



## LOCAL IMPROVEMENT DISTRICT PROGRAM FOR ROAD IMPROVEMENT PROJECTS

### INTRODUCTION

The Park County Board of County Commissioners (BOCC) recognizes the value working with property owners through the Local Improvement District (LID) process for road improvement projects within a proposed benefit area. With the Road & Bridge Department's limited operating budget and approximately 1,622 miles of road, much of which is not paved, the use of an LID program can be beneficial to both the County and citizens for special road projects.

LIDs are governed by C.R.S. § 30-20-601 *et seq.* The County is legally obligated to follow the requirements of state statute as they relate to LIDs. Any conflict between the provisions of this LID Program and applicable state statutes will be resolved in favor of state law.

### WHAT IS A LOCAL IMPROVEMENT DISTRICT

A Local Improvement District (LID) allows homeowners to construct and finance public infrastructure for neighborhood roads over a period of time so that the whole cost of the improvement does not have to be paid at one time. An LID is created when property owners within a defined benefit area petition the County to make road improvements the cost of which is then paid through an assessment of the whole or a part of the costs of the improvements to the benefiting property owners.

The State of Colorado has legislated detailed procedures to be followed in creating an LID, constructing the improvements, and assessing the benefiting property owners. The County's LID program has been set up to conform to and supplement the statutory process.

### HOW DOES IT WORK

The County's LID program allows staff to work with property owners to define the LID boundaries, develop construction cost estimates and estimate the assessment for the lots within the LID. If the proposed road improvement project is deemed to be feasible by County staff, the property owners shall then initiate the process to form an LID using the State's procedures which include a petition, public hearings before the County Commissioners and an election. The County's LID program may be financed through the County's own funds or a loan obtained by the LID group or may include financing of the project through tax-exempt bonds. In any case, the County would then collect a special assessment, over a ten year period, to recoup or repay the improvement cost.

### FUNDING

The BOCC may elect to participate in the financing of the costs associated with the improvements. County financial participation will depend on budget availability and approval by the Commissioners. If the County is unable to participate financially in the

funding of any portion of the LID cost, the Commissioners may elect to finance the LID cost incurred until the bonds are sold after bidding for the project or financing is obtained by the LID. The method of County financing depends on budget availability and the BOCC's approval of a reimbursement resolution prior to the petition for creation of a LID.

If more than one LID petition is presented to the Board of County Commissioners, the following criteria will be used for setting the priorities in the financial participation and selection process:

1. Projects in which private funds are available instead of the use of County funds will be considered first.
2. Projects financed by the County will be considered second.
3. Projects requiring the issuance of bonds will be considered last.

In addition to financing, other factors that will be considered in the prioritization of proposed LID projects will be currently scheduled County projects and equipment mobilization at adjacent locations.

#### PARK COUNTY'S LID PROGRAM POLICIES

1. Park County reserves the right to deny formation of any district.
2. Charge an application fee of an amount equivalent to the County administrative costs.
3. The LID program does not include private roads or roads not currently maintained by the Park County Road & Bridge Department.
4. Improvements must be designed to meet Park County road standards.  
Park County will perform the construction work on the project unless otherwise approved to allow the LID to hire a contractor to perform such work. If approved, the contractor will be subject to Park County road standards and specifications. In the event that an outside contractor is engaged, the entire cost of the project shall be paid by the LID unless determined otherwise by the BOCC. All work will be subject to inspection and approval by County staff.
5. Park County will not be responsible for repair or replacement of landscaping within the public right-of-way unless a written agreement is obtained prior to construction.
6. Park County will select or inspect all materials.
7. Unless otherwise agreed between the LID and the County, the construction of a road will have the following three layers of emulsified asphaltic oil and aggregate:
  - a. Layer 1: 3/4" rock
  - b. Layer 2: 1/2" rock
  - c. Layer 3: 1/4" rock
8. Park County will contribute the following to the project:
  - a. Prepare and compact road bed including additional materials and safety improvements
  - b. Make corrections, if necessary and where possible, to any drainage issues (including the removal of trees or landscaping within County ROW) existing prior to the construction project
9. When required by the Road and Bridge department, Park County will provide culverts for installation at County pricing; individual property owners will be

responsible for the payment of any required culvert(s) required at the owner's property access points. .

#### PROCEDURE TO FORM LOCAL IMPROVEMENT DISTRICT

- a. Application for Project Review and Proposal. The first step in pursuing a road improvement project through an LID is to submit to the Road & Bridge Department a completed application, application fee, and a written request from a group of property owners for a Project Review and Proposal to be completed by the County. The request must represent (a simple majority) of the affected property owners.
- b. After receiving the request, the Road & Bridge Department will conduct a preliminary study of the project area and will schedule an informal presentation.
- c. The Project Review will take into accounts different options for construction of a project to meet the needs as stated in the application. The alternatives might include total reconstruction, partial reconstruction, partial rehabilitation and/or preventative maintenance. The least expensive alternative which meets the design requirements will be recommended. A preliminary estimate of cost for the proposed method of construction will be prepared. The cost estimate will be based on preliminary estimates of quantities and an estimate of material prices. The cost estimate at this stage is not based on site specific investigation of conditions. For this reason, the Road & Bridge Department will assume worst case conditions for estimate of quantities. If the Road & Bridge Director, or designee, determines that an engineering study is required prior to the commencement of any construction, the cost of such a study will be a part of the LID cost.
- d. The Project Review and Proposal will include a preliminary cost estimate, a description of the proposed improvements and a map of the project area. A preliminary assessment list showing the amount that would be assessed against each property will also be prepared.

