

STEPS IN ASSESSMENT PROCESS

1. Property owners desiring improvements must petition the City Council to initiate assessment district proceedings. The petition must carry signatures of owners who represent at least 60 percent of the proposed area. Assessed valuation has no bearing. The ~~Assistant Public Works Director - Business Services~~ ^{City Engineer} will meet with and advise owners, prepare the petition, and define the project, if requested.

2. The City Council accepts the petition, boundary map, establishes the district, and directs the City Engineer to prepare construction plans, along with estimated cost to each property owner in the District.

3. Engineering design and legal work is performed. The Council accepts the Engineer's report consisting of an estimate of cost and the spread of these costs to the properties. It assures that the assessment of costs is in direct proportion to the benefit derived. Council approves plan, calls for construction on bids, and sets a public hearing date.

4. Notices of estimated assessments and hearing dates are mailed to all owners, legal notices are posted in the area, and published in a newspaper.

5. At the public hearing, written and oral protests of the works or assessment of costs are reviewed by the Council, and appropriate adjustments are made. A majority protest is deemed to exist if written protests represent more than one-half of the land area to be assessed. If such a majority protest does exist, the proceedings must be abandoned or the City Council may overrule the protest by a 4/5 vote.

6. If plans are approved, the contract is awarded to the lowest responsible bidder, right-of-ways are acquired, and work begins.

7. Owners are given 30 days to pay assessments without interest, and then bonds are sold in the amount of unpaid assessments to finance the construction.

QUESTIONS AND ANSWERS

Q. What types of public improvements are possible under local improvement or assessment district acts?

A. Sidewalks, streets, median strips, street lights, storm drains, sewers, undergrounding utilities, and acquisition of right-of-ways to do the work.

Q. How do property owners know how much the project will cost?

A. The engineer prepares a cost estimate along with plans, but actual costs are not known until bids are received from the contractors and work completed.

Q. What if the cost of the work is less than estimated?

A. A refund is credited to the individual property owner when final accounting is completed.

Q. What happens if a property owner fails to pay his assessment?

A. The assessment then is collected as taxes and if not paid, penalties are imposed and may result in City foreclosure on the property.

Q. What interest rate is paid on local improvement or assessment district bonds?

A. Bonds are sold at public bid and interest is charged at the going rate. Under present law, the maximum rate is 12% per annum.

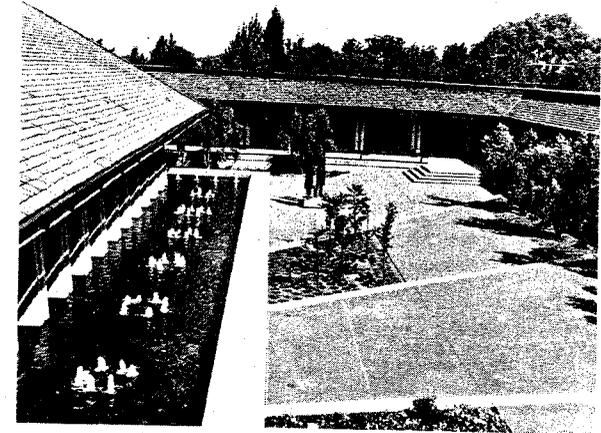
Q. Can property owner pay his entire assessment before full maturity of the bonds?

A. Yes, with certain requirements. He must deposit the total amount of interest he would have paid over the full life of the bonds. Most of this interest may be refunded when the entire series of bonds is paid off.

PARTICIPATORY DEMOCRACY IN ACTION

The assessment district comes into existence through the wishes of the property owners in a given area. The district actually belongs to the property owners. They participate in decisions regarding the type of improvements and the extent of the project. It is not enough for property owners merely to sign their names to a petition. It is essential that proponents appear at the various meetings and at the public hearings, to be sure the scope of the work is clearly defined and satisfactory to the majority before final design.

