
759 million votes: Ballots for F-M diversion funding going out to property owners

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Mar 4th 2015 - 12am.

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FARGO – Ballots are going out Friday to thousands of property owners affected by the flood diversion, giving them a say in how the project is financed.

The number of votes each will get depends on several factors, including the property's assessed value, its size and how much benefit it gets from the diversion or if it's potentially harmed by the project.

But the largest share of votes belongs to local governments, which have nearly two-thirds of all votes.

Mark Brodshaug, who heads the Cass County Joint Water Resource District, said the local governments represent all residents, including those who don't own property. District board members felt that the indirect benefits to all residents outweighed the direct benefits to properties, he said.

“It's the benefit you have by not having your employer flooded so that you lose your job or lose some paychecks,” he said. “It's the benefit of having a hospital that isn't disrupted by flood. It's the benefit for having a water and sewer system that is working.”

The joint water district is a member of the Fargo-Moorhead Flood Diversion Board of Authority and is responsible for raising \$725 million for the local share of the \$1.8 billion diversion project. Though the plan is to repay that amount with sales taxes, the district said it wants to guarantee repayment using special assessments because it can get better interest rates.

The district said it's like property owners and local governments co-signing a loan.

1 vote, \$1

Under North Dakota law, each benefiting property gets one vote for every dollar of special assessment it's liable for. Each local government also gets one vote for every dollar it's liable for.

Liability means that, if sales tax revenues were not enough to repay the \$725 million, the Cass County water district will levee special assessments against owners of properties benefiting from the diversion and require local governments to pay their share using whatever revenue they have.

Rocky Schneider, a spokesman for the diversion effort, said giving benefiting property owners just a third of the votes can be a good thing. "As taxpayers, I'd rather have one-third the liability on my property than two-thirds," he said. "Having a liability on a property is going to have an impact on the real estate market."

So out of the \$725 million to be raised, local governments are liable for \$483 million while benefiting property owners are collectively liable for \$242 million.

Liabilities will decrease over time as the \$725 million is repaid with sales taxes, Schneider said.

Brodshaug said there was no special formula the Cass County water district used to arrive at the one-third and two-thirds split.

"We didn't have a big equation with a lot of variables and it spits out the answer of two-thirds," he said. "It was more of a discussion and back-and-forth of the type of benefits that we were calling indirect benefits and what that might mean for the average person living in Fargo-West Fargo."

North Dakota law also gives owners of properties that may be harmed by the diversion project a say. Each property gets one vote for every dollar of the full assessed value of the property. But those values total just \$34 million or 4 percent of all votes.

Learn more

Votes on the special assessment for the flood diversion are due April 30, but before that happens, the Cass County Joint Water Resource District will conduct a series of informational meetings:

- **March 10:** 5:30 to 7:30 p.m., Holiday Inn, Fargo.
- **March 17:** 5:30 to 7:30 p.m., Harwood (N.D.) Community Center.
- **March 24:** 5:30 to 7:30 p.m., Liberty Middle School, West Fargo.
- **March 31:** 5:30 to 7:30 p.m., Fargodome.

By the numbers

The diversion special-assessment vote will involve 759 million votes with some voters getting many more votes than others, mostly based on how much of the total assessment they are liable for.

There are several ways to break down this amount. Here's an initial breakdown:

- **725 million votes:** Each vote is equal to \$1 to be raised. All votes are divided among two groups: owners of properties benefitting from the diversion and local governments.
- **34 million votes:** Each vote is equal to \$1 of assessed value of a property that could potentially be harmed by the diversion. There are 900 properties.

The 725 million votes can be broken down further:

- **483 million votes:** Each vote is equal to \$1 that local governments will be liable for. There are 21 government entities, including Cass County, and benefitting cities and townships. The liability and therefore the votes are based on population, so Cass County has the most and Fargo comes in second.
- **242 million votes:** Each vote is equal to \$1 that benefitting properties will be liable for. There are 49,000 properties.

The 483 million votes (and liability) belonging to government entities are divided based on population:

- **242 million votes:** Cass County.
- **185 million votes:** city of Fargo.

- **56 million votes:** 19 other cities and townships.

The 242 million belonging to benefitting property owners are determined in part by the assessed value of each property, the acreage and which region within the area protected by the diversion that the property is in. The breakdown below does not add up to 242 million because of rounding:

- **122 million votes:** Region VI includes areas south of Interstate 94 that are among the most vulnerable to flooding. Benefits of a diversion are higher here and so is the liability.
- **85 million votes:** Region IV includes areas north of Interstate 94 and east of Interstate 29, which are also vulnerable.
- **36 million:** The remaining four regions.