

SPECIAL ASSESSMENT

DISTRICT BOUNDARIES AND BENEFIT

DETERMINATION

GENERAL POLICIES AND GUIDELINES

Submitted by: City of Grand Forks Engineering Department

Adopted by Special Assessment Commission: October 1, 2015

Adopted by City Council: October 19, 2015

INTRODUCTION

GENERAL POLICIES:

- Infrastructure improvements are recognized as benefiting a property by increasing the potential value and usefulness of the property through delivery of infrastructure services. The City of Grand Forks has a tradition of allocating costs of those improvements directly to properties receiving the benefit. The general philosophy is that most properties that have developed in the past have typically paid for their portion of the infrastructure which fits the overall long-term development plan of the City. Future development is expected to continue this process. In this way, individual projects will contribute their portion to the overall growth and quality of life of the entire community and the benefit derived from the delivery of infrastructure services.
- The policies described in this document are intended to generally describe the manner in which district boundaries are established and benefits are determined for typical infrastructure projects. Occasionally, situations will occur which will require a variation from the policies described in this document.

DISTRICT BOUNDARIES

GENERAL COMMENTS:

- Basic policy is interpreted by City Council as required to recognize non-traditional layouts and current funding policies.
- Establishing of district boundaries and project costs are in the jurisdiction of the City Council.
- When establishing boundaries, if a portion of a lot appears to have benefit, the entire lot will be included in the district however, a boundary may segregate an unplatted parcel.
- If an area is in doubt as to inclusion in a district, it will be included to allow the Special Assessment Commission discretion in assigning benefits.

A.) LOCAL STREETS:

Properties fronting the street are included in the district and are considered “frontage”. The district will extend half way back to the next parallel street and if the next parallel street is a classified street, the district will extend all the way to the classified street. For non-fronting properties, this is considered the “sideage” portion. In a simplistic grid pattern of streets and avenues, this allows a mechanism to pay for the “avenue” side in which no property “fronts” on.

B.) ALLEYS:

Properties adjacent to the alley are included within the district.

C.) CLASSIFIED STREETS:

Properties located less than, or equal to, a distance midway between the classified street project and the next classified street, are included within the district. The expanded district is an attempt to recognize the “community benefit” of classified streets in which direct access is often restricted in order to provide greater ability to move traffic. When the next classified street is funded without special assessments (such as I-29, Gateway Drive, etc.), the district will extend to these streets in lieu of midway between. In addition, physical boundaries such as the English Coulee, railroad tracks, I-29, etc., may be utilized as a district boundary. Under this policy, each property within the City will be included in one north-south classified street district and one east-west classified street district.

D.) LOCAL SANITARY SEWER:

Properties which will be served by the proposed segment of sewer will be included within the district. Typically, properties upstream of the proposed sewer are not included within the district although may be included if unusual circumstances exist such as extending the sewer through expansive public rights-of-way, drainways, etc.

E.) TRUNK SANITARY SEWER:

A trunk sanitary sewer consists of a deep sewer main absent of service leads to individual properties and is intended to convey sewage from upstream local sanitary sewer laterals to the downstream lift station. Properties which will be served by future laterals connecting to the proposed trunk sewer will be included in the district.

F.) WATERMAIN:

Properties which will be served by the proposed segment of watermain will be included within the district. Typically, properties downstream of the proposed watermain are not included within the district although may be included if unusual circumstances exist such as extending the watermain through expansive public rights-of-way, drainways, etc.

G.) LOCAL STORM SEWER:

Properties which will be served by the proposed segment of storm sewer will be included in the district. In addition to properties that physically drain into the sewer, the district will include properties benefiting from drainage of the street right of way. In the case of a storm sewer providing service to a local street or classified street, the district will include all properties that would normally be included in a district for the local or classified street. Typically, properties upstream of the proposed sewer are not included in the boundaries although may be included if the sewer is upsized significantly for the benefit of upstream future properties.

