

# **LOCAL IMPROVEMENT DISTRICT**

## **WHO SHOULD USE THIS PACKET?**

Anyone who wants to construct or rehabilitate public streets, sanitary sewers, storm drainage or water improvements and have the project financed over a period of time.

## **INFORMATION INCLUDED WITH THIS PACKET:**

- 1. PURPOSE OF LOCAL IMPROVEMENT DISTRICTS**
- 2. DEFINITIONS**
- 3. POLICIES FOR LOCAL IMPROVEMENT DISTRICTS**
- 4. PROCEDURE FOR FORMATION OF A LOCAL IMPROVEMENT DISTRICT**
- 5. FLOWCHART OF EVENTS**
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- 7. APPLICATION**
- 8. SAMPLE LETTER REQUESTING A PRELIMINARY ENGINEERING STUDY AND A PROJECT PROPOSAL**

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**THE FOLLOWING INFORMATION IS SUBJECT TO CHANGE WITHOUT NOTICE**

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## **PURPOSE**

A Local Improvement District (LID) allows homeowners to construct and finance public street, storm drainage, water system or sanitary sewer improvements over a period of time (usually 10 years) so the whole cost of the improvement does not have to be paid at once.

## **DEFINITIONS**

**ASSESSMENT** - The cost of improvements to be paid by the homeowner with property taxes.

**CONSTRUCTION SEASON** - This term refers to those months of the year during which construction can be accomplished without constraints imposed by weather and temperature. The length of the construction season varies from year to year. The major constraint to construction during winter months is frozen ground. Normally, construction is confined to the period between mid April in the spring to mid-November in the fall.

**LID** - Local Improvement District

**LID COORDINATOR** - A Staff member of the Engineering Department who will assist the property owner in making a request for a Local Improvement District.

**PRELIMINARY COST ESTIMATE** - This is an estimate of the cost of a project which is made at the time of preliminary engineering. It is based on an estimate of construction quantities and an estimate of bid prices for a project.

**PRELIMINARY ENGINEERING** - - Preliminary Engineering is engineering work done at the outset of a project which is conceptual in nature, and may represent the outcome of an evaluation of several options.

**PROJECT BID PRICE** - This is the bid amount for a project by the lowest price, reliable and responsible bidder. It is based on design quantities. Bidding and contracting of all construction work is in accordance with Larimer County Purchasing Policies.

**STATUTORY LIEN** - All assessments made in connection with the improvements shall constitute a perpetual lien on the property involved and shall have priority over all other liens excepting general tax liens according to Colorado Revised Statutes 30-20-501 et seq.

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## **LARIMER COUNTY LOCAL IMPROVEMENT DISTRICT POLICIES**

1. Larimer County reserves the right to deny formation of any district.
  2. Each application must be accompanied by a \$100.00 processing fee. (Do not send)
  3. Where possible, improvements are designed to meet the standards of the Larimer County Road Standards Manual, the Larimer County Storm Water Management Manual, the Larimer County Urban Area Street Standards and Intergovernmental Agreements with Fort Collins and Loveland where applicable.
  4. Larimer County is not responsible for repair or replacement of landscaping within the Public Right of Way unless a written agreement is obtained prior to construction.
  5. Larimer County will assess Administrative Fees to cover expenses involved with formation and administration of local improvement districts.
  6. There are currently no funds budgeted for county participation to improvements in County maintained subdivision streets.
  7. The formal petition represents a cost estimate. Actual costs not exceeding the estimate will be assessed to the district.
  8. Larimer County may approve formation of a LID, according to state statutes, only after receiving a formal, legal petition which must be signed by at least 30% of the electors who reside or own taxable real or personal property within the proposed district.
  9. All goods and purchased services, including consultant selection, bidding for construction, and contracting for construction will be in accordance with Larimer County Purchasing Policies.
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# PROCEDURE FOR FORMATION OF LOCAL IMPROVEMENT DISTRICTS

1. The formation process for a Local Improvement District begins after the Engineering Department receives a completed application, the application fee and a written request from a group of property owners for us to complete an Engineering Study and Project Proposal. The request must represent at least 60% of the affected property owners.
2. After receiving a request from a group of property owners, the Engineering Department will conduct a preliminary study of the project area and schedule an informational presentation.
3. The Engineering study will take into account different alternatives 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 preventive maintenance. The least expensive alternative which meet the design requirements will be recommended. For example, an asphalt mat paved street would be designed to last twenty years. The study would determine what type of construction would last twenty years with the least cost for construction. A preliminary estimate of cost for the proposed method of construction will be prepared. The cost estimate will be based on a preliminary estimate of quantities and an estimate of construction bid prices. The cost estimate at this stage is not based on a site specific investigation of conditions. For this reason, the Engineering Department will assume worst case conditions for estimation of quantities.

