



Forming a Road Improvement District [RID]

...a neighborhood grassroots process



Sixty-Two Years of RIDs

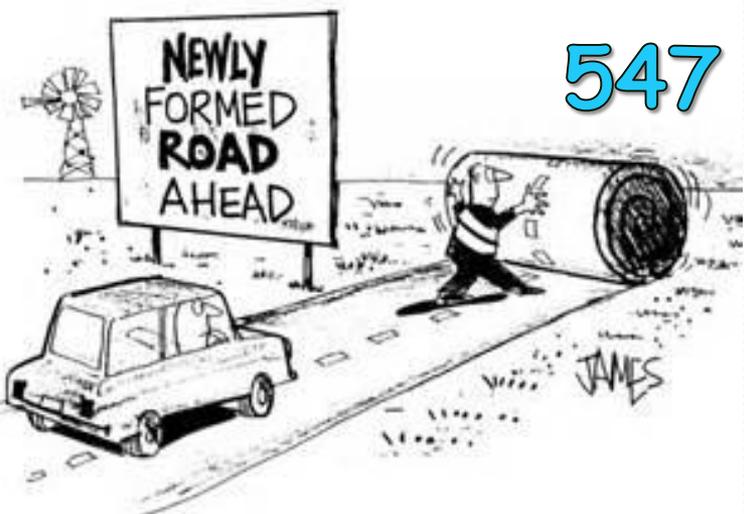
**First Spokane County RID was formed
in October 1955**

Since then...

729 RIDs attempted

547 constructed

348 miles improved





The RID Process

LEGAL authority

- Washington State statutes [primarily **Chapter 36.88 RCW**]
 - Outlines a three step process:
1. Create 2. Construct 3. Finalize
 - It actually sets up long term, public improvement **FINANCING** tool
 - County road fund can participate financially, along with the owners
- **Basic RID concepts**
 1. **RID boundaries** “... *shall embrace as near as may be all the property specially benefited ...*”
 2. **Special benefit** is “... *the increased true and fair value the improvement adds to the property.*”
 - Benefit is the difference between property value **WITHOUT** the improvement and the value **WITH** the improvement.
 3. **An Assessment** shall not be “... *greater than the special benefits derived from the improvements.*”



The RID Process

COUNTY ENGINEER'S role

- Ensure that all legal, procedural steps are met
- Develop the improvement plan and cost estimate
- Coordinate: **meetings** **notification** **bidding**
public hearings **owners' election** **bond sale**
- Approve design and construction specifications
- Inspect the construction work
- Monitor the costs
- Point of public contact
- **Neutral position** on RID formation

Our goals for a successful RID:

1. Construct a quality product
2. Provide it for the least cost possible



The RID Process

YOU ~ the PROPERTY OWNERS ~ will make the decision

- **You** are directly involved from beginning to end of the process **Participation Opportunities** include:
 - Initial letter of interest
 - Completing surveys
 - Attendance at neighborhood meetings
 - Sharing comments and suggestions
 - Offering testimony at the creation public hearing
 - **Voting in the election!**
 - Protesting your final property assessment

1st step



Forming an RID

When enough...



REFERENCE ~ Urban Infrastructure and Economic Development: Experimental Evidence from Street Pavement [IZA DP No. 5346] November 2010



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IS ENOUGH!



Forming an RID

1. Property owners initiate the process

- Several submit a letter of interest
- Request is placed on *'first come, first served'* RID list
- Can take several years for a request to reach the top
- As request nears top of list, Public Works staff begins research, development concept, and cost estimate



Forming an RID

2. Neighborhood meeting

- Public Works staff presents and discusses RID process and project details with owners
- Do property owners seem interested in pursuing an RID?
 - Survey of interest
 - Group discussion during meetings
 - Comments on opinion poll
 - Conversations with owners
- Detailed meeting summary is mailed to every owner



