

PUBLIC IMPROVEMENT DISTRICT CASH FINANCING

WHO SHOULD USE THIS PACKET?

Persons interested in improving, and maintaining public facilities including, but not limited to, street improvements, storm sewer or sanitary sewer improvements and water distribution systems. Costs will be paid as they are incurred from a mill levy that is collected with property taxes.

INFORMATION INCLUDED WITH THIS PACKET:

- 1. PURPOSE OF PUBLIC IMPROVEMENT DISTRICTS**
- 2. DEFINITIONS**
- 3. POLICIES FOR FORMATION AND ADMINISTRATION OF PUBLIC IMPROVEMENT DISTRICTS**
- 4. PROCEDURE FOR FORMATION OF A PUBLIC IMPROVEMENT DISTRICT**
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THE INFORMATION IN THIS PACKET IS SUBJECT TO CHANGE WITHOUT NOTICE.

PURPOSE

A Public Improvement District (PID) enables property owners within a given area to fund construction and maintenance of public facilities. Public Facilities may include street improvements, storm sewer or sanitary sewer improvement or collection systems, water distribution systems, and parks or recreation areas.

DEFINITIONS

ASSESSED VALUE - The assessed value of a district is the sum of all land values and improvement values within the district boundary. The assessed values for individual properties are determined by the Assessor's office of Larimer County.

PID - Public Improvement District

PID COORDINATOR - A Staff member of the Engineering Department who will assist the Property Owner in making a request for a district.

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

PRELIMINARY ESTIMATE OF COSTS - 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 bid quantities and prices for a project. It is based on the best information available. Where information is not available, worst case conditions are assumed.

PROJECT BID PRICE - This is the amount bid for a project by the lowest price, responsible and reliable bidder. It is based on bid prices and design quantities.

PUBLIC FACILITY - A facility such as water system, sewer system or street which is dedicated for public use and accepted by the appropriate governmental or quasi governmental entity.

PUBLIC MAINTENANCE - A publicly maintained facility is one which is maintained by a governmental or quasi-governmental entity.

QUALIFIED ELECTOR - A person who at the designated time or event, is qualified to vote in general elections in this state; and who has been a resident of the district for not less than thirty-two days or who or whose spouse owns taxable real or personal property within the district whether or not they reside in the district.

STATUTORY LIEN - The Mill levy associated with the Public Improvement District constitutes a general tax lien according to Colorado Revised Statutes 30-20-501 et seq.

LARIMER COUNTY POLICIES FOR FORMATION AND ADMINISTRATION OF PUBLIC IMPROVEMENT DISTRICTS

1. Larimer County reserves the right to deny formation of any proposed public improvement district based on consideration of benefit and cost after a public hearing.
2. Each application must be accompanied by a \$100.00 processing fee.
3. Review of District proposals will be conducted by the Larimer County Engineering Department prior to a hearing before the Larimer County Commissioners. In preparing its recommendation, the Engineering Department shall take into account the following:
 - a. Each district recommended for approval shall be for improvement of existing facilities to a higher standard than currently exists.
 - b. Each project recommended for approval shall include a plan for maintenance of the improvement for a period of at least twenty years following the improvement.
 - c. Each project shall include a plan for funding which is adequate to pay the entire cost of the improvement and the projected cost of maintenance for a twenty year period following construction.

