

# Typical LID Process

## Local Improvement District (LID) Process for Funding Infrastructure Improvement Projects

Presented by:  
City of Lynnwood

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# Typical LID Process

## ➤ Reason For LID

- ↓ Project Financing Tool
- ↓ Unavailability of Other Funding
- ↓ All Benefiting Properties Share in the Cost
- ↓ Petition by Property Owners

## Typical LID Process

- LIDs Require Caution / Attention to Detail
  - ↓ Cost Money to Setup and Administer
  - ↓ Many Participants
    - ↳ City Council, City Manager, Several City Departments, City Attorney, Bond Council, Financial Advisors, Engineers, Real Estate Appraisers, Public
  - ↓ Very Specific Process
  - ↓ Legally Defensible
  - ↓ Hardship Relief Possible in Certain Cases
  - ↓ ***Must be Fair, Consistent, Open, Impartial & Structured***

## Typical LID Process

### ➤ To Start an LID, You Need Either:

#### ↓ Petition

##### ↩ Started by Property Owners

☞ 10% Needed for City to Consider LID, 50% Needed to Form LID

#### ↓ Resolution

##### ↩ Initiated by Agency

#### ↓ Modified

##### ↩ Start with Petition (Determine Support)

##### ↩ Convert to Resolution

#### ↓ To Stop LID

##### ↩ Written Protests Representing 60% of Assessments

# Typical LID Process

## ➤ Methods of Assessments

### ↓ *Must Fairly Reflect Benefit to Property*

- ↖ Land Area (Geometric Analysis)
- ↖ Front Footage (Geometric Analysis)
- ↖ Zone and Termini (Geometric Analysis)
- ↖ Other Methods / Combinations

### ↖ ***Must Fairly Reflect Benefit to Property***

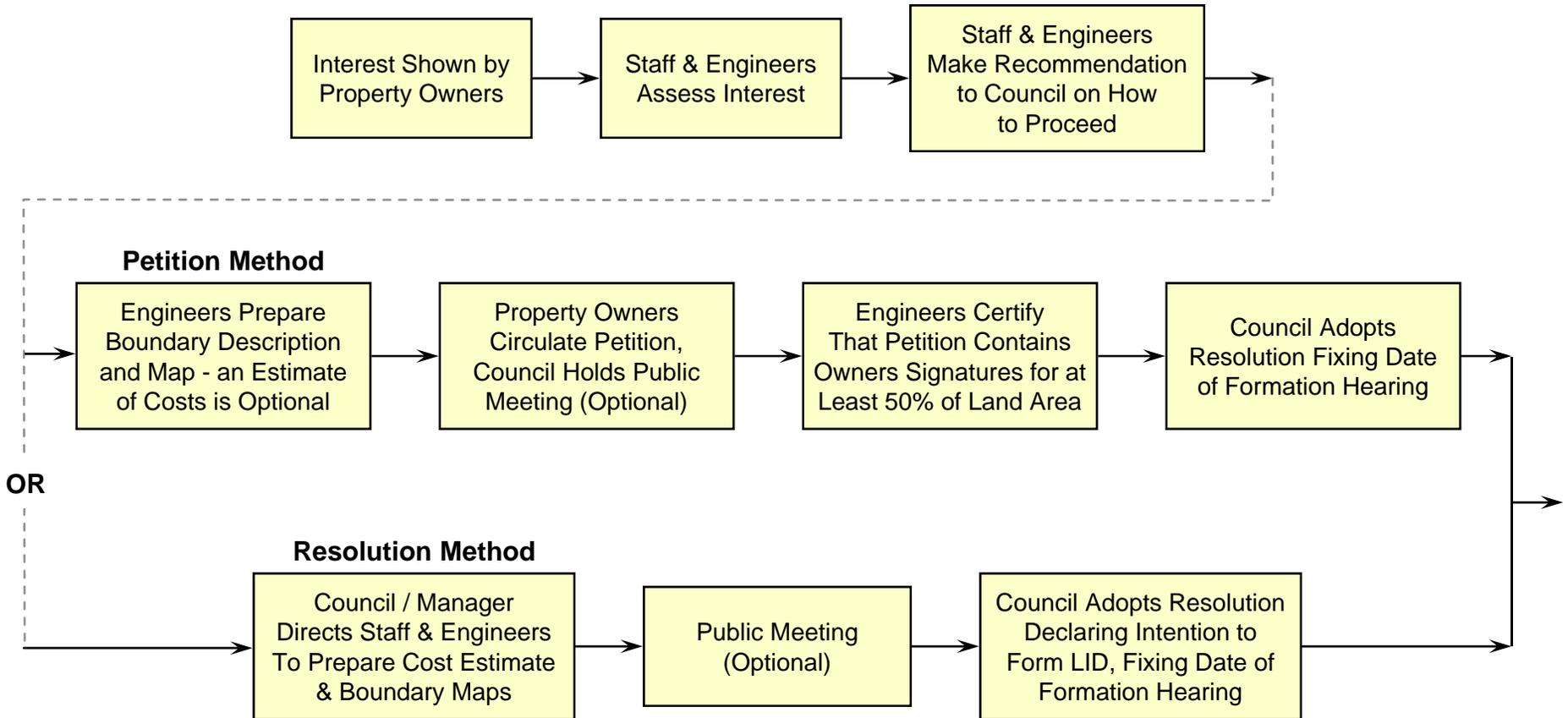
- ↖ Special Benefit (Market Analysis - Value Before / After Project)

