



**CHECKLIST/OUTLINE OF LOCAL IMPROVEMENT DISTRICT
PROCEDURES IN WASHINGTON CITIES**

For transcript documents,
each copy of such document should be certified as a true
and complete copy by the official custodian of the original.

The assistance of an engineer (either an independent consultant or the city engineer), a financial advisor or investment banker, the city attorney, bond counsel and other professionals, including an environmental lawyer and an appraiser, as appropriate, should be secured at the outset to assure that each procedural requirement is timely met and that the council or commission has the information and advice needed to make the necessary decisions.

INITIAL STEPS UNDER PETITION METHOD OF FORMATION

- Filing of a petition signed by owners of property aggregating a majority of the area of the proposed Local Improvement District (LID). RCW 35.43.120.

Property owners' petition with all signatures.

- Certification of sufficiency of petition by the designated officer. RCW 35.43.130.

Engineer's certificate of sufficiency of petition.

- Designated person prepares cost estimate, assembles other statutorily required information and certifies it to the council. RCW 35.43.130.

STEPS UNDER BOTH RESOLUTION AND PETITION
METHODS OF FORMATION

Determine whether LID formation is categorically exempt from procedures of State Environmental Policy Act (SEPA), Chapter 43.21C RCW and Chapter 197-11 WAC. If not categorically exempt, prepare and issue Environmental Checklist and Determination of Non-Significance (DNS) (or Environmental Impact Statement (EIS)) before adopting ordinance creating LID and ordering improvements.

Environmental Checklist and DNS (or EIS).

Adopt resolution declaring intention to form LID, or in response to petition, adopt resolution fixing hearing on forming LID. Resolution provides for hearing on formation whether petition or resolution method is used. RCW 35.43.130-.150; 35.43.125.

Resolution.

Minutes (or excerpts) of council meeting reflecting adoption of such resolution.

If resolution method is being used, designated person prepares cost estimate, assembles other statutorily required information and certifies it to the council. RCW 35.43.130.

Mail notice of hearing at least 15 days before the date fixed for hearing to the owners as shown on the rolls of the County Assessor of all property (a) within the proposed LID and (b) outside of the proposed LID, when such property is required at the time of notice to be connected to the proposed sewer or water facilities as a condition of Federal Housing Administration loan qualification. RCW 35.43.150; 35.43.270. If state-owned property will be assessed, notice must be given by registered or certified mail at least 30 days prior to hearing. RCW 79.44.040.

Affidavit of mailing with form of notices attached.

Publish resolution declaring intention or resolution fixing hearing on forming LID in at least two consecutive issues of the official newspaper, the first publication being at least 15 days prior to the hearing. RCW 35.43.140.

Affidavit of publication of both such publications.

Conduct hearing on formation of LID. RCW 35.43.140.

Minutes of council meeting, committee meeting, or proceedings before hearing officer reflecting such hearing, including recommendation of committee or hearing officer.

Resolution designating hearing examiner or committee, if authorized.

Pass ordinance creating LID and ordering the improvement. RCW 35.43.070.

Ordinance creating LID.

Minutes (or excerpts) of council meeting showing passage of such ordinance.

If SEPA review required for LID formation, give official notice of the date and place for commencing an appeal under SEPA. RCW 43.21C.075(5), 43.21C.080; WAC 197-11-680(5).

Official notice.

Publish ordinance creating LID in official newspaper.

Affidavit of publication of formation ordinance.

Within 15 days after creation of LID, file ordinance creating LID, boundary diagram of LID and preliminary assessment roll with City Treasurer (sometimes referred to as Finance Director). Thereafter, City Treasurer should immediately post the proposed assessment roll upon his or her index of local improvement assessments. RCW 35.50.005.

If LID contains "farm and agricultural land" or "timber land" as defined in RCW 84.34.310, file notice of formation of LID with County Assessor and county legislative body. RCW 84.34.320.

If LID does not contain such farm and agricultural land or timber land, a certificate from the County Assessor to that effect; or

If LID does contain such farm and agricultural land or timber land, a certificate or receipt of filing such notice.

County Assessor shall mail notice of formation of LID to owners of "farm and agricultural land" or "timber land," as defined in RCW 84.34.310. RCW 84.34.320.

Certificate or other evidence of mailing such notice.

Expiration of protest period for LID formed by resolution method 30 days following passage of ordinance forming LID. RCW 35.43.180.

Clerk's or engineer's certificate of maximum percentage of protest during that period.

Expiration of time limitation on litigation. No lawsuit may be maintained challenging formation of the LID if not filed within 30 days after passage of the formation ordinance (if initiated by petition) or after expiration of the 30-day protest period (if initiated by resolution). RCW 35.43.100.

Authorize final design work.

If required, authorize and publish call for bids for construction. RCW 35.22.620, 35.23.352, 35A.40.210, 35.43.190.

Affidavit of publication of bid call.

If required, post call for bids. RCW 35.22.620, 35.23.352, 35A.40.210.

Affidavit or certificate of posting of bid call.

Receive bids.

Engineer furnishes analysis of bids.

All bids received and engineer's tabulation.

