



Legislation Text

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**File #: RES-37956, Version: 1**

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Req.#12464

Exhibit "A" Amended 12-15-09

RESOLUTION NO. 37956

A RESOLUTION relating to the formation of Local Improvement Districts ("LIDs");

2 repealing Resolution No. 32989 and Substitute Resolution No. 35757; and  
amending the Tacoma City Council Local Improvement District Policy.

3

4 WHEREAS, since fall 2007, a cross-functional team with representatives

5 from the City's Water and Power divisions; Community and Economic

6 Development, Legal, and Public Works departments; and the City Manager's

7 Office has reviewed the current Tacoma City Council Local Improvement

8 District Policy ("Policy") with the purpose of drafting an updated Policy, and

9

WHEREAS City staff identified the following six Policy issues that need

10

to be clarified or addressed in the proposed updated Policy: (1) Level of

11

12 neighborhood support necessary to conduct formation hearings, (2) Formation

13 method and remonstrance level, (3) Funding level participation of the City and

14 property owners, (4) Contractor bid proposals resulting in increased property

15 owner assessments, (5) Project prioritization process, and (6) Process for

16 formation of LIDs outside City limits, and

17

WHEREAS the Environment and Public Works Committee reviewed these

18

19 proposed changes at its September 10, 2008, October 14, 2009, and

20 November 19, 2009, meetings and issued a "do pass" recommendation; Now,

21 Therefore,

22 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

23 Section 1. That Resolution No. 32989 and Substitute Resolution No. 35757  
24 are repealed in their entirety.  
25  
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Section 2. That the Tacoma City Council Local Improvement District

2 Policy ("Policy") is amended, as set forth in the attached Exhibit "A," said  
3 document to be substantially in the form of the proposed Policy on file in the  
4 office of the City Clerk.

5  
6 Adopted' DEC 1 5 2009

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9 Attest:

10 City Clerk

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12 Approved as to form:

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15 City-Atro-rnek)

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EXHIBIT"A"

2 Tacoma City Council

3 Local Improvement District Policy

4 A. References:

5 Revised Code of Washington (RCW) Chapter 35.43

6 Tacoma Municipal Code (TMC) Chapter 10.04  
Resolution No. 32989, adopted April 25, 1995 (LID Policy)

7 Resolution No. 35757, adopted February 18, 2003 (Residential Fixed Rates)  
Resolution No. 30947

8

9 B. Background and Purpose:

10 Since the 1890s, Local Improvement District(s) (LIDs) have been successfully  
utilized by the City of Tacoma to finance the construction of public  
11 infrastructure.

12 The purpose of this policy is to establish a framework under which proposed

13 LIDs will be considered for formation by the City Council. The adoption of this  
policy replaces Resolution No. 32989.

14 C. Definitions:

15

1) "Special benefit" is defined as the increase in value of real property  
16 derived from the construction of an LID. At times, it may be necessary to

17 ascertain special benefits by a professional appraiser.

18 2) "Complete streets" are defined as roadways designed, constructed  
and operated in order provide safe, attractive, and comfortable access and  
19 travel for all users, including pedestrians, bicyclists, motorists, and public  
transportation. Complete streets create a sense of place and improve social  
20 interaction, while generally improving property adjacent land values. The City

21 will include complete streets concepts in our designs of LiDs where practicable.

22 3) "Formation hearing" is a hearing conducted by the Hearing Examiner  
set by the City Council for the purpose of providing notice to property owners

23 responsible for the cost of the proposed LID, taking testimony from the affected  
property owners, establishing the LID boundaries, and to determine the level of

24 Remonstrance against the proposed project prior to LID formation by the City

25 Council.

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4) "LID" is an acronym for Local Improvement District, and both shall  
1 refer to those taxing districts formed pursuant to the authority granted by state  
law.

2

3 5) "LID Assistance Program" is the program established by the City  
Council, funded by federal Community Development Block Grants, for the  
4 purpose of assisting low-income homeowners to offset all or a portion of their  
LID assessments.

