



Special
Assessment
Policy

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1 General

1.1 Purpose

Infrastructure improvements are recognized as benefitting a property by increasing the potential value and usefulness of the property through delivery of infrastructure services. The City of Horace (the “City”) may levy assessments for the costs of these improvements directly to properties receiving the benefit pursuant to authority granted under the North Dakota Century Code (NDCC).

The intent of this policy (this “Policy”) is to serve as a guide for the Special Assessment Commission (the “Commission”) and City Council to use in the fair allocation of special assessments. This Policy is intended to be equitable in the development of assessments and created to allow for consistent use by the Commission and City Council. Additionally, this Policy will act as an informative tool to provide the public, specifically property owners, with the procedures, methodology, and communication points to increase transparency in the special assessment process.

The procedures described in this Policy are intended to generally describe the way improvement district boundaries are established and how benefits and special assessments are determined for typical infrastructure projects. Occasionally, variation from the procedures described in this Policy may occur.

This Policy was developed to meet and exceed the requirements set forth under Chapters 40-22 through 40-24 of the NDCC. NDCC Chapters 40-22 through 40-24 authorize North Dakota municipalities to use special assessments as a mechanism to fund public improvements including, but not limited to, streets, water treatment and supply systems, sanitary sewer collection and treatment systems, storm sewer collection systems, landscaping, public buildings, parks, and sidewalks.

1.2 Special Assessment Commission

In accordance with Chapter 40-23 of the NDCC, the City Council has appointed three residents to serve on the Commission. The Commission determines the benefits and assessments for each property or parcel within an improvement district. City staff and consultants provide the Commission with information, advice, and assistance as the Commission requests. The Commission develops the assessment roll after an improvement project is complete and, after holding an objection hearing, recommends the assessment roll to the City Council for final approval after another objection hearing.

1.3 Disclaimer

This Policy is intended to serve as a guide for a systematic, consistent, and equitable assessment process in the City. The City reserves the right to identify and apply exceptions to this Policy for unique circumstances or situations which may require a special consideration and discretion by the Commission, City Council, and/or City staff. As used herein, reference to the City Council may be replaced by the Board of Park Commissioners of the City of Horace for park improvement projects.

1.4 Definitions

1. Adopted Assessment: An assessment that has been approved by the City Council.
2. Assessment Method: The method by which assessable costs are distributed to the benefitting parcels. Commonly used methods are further defined as:
 - a. Area Assessment Method: Assessable cost of the improvement is allocated to benefitted parcels using a ratio of the assessable area of the parcel to the overall area to be assessed for the improvement.

- b. Front Footage Method: Assessable cost of the improvement is allocated to benefitted parcels based on their front footage in relation to the overall abutting front footage in the improvement district area.
 - c. Each Assessment Method: Assessable cost of the improvement is evenly split among the benefitted parcels by dividing the total assessable cost of the improvement by the number of parcels within the improvement district.
 - d. Lot Equivalent Method: Assessable cost of the improvement is allocated to the benefitted parcels using a ratio of the number of standard lots included in an existing parcel to the number of standard lots benefitted by the improvement. Standard lots are those lots which may be created from future lot splits and meet the City's lot size requirements.
3. Assessable Cost: The portion of the improvement cost to be financed by special assessments against benefitted properties.
 4. Assessable Footage: The linear dimension of a parcel reduced by all applicable credits which is used to provide a fair and equitable method of spreading the assessable cost to the benefitted parcels.
 5. Assessment Area: Assessment Area (or assessable area) is defined as properties within the improvement district that receive actual benefits from the improvement and are assessed to fund all or a portion of the improvement, as defined in the preliminary engineering report. For the purpose of this Policy, it will be assumed that all properties within an improvement district are assessable, however, the Commission and/or City Council may determine otherwise. Furthermore, an assessment area will be considered a local assessment area or a regional assessment area, based on the classifications described in Section 3.2 Assessment Area Classifications.
 6. Assessment Rate: The assessable cost of the improvement divided by the number of lots, lot equivalents, assessable footage, or area as determined by the assessment method used. An assessment rate may be "weighted" or "factored" to apportion the benefits of the improvement fairly and equitably to properties of different zoning and use.
 7. Assessment Roll: The list of all proposed (or certified) assessments for each benefitting parcel within a project. The Assessment Roll is created by the Commission, with assistance from the City Engineer, and at a minimum includes parcel descriptions and assessment amounts.
 8. Benefit: The derived benefit to real property resulting from the public improvement such as a street, sidewalk, curb & gutter, water main, sanitary sewer, storm sewer and drainage, park, or street landscaping.
 9. Certified Assessment: An assessment that has been adopted and forwarded to the County auditor for addition to the property tax rolls.
 10. Equivalent Assessment: An assessment levied against a property when an oversized utility or street improvement abuts the property. The assessment is computed using an assessment rate that estimates the cost of a utility lateral or local street requirement as necessary to provide the minimum standard depending on the property's zoning or use.
 11. Front Footage: The number of lineal feet a property occupies along the front side of the property along a roadway. May be adjusted for equitable fairness.
 12. Front Side: The side from which the primary access is taken in the case of street improvements and the side from which the utility service enters the parcel in the case of utility laterals and services. If the parcel is undeveloped, the front side is the side abutting the actual improvement.

