

City of Edgewood
Meridian Ave. Sewer Project
LID No. 1

Public Workshop

August 27, 2008

AGENDA

Property Owner Workshop City of Edgewood Meridian Avenue Sewer Project LID No. 1

When: Wednesday, August 27, 2008

Time: 6:00 PM

Place: Edgemont Junior High School, 2300 110th Avenue East

1. OPEN HOUSE - 6:00 pm to 6:30 pm

- Please sign up at this time for individual meetings with the Project Appraisers if you wish to convey individual parcel information.
- The open house will provide property owners an opportunity to meet with the City's LID team, ask questions and provide individual parcel information

2. PRESENTATIONS AND PROJECT UPDATE - 6:30 pm to 7:15 pm

- During this period of the Workshop the LID will present the proposed improvement, cost estimates, schedules, determination of individual assessments and what to anticipate in LID process.
- Presentation format:

Welcome, Project History and Introductions:Dave Lorenzen, Public Works Director

Project Improvements, Schedule, & Construction Costs:.....Jim Santroch, TetraTech

Determining Parcel Assessments:.....Deborah Foreman & Heber Kennedy of Allen Brackett Shedd

Local Improvement District Process:Gary Bourne, BHC Consultants

3. PERIOD FOR QUESTIONS AND ANSWERS - 7:15 to 7:45 pm

- The audience will have an opportunity to ask questions of the City and the consulting team.
- Meet with the Appraisers - Starting after the period for Q & A
- Property owners will have an opportunity to meet individually with representatives of Allen Brackett Shedd. Appraisers to discuss the estimated assessment and convey individual parcel information.

**City of Edgewood
Meridian Avenue Sewer Project LID No. 1**

**Project Schedule
August 24, 2008**

1. City Council passed Resolution of Intent to Form LID.....August 12, 2008
2. Property Owner WorkshopAugust 27, 2008
3. Mail LID AssessmentsSeptember 12, 2008
4. Formation Hearing with City CouncilOctober 14, 2008
5. Council Passes Ordinance to Form LIDOct. 14 & 28, 2008
6. Thirty Day Protest Period expiresDecember 5, 2008
7. Percentage of Protests Presented to CouncilDecember 9, 2008
8. Expiration of 30 Day Wait Period.....January 5, 2009
9. Design CompleteApril 2009
10. Bid and Award Construction ContractMay 2009
11. Begin ConstructionJune 2008
12. Construction CompleteMarch 2010
13. Final Assessment Roll HearingOctober 2010
14. End of Pre-Pay Period.....December 2010
15. Assessment Roll FiledDecember 2010
16. First Annual Assessment PaymentJanuary 2012

Note: Future dates are subject to change.

**City of Edgewood
Meridian Ave Sewer Project LID No. 1
LID Questions and Answers**

A very important action was taken on August 12, 2008, when the Edgewood City Council passed the Resolution of Intent to form LID No. 1. This resolution sets the date for the LID Formation Hearing to be October 14, 2008, and also includes other information relative to formation of the LID and completion of the Meridian Avenue Sewer Project.

The \$23.3 million dollar project includes the installation of 19,000 lineal feet (3.6 miles) of gravity sewer pipe in sizes from 8 to 18 inches, 8,500 lineal feet of dual force mains, and three major pump stations. The project also includes side sewers to the edge of the public right-of-way to facilitate service to each parcel. Funding for this project will be accomplished by the Local Improvement District Process. The following Questions and Answers are intended to help property owners and other participants to understand the LID process.

What is an LID?

An LID is a specific geographical district formed by a group of property owners working together to bring needed capital improvements such as sidewalks, streetlights, street pavement or water or sewer lines. An LID is a financing method available to property owners for design and construction of those improvements. The City undertakes all aspects of design, financing and construction of improvements and sells bonds to provide cash for the project. Property owners within the benefit district repay the money through special assessments, usually over 15 to 20 years.

Why form an improvement district?

Neighborhoods form LIDs to fund improvements that would benefit each property owner. LIDs have several advantages. Perhaps the biggest benefit is a means of spreading the cost of the improvements among many property owners. This reduces the cost of improvements compared to the cost of charging an individual property owner.

What are the advantages of an LID?

Property owners are able to spread the cost of the improvements over a period of time and may take advantage of the City's ability to borrow money at lower interest rates than individuals. LIDs allow property owners not familiar with construction, contracting, engineering or financing to depend on the City to undertake the process for them, acting as agent to manage the project's design and construction.

What are the disadvantages of an LID?

