

# CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

## Study Session Worksheet

**Presentation Date:** 2/19/13 **Approx Start Time:** 10:30 a.m. **Approx Length:** 1 hour

**Presentation Title:** Leisure Woods Local Improvement District

**Department:** Department of Transportation and Development

**Presenter:** Dan Johnson

**Other Invitees:** Marc Gonzales; Kenneth Kent; Deana Mulder; Brett Kesterson, Leisure Woods LID Sponsor

### WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

The Leisure Woods community has taken the initial steps to begin the Local Improvement District (LID) process for the purpose of improving their roads. 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 Leisure Woods LID

Leisure Woods is a rural subdivision developed in 1971. Comprised of approximately 67 residential properties, the community is located east of Beavercreek, off of SE Fellows Road, and includes SE Forest Park Road, Leisure Lane, Mountain Terrace and Woodview Lane. See Attachment A. The 9,600 linear feet of roadway currently serving the area were paved but not constructed to the County Standard. In light of this, the roads within this subdivision are designated as "public" and the property owners have been responsible for maintenance of the road system since construction. The current road surface, road base, and culverts have exceeded their life and are showing signs of failure. See Attachment B.

The Leisure Woods community has been working with county staff over the past 20 years to assess the opportunity of forming an LID to improve their roads, with previous requests in 1992 and 2007. The level of community support at the time was not high enough to move the previous LID requests forward.

County staff, at the request of the LID sponsor, provided an LID petition packet and preliminary cost estimate in August 2011. The petition was circulated to members of the community by the sponsor and was filed with County staff on February 11, 2012 with 76 percent of the property owners, comprising 71 percent of the land area within the proposed LID, signing in favor of initiating the LID process.

Following submission of the petition, the LID proponents indicated that the petition was circulated with the intent to have the roads accepted by the County for maintenance. The preliminary cost estimate of \$10,000 per lot included costs to reconstruct and pave the roads but did not include reconstruction to County standards for future acceptance of the road for County maintenance.

Upon receipt of this information, County staff reassessed the scope of the project to design the improvements to a level viable for future County acceptance. Improvements include reconstruction of the roadways to County standards by improving the existing road base, re-paving the surface, improving shoulders, completing cul-de-sacs and replacing failing roadway culverts, including a large culvert on Little Clear Creek to provide fish passage. As a result, the preliminary cost estimate increased from \$670,000 to \$1,133,359, resulting in an increase of the per property assessment to approximately \$16,916.

Staff felt it appropriate to hold a public meeting on June 11, 2012 to discuss the project cost increases, the LID process, go over the scope of road improvements, answer questions and receive feedback from the property owners. The method of assessment was also discussed. Based on the petition, and discussion with the LID sponsor, the costs are proposed to be divided equally between the 67 properties. There are many ways the costs could be assessed, including acreage, length of frontage on the road, distance traveled on the roads, equal shares, or a combination of these factors. Staff presented these alternatives for consideration which resulted in some discussion and a number of objections to the proposed method. A show of hands was taken and a majority present voted to move ahead with the project based on the equal share assessment.

### 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. Property owners have the option of 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. The petition is presented to the Board for consideration, the step we currently are in with this particular LID process. 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:** Upon completion of the economic feasibility report, based on the estimated project costs and economic feasibility analysis, the Board would be presented with a resolution accepting the LID. Acceptance of the LID proposal would initiate the mailing of the Letters of Remonstrance.

**Letters of Remonstrance:** Letters of remonstrance, with assessment amounts and notice of the 20-day remonstrance deadline, are forwarded to the affected property owners.

**Tallying of Results:** At the end of the 20-day deadline letters of remonstrance 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:** A public hearing is scheduled to take testimony and a final action is rendered by the Board on whether to approve or abandon the LID. Staff notes that even if 50 percent or more of the owners do not remonstrate, essentially a vote in favor to 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 10 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. Though 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 and letter of demand which 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 roads are accepted for maintenance by the county, there will be long term budget costs associated with road maintenance. The roadways in Leisure Woods would be accepted as local access roads with limited maintenance.

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

**LEGAL/POLICY REQUIREMENTS:**

N/A

**PUBLIC/GOVERNMENTAL PARTICIPATION:**

County staff has coordinated with the LID sponsor and held meetings with the community for the current proposal as well as the previous LID requests.