H.) REGIONAL STORMWATER PONDS AND POND OUTLETS:

Properties which will be served by the proposed regional stormwater pond and pond outlet(s) will be included in the district. In addition to properties that physically drain into the stormwater pond, the district will include properties benefitting from drainage of any street right-of-way into the stormwater pond. In the case of stormwater pond providing service to a local street or classified street, the district will include all properties that would normally be included in a district for the local or classified street.

I.) LOCAL STREET LIGHTING:

Properties fronting the street lights are included in the district and are considered "frontage". The district will extend half way back to the next parallel street and if the next parallel street is a classified street, the district will extend all the way to the classified street. For non-fronting properties, this is considered the "sideage" portion. In a simplistic grid pattern of streets and avenues, this allows a mechanism to pay for the "avenue" side in which no property "fronts" on.

J.) CLASSIFIED STREET LIGHTING:

Properties located less than, or equal to, a distance midway between the classified street lighting project and the next classified street, are included within the district. The expanded district is an attempt to recognize the "community benefit" of classified streets in which direct access is often restricted in order to provide greater ability to move traffic. When the next classified street lighting is funded without special assessments (such as I-29, Gateway Drive, etc.), the district will extend to these streets in lieu of midway between. In addition, physical boundaries such as the English Coulee, railroad tracks, I-29, etc., may be utilized as a district boundary. Under this policy, each property within the City will be included in one north-south classified street lighting district and one east-west classified street lighting district.

K.) SUBDIVISION RESPONSIBILITY:

In some instances, infrastructure (typically sanitary sewer, water, and sidewalk) will need to be installed in

which few, if any, direct service connections are made. It is recognized that these utilities serve a broader service area and costs are too high to pass on to only the adjacent properties. Efforts at equitably distributing these costs are at best imperfect. The current method of distributing these costs is to distribute them to the adjacent subdivision, regardless of the size of the subdivision. This allows the developer to defer costs that would otherwise prohibit development due to lack of adjacent development and/or available right-of-way. Construction can then be done at a later date and assessed to the adjacent property (subdivision). The district boundaries will encompass the perimeter of each subdivision that is adjacent to the limits of the improvements.

L.) UNPLATTED AREAS WITHIN CITY LIMITS:

The district boundary may extend to the edge of the City limits that is adjacent to the limits of the improvement and will benefit from the project.

M.) TAPPING AREAS/FUTURE SPECIAL ASSESSMENT DISTRICTS:

In instances where the proposed infrastructure improvement project benefit properties outside of the City limits, the benefiting property will be identified as a Tapping Area or a Future Special Assessment Area. Tapping Areas and Future Assessment districts are established by City Council. Upon development or annexation of these areas, their portion of the project costs will become due.

N.) FLOOD PROTECTION:

The City's flood protection system provides protection for most of the City. Any district created for repairs, maintenance, or enhancements to this existing system will include properties included in the district created for the original construction. The district will exclude areas on the "unprotected" side of the flood protection system. For any other type of flood protection project, the district will include all properties that will be provided flood protection benefits by the project.

O.) SNOW REMOVAL, MOWING, BUILDING DEMOLITION, & DELINQUENT UTILITY BILLS:

Creation of a special assessment district for assessment of costs for snow removal, mowing, building demolition, or delinquent utility bills shall not be required. Rather, costs shall be special assessed against the property on which work was completed or utility service provided. In the case of snow removal or mowing within City right of ways or easements, the costs shall be assessed against the property adjacent to the affected right of way or easements.