The process is long and complex, and may take longer than normal projects, due to public notice requirements, establishment of the Local Improvement District and public hearings.

How long does it take?

The actual time depends on a number of factors, including the scope of the proposed improvement. A typical LID may take 9 to 18 months, with a more complex LID, such as the street, storm drainage and utility improvements may take more than two years from the time an interest petition was submitted, to project completion.

Is there any limit on the size of an LID?

No. But the improvements and the geographical area should be sufficient size and type to benefit an entire neighborhood or community for total service and aesthetic appearance. LIDs are not confined to residential areas alone. They can enhance business districts or mixed use areas.

What is a ULID?

The "U" in ULID stands for Utility. ULIDs can be formed whenever the improvement involves a water or sewer system. They are formed for the same purpose and using the same methods as an LID.

What's the difference between an LID and a ULID?

The main difference between LIDs and ULIDs is the type of bond issued to finance the improvements. LID bonds are secured solely by assessments against the benefited property; with a ULID, revenue bonds are issued. These bonds are secured by property assessments to benefit property owners and net revenues to the City's water and sewer utility. Property owners in an improvement district can ask the City Council to form a ULID. The Council has the final decision on whether an LID or ULID will be formed.

Can I protest an LID?

Yes. If 60% or more of the property owners of the total assessable LID protest, the City Council is prevented by state law from proceeding. The percentage is calculated on dollar volume of assessments, not by percentage of signatures. But, this does not apply to ULIDs for sanitary sewers or water mains where the Health District has determined the necessity for such improvements. The Council then has the authority to authorize the LID to proceed.

How do I protest?

In writing. List your name and spouse's name, street address, legal description of your property and reasons for your protest. Written protests can be filed with the Public Works Department up to 30 days after the formation hearing date.

What costs are involved in an improvement district?

- Comprehensive planning costs.
- Construction costs.
- Engineering and surveying fees.
- Right-of-way and easement purchases.
- Property owner searches.
- Advertising, mailing and publishing costs.
- Accounting and clerical costs.
- LID management costs.
- Costs incurred by the City for the benefit of the project.
- Legal costs.
- Financing Costs

Who is responsible for these costs?

Costs associated with an LID or ULID are assessed to each property owner in the improvement district.

Why doesn't the City pay for these improvements using taxes paid by citizens?

The City of Edgewood, like other local governments, is empowered with the task of planning

improvements in order to assure quality and public health and safety. But the fact is that except for arterials (heavily-traveled main roads), general tax dollars do not pay for improvements that many of us take for granted when the beneficiary is a specific group, such as a neighborhood. Across the State, these improvements are generally paid for by local assessments to the property owner.

How does the City levy LID assessments?

All property owners are charged for the improvements based on the value received by their property from the improvements. For LID No. 1, the City will use a special Benefit Analysis as prescribed by State Statutes.

What is a “Special Benefits Study?”

A special benefits study is an analysis that measures directly the special benefits, or the increase in value, experienced by various parcels as a result of a public improvements project. The market values of properties “before” and “after” the LID project is completed are determined, and the difference is the special benefits.

How do Special Benefits Differ from General Benefits?

Special benefits are a specific, measureable increase in value of properties in excess of any enhancement to the general area, which benefits the public at large, i.e. general benefits.

What are some of the Key Factors Considered in the “Before” and “After” Valuations of the Properties?

Location, access, utilities, zoning, physical characteristics, including existing improvements, and development potential of each property are considered, as well as the project improvements.

Market values “before” and “after” the LID project are analyzed on the basis of land sales, improved property sales, and rent studies. The highest and best use of each property is determined as part of the valuations.

What is the “Highest and Best Use?” Why is it Significant?

Highest and best use of a property is the use which results in the highest current value. The analysis considers reasonably probable and legal uses, physically possible, and financially feasible uses. The values of a property “as if vacant land” and “as improved” are part of the highest and best use analysis.

How are payments made?

If property owners do not pre-pay their assessment within the 30 days from the final ordinance, the property owners will be billed annually. The first annual payment is due about one year from the end of the pre-pay period. Payments are divided into equal principal installments plus accrued interest.

Can payments be deferred?

A state law exists that allows people who qualify to defer payments until the sale of the property or settlement of an estate in the case of death. This law contains income restrictions and is generally aimed at senior citizens on Social Security or on a fixed low income.

Have more questions?

If you have questions, please contact the City of Edgewood at 253-952-3299.

