



Special Assessments

How does the City of Fargo pay for infrastructure?

The City of Fargo utilizes Federal Funds, City Funds, and Special Assessments to pay for infrastructure improvements. Federal Funds are currently allocated through the NDDOT and must be “matched” by local funds (either Special Assessments or City Funds). “City Funds” is a term used broadly to include funds from a number of different sources. This includes revenues from the City of Fargo Infrastructure Sales Tax and from various utilities such as; Water, Wastewater, Storm Sewer, and Street Lighting. The City of Fargo does not use any portion of property taxes to pay for infrastructure.

What are Special Assessments?

Special Assessments are simply a financing method the city uses to pay for a portion of infrastructure improvements that benefit a property. There are two major types of Special Assessments. “Greenfield” Special Assessments are for all the necessary improvements for the growth of the city. These include things like new roadways, water mains, sewer mains, storm sewers, lift stations, ponds, street lights, bike paths, and traffic signals. The other major type of Special Assessment is for the rehab and reconstruction of existing infrastructure. This would include projects like mill and overlays that extend the life of an asphalt roadway or water main replacement and street reconstruction projects that replace existing infrastructure that has already met its useful life.

How are Special Assessments Calculated?

Once the benefiting properties are identified, the cost to each property is determined by the City of Fargo’s approved Infrastructure Funding Policy. The Infrastructure Funding Policy outlines how much of a project’s costs are Special Assessed to a property and caps the amount for certain types of projects. This policy is required by North Dakota Century Code 40-22-01.2 for all communities with 10,000 plus residents and was most recently updated and approved by the City of Fargo Commission on November 18, 2019.

Special Assessments can be determined by utilizing front footage, square footage, or a combination of both. Below is an example of how Special Assessments are calculated for a street reconstruction project and how the Infrastructure Funding Policy reduces the cost to the benefiting property. This example is for a single family home with 75’ of front footage (75’ lot width adjacent to the roadway) and utilizes 2022 project costs and capped costs from the Infrastructure Funding Policy.



	Without Infrastructure Funding Policy Caps		With Infrastructure Funding Policy Caps	
	Cost Per Front Foot	Total Cost	Cost Per Front Foot	Total Cost
Paving	\$ 359.50	\$ 26,963	\$ 88.43	\$ 6,633
Storm	\$ 71.60	\$ 5,370	\$ 0	\$ 0
Sanitary	\$ 166.51	\$ 12,488	\$ 41.62	\$ 3,121
Street Lights	\$ 34.70	\$ 2,602	\$ 0	\$ 0
Water Main	\$ 152.17	\$ 11,413	\$ 41.62	\$ 3,121
Total	-----	\$ 58,836	-----	\$ 12,875

Why don't we get rid of Special Assessments?

One must remember that Special Assessments are simply a financing tool utilized to fund a portion of the cost to preserve and improve the City's infrastructure. Elimination of Special Assessments would create an increased burden on the City Funds used to finance improvements and require additional revenue from the various sources that contribute to the City Funds.

There are many options to pay for the preservation and improvement of the City's infrastructure and the elimination of Special Assessments isn't a new topic. Most recently the City of Fargo Commission established a twelve member Special Assessment Taskforce that met regularly from August 2018 to August 2019. During that process the taskforce reviewed the history of Special Assessments in Fargo and researched, reviewed, and considered alternative financing options for the elimination of Special Assessments. The taskforce recommended multiple modifications to the Special Assessment process and to the Infrastructure Funding Policy that have been adopted. The taskforce ultimately determined that Special Assessments are a necessary tool for the preservation and improvement of the City's infrastructure.

How do I learn more?

The City of Fargo's website is a great resource to learn more about Special Assessments. The website contains additional information about the process of Special Assessments, how Special Assessments are calculated, a glossary of terms related to Special Assessments, the Special Assessment Commission, and many other items relating to Special Assessments.

All of this useful information can be found here:

<https://fargond.gov/city-government/departments/engineering/special-assessments>