# Typical LID Process

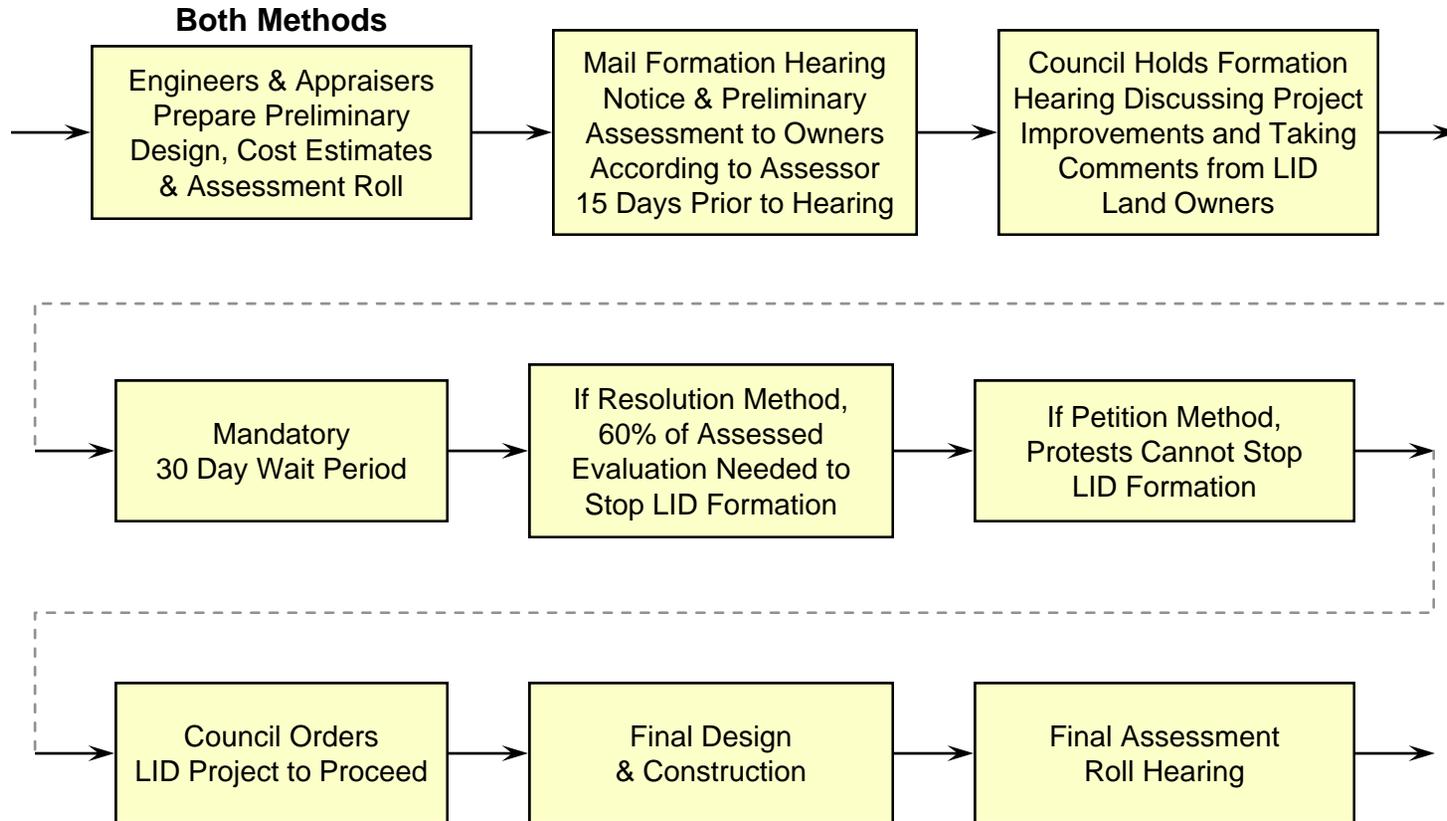
## ➤ LID Process

- ↓ Follows the Flow Chart
- ↓ Project Interest and Feasibility
- ↓ Formation Process / Preliminary Assessment Roll
- ↓ Interim Financing
- ↓ Build Project Improvements
- ↓ Closing Process / Final Assessment Roll
- ↓ Market Bonds / Annual Payments

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## Typical LID Process

### ➤ Strict Criteria

- ↓ Assessments Cannot Exceed Special Benefit
  - ↳ Difference Between Fair Market Value, Before and After Improvements
- ↓ Assessments Must be Proportionate to One Another
- ↓ Courts are Only Concerned with These Criteria
- ↓ Hearings Should be Conducted with Possible Litigation in Mind

# Typical LID Process

The Project Cost in 2011 was estimated to be \$2,300,333

<b>February 2011 - Potential Special Benefit - Assessment</b>					
Improved Parcels No Excess Land		90	1,800,000		1,900,000
Improved Parcels With Excess land		8	575,000		675,000
Vacant Parcels		1	25,000		25,000
				2,400,000	2,600,000
Improved Parcels No Excess Land			20,000		21,111
Improved Parcels With Excess land			71,875		84,375
Vacant Parcels			25,000		25,000

NOTE: All projects costs and potential assessments are draft numbers at this time 😊

# Typical LID Process

Typical Single				
Family Lot				
Monthly Assessment				
	LID Assessment Period (Years)			
Assessment	8	10	12	15
20,000	208.33	166.67	138.89	111.11
21,000	218.75	175.00	145.83	116.67
22,000	229.17	183.33	152.78	122.22
23,000	239.58	191.67	159.72	127.78
24,000	250.00	200.00	166.67	133.33
25,000	260.42	208.33	173.61	138.89

# Typical LID Process

## Next Steps:

- \* Discuss Project and Process with City Council
- \* Develop and Circulate a Petition
- \* Present Petition to City Council for Consideration
- \* Prepare Detail Project Cost Estimates/Assessment
- \* Implement the LID Process
- \* Construction Could Start in 2017 or 2018?



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