5

6 6) "Neighborhood Advisory Survey" is a nonbinding document provided  
by the City to a property owner(s) or citizen(s) who are interested in having a

7 public improvement constructed through an LID.

8 7) "Opinion Survey" is a City-sponsored direct mailing sent to property  
owners within a defined area to determine if there is sufficient support for a  
9 proposed improvement that the City is interested in constructing. The results of

10 the survey may then be used by the City Council as a guide to determine if  
there is enough public support to proceed to an LID formation hearing.

11 8) "Property owner" is the owner or reputed owner of record of real  
12 property as listed on the tax rolls of the Pierce County Assessor-Treasurer.

13 9) "Remonstrance" is the action of property owners who file timely

14 written protests with the City Clerks Office against the formation of an LID.

15 10) "Level of support" is determined by the sum total of the estimated  
assessments indicating interest and dividing that sum total by the sum total of  
16 the assessments for the requested improvement and is generally shown, but is  
not limited to, by property owners signing and returning a Neighborhood  
17 Advisory Survey or an Opinion Survey to the City.

18 11) "Total cost of the improvement" is the sum total of all costs related,  
19 but not limited, to engineering, construction management, financing,  
administration and construction of the LID.

20

12) "Total assessment" is the sum total of those costs that will be borne  
21 directly by the property owners.

22 D. Staff Recommendations for Preformation:

23

City staff will assess the level of support of the property owners for the  
24 improvement prior to recommending a formation hearing to the City Council

25 consistent with the intent of this policy. Staff recognizes that support for the  
improvement is subject to change during the formation process due to changes  
26 such things as ownership, duration of formation process, and the economy.

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I Staff will evaluate and consider opportunities to coordinate construction of the

improvement with other public infrastructure projects or if other funding sources  
2 exist for the improvement, such as grants.

3 Staff will work closely with property owners to review design standards,

4 including Complete Street elements, and discuss the financial impacts of the  
project to the property owners.

5

6 Staff will notify the City Council prior to the preformation process if the LID is  
any one of the following: (1) A comprehensive/streetscape project, (2) located

7 in a mixed-use center, (3) located in an economically distressed area, or  
(4) where the City has identified that significant development will occur as a

8 result of the LID. If the City Council determines that the project serves the best  
interest of the City, the City Council may provide additional funding for the  
9 project by adopting a resolution declaring its intent.

10 E. LID Formation:

11

The preferred method of LID formation in the City of Tacoma is by resolution.

12 State law (RCW 35.43) outlines requirements for the resolution method.

13 The City Council may form an LID under emergency circumstances, such as

14 when the Health Officer of a city, town, county or state files a report with the  
appropriate legislative authority, showing the necessity for sanitary sewer mains

15 or water mains to be constructed, citing health and/or safety issues; OR when  
the Chief of the Fire Department files a report showing the necessity for fire

16 hydrants to be installed.

17 In order for the City Council to form an LID under an emergency, the ordinance

18 must be passed by unanimous vote of the City Council.

19 The formation of an LID is a legislative act by the City Council. Except for LIDs  
determined by the City Council, prior to remonstrance, to be in the best interest  
20 of the City, the City Council shall not pass an LID formation ordinance when

21 property owners representing 50 percent or more of the total assessment file  
remonstrance with the City Clerk's office. For LIDs that have been determined

22 by the City Council to be in the best interest of the City, in accordance with  
section D of this policy, the City Council may revise the remonstrance level

23 requirement up to the limit allowed under RCW 35.43.180, which divests the  
City Council of authority to form an LID by resolution when property owners

24 representing 60 percent or more of the total assessment file remonstrance with

25 the City Clerk's office. Regardless of the level of support, the City Council  
reserves the right to not form a proposed LID if it determines that the project is

26 not in the best interest of the City.

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I F. Funding:

2 Property owners, unless otherwise identified in Table 1, shall be responsible for  
3 all costs of the improvements as deemed appropriate. The total assessment of  
4 the property owners will be determined by the total cost of the improvement and  
5 will vary depending upon the proximity of the property to the improvement and  
6 on the amount of special benefit the improvements) adds to the property.