BENEFIT DETERMINATION

GENERAL COMMENTS:

- The determination of benefits is the jurisdiction of the Special Assessment Commission.
- In determining benefits, consideration is often given as to past benefits received. The general direction of this consideration is to recognize that each property should participate in each category of infrastructure development, but try to avoid giving double assessments of a similar utility to a particular property or portion of property.
- Effective front footage is provided by the Assessor's Office which calculates a "normalized" lot width where lots are not uniform in width.
- The Commission may "reserve" an area for special assessment of a future project if it is recognized that the property will benefit from a future project.
- A common method of distributing benefits often used by the Commission is to assign half of the benefit of a street or utility to properties on each side of the street or utility. Thereafter, the assignment of benefits is further distributed among the properties on each side.
- Although establishing the overall project cost is the responsibility of City Council, cost of various features of a project such as sidewalks, driveways, drainage, etc. that benefit individual properties and not the district as a whole, will be computed by City Engineering Department or Finance Department staff as appropriate.

A.) LOCAL STREETS (See Typical Local Street Special Assessment Benefit Drawing):

Typical benefits are based on effective front footage with 1.0 for frontage, 1/3 for sideage, and variable for rearage (if utilized). Square footage may be used if distribution by effective front footage results in an unbalanced distribution, such as odd shaped commercial lots.

Each property receives a "frontage" benefit for the street paralleling the front of the lot and a "sideage" benefit for the nearest street paralleling the side of the lot. Properties that "side" near a classified street are given a sideage from their nearest local street in lieu of from the classified street.

For large lots having a street paralleling the front of their lot and a street paralleling the rear of their lot, the property can receive a frontage assessment for both streets. Lots deeper than 140' can receive a frontage assessment for the street adjacent to the side of the lot however 140' adjacent to any street fronting or rearing the lot is excluded from this frontage assessment. In addition to these frontage assessments, an equivalent length of sideage can be assessed for the nearest side street(s). Lots with exceptional depth and not receiving a frontage for more than one street may also be allocated a "rearage" benefit. In some cases where the sideage would normally be from a future street, a lot may receive their frontage and sideage from the same street. This is especially common on long blocks where the nearest local side street is a considerable distance away and not within the current district.

In some instances, a street may serve both single family residential and multi-family/commercial property and the street is constructed to a greater width than a typical street serving only single family residential. In this instance, the property causing the need for the wider street section will receive an additional 1/3 benefit (based on Engineering Department calculations of an average cost differential of 31' and 37' wide streets).

B.) ALLEYS:

Typical benefits are based on effective front footage with 1.0 for frontage and variable for rearage.

C.) CLASSIFIED STREETS (See Typical Classified Street Special Assessment Benefit Drawing):

Typical benefits are based on square footage with 1.0 for property fronting the street and 1/4 for non-fronting property. For calculation purposes the 1.0 benefit is applied to a depth of 140 feet.

In addition, large lots having the ability to directly access the classified street at the rear or side of the lot are assigned a 1.0 benefit. Because the final lot configuration of an unplatted parcel is unknown at the time of the assessment, the 1.0 benefit allocation is also applied to the front 140' of an unplatted parcel. In the case of a large lot on the corner of two classified streets, the lot can receive a 1.0 benefit for the street paralleling the front of the lot and 1.0 benefit for the street paralleling the side of the lot however, the 140' adjacent to a fronting street shall be excluded to avoid an overlap of 1.0 assessment areas.

D.) LOCAL SANITARY SEWER:

Typical benefits are based on effective front footage with 1.0 for frontage and 1/3 for rearage. Square footage may be used if distribution by effective front footage will result in an unbalanced distribution, such as odd shaped lots.

For large lots having a sewer paralleling the front of the lot and a sewer paralleling the rear of the lot, the property can receive a frontage assessment for both sewers. Lots with exceptional depth and not receiving a double frontage may also be allocated a "rearage" benefit. Lots deeper than 140' can receive a frontage assessment for a sewer adjacent to the side of the lot however, the 140' adjacent to any sewer fronting or rearing the lot is excluded from this frontage assessment to avoid an overlap of assessment areas.

E.) TRUNK SANITARY SEWER:

Typical benefits are based on square footage with 1.0 benefit for areas served by the trunk sanitary sewer.