Accept best bid and award contract.

Minutes (or excerpts) of council meeting showing action on bids.

Authorize sale of interest-bearing warrants drawn on LID fund or short-term financing by means of a line of credit or notes and establish the interest rate or index by ordinance. RCW 35.45.130; ch. 39.50 RCW.

Ordinance authorizing warrants or notes.

Minutes (or excerpts) of council meeting reflecting passage of such ordinance.

Affidavit of publication of such ordinance.

"Take out" commitment.

Preliminary warrant or note opinion.

Other transcript documents, if required as the basis for such legal opinion.

Periodically issue such interest-bearing warrants, if any, drawn on LID fund to cover costs of improvement, as incurred.

Individual warrant opinions, if any, and supporting vouchers.

On completion of project, obtain necessary state clearances, accept work and determine total cost. RCW 35.44.020, 60.28.040 (Dept. of Revenue), 51.12.050 (Dept. of Labor and Industries).

Direct engineer to prepare final assessment roll and file it with clerk.

Adopt resolution or motion setting time, date and place of assessment roll hearing. RCW 35.44.070.

Resolution, if any.

Minutes (or excerpts) of council meeting reflecting adoption of such resolution or motion.

Mail notice of hearing to the owners of all property listed on the assessment roll as those owners' names appear on the records of the County Treasurer at least 15 days before date fixed for hearing. RCW 35.44.090.

Affidavit or certificate of mailing with copy of notice attached.

Publish notice of hearing at least once a week for two consecutive weeks in the official newspaper, the last publication being at least 15 days before the hearing date. RCW 35.44.090.

Affidavit of such publication.

Conduct final assessment roll hearing, considering objections and overruling them or modifying assessments. RCW 35.55.070, 35.44.100.

Minutes of council meeting, committee meeting, or proceedings before hearing officer reflecting such hearing, including recommendation of committee or hearing officer.

Resolution designating hearing examiner or committee, if authorized.

If any assessments are increased, set a new hearing and publish and mail notice to those properties with increased assessments in the same manner as for the original assessment roll hearing. RCW 35.44.120.

Pass ordinance confirming and levying assessments as finally approved. RCW 35.44.100.

Ordinance confirming assessment roll.

Minutes (or excerpts) of council meeting showing passage of such ordinance.

Publish ordinance confirming assessments.

Affidavit of such publication.

In LID containing any "farm and agricultural land" or "timber land" as defined in RCW 84.34.310, file notice with County Assessor, County legislative authority and City Treasurer of adoption and confirmation of final assessment roll. RCW 84.34.320.

Certificate or receipt of the filing of such notice.

Certified copies of any waivers of assessment exemptions given pursuant to RCW 84.34.320.

Appeal period expires 10 days after the ordinance confirming assessment roll becomes effective. RCW 35.44.190-.210.

City Treasurer publishes in the official newspaper once a week for two consecutive weeks, and (within 15 days after the first such publication) mails to all property owners, notice that roll is filed for collection. RCW 35.49.010.

Affidavit of such publications.

Affidavit or certificate of such mailing with notice attached.

Prepayment period expires 30 days after first publication of Treasurer's notice. RCW 35.49.010; 35.49.050.

Treasurer's certification of amount of prepayment and balance of unpaid assessments.

Sell bonds after expiration of prepayment period (bonds to be dated and delivered no earlier than 20 days after conclusion of prepayment period) at public or private sale. RCW 35.45.010; 35.45.040.

A. Public Sale

- (1) Contact financial consultant.
- (2) Pass and publish bond ordinance authorizing sale.

Ordinance.

Minutes (or excerpts) of council meeting reflecting passage of such ordinance.

Affidavit of publication of such ordinance.

- (3) Publish notice of sale.

Affidavit of publication of notice of sale.

- (4) Review bids and accept best bid.

a. All bids received and tabulation.

b. Minutes (or excerpts) of council meeting showing action on the bids received.

B. Private Sale

- (1) Contact investment banker.
- (2) Receive proposal(s) for bonds and accept or reject.

a. Proposal accepted.

b. Minutes (or excerpts) of council meeting reflecting acceptance of same.

- (3) Pass and publish bond ordinance.

a. Minutes (or excerpts) of council meeting reflecting passage of same.

b. Affidavit of publication of such ordinance.

Pass and publish guaranty fund ordinance if none exists.

Ordinance.

Minutes (or excerpts) of council meeting reflecting passage of such ordinance.

Affidavit of publication of such ordinance.

Use prepaid assessments to redeem outstanding LID fund warrants or short-term financing.

Deliver bonds, no earlier than 20 days after conclusion of prepayment period, either in exchange for remaining outstanding warrants or for cash sufficient to redeem such warrants or financing.

Preliminary official statement.

Official statement.

Closing certificate.

Certificates of manual signature and mailing.

Signature identification certificate.

Tax exemption and nonarbitrage certificate.

Internal Revenue Service Form 8038-G.

Specimen bond.

Certificate of bond registrar.

Receipt for Bonds and Receipt for Payment.

Approving legal opinion and reliance letter.

BAN transcript, if applicable.

State Bond Report Form