

CLEAR CREEK COUNTY ROAD & BRIDGE DEPARTMENT
P.O. BOX 362, DUMONT, CO 80436
PHONE # (303)679-2334
LOCAL IMPROVEMENT DISTRICT PROCESS

- BACKGROUND** A Local Improvement District (LID) is a special district formed to create or upgrade the infrastructure of a particular public road(s) in unincorporated areas of the county. Colorado Revised Statutes §30-20-601, et seq., give county governments the power to establish an LID, and assess the benefitting properties (that is, those within the LID) the cost of constructing the improvements. The County follows the statutory procedures with a few additional steps.
- PURPOSE** An LID provides a way to finance and construct improvements in which every property receiving benefit pays its fair share of the costs. LID's are for discrete construction projects, typically road and drainage projects, not for continuous maintenance and operation. LID road improvement projects must comply with the County's Roadway Design and Construction Manual.
- WHO PAYS? HOW?** The County may pay up to 25% of the costs of the construction or of the entire project (including finance and administrative costs). The County will obtain financing for the project and the owners of the benefitting properties will pay the costs over time (equal annual installments over perhaps 5-15 years, depending on the financing terms) through special assessments which are billed and collected just like property taxes. (Special assessments are a lien on the land, but they are not taxes and may not be income tax deductible – consult your tax adviser.) The County will charge the project statutory Treasurer's fees and may charge it administrative costs.
- THE DISTRICT** Geographical boundaries for the LID will be proposed by the petitioners. The LID boundaries must be based on the area served by the improvements that are being proposed.
- THE PROCESS** The petition must be submitted by no later than the end of May. This should allow sufficient (but not excess) time to develop the scope of the work, canvass the property owners about their support for an LID through a questionnaire, meet public notice requirements, hold public hearings, and place the financing of the LID project on the November ballot. (A ballot question must be certified about the 1st of September to get on the November ballot.)
- THE PETITION** To begin the process, property owners benefitting by the affected road(s) must submit a petition. They may use the general language and format of the sample provided here, but the sample is a guide and is not, by itself, sufficient. The petition must include a map showing the boundaries of the district and lots within it; describe the proposed improvements in sufficient detail to make an estimate of their cost; and propose a method for allocating the cost among the benefitting properties.
- The petition is to be circulated among the owners of properties that would be in the proposed LID. The petition must be signed by the owners (all of them, if there are more than one) of a minimum of 25% of the properties. This minimum is to assure the County there is sufficient interest for it to proceed.**BUDGET ESTABLISHED** The Road and Bridge Department will review the boundaries of the LID and the scope of the work requested. If acceptable, a preliminary budget to fund the project (construction, financing, administration, and a contingency) will be developed.
- NOTIFICATION TO HOMEOWNERS** After the preliminary budget is established, the Department will send a letter to the record owners of all the property in the proposed LID to explain the process, the scope of the work, the preliminary budget, and the estimated assessment to each property. Actual costs of financing,

administration and construction – and, therefore, the assessment to each property – may exceed the preliminary estimates.

QUESTIONNAIRE Included with the notification will be a questionnaire requesting the owners (all of them, if more than one) of each property to state whether they are in favor of, or opposed to, the proposal. The questionnaire serves as the “petition” described in the LID statutes. A minimum of 51% of the benefitting properties must respond favorably for the County to proceed.

PUBLIC HEARING After tallying the questionnaires and verifying the signatures, a letter will be sent to the property owners with the results.

If the results support formation of the LID, this letter also will give the date and time of a public hearing by the Board of County Commissioners to determine if the LID should be established. If it is determined the LID should be established, the Board will create the LID.

**BALLOT
LANGUAGE
WRITTEN**

Once the LID has been created, the County Attorney’s office will draft the formal ballot language to be included in the November Election.

**WHY A GENERAL
ELECTION**

An election is required by the Taxpayer’s Bill of Rights (TABOR) because the County will need to finance the project. The ballot question will seek financing authority in an amount to cover the estimated project costs. If the ballot question does not pass by a simple majority vote, the LID will be dissolved. (If possible the Board may approve re-design to meet the financial resources available and still benefit the properties in the LID.)

**WHO IS ELIGIBLE
TO VOTE**

The people eligible to vote on the finance LID issue will be any registered Colorado voter who owns (or is a part owner of) property within the LID or any registered voter in Clear Creek County whose legal residence is within the LID.

DESIGN PROCESS

After the election, an engineering firm will be hired by the County to design the project, produce construction drawings, and provide project management during construction.

THE BID

The County must put the project out for public bid. The lowest bid may exceed the preliminary budget. The lowest responsible bid will be accepted if it is within the financing resources for the project.

CONSTRUCTION

Construction normally should occur the year after the year in which the petition is submitted and the election is held.

**PROPERTY
ASSESSMENTS**

After completing construction, the assessment to the properties in the LID will be made based on actual total costs of the project (financing, administration and construction), excluding any amount the County agreed to pay. Each property in the LID is to be assessed by some equitable method reflecting proportionate benefit. Some accepted methods are: assessment by lineal feet of frontage, by square footage area of lot, or simply by equal assessments to all lots in the district. The assessments will be made at a public hearing by the Board of County Commissioners.

The assessments are a lien on the properties in the LID. The first installment of special assessments will be included in the property tax bill the next January, payable on the same schedule as are property taxes.

DISSOLUTION

When construction has been completed and financing has been fully paid, the Board of County Commissioners will dissolve the district.

**BASIC TIME FRAME GUIDELINE
LOCATION IMPROVEMENT DISTRICT**

- A. Formal application submitted to county, signed by 25% of affected property owners.
May
- B. Prepare description of improvements, map project, prepare ownership list, perform preliminary engineering study, and prepare the project proposal.
June
- C. Prepare and circulate Questionnaire. Must be returned and approved by 51% of the benefitting property owners.
July
- D. Hold Public Hearing to form LID. Start writing ballot proposal.
August
- E. Ballot content is to be certified by the County Clerk prior to 55 days before the election.
No later than first week of September.
- F. Election.
November
- G. Engineering Design, and bidding process.
Prior to March 30
- H. Bond Sale
April
- I. Construction
May - August
- J. Final assessment hearing.
Prior to September 15
- K. Notify Treasurer of Assessment
By October 1
- L. Collection of first assessment
Following April

This guideline is informational in content only and does not provide specific dates or time frames for notification purposes. It should give a feel for the time the process could take although issues specific to a project plan could cause time frame changes. Obviously the earlier in the year the initial application is received by the county the better the chances are of meeting the deadline requirements for having the ballot proposal placed in the General Election.

SAMPLE PETITION FOR A LOCAL IMPROVEMENT DISTRICT

TO: Board of County Commissioners
Clear Creek County, Colorado
P.O. Box 2000
Georgetown, CO 80444

FROM: Homeowners of _____ [physical address in proposed LID]

RE: A Local Improvement District to improve _____

We, the undersigned, who are owners of real property (identified above) in Clear Creek County, Colorado, hereby petition for the formation of a local improvement district, the boundaries of which are shown on the attached map, for the purpose of constructing the improvements described as _____.

Do not sign this petition unless you are an owner of real property located within the proposed district and you are requesting to be assessed costs for the improvements. An owner is a person holding fee title to real property. You are an "owner" if you hold a contract to purchase real property which obligates you to pay general taxes on that property, and, in that instance, the seller may not sign the petition.
§30-20-602(3), CRS.

Do not sign Mr. and Mrs. - sign individually. Do not sign this petition unless you have read all of the text.

PRINT NAME(S) _____

YOUR SIGNATURE(S) _____

DATE OF SIGNING _____