

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: 10/27/15 **Approx Start Time:** 11:00 a.m. **Approx Length:** 15 Min.

Presentation Title: Starview Lane Local Improvement District

Department: Department of Transportation and Development

Presenter: Kenneth Kent

Other Invitees: Dan Johnson

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

The Starview Lane community has taken the initial steps to begin the Local Improvement District (LID) process for the purpose of improving their road. Prior to formally initiating the LID, does the Board have any questions they would like answered?

EXECUTIVE SUMMARY

Local Improvement Districts, as defined under Oregon Revised Statutes (ORS) 371.605 through 371.660 and Title 4 of the County Code, are legal and fiscal entities formed between property owners of an unincorporated area and the County, to provide public improvements including streets, roads, sidewalks, street lighting, storm drainage and other related facilities. Each LID is project and area specific.

Proposed Starview Lane LID

Starview Lane is part of a rural subdivision developed in 1937. The community is located west of S Creek Road and north of S Henrici Road. See Attachment A. The proposed LID is comprised of 19 residential properties. The 1,300 linear feet of public roadway currently serving the area was paved through the LID process approximately 19 years ago. S Starview Lane is not maintained by the county and is designated as a "public" roadway. The property owners have been responsible for maintenance of the road since construction. The community has identified areas of the current road surface that are beginning to fail. To address these issues, the community approached the County regarding the formation of an LID.

County staff, at the request of the community, provided an LID petition packet and preliminary cost estimate in May 2015. The petition was circulated to members of the community by the sponsor and filed with County staff on June 8, 2015 with 94.73 percent of the property owners, comprising 92.50 percent of the area of the LID, signing in favor of initiating the LID process. The LID proponent has been working with County staff

through the recent busy development season and the project is now in a position to move forward.

The proposed LID would repair portions of the road surface and base, as well as repair shoulders, clean ditches and provide drainage improvements that will extend the life of the road.

The preliminary cost estimate for the proposed LID is \$40,820. The community is proposing LID assessments based on a division of the road improvement costs into three sections based on length of road travelled. The estimated assessments per property are \$1,284.33, \$1,833.59 and \$2,241.79, with properties at the beginning of the road paying the lower amounts.

LID Process

Property owners may form an LID by majority petition with all benefiting owners paying a portion of the project costs. These costs are assessed against the individual properties, securing the long term debt by way of a recorded lien. Up front construction costs are financed by the County, with owners either paying a lump sum upon project completion, or electing for long term financing through the County. The following is a summary of the LID process:

Petition: The LID process is initiated with a petition signed by 60 percent of the property owners, comprising 60 percent of the total acreage in the LID. Petition is presented to the Board for consideration. With the Board's authorization, staff would advance updated project cost estimates and coordinate with the Finance Department to develop an economic feasibility analysis.

Resolution of Acceptance: Board Resolution approving/accepting the preliminary feasibility report, based on the estimated project costs and economic feasibility analysis.

Letters of Remonstrance: If the Board were to accept the preliminary feasibility report for the proposed LID, staff would be directed to mail letters of remonstrance, with assessment amounts and notice of the 20-day remonstrance deadline, to affected property owners.

Tallying of Results: Remonstrance letters are tallied and the results reported to the Board. If more than 50 percent remonstrate (object) to the LID, the request will be abandoned. If less than 50 percent remonstrate, the Board will direct staff to schedule a public hearing to take public testimony and consider whether to approve the LID.

Final Decision: The Board holds a public hearing and makes a final decision to either approve or abandon the LID. Staff notes that even if 50 percent or more of the owners vote in favor of the LID, the Board may still choose to vote to abandon the proposed LID pursuant to ORS 371.635.

FINANCIAL IMPLICATIONS (current year and ongoing):

If an LID is approved, staff's administrative, design and inspection costs are included in and reimbursed from the project budget. Staff time involved with preliminary LID work, as well as an LID that proceeds to remonstrance and is abandoned, cannot be reimbursed.

The county will fund construction of LID road improvements through short term financing or bonded debt, with reimbursement from the property owners through lump sum payments and/or financing over 5 years. There is the potential for some level of default for owners choosing to finance their assessment; however, the Finance Director has indicated that past LIDs have had a low default rate. The County's LID collection policy mitigates the risk of the property owner's default. The collections process for past due payments includes written past due notices, letter of demand, and can escalate to foreclosure of the assessment lien. The County has not foreclosed on LID assessments to date. In the long term, any assessment liens that are in default would be satisfied when the property is sold.

If this LID is approved and the road is improved, it will remain a "public road" that is not maintained by the county. There will be no long term budget costs associated with this LID.

The financial implications identified above are more clearly illustrated on Attachment B.

LEGAL/POLICY REQUIREMENTS:

N/A

PUBLIC/GOVERNMENTAL PARTICIPATION:

County staff has coordinated with the LID proponent.

OPTIONS:

Option 1: Direct staff to proceed with scheduling the Starview Lane LID petition for Board consideration.

Option 2: Direct staff to provide additional information requested by the Board.

RECOMMENDATION:

Staff respectfully recommends that the Board direct staff to proceed with scheduling the Starview Lane LID petition for Board consideration.