Financing Local Improvements



THROUGH SPECIAL ASSESSMENT DISTRICTS

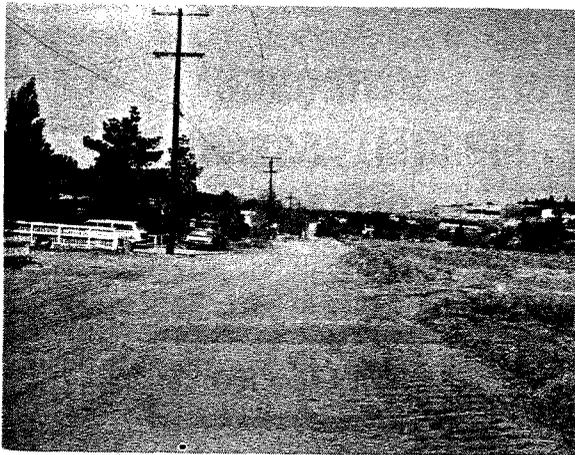
City of Concord

Some Areas Need Improvements

Most Concord residents live in areas which presently are served by our municipal sewer systems, on streets adequately paved and provided with storm drains, curbs and sidewalks since subdividers now are required to install these local improvements when the area is developed, it is customary for the cost to be included in the price of the property. In certain older sections of the City, some or all of these improvements are missing. Residents who want these facilities often are surprised to find that individual property owners must pay for them.

When Owners Pay for Benefits

In areas where the construction of public improvements such as streets, curbs, gutters, sewers, storm drains, sidewalks or even parks would primarily benefit only the immediate area, property owners of that area must request construction of such improvements and be willing to pay for them. After the public facilities have been constructed, the City will maintain them, with the exception of sewer laterals, sidewalks and curbs. State law requires the individual property owners to be responsible for the maintenance of such improvements.



Public Improvements Needed Here

Formation of Assessment District

Property owners of a particular area may join to construct needed public improvements by creating local improvement or assessment districts, with the costs borne by all who will benefit. The objective of an assessment district is to allocate to each property owner his fair share of the improvement cost, in proportion to the benefit received, and to provide a method of long-term financing at the lowest possible interest rate. Through assessment proceedings, property owners may construct street improvements, curbs, gutters, sidewalks, sanitary sewer lines, storm drains and special lighting in public right-of-ways and easements. This procedure also may be used to construct recreational or park facilities for the benefit of local areas. The City supervises the entire proceedings and retains special bond counsel and engineers to handle the legal and engineering work.



Construction Starts on Assessment District Work
Equitable Cost Distribution

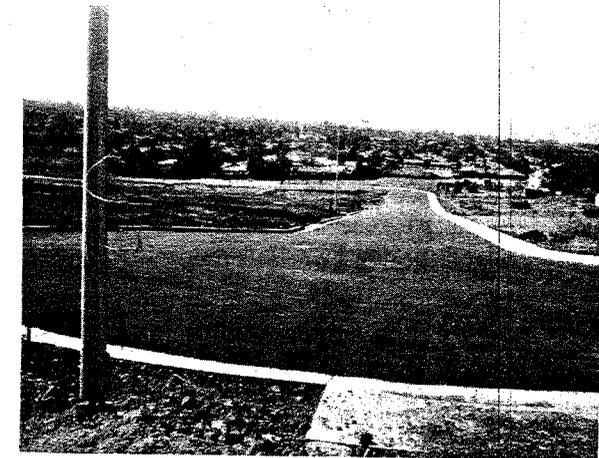
The cost or assessment against each parcel may vary, depending on the improvements needed, the size of the parcel and the extent to which the improvements benefit the land. The engineer assigned to the project carefully evaluates the area and arrives at an equitable distribution of the cost to each parcel. Variations in costs may arise because of unusual or difficult conditions such as hilly terrain, rocky or sandy soil, etc. The Council will review the assessments at a public hearing where property owners have the right to appeal their assessments. All costs, including the bond sale, are borne by the assessment district rather than the City.

By Cash or Assessment

When the project is approved for construction, and prior to the sale of bonds, the property owner has 30 days in which to pay his assessment, without interest. If owners do not choose to pay cash, the assessment becomes a lien on the property and the owners pay their assessments in semi-annual payments, at the same time as their property tax bills. Assessment District bonds are sold covering the total of unpaid assessments, usually with a 15-year redemption period. At present, the maximum interest rates permitted by law is 12 percent.

Possible Penalties

After the bonds are issued, prepayment of the entire amount levied against the property before assessment is due, carries a penalty of 5 percent of the principal balance. Annual principal and interest payments on assessment bonds are paid with money collected from the property owners in the assessment district. If an owner fails to pay the installments, penalties may be imposed, and if nonpayment continues, the property may be sold to satisfy the tax lien.



Streets, Curbs, Underground Utilities, etc.
Near Completion