ASSESSABLE FRONT FOOTAGE FOR STREET IMPROVEMENTS = 200.00' (Both Sides Assessed if improved)

Rectangular Interior Commercial Lot Abutting Two
Parallel Streets Assessment Details

Project Name and Address:
Detail L

No.	Revision/Issue	Date
	None	

Drawn By: Kyle R
Date: Nov 2015
Checked By:
Date:
Sheet: 1 of 1