13. Improvement: Development or redevelopment of any physical construction, reconstruction, maintenance, alteration, installation, and/or other activity to public infrastructure or buildings that provide new, better, or continuous service.
14. Improvement Cost: The total cost of the improvement including but not limited to: construction, engineering, administrative, legal, bonding, interest, right-of-way and easement acquisition, and other costs associated with the improvement.
15. Improvement District: An area of potential properties to receive benefits from an improvement, as determined by the City Council. Actual assessment areas are defined in the preliminary engineering report.
16. Improvement Types:
 - a. Initial Construction: The initial construction of a street and/or utility infrastructure.
 - b. Rehabilitation: Rehabilitation type improvements involve the partial or full rehabilitation/reconstruction of streets and/or utilities.
 - c. Maintenance: Improvements completed by City staff such as pothole repair, patching, crack sealing, seal coating, and other general maintenance items for streets and utilities.
17. Lateral: The portion of a utility improvement that provides direct service to a limited area as necessary to provide minimum standard service to meet its immediate or future demands.
18. Lateral Assessment: The assessable cost of that portion of the improvement that relates to the lateral.
19. Lateral Benefit from a Trunk Facility: The portion of a trunk facility that provides direct lateral service to abutting parcels. This portion of the improvement is assessed using an equivalent assessment.
20. Levied Assessment: An adopted assessment that is added onto the property tax rolls for collection by the County.
21. Minimum Standard: Dimensions and standards as defined in the City's ordinances, policies, comprehensive plans, and engineering standards as being the minimum requirements.
22. Net Lot Area: The gross area of the parcel reduced by any dedicated pond easements and reduced by all public right-of-way or roadway easements.
23. Oversizing: The increase in size of infrastructure beyond what is necessary to provide minimum standard service to the immediately adjacent serviceable property.
24. Preliminary Engineering Report: A preliminary engineering report is an engineering planning document that studies a potential improvement project by identifying project alternatives, presenting a life cycle cost analysis of technically feasible alternatives, and proposing a specific course of action. The preliminary engineering report also contains a current cost estimate of the recommended alternative and a determination of the assessable area.
25. Multiuse Path: Pathway to accommodate 2-way pedestrian and other non-motorized traffic usually constructed of concrete or bituminous and usually 8 feet or greater in width.
26. Sidewalk: Pedestrian walkway accommodating 2-way walking traffic, usually constructed of concrete, and usually 4-6 feet in width.
27. Trunk Utilities: Facilities and related infrastructure where the utility mains are sized larger than the minimum standard requirements for laterals. Trunk utilities (or oversized laterals) provide for lateral service availability to a defined service district or the community at large. Trunk facilities include but are not limited to sanitary sewers, water mains, and storm sewers. When assessed, trunk utilities will be included in the regional assessment area.
28. Trunk Cost: The cost of the trunk improvements less the cost of any lateral requirements included in the trunk improvement.

29. Trunk Storm Sewer: Ponds, pipes, lift stations, equipment, and related infrastructure that is designed to accommodate the surface water runoff from specific drainage districts. It also includes all pipes which serve as connectors between ponds as well as the outlet systems from designated pond areas.
30. Utility Service Line: Small sized pipe extended from the utility lateral to the abutting property line or easement line as necessary to allow for a private connection for utility service.
31. Street Classifications:
 - a. Local Street: Any public thoroughfare that is designed and built at the minimum standard requirements to serve the adjacent property and/or immediate surrounding area. Alleys are included in this definition.
 - b. Collector: A street that gathers local traffic and funnels it to arterial streets.
 - c. Arterial: A main roadway or thoroughfare which gathers traffic from collector and local streets and delivers traffic to freeways/expressways and neighboring communities.

2 Improvement Process and Communication

2.1 General Process

When a municipality intends to fund a project, in whole or in part, by levying special assessments, there are requirements set forth under the NDCC that must be met. It is the intention of the City to expand upon these requirements, at the sole discretion of the City Council.

The following sections outline procedures the City follows, depending on project type, in levying special assessments. The first procedure is outlined under the NDCC. The second procedure is developed by the City to expand upon the requirements under the NDCC.

The special assessment procedure used is dependent on project type and a recommendation from the City Engineer which will be included in the preliminary engineering report. Additionally, if a project is petitioned for by property owners, the property owners may recommend to the City Council which procedure is used.

A flowchart of these procedures is attached as **Appendix A**.

2.1.1 Standard Special Assessment Procedure

The North Dakota Century Code has requirements that municipalities must follow to levy special assessments. These requirements are found under Chapters 40-22 and 40-23 of the NDCC, summarized as follows:

1. The City Council creates an improvement district based on the need for an improvement project. This is required to be done by ordinance or resolution approved by the City Council. Creation of the improvement district consists of naming the project and developing an improvement district boundary map.
2. The City Council then directs the City Engineer to develop a preliminary engineering report. The preliminary engineering report discusses the general nature, purpose, feasibility, and probable cost for the proposed project.
3. The City Council then approves the preliminary engineering report.
4. After the engineering report is approved, the City Council passes a resolution declaring necessity for the project and a notice is published in the newspaper. This is the first required notification. (Note: petitioned improvements and sewer, water, and storm sewer improvements are exempt from this requirement per NDCC).
5. After the resolution of necessity is published in the City's newspaper of general circulation, the City Council will hold a hearing to determine the sufficiency of any protests filed against the project.
6. If protests are insufficient to bar proceeding with the project, the City Council directs the City Engineer to prepare plans and specifications for construction of the improvement.
7. After the City Engineer completes the plans and specifications, the City Council approves the plans and specifications by resolution.
8. The City Council then directs the City Auditor, with assistance from the City Engineer, to advertise for bids for the construction of the project.
9. After receiving bids for the project, the City Council may award the bid to the lowest, responsible bidder.
10. The project is constructed.

11. After the project is constructed, the City Council directs the Commission to levy assessments for the total cost of the project.
12. The Commission, with assistance from City staff and consultants, prepares the preliminary assessment list which is required to either be published in the newspaper or mailed directly to each property owner affected by the proposed special assessments. The notice contains information on the location, date, and time of the objection hearing on the preliminary assessment list. This is the second required notification.
13. The public is given the opportunity to object to the amount of special assessments proposed to be levied on their parcel(s) at the objection hearing.
14. Depending on public comment, the Commission may table its decision, modify and confirm the assessment list¹, or confirm the assessment list as presented.
15. A notice of confirmation of assessments is published in the newspaper along with information informing interested parties that they must file written appeals to the assessment amount if they desire to be heard at an objection hearing before the City Council. This is the third and final required notification.
16. Property owners may voice their objections to the assessment amounts at the objection hearing only if they filed written appeals with the City Auditor prior to the objection hearing stating the reasons for the appeal.
17. Depending on public comment, the City Council may table its decision, modify and confirm the assessment list², or confirm the assessment list as presented.
18. The City then directs the County to proceed with levying assessments. Upon City Council approval of the assessment list, property owners have ten (10) days to pay their entire special assessment amount without having to pay any interest.
19. The County then certifies the special assessments on the assessment rolls for collection.