F.) WATERMAIN:

Typical benefits are based on effective front footage with 1.0 for frontage and 1/3 for rearage. Square footage may be used if distribution by effective front footage will result in an unbalanced distribution, such as odd shaped lots. In addition, in instances where watermains cross I-29 or other substantial right-of-ways, the benefits of the additional work needed for such crossing is assigned to the properties downstream from such crossing.

For large lots having a watermain paralleling the front of the lot and a watermain paralleling the rear of the lot, the property can receive a frontage assessment for both watermains. Lots with exceptional depth and not receiving a double frontage may also be allocated a "rearage" benefit. Lots deeper than 140' can receive a frontage assessment for a watermain adjacent to the side of the lot however, the 140' adjacent to any watermain fronting or rearing the lot is excluded from this frontage assessment to avoid an overlap of assessment areas.

G.) LOCAL STORM SEWER:

Typical benefits are based on square footage of the lot draining into the storm sewer with variable benefits as follows:

- 0 - Regional Ponds
- 1/3 - Parks
- 1/2 - Single Family Residential
- 3/4 - Schools, Multi Family, Churches
- 1.0 - Commercial

It is recognized that differing land uses have varying levels of storm water runoff due to varying rates of impermeable surface areas. Because the size of the pipe is based on the runoff potential (or allowance) of the property and the size of the pipe affects project cost, it is deemed appropriate that the assessment be

proportional to the runoff potential. When a school, multi family, church, or commercial property attenuate flows on private property to a discharge rate equal to single family residential, the benefit may be reduced to a benefit equal to single family residential.

In some cases, typically for a storm sewer installed on a classified street, the storm sewer will be assessed to those properties benefiting from the street in addition to those properties having the potential to drain into the storm sewer. In that instance, City staff will determine the portion of the project cost that is attributable to properties draining into the storm sewer and the portion of the project cost that is attributable to draining the street right of way based upon percentage of flow. Benefit determination of the portion of the project associated with drainage of properties into the storm sewer will be as indicated above. Benefit determination of the portion of the project associated with draining the street right of way will be similar to how the benefits of a street are determined.

H.) REGIONAL STORMWATER PONDS AND POND OUTLETS:

Typical benefits are based on square footage of the property draining into the regional stormwater pond with variable benefits as follows:

- 0 - Regional Ponds
- 1/3 - Parks
- 1/2 - Single Family Residential
- 3/4 - Schools, Multi Family, Churches
- 1.0 - Commercial

It is recognized that differing land uses have varying levels of storm water runoff due to varying rates of impermeable surface areas. Because the size of the pond is based on the runoff potential (or allowance) of the property and the size of the pond affects project cost, it is deemed appropriate that the assessment be proportional to the runoff potential. When a school, multi family, church, or commercial property attenuate flows on private property to a discharge rate equal to single family residential, the benefit may be reduced to a benefit equal to single family residential.

In some cases, typically for stormwater ponds installed adjacent to a classified street, the stormwater pond will be assessed to those properties benefiting from the street in addition to those properties having the potential to drain into the stormwater pond. In that instance, City staff will determine the portion of the project cost that is attributable to properties draining into the stormwater pond and the portion of the project cost that is attributable to draining the street right of way based upon percentage of flow. Benefit determination of the portion of the project associated with drainage of properties into the stormwater pond will be as indicated above. Benefit determination of the portion of the project associated with draining the street right of way will be similar to how the benefits of a street are determined.

I.) LOCAL STREET LIGHTING (See Typical Local Street Special Assessment Benefit Drawing):

Typical benefits are based on effective front footage of 1.0 for frontage, 1/3 for sideage and variable for rearage (if utilized). Square footage may be used if distribution by effective front footage results in the unbalanced distribution, such as odd shaped commercial lots.

Each property receives a "frontage" benefit for the street lighting paralleling the front of the lot and a "sideage" benefit for the nearest street lighting paralleling the side of the lot. Properties that "side" near a classified street are given a sideage from their nearest local street lighting in lieu of from the classified street lighting.

