

## SPECIAL ASSESSMENT FEES IN VARIOUS CITIES

This memorandum was requested to provide information on the special assessment fees charged in the 20 highest population cities in this state. The following table provides information regarding the types and amounts of special assessment fees charged by the 20 largest cities in the state and whether each city uses its own engineers or contracts for external engineering services. The information was derived from survey responses provided by the respective representatives of each city.

City	Population <sup>1</sup>	Annual Interest <sup>2</sup>	Administrative Fee	Engineering Fee	Use of External or City Engineer	Other Fees
Fargo	122,359	1%	6%	11% for new construction, 6% for reconstruction, 4% oversight fee if an external engineer is used	Both	Actual costs of legal publishing, interim interest, legal fees, and quality testing
Bismarck	72,865	1.5%	4% on a 15-year bond, 2% on a 10-year bond, 1% on a 7-year bond	10% if city engineers are used, 0% to 5% is added to the actual cost of the external engineering fee	Both	3% interest is charged during the construction of a project; 2% fee is charged for special assessment commission costs and legal and notification fees
Grand Forks	57,056	1%	8%	8% if city engineers are used; only the actual costs of an external engineer are charged, plus a 2% to 4% internal city fee	Both	4% interest is added to cover carrying costs, 4% fee is charged for special assessment commission costs, legal fees, material testing fees, and postage
Minot	47,822	1.5%	None	8% on new construction	Both	None
West Fargo	35,708	1% to 1.5%	3% of construction costs	The actual costs and fees charged by the external engineer, generally 11%, is passed on by the city	External engineer	None
Williston	25,586	1.5%	20%	The engineering fee is included in the 20% administrative fee	Both	None
Mandan	22,228	1.5%	5%	Only the actual costs charged by external engineers are passed on by the city	External engineer	Only the actual costs for legal fees, advertisements, notices, testing, and inspection are passed on by the city, with the exception of bonding fees, which can range from 2% to 3% of the total project costs
Dickinson	22,186	1% to 1.5%	None	None	City engineer	None
Jamestown	15,387	1.5%	2% of the actual project costs	15% to 20% of the costs paid for the project	Both	None, and the city discounts 25% of the total project costs, which generally covers more than the administrative costs of a project
Wahpeton	7,826	1.5%	3% of construction costs on a case-by-case basis	No engineering fees are added if city engineers are used, and only the actual costs of external engineers are passed through by the city	Both	None

City	Population <sup>1</sup>	Annual Interest <sup>2</sup>	Administrative Fee	Engineering Fee	Use of External or City Engineer	Other Fees
Devils Lake	7,293	1%	4%	8% if city engineers are used	Both	None
Watford City	6,523	1.5%	10% of the cost of the assessment	1% of the cost of the assessment	External engineer	None
Valley City	6,447	1% to 1.5%	None	None	External engineer	Minimal attorney fees for legal documents, notices, and contract review, and \$300 per special assessment project for costs of the special assessment commission
Grafton	4,224	1% to 1.5%	2% of the cost of construction	The actual costs charged by external engineers are passed through by the city	External engineer	None
Lincoln	3,730	1% to 1.5%	None	The actual costs charged by external engineers are passed through by the city	External engineer	None
Beulah	3,266	1.5%	None	None	City engineer	Only the actual cost of legal fees are passed on by the city
Horace	2,717	1.5%	Varies depending on the complexity of the project	Design engineering fees and construction engineering fees vary depending on the complexity of the project	External engineer	A percentage fee may be charged for contingencies and capitalized interest
Rugby	2,703	1% to 1.5%	None	The actual fees charged by external engineers, generally 10% to 20%, are passed on by the city	External engineer	None
Stanley	2,645	1.5%	None	The actual costs charged by external engineers are passed through by the city	External engineer	Legal fees not to exceed \$10,000
New Town <sup>3</sup>	2,528					

<sup>1</sup>The 2017 population estimates were derived from the *Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2017*, United States Census Bureau, Population Division.

<sup>2</sup>Pursuant to North Dakota Century Code Section 40-24-02, a city may charge annual interest on unpaid special assessment installments in an amount not exceeding 1.5 percentage points above the net annual interest rate on the special assessment warrant or bond.

<sup>3</sup>The City of New Town does not use special assessments.