2.1.2 Expanded Special Assessment Procedure

The City developed a procedure for levying special assessments that meets the requirements of the North Dakota Century Code and expands upon those requirements to further provide a transparent process to property owners affected by the proposed improvement project.

1. The City creates an improvement district based on the need for an improvement project. This is required to be done by ordinance or resolution approved by the City Council. Creation of the improvement district consists of naming the project and developing an improvement district boundary map.
2. The City Council then directs the City Engineer to develop a preliminary engineering report. The preliminary engineering report discusses the general nature, purpose, feasibility, probable cost for the proposed project, and the potential assessment areas.

¹ "The commission may increase or diminish any assessment as may be just and necessary to make the aggregate of all assessments equal to the total amount required to pay the entire cost of the work for which such assessments are made or the part of such cost to be paid by special assessment. No assessment shall exceed the benefits as determined by the commission to the parcel of land assessed." N.D.C.C. § 40-23-11.

² "The governing body shall hear and determine the appeals and objections and may increase or diminish any of such assessments as it may deem just, except that the aggregate amount of all the assessments returned by the commission shall not be changed and no assessments as adjusted shall exceed the benefits to the parcel of land on which it is assessed as determined by the assessment commission." N.D.C.C. § 40-23-15.

3. The City Engineer develops a preliminary assessment list and property owners are mailed their proposed assessment amounts, along with an invitation to attend an informal project meeting (all postage is included in the cost of the project). Additionally, the informal project meeting will be posted on the City's website. This is the first notification provided by the City.
 - a. Affected property owner mailing notification, an example of which is included as **Appendix C**, will include:
 - i. Summary of project need and project components;
 - ii. Proposed assessment amount, based on City Engineer's estimate of probable project cost;
 - iii. Improvement district map, including assessment areas; and
 - iv. Notification of informal project meeting.
 - b. A webpage will be setup for the project on the City's website and will include:
 - i. Information on the summary of the project;
 - ii. Improvement district map;
 - iii. Informal project meeting date and time;
 - iv. GIS based map showing the improvement district and parcels within the improvement district can be selected to show preliminary assessment amounts; and
 - v. Preliminary engineering report.
4. The City holds the informal project meeting where the public is provided the opportunity to provide comments on the project.
5. The City Council approves the preliminary engineering report.
6. After the preliminary engineering report is approved, the City Council passes a resolution declaring necessity for the project and a notice is published in the City's newspaper. This is the first required notification. (Note: petitioned improvements and sewer, water, and storm sewer improvements are exempt from this requirement per NDCC).
7. After the resolution of necessity is published in the City's newspaper of general circulation, the City Council will hold a hearing to determine the sufficiency of any protests filed against the project.
8. If protests are insufficient to bar proceeding with the project, the City Council directs the City Engineer to prepare plans and specifications for construction of the improvement.
9. After the City Engineer completes the plans and specifications, the City Council approves the plans and specifications by resolution.
10. The City Council then directs the City Auditor, with assistance from the City Engineer, to advertise for bids for the construction of the project.
11. After receiving bids for the project, the City Council may award the bid to the lowest, responsible bidder.
12. The project is constructed.
13. After the project is constructed, the City Council directs the Commission to levy assessments for the total cost of the project.
14. The Commission determines assessment amounts for each property which may be based on the preliminary assessment list developed by the City Engineer and presented at the informal project meeting.

15. The Commission, with assistance from City staff and consultants, prepares the preliminary assessment list and mails this information directly to each property owner affected by the proposed assessment list. This notice includes information for an objection hearing on the proposed assessments. This is the third point of notification.
 - a. Affected property owners will receive a letter, an example of which is included as **Appendix C**, with the following information:
 - i. Summary of project need and project components;
 - ii. Proposed assessment amount based on final construction costs;
 - iii. Improvement district map, including assessment areas; and
 - iv. Notification of objection hearing.
 - b. A notification of objection hearing before the Special Assessment Commission will be published in the newspaper and posted on the City's website with the following information:
 - i. A map of the improvement district; and
 - ii. A statement detailing that property owners were sent letters regarding the proposed assessments to be levied against their property, and that if they have not received a letter to contact City Hall to receive a copy of the letter.
 - c. The special assessment webpage for the project will be updated with the proposed assessment amounts.
16. The Commission holds the objection hearing and the public is given an opportunity to object to the amount of special assessments proposed to be levied on their parcel(s).
17. Depending on public comment, the Commission may table its decision, modify and confirm the assessment list³, or confirm the assessment list as presented.
18. A notice of confirmation of assessments is published in the newspaper along with information informing interested parties that they must file written appeals to the assessment amount if they desire to be heard at an objection hearing before the City Council. This is the fourth and final point of notification.
19. Property owners may voice their objections to the assessment amounts at the objection hearing only if they filed written appeals with the City Auditor prior to the objection hearing.
20. Depending on public comment, the City Council may table its decision, modify and confirm the assessment list⁴, or confirm the assessment list as presented.
21. The City then directs the County to proceed with levying assessments. Upon City Council approval of the assessment list, property owners have ten (10) days to pay their entire special assessment amount without having to pay any interest.
22. The County then certifies the special assessments on the assessment rolls for collection.

³ "The commission may increase or diminish any assessment as may be just and necessary to make the aggregate of all assessments equal to the total amount required to pay the entire cost of the work for which such assessments are made or the part of such cost to be paid by special assessment. No assessment shall exceed the benefits as determined by the commission to the parcel of land assessed." N.D.C.C. § 40-23-11.

⁴ "The governing body shall hear and determine the appeals and objections and may increase or diminish any of such assessments as it may deem just, except that the aggregate amount of all the assessments returned by the commission shall not be changed and no assessments as adjusted shall exceed the benefits to the parcel of land on which it is assessed as determined by the assessment commission." N.D.C.C. § 40-23-15.

3 Improvement Districts

3.1 General

The City Council creates improvement districts, upon recommendations from the City Engineer, which include the properties proposed to benefit from the project. Not all properties included in an improvement district receive a benefit from a project, however, these properties may receive a benefit; therefore, they are included in the improvement district boundary.