4. Larimer County will proceed to hold a public hearing to consider forming a public improvement district only after receiving a formal legal petition in support of the proposal. By state statutes the petition must be signed by at least 30% of the electors who reside or own taxable real or personal property within the proposed district.
 5. The form of the formal legal petition filed in support of a public improvement district project shall be approved by Larimer County and its legal counsel.
 6. Larimer County will consider proposals for public improvement districts only for facilities that are dedicated to public use. In the case of street improvements, streets must be within the public right-of-way, by deed of dedication or by dedication on a plat to the satisfaction of Larimer County and its legal counsel.
 7. Larimer County is not responsible for landscaping within the Road Right of Way unless a written agreement is obtained prior to construction.
 8. All goods and purchased services, including consultant selection, bidding for construction, and contracting for construction shall be in accordance with Larimer County Purchasing Policies.
 9. All variances from the above policies will require approval from the Larimer County Board of Commissioners.
 10. Larimer County shall charge a 5% annual administrative fee and the Treasurer's Department shall charge a 2% annual collection fee to all districts formed after January 1997.
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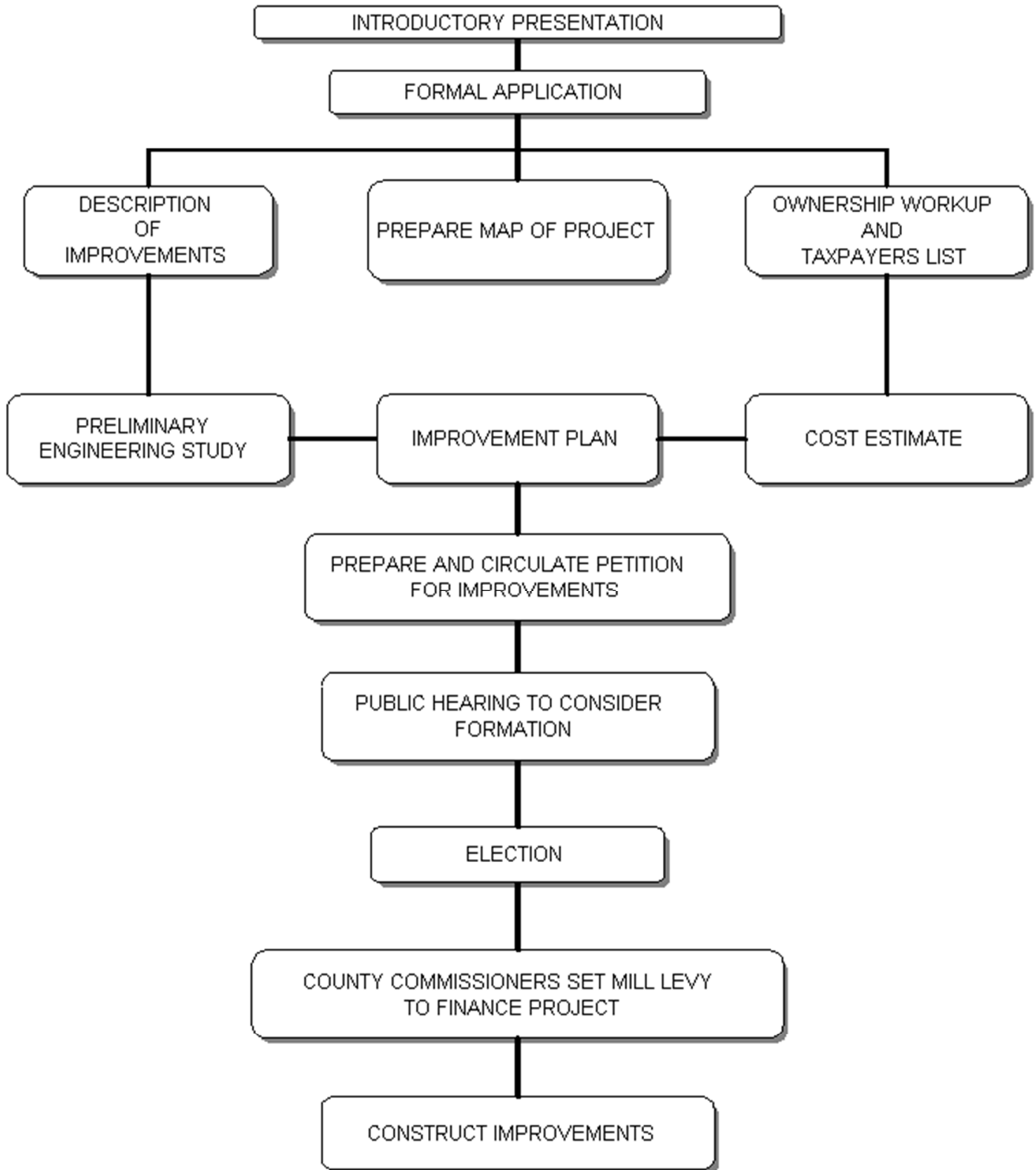
PROCEDURE FOR FORMATION OF A PUBLIC IMPROVEMENT DISTRICT

1. The formation process for a Public Improvement District begins after the Engineering Department receives a completed application and the application fee from a group of property owners.
2. A proposed Improvement plan and a Preliminary Engineering Study must be completed. They may be prepared by interested property owners from the area or the Engineering Department staff will prepare the Improvement Plan and the Preliminary Engineering Study if they receive a written letter of request from the property owners. The letter must represent at least 60% of the property owners in the area to be improved. *See sample letter.*
3. The Improvement Plan must state what is being improved, the nature of the improvement, and the extent of the improvement. The plan must include an estimate of the cost of construction, the cost of administration, as well as the cost of maintenance of the improvements for a period of no less than twenty years following construction.
4. The Engineering Department will conduct a Preliminary Engineering Study of each proposed project. The full range of choices for construction of each project will be considered, including do nothing, repair of the existing facility, and total reconstruction of the facility. The study will consider how long each choice might last, and the cost of each. The least expensive alternative which meets 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.
5. The Engineering Department will prepare an estimate of the cost of construction. The cost estimate is normally based on a preliminary estimate of quantities and an estimate of construction bid prices. The cost estimate at this stage is not based on an investigation of site conditions. For this reason, the Engineering Department will assume worst case conditions for estimation of quantities. **Prior to formation of a district property owners may choose to pay for site specific investigations such as soils tests, surveying, etc. to eliminate uncertainty in the cost estimate.** If property owners elect not to pay for further engineering at this stage, the estimate of cost produced in the preliminary engineering study will be utilized in the formal legal petition requesting the County form the district.
6. The Engineering Department staff will review the proposed Improvement Plan and the Preliminary Engineering Study. The Department will consider whether the proposed level of funding is sufficient to improve the facility and maintain the facility in its improved condition over a period of not less than 20 years.