For large lots having street lighting paralleling the front of their lot and street lighting paralleling the rear of their lot, the property can receive a frontage assessment for both street lighting. Lots deeper than 140' can receive a frontage assessment for the street lighting adjacent to the side of the lot however 140' adjacent to

any street lighting fronting or rearing the lot is excluded from the frontage assessment. In addition to these frontage assessments, an equivalent length of sideage can be assessed for the nearest side street(s) lighting. Lots with exceptional depth and not receiving a frontage for more than one street lighting may also be allocated a “rearage” benefit. In some cases where the sideage would normally be from a future street lighting, a lot may receive their frontage and sideage from the same street lighting. This is especially common on long blocks where the nearest local side street lighting is a considerable distance away and not within the current district.

- J.) CLASSIFIED STREET LIGHTING (See Typical Classified Street Special Assessment Benefit Drawing):
Typical benefits are based on square footage with 1.0 for property fronting the street lighting and 1/4 for non-fronting property. For calculation purposes the 1.0 benefit is applied to a depth of 140 feet.

In addition, large lots having the ability to directly access the classified street at the rear or side of the lot are assigned a 1.0 benefit. Because the final lot configuration of an unplatted parcel is unknown at the time of the assessment, the 1.0 benefit allocation is also applied to the front 140’ of an unplatted parcel. In the case of a large lot on the corner of two classified streets, the lot can receive a 1.0 benefit for the street lighting paralleling the front of the lot and 1.0 benefit for the street lighting paralleling the side of the lot however, the 140’ adjacent to a fronting street shall be excluded to avoid an overlap of 1.0 assessment areas.

- K.) SUBDIVISION RESPONSIBILITY:
Typical benefits are based on square footage with 1.0 for property fronting the street and 1/4 for non-fronting property. City staff will determine the portion of the total project cost that is adjacent to the subdivision and this cost will then be assessed to properties within the subdivision.

- L.) UNPLATTED AREAS WITHIN CITY LIMITS:
Typical benefits are based on square footage basis except that on narrow strips (approximately less than 300’) the benefits may be allocated on a front footage basis.

- M.) TAPPING AREAS/FUTURE ASSESSMENT DISTRICTS: Benefits are assigned to tapping areas and future assessment districts similarly to how benefits are assigned to areas within an assessment district.

- N.) SIDEWALKS, BIKE PATHS, AND DRIVEWAY RETURNS:
If a sidewalk, bike path, or driveway return is required to be removed and replaced to facilitate the construction of the project, they are considered a project expense and are not assessed directly to the adjacent property owner. If the sidewalk, bike path, or driveway return is included in the project because it did not previously exist, was in poor condition, or was requested by the property owner, that portion of the project cost will be identified by the City staff and assessed directly against the benefiting property owner.

For sidewalks on local streets, each property owner is responsible for the sidewalk adjacent to the property whether it be on the front, rear or side of the property. For sidewalks on classified streets, property fronting or siding the classified street is responsible for the sidewalks fronting or siding the property however, benefits for sidewalks along the rear of properties are determined on the same basis as a classified street. For sidewalks in sidewalk easements and not adjacent to a street, the benefits are spread to the adjacent subdivision(s).

Sidewalks installed through the City Sidewalk Repair/Replacement Project can be special assessed to the benefiting property without the need to create a district.

For bike paths on classified streets, a property fronting the classified street is responsible for half of the bike path fronting the property and benefits for bike paths adjacent to non-fronting properties are spread on the same basis as a classified street. In the case where a bike path is installed adjacent to a classified street but the street was not special assessed, the adjacent property owner is responsible for the entire bike path adjacent to the property whether it be on the front, rear or side of the property.

When a sidewalk or bike path is included in a street project, the approach ramps or portion of sidewalk or bike path that is used to cross a street and is not directly adjacent to a property, shall not be assessed directly to the adjacent property but rather considered a project expense.