In order to create an improvement district, the City Engineer first develops an improvement district boundary map, consisting of the name of the project and the properties that may receive a benefit, for approval by the City Council. After creation of the improvement district, the City Engineer is directed to prepare a preliminary engineering report, which determines the assessment area (the properties benefitting from the project), among other project specifics.

In order to separate project components, an improvement district may have more than one assessment area attached to it. For example, it is common to have a local assessment area and a regional assessment area included in an improvement district. In some cases, a property may be assessed both a local assessment and a regional assessment within the same assessment district.

Example: A new development is going to be constructed and assessed to benefitting properties. A local assessment area is created for those properties that are within this new development. This improvement area will be used to assess the costs for the costs within the new development. Additionally, a regional assessment area is created that may encompass property outside of the new development. In this case, the properties that are outside of the new development, but are in the regional assessment area, have been determined to benefit from the work outside of the new development such as providing water and sewer access.

3.2 Assessment Area Classifications

Public improvements are divided into two classes, regional improvements and local improvements, as specified in the following paragraphs. Public improvements are classified according to their respective benefit to the whole City, to property specifically served by the improvement, and by consideration of past City practices. Cost appropriations and the method of levying assessments prescribed in the following sections between benefitted properties and the City at large shall be followed in each case unless the Commission and/or City Council determine that a different policy is necessary or desirable.

3.2.1 Regional Improvements

Regional improvements are those which have special benefit to a larger area of the community, or the community as a whole. Regional improvements include but are not limited to: (1) trunk water mains and associated infrastructure; (2) trunk sanitary sewer mains and associated infrastructure; (3) construction, maintenance, widening, and/or reconstruction of arterial/collector streets; (4) trunk storm sewers and associated infrastructure; (5) traffic signals; (6) streetlight systems; (7) public buildings; (8) any public parks, playgrounds, or recreational facilities; and (9) pond and conveyance improvements.

3.2.2 Local Improvements

Local improvements are those which are of benefit to a smaller, more centralized, portion of the community. Local improvements include but are not limited to: (1) sidewalks; (2) lateral water mains and associated infrastructure; (3) lateral sanitary sewer mains and associated infrastructure; (4) lateral storm

sewers and associated infrastructure; (5) the construction, maintenance, widening, and/or reconstruction of local streets; and (6) streetlight systems.

3.3 Assessment Area Boundary Development

The following sections provide a general approach to the determination of local/regional assessment areas, based on improvement types.

3.3.1 Local Water and Sewer Infrastructure

Properties which benefit from the proposed segment of water and/or sewer will be included within the local assessment area. Service installation/rehabilitation will be included in the local assessment area as well.

3.3.2 Regional Water and Sewer Infrastructure

Properties that contribute to the current or future needs for oversized water and/or sewer infrastructure will be included in the regional assessment area. Properties that contribute to the need for oversizing are determined by the City's current comprehensive planning and the City Engineer's preliminary engineering report for the improvement.

3.3.3 Storm Sewer Infrastructure

In addition to properties that physically drain into the storm sewer or stormwater pond, the assessment area will include properties benefitting from drainage of the street right-of-way. In the case of a storm sewer or stormwater pond providing service to a street, the local/regional assessment area will include all properties that would be included in a local/regional assessment area for the street.

3.3.4 Local Storm Sewer Infrastructure

Properties which benefit from the proposed segment of storm sewer will be included within the local assessment area. Service installation/rehabilitation will be included in the local assessment area as well.

3.3.5 Regional Storm Sewer Infrastructure

Properties that contribute to the need for oversized storm sewer infrastructure will be included in the regional assessment area. Properties that contribute to the need for oversizing are determined by the Comprehensive Plan and the City Engineer's preliminary engineering report for the improvement.

Stormwater ponds are generally regional in nature and the assessment area boundaries generally will be developed as such. Assessment areas for ponds and their associated infrastructure will include all properties that directly or indirectly drain to the pond.

3.3.6 Local Streets

Properties that abut the street project will be included in the local assessment area.

3.3.7 Regional Streets

Properties located less than, or equal to, a distance midway between an arterial/major collector street project and the next arterial/major collector, are included within the assessment area. The expanded assessment area is an attempt to recognize the "community benefit" of arterial/major collector streets in which direct access is often restricted to provide greater ability to move traffic. Under this Policy, each property within the City will be included in one north-south major collector, one north-south arterial, one east-west major collector, and one east-west arterial street assessment area.

3.3.8 Local Bridges

For the improvement of a bridge on a local road within a development, the entire development will be included in the local assessment area.

3.3.9 Regional Bridges

For the improvement of a bridge on a collector or arterial street, the assessment area will be developed the same as the development of a regional street assessment area.

3.3.10 Regional Amenities

Regional amenities include attractions such as parks, splash pads, baseball fields, and other infrastructure that is open to public use not already included in other categories. These amenities generally are assessed at a regional level.

4 Benefit Determination Methodology

4.1 Standard Assessment Method by Improvement Type

The following sections describe how benefits are determined for each property within the improvement district, dependent on project type. If there are multiple project types, multiple methods will be used to determine the total assessment. The benefit determination methodologies prescribed below are the standard methodologies that may be utilized by the Commission to determine benefit; however, the Commission and the City Council reserve the right to use alternate methods.

4.1.1 Water and Sewer Infrastructure

Water and sewer services include service lines, connection to mains, and curb stops. If the local water and/or sewer infrastructure has been upgraded/upsized to service other areas, those other areas may be assessed for trunk infrastructure costs.

Example: A neighborhood (Neighborhood 1) requires a 6" watermain; however, the addition of an adjacent neighborhood (Neighborhood 2) will require the pipe to be upsized to an 8" to provide proper capacities for both neighborhoods. Within the bounds of Neighborhood 1, Neighborhood 1 will be assessed for the local cost of the 6" watermain, and Neighborhood 2 will be assessed the difference in cost of the 8" watermain and the 6" watermain as a trunk cost. Within the bounds of Neighborhood 2, Neighborhood 2 will be assessed for the cost of their watermain as a local cost, unless the watermain needs to be upsized again for a third neighborhood.