ATTACHMENTS:

Attachment A: LID Map

Attachment B: Fiscal Impact Form

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

For information on this issue or copies of attachments,
please contact **Kenneth Kent @ 503-742-4673 or kenken@co.clackamas.or.us**

Fiscal Impact Form

Attachment B

RESOURCES:

Is this item in your current work plan and budget?

- YES
- NO

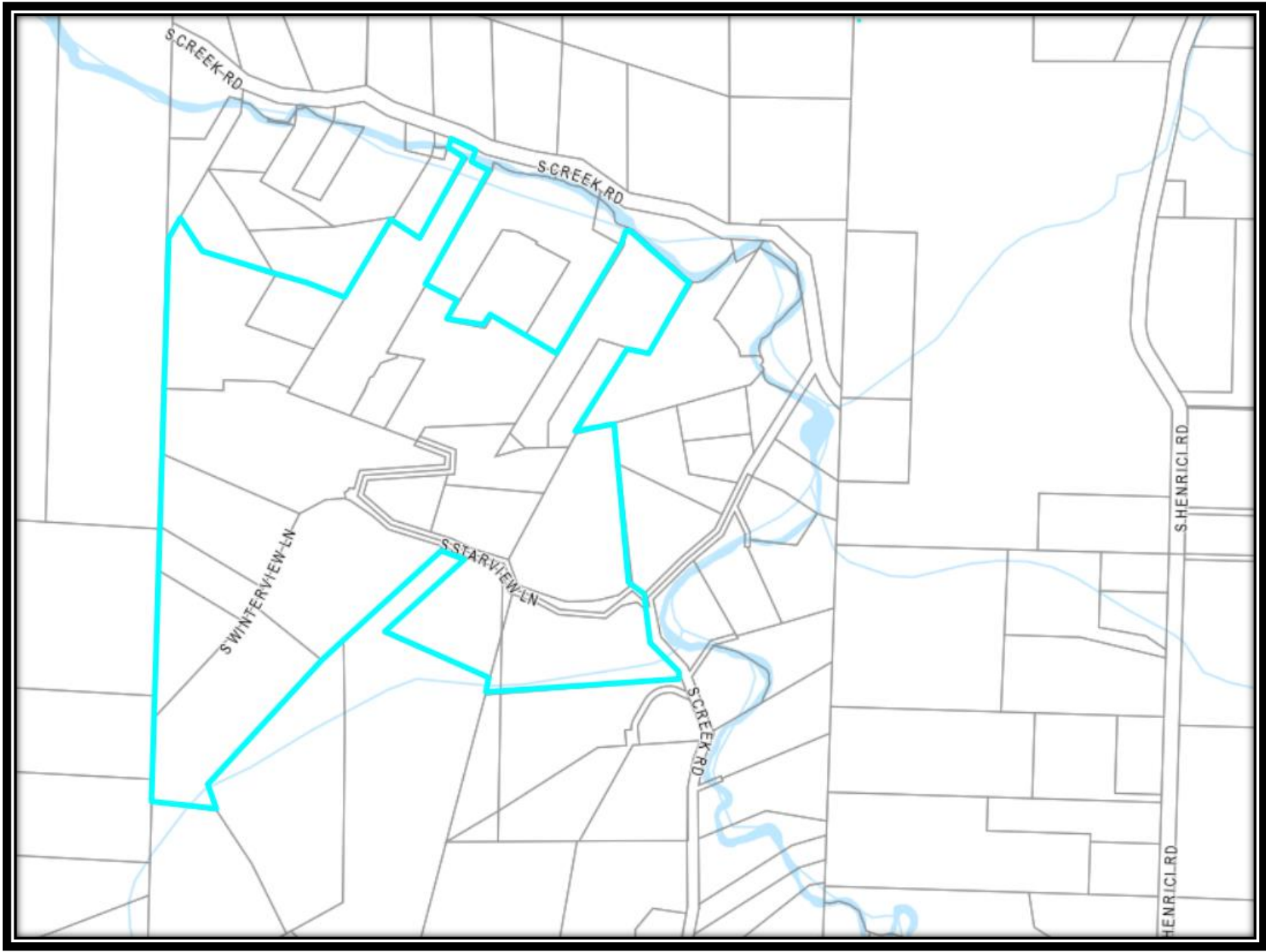
START-UP EXPENSES AND STAFFING (if applicable): Following LID initiation, primary components of start-up costs are related to project administration, design, inspection, and construction. The Department of Transportation and Development has budgeted time to assume the responsibility of LID management.

ONGOING OPERATING EXPENSES/SAVINGS AND STAFFING (if applicable): Starview Lane will remain a “public” road that is not maintained by the county.

ANTICIPATED RESULTS: Improvement of a local public road.

COSTS & BENEFITS:

Costs Estimate:							
	Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
	Preliminary LID Analysis		\$4,000				
	LID Analysis to Remonstrance		\$4,000				
	Administration, Design, Inspection, Legal		\$13,358				
	Contingency		\$3,582				
	Construction		\$23,880				
	Total Start-up Costs		\$48,820				
	Ongoing Annual Costs						
Benefits/Savings Estimate:							
	Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
	LID Levy (5 years)		\$40,820				
	Total Start-up Benefit/Savings		\$40,820				
	Ongoing Annual Benefit/Savings						
	Total Cost/Benefit – Approved LID		(\$4,000)				
	Total Cost/Benefit – Remonstrated LID		(\$8,000)				



Starview Lane Local Improvement District