The staff will prepare a recommendation to the Board of County Commissioners. The recommendation may be for approval, approval with modifications, or denial of the proposed public improvement district. If the proposed level of funding is determined to be insufficient to accomplish the improvement and the intended maintenance, the Engineering Department staff may recommend that the Board of Commissioners not approve formation of the proposed district.

7. If the staff recommendation is for denial or approval with modification, the applicants may, in writing make a request for review before the Larimer County Board of Commissioners.
 8. A formal legal petition requesting formation of the District must be prepared. The petition must state the legal description of the proposed district, a description of the proposed improvements, the estimated cost, and the names of three electors who will represent the district during the process of formation. At the request of the property owners, Larimer County will prepare the petition requesting formation of the public improvement district. The applicant will be responsible for circulation of the petition among property owners of the proposed district. Once the Larimer County Engineering Department receives and verifies the petition, signed by at least 60% of the qualified electors of the proposed district, the public hearing process will be initiated.
 9. Legal notice of a public hearing before the Larimer County Commissioners will be published in a newspaper of general circulation. Notices will be mailed to all property owners of record within the proposed district. At the public hearing the Board of County Commissioners will hear concerns and comments from property owners and interested citizens regarding formation of the proposed district.
 10. The Board of Commissioners may approve formation of the proposed district if it is shown that the proposed improvements will benefit the district, and the cost of the improvements is not excessive as compared with the value of property within the district. If the Board of Commissioners deny the formation of a district the petitioners may resubmit their plan with modifications.
 11. An election must be held in November for electors to approve a mill levy.
 12. The County Commissioners, acting as a district board, will establish a mill levy to be applied to the assessed value of real property in the district to generate funds to repay the debt and for district operations.
 13. The Treasurer's office will send an annual tax notice. At the time the property owner receives the tax notice there will be an additional amount for the mill levy included in the notice. Property owners may elect to pay their property taxes 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.
 14. Final Engineering design of the improvements will normally be developed after formation of the district. 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. Design and construction are supervised by the County Engineering Department staff.
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**PUBLIC IMPROVEMENT DISTRICT
FLOWCHART OF EVENTS**



TIMETABLE FOR PROCEEDINGS

Prior to Jan 1	Application filed and reviewed by the Engineering Department.
Prior to Mar 1	Preliminary Engineering study, Improvement Plan, and Cost Estimate completed and submitted to applicant.
By May 1	Signed Petition submitted to the Larimer County Engineering Department.
Prior to May 10	Notify Treasurer and Assessor of formation of District.
By June 30	Public Hearing to consider Formation of the District.
Prior to Oct 10	Assessor certifies total valuation to Clerk or secretary of each special district.
1st Tuesday in November	Election to approve increase in mill levy.
Not later than Dec 15	Clerk or secretary of special district recommends levy to County Commissioners.
Not later than Dec 22	County Commissioners approve the mill levy.
Jan-April	Final Engineering Design of the Improvements.
May-August	Construct Improvements.

THIS TIMETABLE IS SUBJECT TO CHANGE WITHOUT NOTICE.

METHOD OF COMPUTING PID MILL LEVIES

The **MILL LEVY** is applied to the assessed value of real property in the district to generate funds through payment of property taxes. The **MILL LEVY** for a district is calculated by using the requested **REVENUE** and the current year's **ASSESSED VALUATION OF THE DISTRICT**.

$$\text{MILL LEVY} = \frac{\text{TAX (REVENUE)} \times 1,000}{\text{ASSESSED VALUE OF DISTRICT}}$$

SAMPLE LETTER

**REQUESTING A PRELIMINARY ENGINEERING
STUDY AND AN IMPROVEMENT PLAN**

January 1, 1996

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

Dear Sirs:

The homeowners association for Fort Fun have met and discussed the option of forming a Public 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 an Improvement Plan.

Sincerely,

John Doe

Fort Fun Homeowners Association Representative