Table 4-1 Water and Sewer Methodology

Water/Sewer Utility Type	Initial Construction	Rehabilitation
Services	Each (Actual Cost)	Each (Actual Cost)
Local Infrastructure	Front Footage	Front Footage
Trunk Infrastructure	Each	Each

4.1.2 Storm Sewer Infrastructure

This includes storm sewer piping, lift stations, ponds, and other associated storm sewer infrastructure.

Table 4-2 Storm Sewer Methodology

Storm Sewer Utility Type	Initial Construction	Rehabilitation
Services	Each (Actual Cost)	Each (Actual Cost)
Local Infrastructure	Area	Area
Trunk Infrastructure	Area	Area

4.1.3 Streets

This includes streets, curb and gutter, sidewalk and multiuse paths, streetlighting, traffic signals, and other work directly associated with streets.

Table 4-3 Street Methodology

Street Type	Initial Construction	Rehabilitation	Maintenance
Local	Front Footage	Front Footage	Front Footage
Collector	Each	Each	Each
Arterial	Each	Each	Each

4.1.4 Bridges

Bridges will be assessed based on the street type the bridge is on and Table 4-4.

Table 4-4 Bridge Methodology

Street Type	Initial Construction	Rehabilitation	Maintenance
Local	Each	Each	Each
Collector	Each	Each	Each
Arterial	Each	Each	Each

4.1.5 Driveways

Driveways (including driveway aprons) constructed as part of a project, will be assessed 100% to the property the driveway serves.

4.1.6 Regional Amenities

Regional amenities include, but are not limited to, amenities such as parks, sports fields, recreational facilities, community facilities, etc.

Table 4-5 Regional Amenity Methodology

Initial Construction	Rehabilitation	Maintenance
Each	Each	Each

4.1.7 Flood Protection

Flood protection projects, both initial construction and maintenance, will be assessed at 100% to the benefitting property owners based on property area.

4.1.8 Miscellaneous Costs and Soft Costs

Miscellaneous costs and soft costs will be assessed to the properties within the improvement district.

Miscellaneous costs are minor construction costs not specifically described in the preceding paragraphs but are required to complete the work. These costs can be items such as erosion control, turf establishment, traffic control, etc.

Soft costs are non-construction related costs required to complete the work. These costs can be items such as engineering, legal, bonding, administration, advertising, postage, etc.

Proration is the practice of assessing costs based on a property's share of the project costs.

Example: A street project costs \$100,000. A certain benefitting property of this street project is assessed \$1,000 for the street work. This certain property's share of the project costs is 1% ($\$1,000/\$100,000=1\%$).

Soft costs for the project are \$10,000. This certain property's share of the soft costs is \$100 ($\$10,000 \times 1\%=\100).

4.1.9 Noxious Weeds and Tall Grass, Snow Removal, Building Demolition, Delinquent Bills, and Health & Safety

Costs shall be assessed against the property on which work was completed or utility service provided. The City Council will determine the actual cost to be assessed in accordance with City ordinances.

4.2 Assessment Methods & Special Considerations

Detailed below are explanations of the assessment methods that are used to distribute assessments to benefitting properties. There are times when the typical assessment methods require unique considerations. The following sections detail common unique considerations that may be applied to keep the special assessment process equitable.

4.2.1 Front Footage

- a. In most instances, lots are rectangular in shape. The front footage is equal to the width of the lot at the front of the lot.
- b. In other instances, the lot is not rectangular in shape. When this occurs, Table 4-6 below is used as guidance in determining the appropriate front footage, also known as the adjusted front footage. See **Appendix B** for examples.

Table 4-6 Non-Standard Lot Shapes

Lot Type	Description	Adjusted Front Footage
Pie Shaped	Lot where front width and rear width are not equal but vary greater than 20'. Rear width measurement is taken no further than 150' from front of property.	Average of front footage and rear footage
Cul-de-sac	Odd shaped lots that can occur around cul-de-sacs. Pie calculation may also be used if appropriate.	Midsection width of lot
Curved	A lot that has both a curved frontage and rearage is considered a curved lot.	Width at midpoint of shortest side lot line
Flag	Flag lots can be described as two rectangular shapes that make up one lot. The two rectangular shapes will have different widths at the front width and the rear width. Generally, these are seen as a smaller (narrower) rectangle at the street to allow driveway access to the larger rectangle at the back of the lot where a building is located.	Minimum lot frontage (for non-conforming lots) or lot width at building setback line
Irregularly Shaped	Irregularly shaped lots are lots that do not conform to any of the above lots shapes.	Lot width at front setback line

4.2.1.1 Corner Lots

Corner lots are located at the corner of the intersection of two streets. Corner lots typically have more footage along streets than adjacent neighbors, as the corner lot has a frontage and a sideage.

The following adjustments are applied to corner properties to account for the frontage and sideage:

1. Water and sanitary sewer utility costs will be assessed to the corner property based on the property's frontage.
2. Street costs will be assessed to the corner property based on the property's frontage.

4.2.1.2 Double Frontage Lots

A lot is described as double frontage if it has footage along a street at the front and the back of the property.

If the property is eligible for subdivision, based on the requirements of the current zoning ordinance, then the property will be assessed for both frontages.

If the property is not eligible for subdivision, the frontage is considered the side of the property that is used as the primary access for the property.

4.2.2 Each

When using the "each" method, each lot in the improvement district will evenly share the costs of the assessment.

To more equitably account for various property characteristics, the following factors may be applied to properties when using the “each” method.

4.2.2.1 Lot Equivalent Factor

When assessments are to be levied against properties based on an “each” method, a lot equivalent factor will be determined for each property. The lot equivalent factor is a tool the City uses to account for the future subdivision of land to share the costs of improvements. (i.e. current residents are not paying for future residents).

The lot equivalent factor will be based on the City’s zoning ordinance requirements for the property’s underlying zoning district. The lot equivalent factor is primarily used when assessing residentially zoned properties, however, it can be used for other zoned properties if deemed appropriate by the Commission.

