

Options to Fund Undergrounding Utilities

There are two options...form a Local Improvement District (LID) of Benefited Property Owners or a Property Tax Levy.

Forming a Local Improvement District (There are a number of steps)

- Determine the extent of property owner support
- Prepare preliminary assessment map and assessment roll.
- City Council Pass Resolution declaring intent and setting a date for a Public Hearing of the proposed LID.
- Mail notice property owners at least 15 days prior to Public Hearing
- Publish City Council Resolution for two consecutive weeks in the official newspaper
- Prepare an Ordinance forming the LID
- Hold a Public Hearing
- City Council Pass Ordinance creating LID.
- Within 15 days after the City Council has adopted the Ordinance creating the LID, the City Clerk files with the City Finance Director the title of the improvements, the LID number, a copy of the diagram or print showing the boundaries of the district (preliminary assessment roll map), preliminary assessment roll or abstract of same showing thereon the lots, tracts, or parcels of land to be assessed.
- The City Clerk posts the preliminary assessment roll on the index of local improvement assessments against the properties affected by the local improvement.
- The Finance Director and City Attorney calculate protest percentage...percentage of assessment represented by each property owner. **If property owners representing 60% of the improvement costs file written protests within a 30-days of the ordinance being passed the City cannot proceed with the project.**
- Subsequently, there is a 30-day appeal period, **during which any property owner who has filed a timely written protest may appeal the formation of an LID to Superior Court.** An appeal does not automatically stop the LID process. The issues raised in the appeal should be carefully reviewed with the city attorney and bond counsel, however.

Property Tax Levy

- This could be a City-Wide Special Property Tax Levy for the purpose of funding undergrounding utilities throughout the City (this is somewhat analogous to a school district passing a “technology levy”)
- 60% “Yes” vote would be required to pass

Construction Bonds (Paid by Benefited Property Owners or Property Tax Receipts)

- Could be financed with Municipal Bonds (10-20 Years, about 2-3% interest)
- Lien could be placed on benefited property
 - Qualified senior citizens
 - Economically disadvantaged property owners (City gets to define “economically disadvantaged” within reason)