



## Local Improvement Districts (LID) – General Overview

The information provided below gives a general overview of the reasoning behind and the process for creating Local Improvement Districts. The Engineering Division will be happy to assist property owners wishing to initiate a Local Improvement District and provide them with more specific information relating to improvements in the specific area under consideration.

### What is an LID?

- LID is short for "Local Improvement District".
- Organization of concerned property owners cooperating to improve their property and the neighborhood appearance.
- Affordable financing of public improvements established and administered according to City Charter.

### Initiating an LID

- A property owner sees a need for a public improvement in their neighborhood.
- Contact is made with the city about the proposed improvement.
- The proposed public improvement meets with the city's standards.
- A request is made for an LID petition.

### Petitioning for an LID

Petition is created and includes:

- Description of proposed improvement
- Legal description of LID boundary
- Instructions on legally qualified signers
- Sign-up sheet
- Boundary map
- Rough estimate of assessment
- Petition is circulated by petition initiator

### Petition certification for LID

- Valid petition is certified by City Engineer.
- Signatures of qualified property owners representing over 35% of the LID area constitutes a valid petition.

### Forming an LID

- A valid petition is presented to the Manager of Public Works by the City Engineer.
- A formal public hearing date is set by the Manager of Public Works.
- Notices are mailed to all property owners within the LID.
- Notices contain the public hearing date and preliminary assessment.
- Property ownerships are obtained from the county assessor/treasurer's records.
- Informal informational meeting is held to discuss the proposed LID with property owners.
- The Manager of Public Works holds a formal public hearing on the proposed LID.
- Public testimony for and against the formation of the LID is given.
- The Manager of Public Works takes appropriate action on a valid petition.

## **Creating an LID**

- The Manager of Public Works orders preparation of an ordinance officially creating the LID.
- City council authorizes the City Engineer to begin design by preparing plans and specifications and calling for bids.
- City council officially adopts ordinance at following meeting.

## **Design & competitive bidding for LID**

- The public improvement is designed by Engineering staff.
- Construction plans and specifications are prepared.
- Project is advertised with a call for bids.
- Bid opening - prospective contractors submit sealed bids.

## **Contract award & execution for LID**

- An acceptable bid is submitted to city council for award.
- An acceptable bid must be within the engineer's estimate by not causing the LID assessment to exceed 10% over the preliminary assessment.
- Contractor is advised of award and directed to execute the contract.

## **Construction for LID**

- Contractor is given a notice to proceed.
- Construction begins.
- As a courtesy, the Engineering Division makes every effort to inform the property owners of:
  - Construction start date
  - Estimated project duration
  - Any added construction inconveniences
  - Contractor's name and phone number

## **LID project completion**

- Project substantially complete.
- The City Engineer will declare the project substantially complete once the majority of the physical work has been completed. However "punch list items", such as clean-up may still be required.
- City council approves project complete.
- The Manager of Public Works will certify the project complete after the contractor has satisfied all the requirements within the contract.

## **Finalizing the LID**

- Following project completion, a final assessment roll is prepared based on actual costs. (engineering, construction, interest & bonding)
- A date is set for City Council to sit as a Board of Equalization.
- Notices are mailed to property owners
- Notices contain the Board of Equalization date & proposed assessment amounts.
- Property ownerships are obtained from the county assessor/treasurer's records.
- City council sits as a Board of Equalization on the proposed LID assessments
- Public testimony is received regarding the proposed assessment roll.
- City council responds, approves a final assessment roll and directs the City Attorney to prepare a final ordinance.
- City council officially adopts the final assessment roll by ordinance.
- 60-day prepay period begins.

## **Prepayment of Assessment**

- 60 day prepay period.