Zoning will be based on the following cases:

1. If the land is platted, the current zoning ordinance will be referenced to determine the minimum lot size.
2. If the land is not platted, the zoning type will be determined from the current Future Land Use Map (FLUM) adopted by the City.
 - a. For residential properties, the average of the density range detailed in the Horace 2045 Comprehensive Plan, matching the land use shown in the FLUM, will be used.
 - b. When the lot equivalent factor is utilized for non-residential properties, the minimum lot size will be 5 acres.
 - c. If any unplatted parcel exceeds 5 acres, then a potential future right-of-way dedication may be credited based on 30% of the assessable area.

Additionally, for the lot to be considered subdividable, all subdivided lots must meet all requirements of the City’s zoning ordinances (i.e. setbacks, lot coverages, etc.). The lot equivalent factor is calculated by dividing the net lot area by the minimum lot size for the underlying zoning district. This calculation will then be rounded down to the nearest whole number, demonstrating the total number of lots, based on the zoning code, that the property could be subdivided.

This lot equivalent factor is then applied to the “each” assessment.

Example: A 0.9-acre lot is zoned R1

R1 zoned lots have a minimum lot size of 15,000 SF

0.9-acres is equal to 39,204 SF (43,560 SF x 0.9 acre = 39,204 SF)

39,204 SF/15,000 SF = 2.6. Round down to the nearest whole number = 2 equivalent lots

4.2.2.2 Use Factoring

Use factoring is applied to properties based on the underlying zoning district to account for varying uses that a property will experience. Use factoring is typically only applied to the “each” assessment method, however, there may be cases it is applied to the “area” or “front footage” assessment method. The approach behind use factoring is to direct the costs associated with infrastructure construction to the users of the infrastructure. Each property will be subject to a “transportation use factor” and a “water/sewer use factor” depending on the project type.

Use Factors were developed based on the Institute of Transportation Engineers Trip Generation Manual and typical water consumption values for the different property types. Further information detailing the development of the use factors can be seen in Appendix D, along with an example of how use factoring is calculated for both platted and unplatted properties.

Table 4-7 Use Factors

Use	Street Use Factor	Water/Sewer Use Factor
Single Family Residential	1 per parcel	1 per parcel
Multi-Family Residential	1 per unit	1 per unit
Public (Parks, Ponds, Other City Property)	5 per acre	1 per acre
Churches	25 per acre	1.3 per acre
Schools	45 per acre	1.3 per acre
Industrial	25 per acre	2 per acre
Commercial	50 per acre	2 per acre

4.2.2.2.1 Unplatted Properties

When a property is unplatted, the FLUM should be referenced to determine the future land use. Table 4-8 summarizes the land uses found in the FLUM with the land uses described in this Policy. Table 4-7 is then used to determine the appropriate use factor to be used.

Table 4-8 FLUM Use Conversions

Use	FLUM Use
Single Family Residential	Rural Residential
	Suburban
	Compact Development
Multi-Family Residential	Urban
	Mobile Home Park
Commercial	Commercial
	Mixed Use
	Community Focus Areas
Industrial	Industrial
Institutional (Schools, Churches, etc.)	Public/Institutional
Public	Parks and Open Space
	Diversion/Southern Embankment
	Greenways

4.2.2.2.2 Platted Properties

When a property is platted, Table 4-7 can be used to directly locate the appropriate use factor to be used.

4.2.3 Agricultural Land Deferments

Due to rapid development in Horace, it is expected that the agricultural properties within city limits will at some point be developed. The City understands that to direct assessments to properties that receive both current and future benefit, agricultural properties may receive a benefit and, therefore, an

assessment. The City also understands that some agricultural properties desire to continue using the land for agricultural purposes. To this end, the City, at discretion of the Commission and/or City Council, will allow deferrals of these assessments for unplatted agricultural property that is actively used for agricultural purposes by the owner of said property, for a period of up to two (2) years.

5 References

The following documents have been referenced throughout this Policy and are available to view on the City of Horace website.

[Horace 2045 Comprehensive Plan](#) (Future Land Use Map can be found in Chapter 3)

[Horace Zoning/Land Use Ordinance](#)

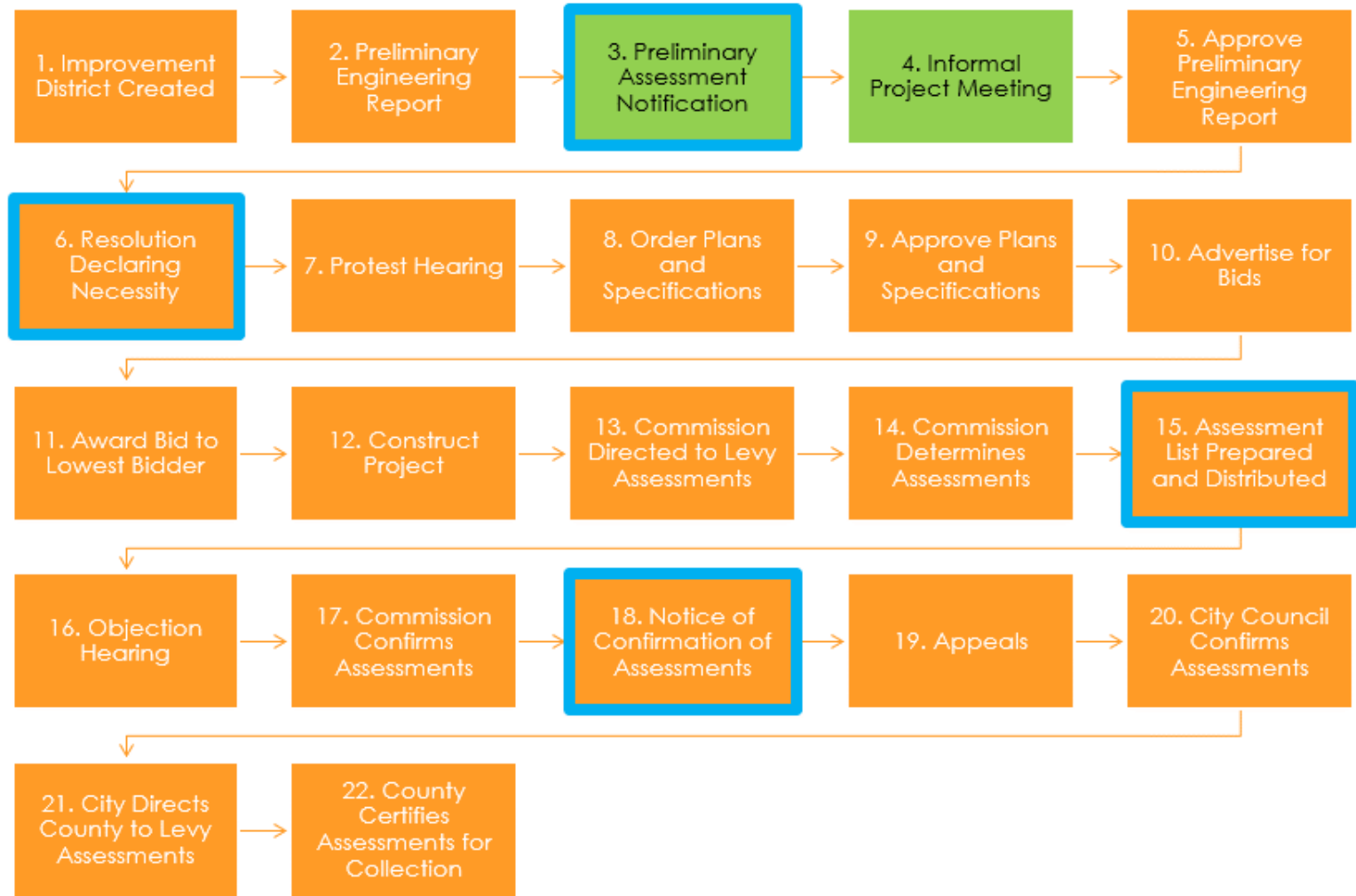
Appendix A SPECIAL ASSESSMENT PROCESS FLOWCHARTS