O.) FLOOD PROTECTION:

Typical benefits are based on square footage for commercial property (3 units or larger) and on effective front footage for residential property (duplex or single family).

P.) SNOW REMOVAL, MOWING, BUILDING DEMOLITION, & DELINQUENT UTILITY BILLS:

Costs shall be special assessed against the property on which work was completed or utility service provided. In the case of snow removal or mowing within City right of ways or easements, the full benefit shall be assigned to the property adjacent to the affected right of way or easements. Actual cost to be assessed shall be determined by City Council.

MISCELLANEOUS POLICIES

The actual cost of constructing an improvement or extending an improvement adjacent to or past a particular property is not the controlling factor in determining the amount to be assessed. Generally, the entire project will be considered as a whole for purposes of calculating and computing assessments.

Benefits from a special assessment project may be determined to accrue in the future. Such future benefits may be considered in levying special assessments.

The determination of benefit will not necessarily be based solely upon the current use of the property. Potential future use and utility may be taken into consideration.

Special assessments may be levied against undeveloped property having the potential for future use of the project.

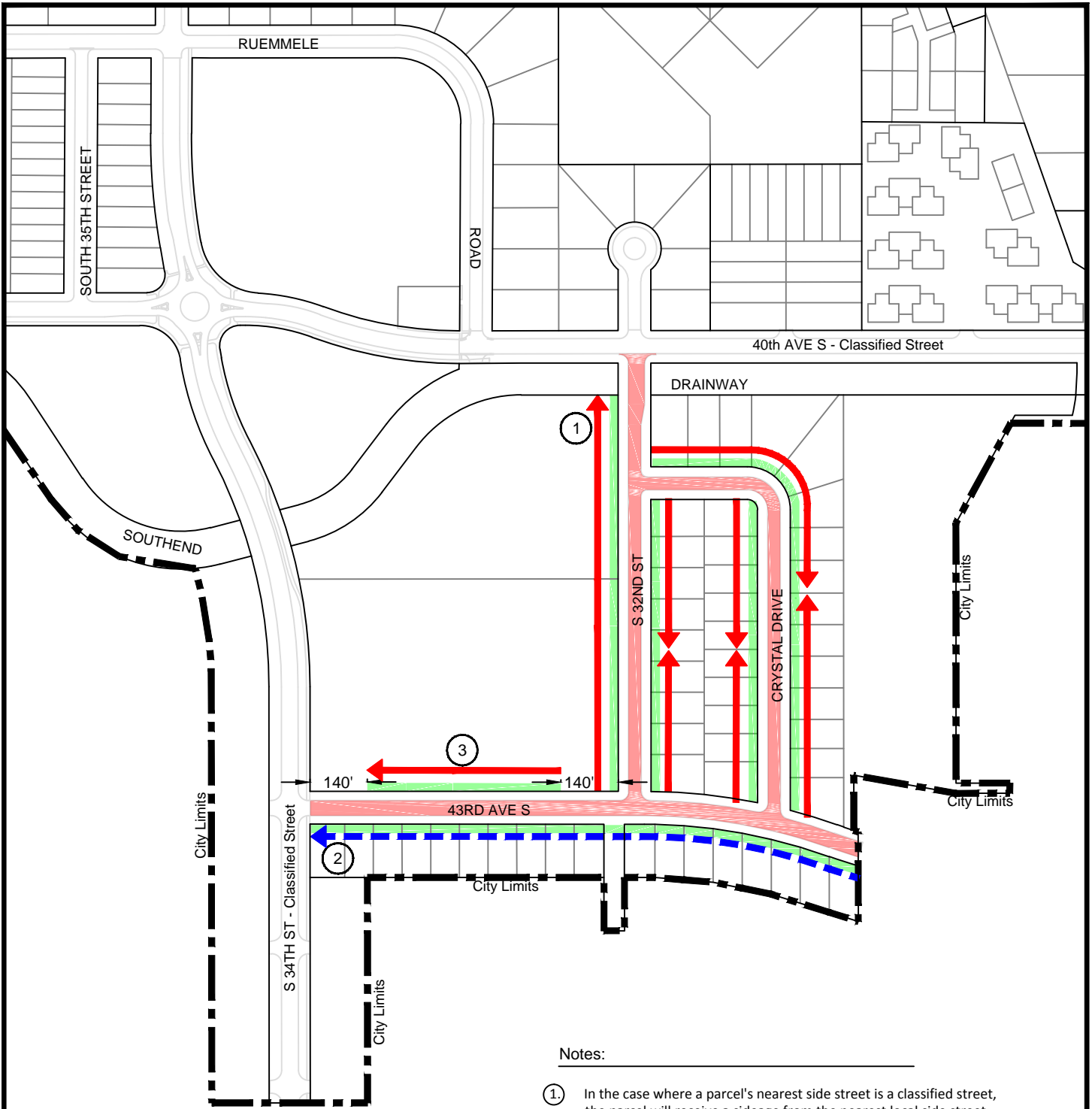
Benefit to the general public does not preclude the levy of special assessments to property determined to have benefitted from the project.