**OPTIONS:**

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


**ATTACHMENTS:**

Attachment A: LID Map

Attachment B: Photos of Exiting Road Conditions

Attachment C: Fiscal Impact Form

**SUBMITTED BY:**

Division Director/Head Approval 

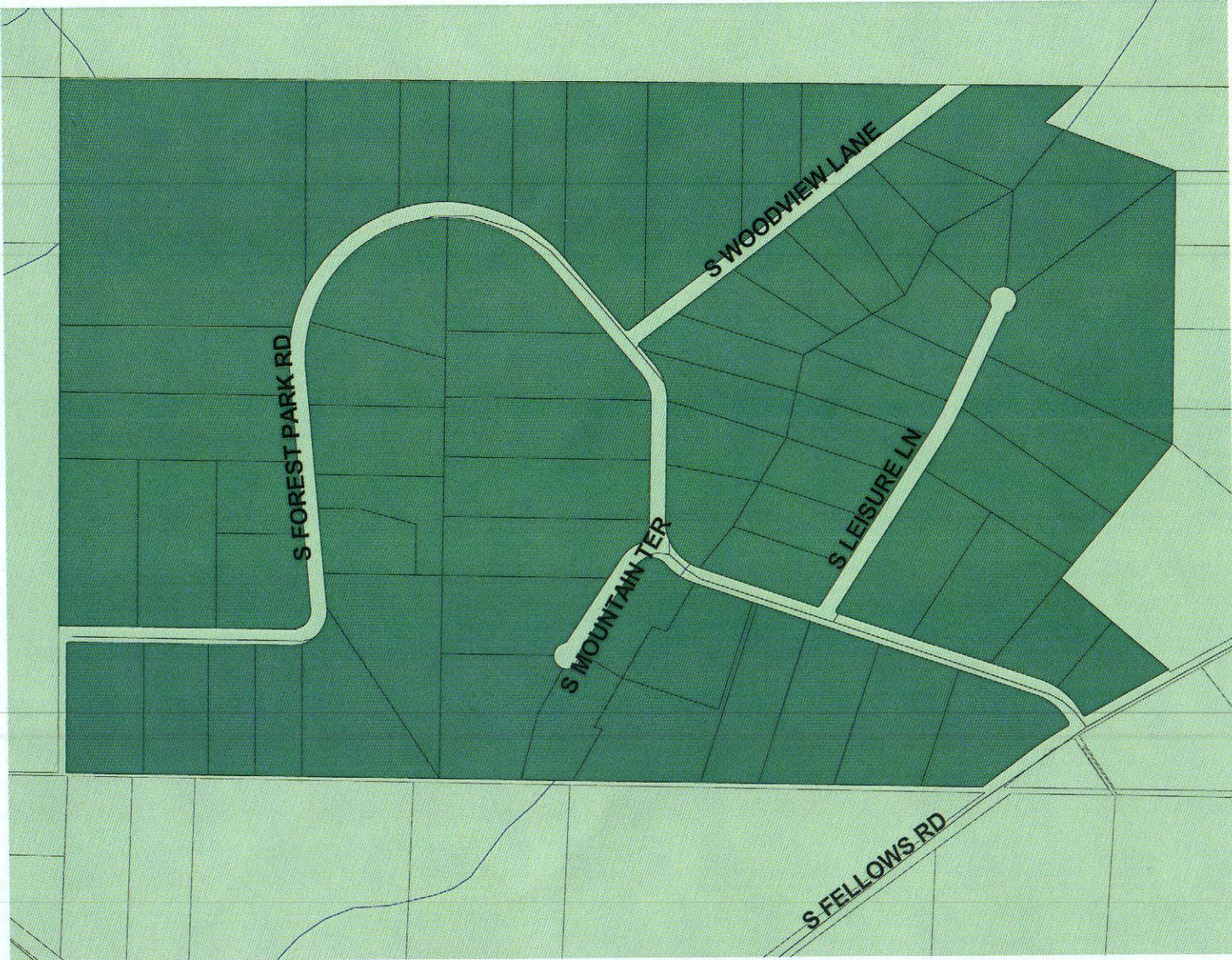
Department Director/Head Approval 

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](mailto:kenken@co.clackamas.or.us)