5

6 Provided that City funding is available, the City may participate financially in the  
7 types of LIDs at the percentage rates identified in Table 1.

7

8 The City's participation shall generally be made available only to residential  
9 (single-family dwellings) street and alley paving projects that are in established  
10 neighborhoods where a majority of either the lineal footage of property or the  
11 total assessments for the proposed district predominantly consists of

12 single-family dwellings and they will incorporate some aspects of complete  
13 streets. The City may also provide financial assistance to property owners who  
14 qualify for the LID Assistance Program.

15 The City may participate financially in other types of LIDs that are not identified  
16 in Table 1 if they receive grants, there are other sources of funding, or it is  
17 deemed to be in the best interest of the City. The City Council reserves the  
18 right to allocate LID funding to these types of improvements.

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Description	Property Owner	City Participation
Assessments		

18	Residential alley paving (single-family dwellings)'''	85%	15%
19	Residential street paving (single-family dwellings) incorporating concepts of complete streets )	60%	40%
20	Sanitary Sewers (2)	Variable	Variable
21	Water Mains (3)	Variable	Variable
22	Undergrounding Overhead Primary Electrical Distribution Systems (4)	70%	30%
23	Projects identified by City Council resolution to be in the City's best interest	Variable	Variable

24

Note: The adoption of this policy replaces Resolution No. 35757; the existing

25 City participation policy for fixed rate LIDs

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- (1) Per Public Works Policy-Storm Sewer costs are 100 percent City funded
- 1 (2) Per TIVIC 12.08 and Public Works Policies
- (3) Per Tacoma Water Customer Service Policies
- 2 (4) Per Tacoma Power Customer Service Policies
- 3 If the cost of the improvement and property owner assessments increases after
- 4 LID formation and the increased costs do not exceed the special benefit of the improvement, City staff will notify the property owners of the increase to their
- 5 preliminary assessment increase and will construct the improvement.
- 6 If the cost of the improvement exceeds the special benefit of the improvement,
- 7 City staff will notify the property owners and will ask the City Council to dissolve the LID in a separate ordinance. If the City Council determines that the
- 8 construction of the improvements serves a public interest, it may elect to construct the improvements and the costs in excess of the special benefit will
- 9 be the responsibility of the City as determined by the City Manager and
- 10 Tacoma Public Utilities Director, as appropriate.

11 LID projects, other than emergency LIDs, will be formed on a first-come,  
first-served basis. The City, subject to the availability of City resources, will  
12 form LID projects in the chronological order in which the Neighborhood  
Advisory Surveys or Opinion Surveys are returned to the City.  
13  
14 Once an LID is formed by ordinance and if it subsequently fails to move forward  
to construction, the LID remains established until it is dissolved by City Council  
15 in a separate ordinance.

16 G. Formation of LIDs outside the City Limits:

17 The City Council, for the purpose of extending or upgrading public utility  
services or undergrounding overhead utility lines outside the corporate  
18 boundaries of the City and within unincorporated Pierce County, may pass  
19 LID formation ordinances provided the requirements of Resolution No. 30947  
are met. A copy of Resolution No. 30947 is attached as Exhibit "A" for

20 reference.

21 The City Council may pass LID formation ordinances within the Tacoma Public  
22 Utility Service areas and in the boundaries of another municipality where it has  
been determined to be in the best interests of both parties. An interlocal

23 agreement may be executed between the jurisdictions describing the nature of  
the intended improvement, as well as identifying the responsibilities of the  
24 respective staff of the municipalities.

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CITY CLERK USE ONLY

Tacoma REQUEST FOR Plequest  
EI ORDINANCE E RESOLUTION b@d./Res.