Multiple sources of funding for a project do not preclude the levy of special assessments to fund the project in part.

DISCLAIMER

This policy is intended to serve as a guide for a systemic assessment process in the City. The City reserves the right to identify and apply exceptions to the policy or unique circumstances or situations which may require a special consideration and discretion by City staff, the Special Assessment Commission and/or the City Council.

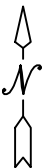
The procedures, practices and policies described here may be modified or discontinued from time to time. The City of Grand Forks reserves the right to modify or discontinue any policy set forth in this document as may be necessary, reasonable or convenient, in the sole discretion of the City of Grand Forks.



- Local Street being Accessed.
- 1.0 Frontage Benefit for New Local Street Adjacent to Front of Lot.
- 1/2 Sideage Benefit for New Nearest Local Side Street.
- 1/2 Sideage not Assessed this Project, but from Future Local Side Street.
- City Limits at the Time District Created

Notes:

- ① In the case where a parcel's nearest side street is a classified street, the parcel will receive a sideage from the nearest local side street.
- ② In cases where a parcel's nearest local side street is not within the Special Assessment District, the parcel may be included in a separate Special Assessment District for that side street. Alternately, the parcel may be assigned a sideage from the fronting street and not be included in the Special Assessment District for the side street.
- ③ Large lots with sideage adjacent to a local street may receive a 1.0 frontage benefit and a 1/2 sideage benefit for the length adjacent to the new local street except 140' will be excluded at the lot corner with two intersecting streets.