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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 utilized in the petition.

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4. The project 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.
5. Engineering staff members will prepare a formal legal petition based on the results of the preliminary engineering study, the project proposal and the preliminary assessment list. The applicant will be responsible for circulation of the petition among property owners of the proposed District. The petition must be signed by at least 60% of the affected property owners.
6. Once the petition has been received by the Engineering Department and signatures are verified the staff will initiate the public hearing process. Legal notice of a public hearing before the Larimer County Commissioners will be placed in a newspaper of general circulation. All property owners of record are notified of the hearing by mail.
7. At the public hearing, the Board of County Commissioners will hear concerns and comments from property owners and interested citizens. After the hearing, the Board of County Commissioners may approve, alter, or deny formation of the district.
8. An election must be held in November for electors to approve incurring a debt. The Board of County Commissioners may designate if the electors in the district will vote on the issue or if the entire county electorate will vote on the issue.
9. After formation of the district, plans and specifications for the project are designed by a registered professional engineer. Improvements are designed to meet or exceed County standards.

In the case of street improvements, the design work will include a review of drainage patterns, and any changes in drainage associated with the improvement. Proper drainage of storm water away from the pavement surface is very important to assure durability of the road surface. County standards require installation of drainage structures to assure positive drainage at all locations. Drainage structures include driveway and cross road structures, such as culverts, cross pans and inlet structures. When project construction is complete, there must be no ponding of storm water at any unintended location.

Installation or reconstruction of drainage structures often interferes with existing landscaping within the right of way. **It is therefor important to establish at the outset the extent to which drainage structures will be reconstructed.** Except by prior agreement with individual property owners, the County will not obligate itself to replace landscaping in the road right of way which is damaged or removed for construction of necessary drainage facilities. The County will, however, hold its contractors responsible for damage on private property or damage to landscaping within the right of way beyond that which is necessary for the proper construction of the project.

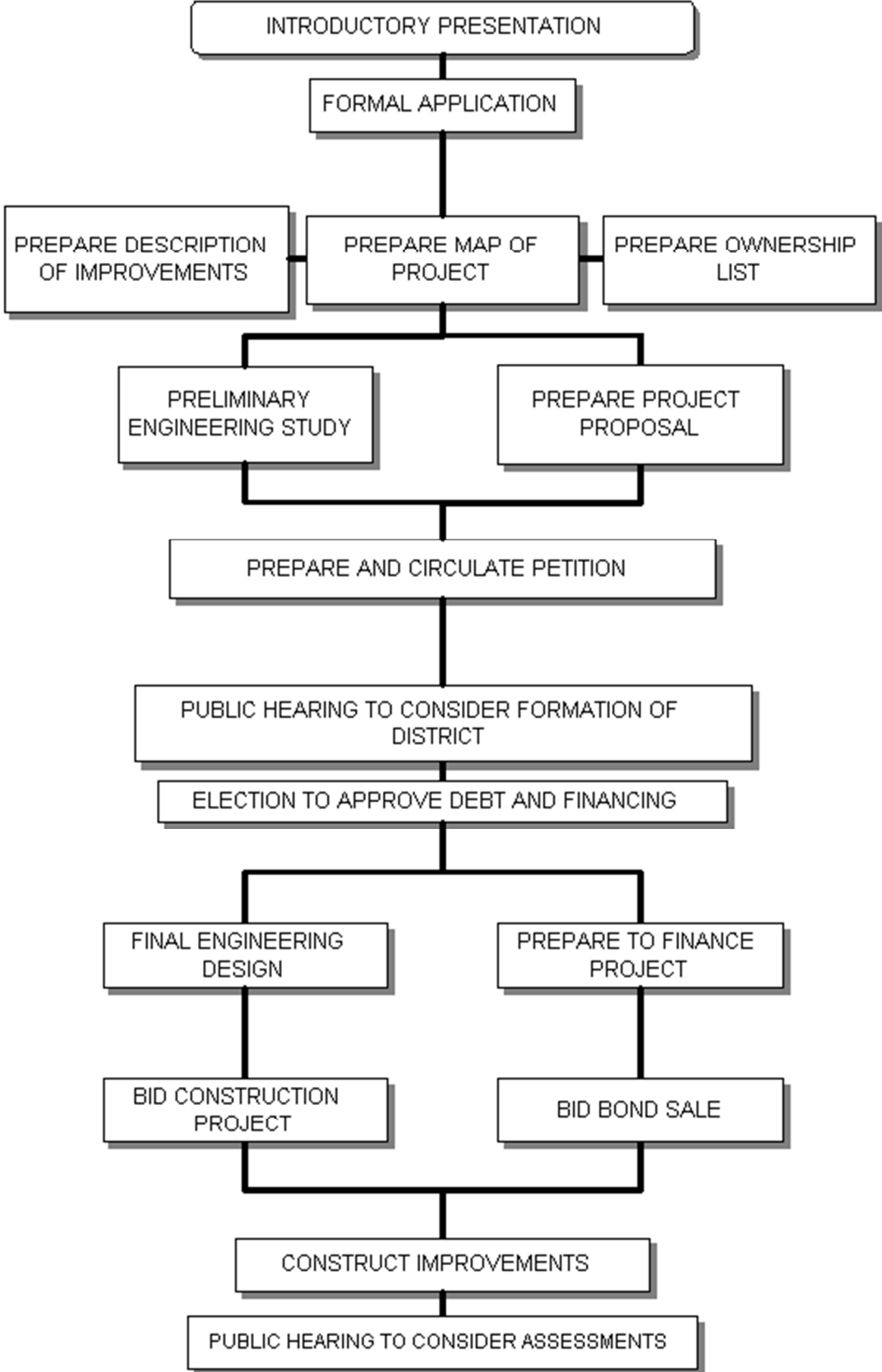
10. Once the design is complete, the improvements will be advertised for public bid. The construction contract will be awarded to the lowest price reliable and responsible bidder.
11. Municipal bonds are sold to finance the improvement. The closing on the bond sale is held prior to initiation of construction.
12. After completion of construction, and final acceptance of the improvements, a compilation will be made of all project costs. A proposed assessment list will be prepared based on actual project expenditures.
13. A public hearing is held before the Board of County Commissioners to consider the proposed assessment list and any complaints and objections which might be made by property owners. A legal notice of the time and place of the public hearing is advertised in a newspaper. Property owners of record are notified by mail of the hearing and the proposed assessment amount. After the hearing and subsequent passage of a resolution the assessments become final.
14. The Larimer 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. Those individuals electing to pay in full, with no interest, will have thirty days from the effective date of the Assessment Resolution to make payment to the Larimer County Treasurer's office.