1. DATE: November 17, 2009

2. SPONSORED BY: COUNCIL MEMBER(s) N/A

3a. REQUESTING DEPARTMENT/DIVISION/PROGRAM Public Works/Construction  
4a. CONTACT (for questions): Rae Bailey PHONE: 591-5488

3b. "Do PASS" FROM Env. & PW Committee  
Committee 4b. Person Presenting: Rae Bailey PHONE: 591-5488  
E Yes  
nNo  
n To Committee as information only  
n Did not go before a Committee

3c. DID THIS ITEM GO BEFORE THE PUBLIC UTILITY BOARD?  
Elizabeth Pauli PHONE: 591-5627  
0 Yes, on  
ZNot required

N/A



)@Richard E. McKinle3 hrector Robert K Biles, Finance Director Rey Deputy C

5. REQUESTED COUNCIL DATE: December 15, 2009

6. SUMMARY AGENDA TITLE: (A concise sentence, as it will appear on the Council agenda.)

Repealing Resolution No. 32989 and 35757 and amending the Tacoma City Council policy with respect to the formation of Local Improvement Districts (LIDs).

7. BACKGROUND INFORMATION/GENERAL DISCUSSION: (Why is this request necessary? Are there legal requirements? What are the viable alternatives? Who has been involved in the process?)

Since the fall of 2007, a cross-functional team with representatives from Tacoma Water, Tacoma Power, Community and Economic Development, Legal, Public Works, and the City Manager's Office reviewed the current policy with the purpose of drafting an updated policy. Staff identified six (6) City Council policy issues that needed to be clarified or addressed in the updated policy. The policy issues were:

- 1. Level of Neighborhood Support Necessary to conduct Formation Hearings
- 2. Formation Method and Remonstrance Level
- 3. Funding Level participation of the City and Property Owners
- 4. Contractor bid proposals result in increased Property Owner assessments
- 5. Project Prioritization Process
- 6. Process for Formation of LIDs outside City Limits

Staff, working closely with the Environment and Public Works Committee, crafted a new policy that addressed the above referenced policy issues.

8. LIST ALL MATERIAL AVAILABLE AS BACKUP INFORMATION FOR THE REQUEST AND INDICATE WHERE FILED:

Source Documents/Backup Material	Location of Document
Resolution No. 32989	City Clerk's Office
Resolution No. 35757	City Clerk's Office
Updated LID Formation Policy	City Clerk's Office 91

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CITY CLERK USE ONLY

REQUEST (CONT)

Request

Ord/Res

9. WHICH OF THE CITY'S STRATEGIC GOALS DOES THIS ITEM SUPPORT? (CHECK THE GOAL THAT BEST APPLIES)

- A. D A SAFE, CLEAN AND ATTRACTIVE COMMUNITY
- B. F-1 A DIVERSE, PRODUCTIVE AND SUSTAINABLE ECONOMY
- C. E A HIGH-PERFORMING, OPEN AND ENGAGED GOVERNMENT

10. IFTMS CONTRACT IS FOR AN AMOUNT OF \$200,000 OR LESS, EXPLAIN WHY IT NEEDS LEGISLATIVE APPROVAL:

N/A

11. FINANCIAL IMPACT: REPENDITURE REVENUE

- A. No IMPACT (NO FISCAL NOTE)
- B. YES, OVER \$ 1 00,000, Fiscal Note Attached
- C. YES, UNDER \$ 1 00,000, (NO FISCAL NOTE)  
Provide funding source information below:

FUNDING SOURCE: (Enter amount of funding from each source)

Fund Number & Name: State \$      City \$      Other \$      Total Amount

If an expenditure, is it budgeted? E I Yes R No      Where? Cost Center:

Acct

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Office of the Cihj Clerk (03/23/2009)

Resolution No.      3 7 9 5 6  
Adopted:      DEC 1 5 2009  
Maker of Motion: @51:x  
Seconded:

Voice Vote:

MEMBERS      AYES      NAYS      ABSTAIN      ABSENT

Mr. Fey  
Ms. Ladenburg  
Mr. Lonergan  
Mr. Manthou  
Ms. Strickland  
Mr. Talbert  
Ms. Walker  
Mayor Baarsma      C=-:-<

Roll Call Vote:

MEMBERS      AYES      NAYS      ABSTAIN      ABSENT

Ms. Anderson  
Mr. Fey  
Ms. Ladenburg  
Mr. Lonergan  
Mr. Manthou  
Ms. Strickland  
Mr. Talbert  
Ms. Walker  
Mayor Baarsma

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