

STREET IMPROVEMENT FAQ

How much of the project cost is being assessed?

On projects where utilities and roadways are being constructed for the first time, the developer is responsible for installing the water main, sanitary sewer, grading and surfacing the road, and installing storm sewers. If the City is petitioned to install these improvements, the entire project cost is assessed to the abutting properties. On projects where the street is being reconstructed or resurfaced, ½ of the cost is assessed to the abutting properties and ½ of the cost is paid by the City. If utilities such as sanitary sewer and/or water mains are being reconstructed along with the project, the cost of this work is not assessed and is paid for through user fees. If a project consists of overlaying a street, the entire project cost is once again assessed to the abutting properties.

When does the assessment have to be paid?

Upon substantial completion of the project, the total project cost is calculated and the amount of the proposed assessments determined. In October, the City Council will conduct another Public Hearing to consider the proposed assessments. All affected property owners will receive a notice of this hearing along with a notification of the proposed assessment amount for their property. There is a 30 day period following this Public Hearing when property owners can either pre-pay all or a portion of their assessment free from interest. Any balances following the 30 day period will automatically be certified to the County Auditor to be collected along with the property taxes over a ten year period.

How many years do we have to pay the assessment?

Ten years. When the City certifies the assessment to the County auditor, the assessment is automatically spread over 10 years with the assessment principal being divided into 10 equal installments along with interest based on the previous year's unpaid balance. Interest rates are determined by the amount of interest the City has to pay on the bonds that are issued to finance the project.

Can I pay the assessment off in full after it has been certified?

Yes. In any year after the assessment is certified, a property owner can pay off the assessment. If the payment is made before November 15th of the year, the payoff amount is the sum of the principal balance and the interest certified for collection that year. If the payoff occurs after November 15th, interest is added for the following year.

Why is there a difference in my front footage and assessable footage?

If you live on a corner lot, your property is subject to assessments for improvements on both streets. The City Council has adopted a side yard deduction assessment policy to help reduce the burden for the owners of corner lots on reconstruction projects. Your side yard is defined as the side of your lot with the most street frontage. Improvements made to the side yard street result in the City paying for the cost of ½ of side yard footage and the property owner being assessed for ½ of the side yard footage. The most common assessment notices for side yard street improvements will list the front footage as 140 feet and the assessable footage as 70 feet.

I'm on a fixed income and can't afford the assessment, what can I do?

The City Council has adopted ordinances which allow for assessment deferments for elderly persons and for all other persons who fall within the economic hardship criteria. A deferred assessment is not forgiven, it is postponed until such time that the property owner either elects to resume making the annual installments as certified, or no longer meets the economic hardship criteria, or sells the property. Persons interested in deferring assessments must apply each year to have the following year assessment installment deferred. After 10 years, no further applications are necessary, the deferred installments will remain permanently deferred, without accrual of additional interest, until such time that the deferred assessment is voluntarily paid or the property is sold.

Will the improvements affect my property taxes?

While it is well documented within the real estate industry that streets and utilities which are in poor condition decrease the marketability and sale prices of homes, improvements to the streets and utilities do not automatically increase the taxes on the property. Property market valuations, as determined by the County Assessor, are based on the recent sale prices of comparable properties within the neighborhood. Following improvements to streets and utilities, the marketability of properties tends to increase and the properties are capable of demanding a higher sale price. As years pass and the history of sale prices in the neighborhood show increases, the County Assessor will adjust the market valuation of properties to more closely reflect the price the property would actually sell for. If the market valuations in the neighborhood are increasing at a faster rate than the City, County, and School District averages, the property taxes will tend to increase over time.