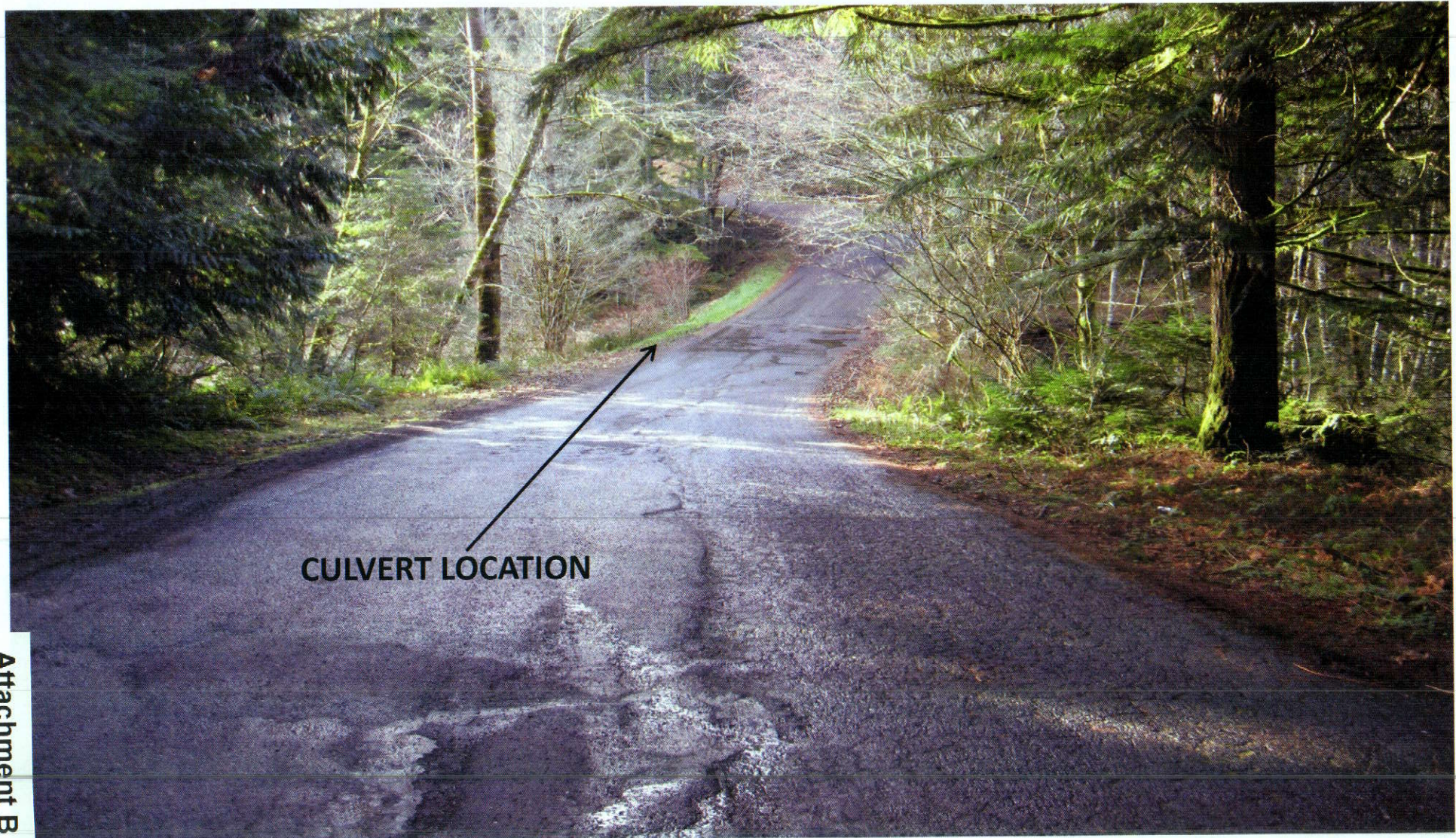


# LEISURE WOODS LID





# Forest Park Road Little Clear Creek Fish Passage Culvert





# Little Clear Creek Culvert





# Forest Park Road





**Fiscal Impact Form**

**Attachment C**

**RESOURCES:**

Is this item in your current work plan and budget?

- YES
- NO

**START-UP EXPENSES AND STAFFING (if applicable):** Primary components of start-up costs 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):** On-going costs are based on a per mile estimate of Transportation Maintenance expenditures needed to provide limited County maintenance.

**ANTICIPATED RESULTS:** Improvement of a local public road system to a County standard road system viable for continued County maintenance.

**COSTS & BENEFITS:**

<b>Costs:</b>						
Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
Preliminary LID Analysis		\$16,993				
LID Analysis to Remonstrance		\$15,000				
Administration, Design, Inspection, Legal		\$167,905				
Contingency		\$125,929				
Construction		\$839,525				
Road Maintenance Costs				\$11,853		
<b>Total Start-up Costs</b>		<b>\$1,165,352</b>				
<b>Ongoing Annual Costs</b>						
<b>Benefits/Savings:</b>						
Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
LID Levy (10 years)		\$1,133,359				
<b>Total Start-up Benefit/Savings</b>		<b>\$1,133,359</b>				
<b>Ongoing Annual Benefit/Savings</b>						
<b>Total Cost/Benefit – Approved LID</b>		<b>(\$16,993)</b>		<b>(\$11,853)</b>		
<b>Total Cost/Benefit – Remonstrated LID</b>		<b>(\$31,993)</b>				