

# LOCAL IMPROVEMENT DISTRICTS

Looking to improve the safety of your neighborhood by adding sidewalks or street lighting? Need to get City water or sewer service extended to your area? Want to have a storm drainage system installed on your street to alleviate flooding? Or does your business district need some revitalization work? The LID program may be able to help.

## What is an LID?

The acronym LID stands for Local Improvement District, LID's assist properties in financing improvements through the formation of special assessment districts.

## Why use LID's?

LID's allow expansion of infrastructure or improvements to existing neighborhoods using funds contributed by the benefited property. The cost of the improvements is divided proportionally among the properties participating in the LID. LID's also allow for payment for the improvements to be stretched out over a period of 10 years at a low interest rate.

LID's can be used to help properties finance improvements to make their property safer, provide needed utilities, improve aesthetics or make it more marketable for development.

## What can I use an LID for?

LID's can be used to help finance improvements including:

- Street overlays, repair and construction
- Street Lighting
- Utility Expansion (water, sewer, storm drain, irrigation)
- Overhead power conversion to underground
- Alley way improvements
- Street beautification and revitalization projects
- Park construction and improvements

## How do I start an LID?

LID's are typically started with interested property owners approaching the City about desired improvements, usually in the form of a signed petition. The more property owners who are interested in the LID for a given area the more likely a successful formation will occur.

After the petition is received the City LID Administrator will hold an informal neighborhood meeting and send out an interest survey to all properties within the proposed LID boundary to judge the amount of properties in favor of the improvements. Generally a response, in favor of the improvements, of at least 50% of the participating properties is required to move forward.

If the LID Administrator deems that the LID is likely to succeed, they will recommend to City Council that the LID be formed and a public formation hearing will be held.

View the full LID process: [<LINK TO LID PROCESS HTML OR PDF>](#)

### **What will the LID cost me?**

The cost of the LID will vary depending on the scope of the desired improvements, the number of properties participating and whether or not there are outside sources contributing funds to the project. An estimate of the cost for each property will be provided prior to the LID formation hearing in accordance with LID statute. If the lowest bid received to construct the project exceeds the original estimate by more than 10% the property owners will be polled to determine if the LID should move forward or not.

### **What happens at the LID formation hearing?**

The LID Administrator will present the LID to the City Council along with details of the proposal, estimated project costs, estimates of the individual property assessments and a summary of support and opposition that has been received.

Property owners that wish to speak for or against the formation of the LID will be given an opportunity to do so. Property owners that wish to protest the formation of the LID must do so in writing, a verbal protest will not be considered a valid protest. Note that no response is considered as being in favor of the LID.

After the City Council has heard all of the information and everyone has had an opportunity to speak the Council must either confirm the formation of the LID by ordinance or decide against creating the LID.

### **What if I don't want to participate in the LID?**

Property owners will be given several opportunities to present their opposition to the LID. The first opportunity comes at the neighborhood meeting. This is an informal protest and is only used by the LID administrator to determine if the LID should be presented to City Council or not. The second opportunity comes at the formation hearing. Property owners must submit a written protest in addition to the optional verbal protest at the hearing. The final opportunity to protest formation of the LID comes after the formation hearing during the required 30 day protest period. Again all protests must be submitted in writing to be considered. Note that, in any of these stages, no response is considered as being in favor of the LID.

Property owners should keep in mind that while a small number of properties may protest the formation of the LID the LID may still be formed if the majority of the properties are in favor the improvements.

### **What if I am in favor of the LID but I cannot afford the assessments?**

The City has limited funding available through an LID assistance program to help residential LID's if property owners meet certain federal guidelines related to income. To qualify the property in question must be occupied by the owner. Guidelines for qualification will be provided at the neighborhood meeting, however, property owners will not be able to apply for assistance until the final assessment roll is confirmed.

### **How long does the LID process take?**

From the initial interest and neighborhood meeting through design, construction and final close out, the LID process will typically take 18 to 24 months.

### **When would I have to start paying for the improvements?**

The first annual payment for the LID assessment will be due approximately 1 year after the final assessment roll is confirmed by the City Council. The City treasurer will send out a billing notice after the final assessment roll is confirmed giving the exact date payment is due. Assessments may be pre-paid, in part or in full, at any time after the billing notices have been sent out. There is no prepayment penalty for assessments.

There is also a 30 day window, after the City Treasurer sends out the billing notice, that the assessment can be paid in full without any interest being charged. If the assessment is not paid in full in that 30 day period interest will be charged on any remaining balance.

Payments are due one time a year, and will include simple interest, over the defined number of years until the assessment is paid in full.

### **What Statutes govern LID's?**

Cities and Towns      RCW Chapter 35.43 through 35.56, RCW Chapter 84.38, RCW Chapter 35.54.100 <these should be links to RCW Site>

### **Questions?**

Please contact the LID Administrator for answers to questions unique to your neighborhood.