



## LOCAL IMPROVEMENT DISTRICT (L.I.D.) PROCESS

Under the authority of the Revised Code of Washington RCW 35.43

The Local Improvement District (LID) is a method by which property owners within a defined geographical area can make an improvement benefiting their property. Improvements financed by the LID can include street and sidewalk construction, water mains, sanitary sewer and storm drains. Assessments are usually determined by the size and location of each property in relation to the improvement and the benefit to the property.

The LID may be initiated by City Council resolution or by petition of the majority of property owners along the frontage of the improvement, within the proposed boundaries of the district.

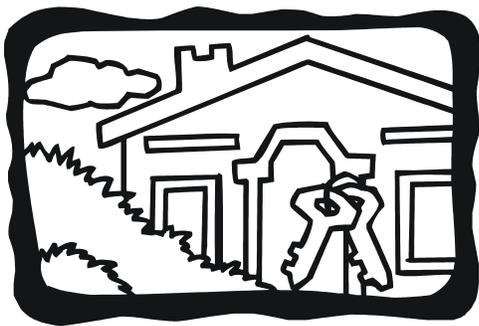
City Engineering Staff will assist the property owners interested in creating a LID in preparing the petition and will be available to answer questions or meet with neighborhood groups.

The following steps will outline the procedure that will be followed after the petition has been accepted or the resolution has been passed.

### STEP 1.

The City Council will call for a public hearing and instruct the City Engineer to:

- Estimate the cost of the improvement.
- Prepare a drawing defining the boundaries of the LID.
- Determine the preliminary assessment (to be a viable project, the sum of the preliminary assessments cannot exceed the true value of the property to be assessed plus  $\frac{1}{4}$  of the value of the improvements located on that property).



The Council will:

- Determine the assessment formula (rate per square foot, rate per front foot, zone and termini, etc.) which considers the benefit to each property.
- Direct staff to mail to each affected property owner a notice of the date for public hearing and the amount of preliminary assessment, and advertise the notice in two consecutive issues of the newspaper at least 15 days before the hearing.

### STEP 2.

Staff explains the project at a public hearing before the City Council, and the Council hears public testimony. If a majority of the Council votes to accept the LID ordinance, staff is directed to publish the ordinance.

### **STEP 3.**

Once published, a 30-day protest period begins. (An improvement judged necessary for public health and safety may not be challenged, but requires the unanimous vote of all Council members present.) Property owners that comprise 60% or more of the total preliminary assessments may stop the LID by filing a written protest with the City Clerk within the 30-day period.

### **STEP 4.**

The LID project surviving the protest period is:

- Designed by the City Engineering Division.
- Advertised for competitive bidding. The construction contract is awarded to the lowest responsible bidder after Engineering Staff review. If final costs are projected to exceed the preliminary estimate by more than 10%, the project is reconsidered.
- Finalized by compiling all costs associated with the project and preparing a final assessment roll. Costs will include administration, design, construction, appraisal services, right-of-way and interest on warrants issued by the City to provide payment for work in progress until bonds are sold.



### **STEP 5.**

The notice of the hearing on the final assessment is:

- Mailed to all property owners within the LID district at least 15 days before the hearing.
- Advertised at least once a week for two consecutive weeks in the Bellingham Herald, the last publication at least 15 days before the hearing.

### **STEP 6.**

The City Council holds the Assessment Roll Hearing. Modifications to the Assessment Roll may only be made at this time, unless a mistake or omission is discovered later. Once passed and published, appeals may only be directed to Superior Court within 10 days of the LID ordinance publication.

### **STEP 7.**

The City Clerk publishes notice of the assessment in the official newspaper once a week for two weeks, and mails collection notices to all property owners. Interest-free payment may be made within 30 days of published notice (the prepayment period). Payment installments are due one year from the expiration date of the 30-day prepayment period.

Minimum time needed to complete a project utilizing the LID process is approximately 10 months from the time the petition is accepted and the resolution is adopted.