1. STANDARD SPECIAL ASSESSMENT PROCEDURE



Blue Outlined Boxes are notification points

2. ENHANCED SPECIAL ASSESSMENT PROCEDURE



Blue Outlined Boxes are notification points
 Green Boxes are additional Steps

Appendix C TEMPLATE OF NOTIFICATION LETTERS

1. PRELIMINARY ASSESSMENT LETTER

July 27, 2021

Attention: Attention
Recipient's Address

Dear Recipient's Name,

Reference: Storm Sewer and Street Improvement District No. 202x-x

Why are you receiving this letter?

The City Council created an improvement district with infrastructure improvements that may benefit your property, as such, your property has been included in the improvement district boundary. The City Council directed the City Engineer to develop a preliminary engineering report to determine the need for the project, identify project alternatives, present a life cycle cost analysis of technically feasible alternatives, and propose a specific course of action.

What is the project and why do we need it?

[Provide a summary of project need and project components.]

A map of the improvement district boundary, including assessable areas, is attached to this letter.

What is the cost of the project? Your proposed assessment for this project.

[Provide cost of the project and the preliminary assessment amount for the recipient's property.]

How can I learn more about this project?

An informal project meeting will be held on *[date, time, and location]* where property owners are encouraged to attend and ask any questions and provide comments on the project.

Additionally, a webpage has been setup for this project at [LINK](#) and includes the following information

- Preliminary engineering report
- Summary of project need and project components
- Improvement district boundary map
- Informal project meeting information
- GIS based map showing the improvement district and parcels within the improvement district can be selected to show preliminary assessment amounts

What are the next steps?

An in-depth list of the next steps can be found in the City's Special Assessment Policy, found [LINK HERE](#)

2. PROPOSED (FINAL) ASSESSMENT LETTER

July 27, 2021

Attention: Attention
Recipient's Address

Dear Recipient's Name,

Reference: Storm Sewer and Street Improvement District No. 202x-x

Why am I receiving this letter?

Your property is included in an improvement district and the City of Horace (the "City") recently completed infrastructure improvements benefitting your property. This is your second and final mailed notice for this project.

What is the project and why do we need it?

[Provide a summary of project need and project components.]

A map of the Improvement District, including Assessable Areas, is attached to this letter.

What is the cost of the project? How much will I be assessed for this project?

[Provide cost of the project and the final assessment amount for the recipient's property.]

[Provide information on assessment term and rates.] You may pay your special assessment without bearing any interest, if paid within ten days after the special assessments have been confirmed by the City Council.

What are the next steps?

The Special Assessment Commission will meet DATE TIME LOCATION to hold an objection hearing regarding this improvement district.

The City Council will meet on DATE TIME LOCATION to confirm the special assessments.

How can I learn more about this project?

More information regarding this project can be found on the project webpage at LINK.

What are my payment options?

1. If you choose not to pay within ten days, the special assessment amount will be added to your property tax statement by the County. Action is not necessary for this option.
2. Pay without interest within 10 days of City Council assessment confirmation. Insert payment information here.

Appendix D USE FACTORING

There are two types of Use Factoring applied to a parcel's assessment depending on the project type, and the Use Factors have a different rationale for development of the factor. The following is a technical explanation on the development of the Use Factors for the City of Horace.

1. STREET USE FACTOR DEVELOPMENT

The **Street Use Factor** is applied to a parcel's assessment calculation when the project includes street construction, and the parcel has been determined to benefit from the street portion of the project. The goal behind the Street Use Factor is to direct the assessments toward the parcels that generate vehicle use, and therefore benefit from the street construction work. It is understood that not all properties within an assessment district benefit from the street construction project, in addition, the level of use (or benefit) varies based on the traffic that each parcel generates. The Street Use Factors used in the City were developed specifically for the City using the following methodology:

1. The Institute of Transportation Engineers (ITE) studies traffic patterns/uses and develops and continually updates a "Trip Generation Manual" that provides the number of vehicular trips that each different type of parcel generates (schools, churches, grocery stores, daycares, etc.). The Trip Generation Manual presents these trip amounts in a "per 1000 SF GFA" format, so the trip amounts are entirely scalable to match each communities' unique circumstances.
2. The ITE factors are scaled down by the "single-family residential factor" to make the residential factor a 1.0 and the other factors are then a single-family residential equivalency.
3. To "scale" the street use factor to match the City's unique circumstances, the FLUM Categories from Chapter 3 of the Horace 2045 Comprehensive Plan is referenced. The FLUM categories utilize a range of Floor Area Ratios (FAR), which is a relation of the Gross Floor Area (GFA) of a building in relation to the parcel size, that are anticipated to be found within these different FLUM uses. The average of the FAR range is computed.
4. The average FAR is multiplied by 43,560 SF (1 acre), producing the expected GFA each acre of future land use will be subjected to.
5. The ITE Factors are in a "per 1000 SF GFA", so the expected GFA per acre is divided by 1000. This can now be multiplied by the "single family residential equivalency" factor, which can be found in Table 4-7.