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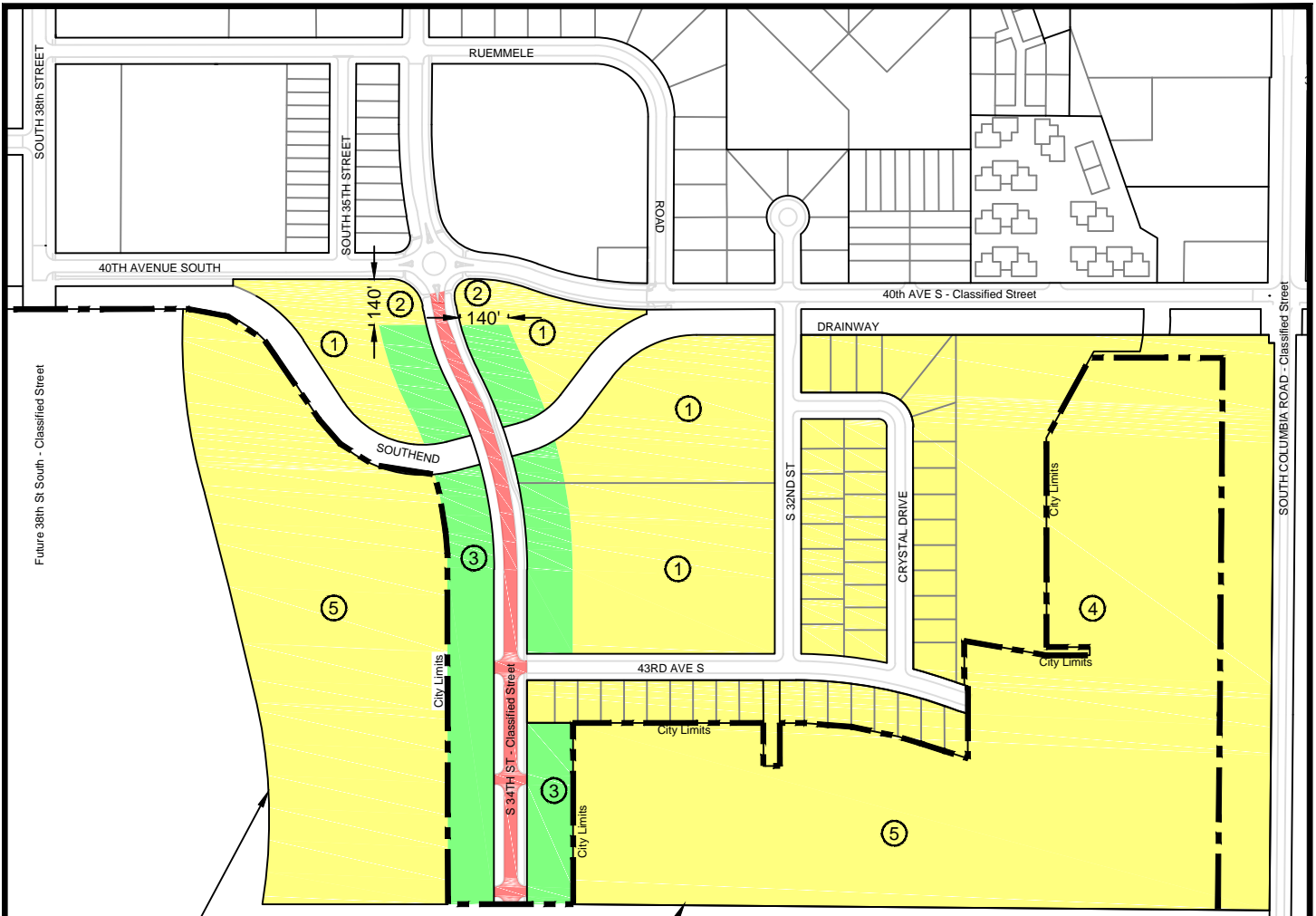
Typical Local Street
Special Assessment Benefits

DATE
2-27-15

CITY PROJECT
####

SCALE
1"=350'

PAGE
1 of 1



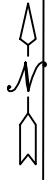
Midway to Next Classified Street

Midway to Next Classified Street

- 1/4 Benefit area
- 1.0 Benefit Area
- Classified Street Being Special Assessed
- City Limits at the Time District Created

NOTES:

- ① Large lots with frontage, sideage, or rearage adjacent to new classified street.
- ② 1.0 benefit area begins 140' from front lot line to avoid overlap. Lot will also receive 1.0 benefit from 40th Ave for full width of frontage.
- ③ Final lot configuration of unplatted area within 140' of new classified street unknown and assigned 1.0 benefit.
- ④ In lieu of assessment district extending midway to Columbia, it was extended to Columbia as Columbia Road will not be a Special Assessment project.
- ⑤ Benefiting areas outside City Limits when Special Assessment District created and identified as a Tapping Area or Future Special Assessment Area.



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Typical Classified Street
Special Assessment Benefits

DATE 2-27-15	CITY PROJECT ####
SCALE 1"=500'	PAGE 1 of 1