Note: Property owners may choose to pay for a site specific engineering study in order to eliminate uncertainty in the cost estimate. If property owners elect not to pay for further engineering at this stage, the cost produced in the preliminary engineering study will be included in the petition.

#### 2. Petition Process

- a. Road & Bridge staff must attend a work session with the BOCC to request County financial participation.
- b. If there is limited or no County financial participation approved, Road & Bridge staff must prepare a reimbursement resolution for approval by the BOCC at a regular business meeting. The reimbursement resolution allows the County to pay LID costs incurred prior to any bonds being sold and reimbursement of these costs from the bond proceeds. Without BOCC approval of the reimbursement resolution, the LID process stops.
- c. Road & Bridge staff will finalize the assessment cost estimate to be used for the proposed LID petition and election.

- d. Road & Bridge staff will prepare the petition for the proposed LID. The County Attorney must review the petition and ownership verification must be completed prior to staff releasing the final petition to the proposed LID representative. The proposed LID representative is responsible for mailing or delivery to property owners within the boundary of the proposed LID for signature. The petition must be signed by the property owner(s) of record and notarized to be counted. If a petition is not signed or returned by the due date, it will not be counted.
- e. Once the petition has been received by the Road & Bridge Department and signatures have been verified, the staff will initiate the public hearing process. Legal notice of a public hearing before the Park County Board of County Commissioners will be placed in a newspaper of general circulation. All property owners of record are notified of the hearing by mail.
- f. The designated LID representative(s) must collect all petitions for the proposed LID. If the representative(s) collects a simple majority of petitions, the representative must deliver the petitions to the Road & Bridge staff by the designated date. If a simple majority of petitions are not collected by the designated due date, the LID process stops.

(See attached sample petition)

### 3. Certification of Petition

- a. Road & Bridge staff must confirm that a simple majority of valid petitions were submitted.
- b. Road & Bridge staff must also verify ownership of record for all petitions submitted.
- c. Road & Bridge staff must verify that property ownership by any individual, corporation or trust is less than 25% for all properties located within the proposed LID.
- d. If a simple majority of valid petitions is not certified, the LID process stops.

### 4. Public Hearing

- a. Road & Bridge staff must prepare legal notice of a public hearing before the BOCC for publication in the newspaper.
- b. Road & Bridge staff must notify all property owners of record of the public hearing by mail.
- c. At the public hearing, the BOCC will hear concerns and comments from property owners and interested citizens. After the hearing, the BOCC may approve, alter, or deny formation of the proposed LID.

### 5. Election

If financing is to be obtained through the issuance of special assessment bonds, or by obtaining financing by the LID either of these methods of financing requires holding a TABOR election to approve the multi-fiscal year financial obligation. This election must be held in November for electors to approve incurring a debt in the succeeding year. The BOCC may designate if the electors in the district will vote on the issue or if the entire county electorate will vote on the issue.

6. Finalization of Design and Construction
  - a. After the formation of the LID, plans and specifications for the project are finalized by the Road and Bridge Department. All improvements will be designed to meet or exceed County standards.
  - b. Upon completion of design, the improvements will be advertised for public bid if construction work is to be performed by a contractor instead of Road & Bridge crews. The construction contract will be awarded to the lowest price reliable and responsible bidder.
  
7. Financing

Unless financed within the County's budget and prepaid, or otherwise financed by the LID owners, municipal bonds may be sold to finance the project. The closing of the bond sale or the obtaining of financing by the LID is held and must be in obtained in advance of the initiation of any construction.
  
8. Property Assessment Upon Completion of Construction

After completion of construction and final acceptance of the improvements, a compilation will be made of all project costs. Road & Bridge staff will prepare a proposed assessment list based on the actual project expenditures that shall be distributed among each lot within the LID.
  
9. Public Hearing
  - a. A public hearing is held before the BOCC to consider the proposed assessment list and any objections which might be made by an affected property owner.
  - b. Property owners will be notified through the mail of the hearing and legal notice is published in the newspaper.
  - c. After the hearing and subsequent passage of a resolution, the assessments become final.
  
10. Final Assessment Process
  - a. The Park County Treasurer's office will notify each property owner of the assessment amount and the payment options. The property owner may elect to pay the entire assessment or to pay annual installments of principal with interest.
  - b. Those property owners electing to pay in full, with no interest, will have sixty (60) days from the effective date of the Assessment Resolution to make payment to the Park County Treasurer. Failure to make timely payment will result in an automatic annual assessment of the property in question.
  - c. For those property owners electing (or required) to pay in installments, the Treasurer's office will send an annual bill with the tax notice. The additional assessment will be included with the property tax. The assessment may be paid in the same manner as property taxes. Until paid in full, the special assessment represents a lien against the property involved