2. WATER/SEWER USE FACTOR DEVELOPMENT

The **Water/Sewer Use Factor** is applied to a parcel’s assessment calculation when the project includes water and/or sewer construction, and the parcel has been determined to benefit from the water and/or sewer portion of the project. The goal behind the Water/Sewer Use Factor is to direct the assessments toward the parcels that generate water/sewer usage, and therefore benefit from the water/sewer construction work. It is understood that not all properties within an assessment district benefit from the water/sewer construction project, in addition, the level of use (or benefit) varies based on the water/sewer usage that each parcel generates. The Water/Sewer Use Factors used in the City were developed specifically for the City using the following methodology:

1. The Water/Sewer Use Factors were developed by years of studying, estimating, verifying, and refining Water/Sewer Use Factors for other communities of similar size, growth, and composition as the City.
2. The Water/Sewer Use Factors are originally developed in gallons per acre per day, however, these factors are scaled down to a “residential equivalent” to set the residential properties as a baseline. The following table shows the information used to develop the factors.

Property Type	Community A (gal/ac/day)	Community B (gal/ac/day)	Community C (gal/ac/day)	Community D (gal/ac/day)	Average (gal/ac/day)	Residential Equivalent Water/Sewer Use Factor (Per Acre)
Residential, Parks	750	620	320	740	607.5	1.0
Commercial	1200	1200	1200	1200	1200	2.0
Industrial	1200	1200	1200	1200	1200	2.0
Schools, Churches	800	800	800	800	800	1.3

In gallons per acre per day (gal/ac/day)

3. EXAMPLES

The following is an example of how the Equivalent Lot Factor and Use Factors are calculated for **Platted Properties**

Property Type	Property Information				Equivalent Lots*		Use Factoring					
	Parcel Zoning District	(A) Min. Lot Size (Zoning Ord.)	(B) Actual Parcel Size	(C) # Units	=(B/A) Max Lots	Lot Equivalent Factor (Round Down)	(D) Street Factor (Table 4-7)	=(DxC) Total Street Factor (Unit Based Factor)	=(DxB) Total Street Factor (Area Based Factor)	(E) Water/Sewer Factor (Table 4-7)	=(ExC) Total Water/Sewer Factor (Unit Based Factor)	=(ExB) Total Water/Sewer Factor (Area Based Factor)
Residential, Single Family	R-1	15,000 SF	300,000 SF	1	20.00	20.0	3	3	n/a	1	1	n/a
Residential, Multi Family	R-5	9,500 SF	40,000 SF	20	4.21	4.0	3	60	n/a	1	20	n/a
Commercial	C-3	1 Acre	3.5 Acre	n/a	n/a	n/a	25	n/a	87.5	2	n/a	7
Industrial	I-1	2 Acre	4 Acre	n/a	n/a	n/a	15	n/a	60	2	n/a	8
Schools	Varies	n/a Acre	10 Acre	n/a	n/a	n/a	15	n/a	150	1.3	n/a	13
Churches	Varies	n/a Acre	5 Acre	n/a	n/a	n/a	15	n/a	75	1.3	n/a	6.5
Public	Varies	n/a Acre	2 Acre	1	n/a	n/a	5	n/a	10	1	n/a	2

(Orange boxes are inputs, Grey boxes are calculations)
 *Not typically used for Commercial, Industrial, Institutional, or Public Properties

The following is an example of how the Equivalent Lot Factor and Use Factors are calculated for **Unplatted Properties**

Future Land Use	Property Information, From From FLUM				Equivalent Lots*		Use Factoring						
	(A) Parcel Size (Acres)	FLUM Use	Min. Density (unit/acre)	Max Density (unit/acre)	(B) Average Density (unit/acre)	=(AxB) Max Lots	(E) Lot Equivalent Factor (Round Down)	(C) Street Factor (Table 4-7)	=(Cx E) Total Street Factor (Unit Based Factor)	=(Ax C) Total Street Factor (Area Based Factor)	(D) Water/Sewer Factor (Table 4-7)	=(DxE) Total Water/Sewer Factor (Unit Based Factor)	=(Ax D) Total Water/Sewer Factor (Area Based Factor)
Residential, Single Family	75	Rural Residential	n/a	1	1	75	75		225			75	
		Suburban	1	3	2	150	150	3	450	n/a	1	150	n/a
		Compact Development	3	5	4	300	300		900			300	
Residential, Multi Family	20	Urban	5	14	9.5	190	190	3	570	n/a	1	190	n/a
		Mobile Home Park	n/a	n/a	n/a	n/a	n/a		n/a			n/a	
Commercial	20	Commercial	n/a	n/a	n/a	n/a	n/a		n/a			n/a	
		Mixed Use	n/a	n/a	n/a	n/a	n/a	25	n/a	500	2	n/a	40
Industrial	20	Community Focus Area	n/a	n/a	n/a	n/a	n/a		n/a			n/a	
Schools	10	Industrial	n/a	n/a	n/a	n/a	n/a	15	n/a	300	2	n/a	40
Churches	10	Public/Institutional	n/a	n/a	n/a	n/a	n/a	15	n/a	150	1.3	n/a	13
		Public/Institutional	n/a	n/a	n/a	n/a	n/a	15	n/a	150	1.3	n/a	13
Public	5	Parks and Open Space	n/a	n/a	n/a	n/a	n/a		n/a			n/a	
		Greenways	n/a	n/a	n/a	n/a	n/a	5	n/a	25	5	n/a	25
Total Acres	160												

(Orange boxes are inputs, Grey boxes are calculations)
 *Not typically used for Commercial, Industrial, Institutional, or Public Properties