For those individuals electing to pay in installments the Treasurer's office will send an annual bill with the tax notice. At the time the property owner receives the tax notice there will be an additional assessment for the improvements included in the bill. The assessment may be paid in the same manner as property taxes. Property owners may elect to pay in halves with one half due in February and one half due in June or they may elect to pay the whole amount prior to April 30th. Until paid in full, the special assessment represents a lien against the property involved.

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# LOCAL IMPROVEMENT DISTRICT

## FLOWCHART OF EVENTS



# TIMETABLE FOR PROCEEDINGS

INTRODUCTORY PRESENTATION	FALL & WINTER
APPLICATIONS SUBMITTED	NOT LATER THAN JANUARY 1
PRELIMINARY ENGINEERING STUDY AND PROJECT PROPOSAL	JANUARY, FEBRUARY
HOMEOWNERS STUDY RESULTS	MARCH
PETITION SUBMITTED	NOT LATER THAN APRIL 15
FORMATION HEARING	PRIOR TO JUNE 30
ELECTION	NOVEMBER
ENGINEERING DESIGN	PRIOR TO MARCH 30
BOND SALE	APRIL 1
CONSTRUCTION	MAY-AUGUST
ASSESSMENT HEARING	PRIOR TO SEPTEMBER 15
NOTIFY TREASURER OF ASSESSMENT	BY OCTOBER 1
COLLECTION OF FIRST ASSESSMENT	FOLLOWING APRIL

SAMPLE LETTER  
REQUESTING A PRELIMINARY ENGINEERING  
STUDY AND A PROJECT PROPOSAL

November 21, 19\_\_

Improvement District Administrator  
Larimer County Engineering Department  
P.O. Box 1190  
Fort Collins, CO 80522-1190

Gentleman:

The homeowners association for Fort Fun have met and discussed the option of forming a Local Improvement District for improvement of streets in Fort Fun subdivision. We have *taken a poll or held an election* and at least 60 percent of the property owners that will benefit from the improvements are in favor of our association requesting that the Larimer County Engineering Department provide us with a Preliminary Engineering Study and a Project Proposal.

Sincerely,

John Doe  
Fort Fun Homeowners Association Representative