Forming an RID

3. Board of County Commissioners [the Board] begins the legal process

- The Board adopts a resolution declaring their intention to form the RID
 - ...a Resolution of Intention [ROI]
- That action sets the date, time, and place for a **public hearing to consider the feasibility** of the RID



Forming an RID

4. Owners & public notified of hearing

- Public notices published in newspaper
- Notice packet is sent to each owner and taxpayer
 - Mailed at least 15 days before the hearing
 - Packet includes:
 - Date, time, and place of hearing
 - Estimated project cost
 - Estimated assessment amount for each benefiting parcel
 - An election ballot and return envelope [*owner's packet only*]



Forming an RID

5. Board conducts Feasibility Hearing

- They consider the '**feasibility**' of the proposed RID
 - ...the overall benefits in relationship to the estimated cost
- The Board takes public testimony from owners:
 - For or against
 - Verbal or written
- By conclusion of the hearing, the Board must decide this issue:

“Do the benefits to the overall neighborhood area exceed the estimated cost?”

- If **NO**, then the Board can terminate the RID immediately
- If **YES**, they will put the RID formation to a vote of the owners



Forming an RID

6. Owners' election

- Ballots must be **DELIVERED** to the Board's Clerk by the deadline
 - That means... in the Clerk's **POSSESSION** by **5pm the Tuesday after the public hearing**
 - Postmarks **DO NOT** satisfy the deadline
- **Each full dollar of estimated assessment cost equals one vote**



Forming an RID

7. The Board reconvenes hearing to receive election results

- Ballots are tabulated by the Clerk and the results are certified to the Board
- This continued hearing is for a decision **ONLY** and it must occur within 1 to 2 weeks after the election deadline
- **Simple majority** of **votes cast** determines the outcome
 - If majority is **NO**...Board will terminate the proposed RID
 - If **YES**...Board can form the RID and then order construction

2nd step

After the RID is Created

1. The project is designed and the estimate updated
2. Put out to bid OR scheduled for in-house work
3. Board authorizes construction budget
4. Construction occurs
5. Final costs are calculated



RID staff continually monitors costs in relation to the original estimate throughout this period

RID Closeout

1. Final assessment roll is prepared & set for public hearing review

- Board adopts a Resolution to schedule the hearing
- Legal notices published in newspaper
- Notice packet sent to owners and taxpayers
 - Mailed at least 15 days before the hearing
 - Packet includes:
 - Date, time, place of hearing
 - The final total RID cost
 - The proposed final, total assessment for your parcel(s)

RID Closeout

2. 'THE FINAL HEARING'

- The Board now sits as a *'Board of Equalization'*
- They review the proposed final assessment roll
- The Board considers formal, legal protests filed in a timely manner
- **Testimony objecting** to a parcel's assessment **MUST:**
 1. **Be in writing**
 2. **Be submitted before the hearing**
 3. **Clearly state the reason(s) why the assessment amount exceeds the benefit**
 - **It is highly recommended that any protest be substantiated with professional, expert evidence or testimony**
- The Board may modify the roll before it goes to Treasurer for collection

RID Closeout

3. Treasurer begins collection of assessments

- Statement notices are mailed to owners
- There will be a **30-day interest free** payment period
- 10 year installment plan automatically begins on 31st day
 - 1st payment is due within 12 months of statement notice
 - 1/10th of assessment, plus simple interest on unpaid balance, due each year
 - Temporary interest is 8% by county code until bond is sold...then it **adjusts to the bond interest rate plus 1/2%**
 - Payment in full can be made at anytime without penalty

★ **Assessment is a property lien until repaid in full**

RID Closeout

4. RID bonds are sold

- Bid or negotiated sale to private investor(s)
 - Tax free earnings means a relatively low interest rate
 - Typically sold within a year of the final hearing
 - ... **before** the 1st installment is due
- Bonds are repaid from the property assessments
 - Owners can take up to 10 years to repay assessment
- Property lien ensures the repayment of the bond

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Questions