

Local Improvement District (LID) 101

TERMINOLOGY

Common terms you'll see used:

Special benefit =

Estimated increase in a property's fair market value as a result of public improvements.

Special benefit study =

A study conducted by an independent appraisal firm to determine the LID

Assessment ratio = The percentage, determined by City Council, of the special benefit each property will be asked to pay. The same ratio will apply to all assessed properties.

Assessment = The dollar amount of the special benefit each property owner will pay. The assessment cannot exceed the amount of special benefit.

SCHEDULE AND PROCESS

2016 Q4	2017			2018			2019+		
	1. Special benefit study								
		2. Outreach							
				3. LID formation					
							4. Confirmation of assessment and payment		

- 1. Special benefit study.** An independent appraiser conducts a special benefit study to determine the increase in each property's fair market value as a result of public improvements.
- 2. Outreach.** Extensive outreach is conducted with property owners and other stakeholders in the LID area.
- 3. LID formation.** As a first step in the legislative process, the City Council declares through a Resolution, the intention to create the LID. The City Council establishes the LID after public notices are sent to property owners and a public hearing is held on whether or not the LID should be formed. A 30-day written protest period is authorized by statute.
- 4. Confirmation of assessment and payment.** The City Council confirms assessments after further published and mailed notices, and a public hearing to consider specific proposed assessment amounts from property owners. Once confirmed, appeals must be filed within the 10-day period after the ordinance effective date. Assessments may be paid in full or in annual installments with interest over the term of the LID bonds.