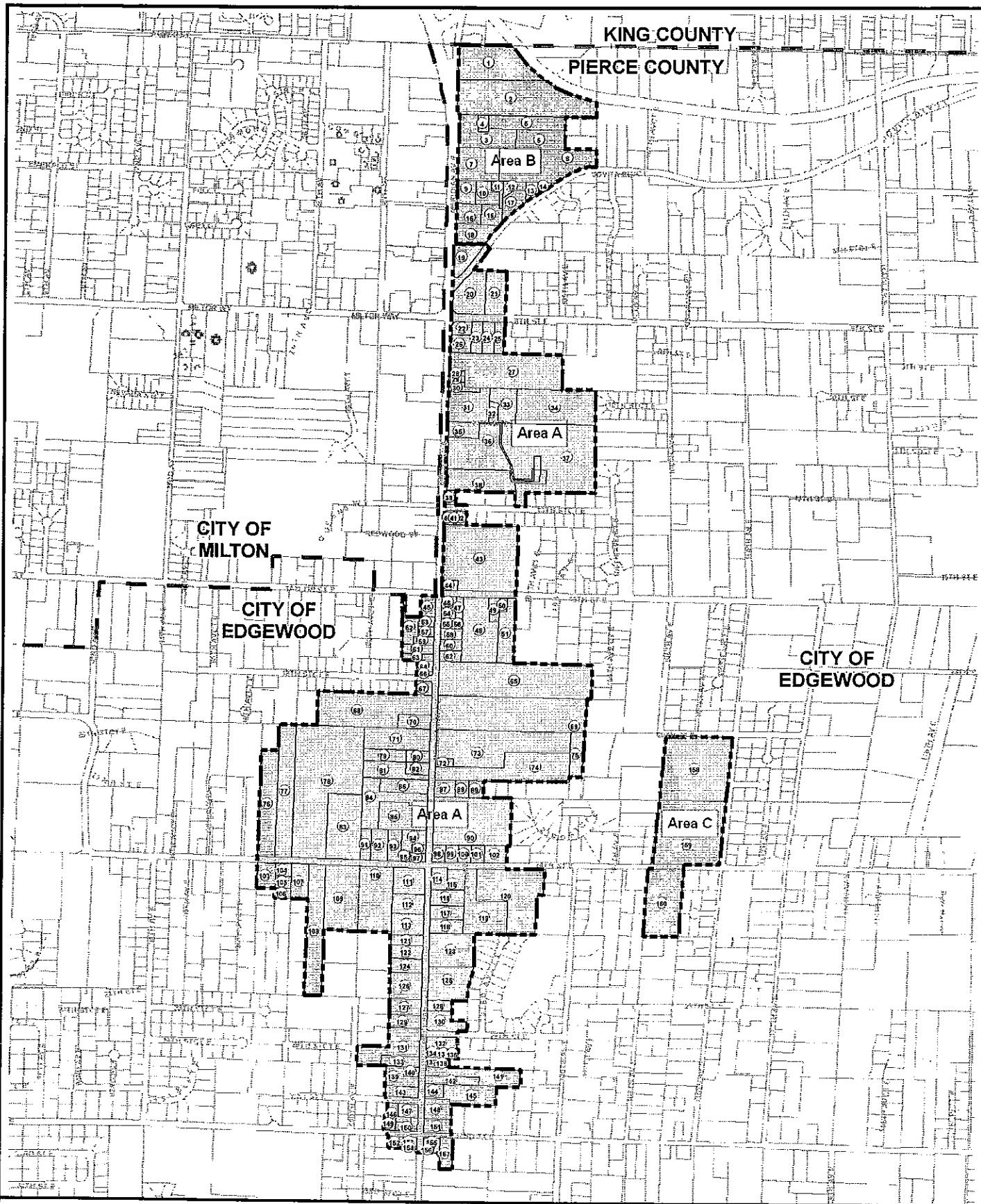
City of Edgewood
 Meridian Avenue Sewer Project LID No. 1
 Sample LID Annual Payment Schedule
 August 27, 2008

Assume a 15 Year \$1000 Assessment at 5% Interest
 Interest Rate 5.00%
 Pay-off Period (years) 15

LID Assessment Payment \$ 1,000.00

Note: Divide any full assessment by 1000 and multiply result by number in Total Annual
 Payment Column to find annual payment.

End of Year	Principal	Interest	Total Annual Payment	Balance
0				\$1,000.00
1	\$66.67	\$50.00	\$116.67	\$933.33
2	\$66.67	\$46.67	\$113.33	\$866.67
3	\$66.67	\$43.33	\$110.00	\$800.00
4	\$66.67	\$40.00	\$106.67	\$733.33
5	\$66.67	\$36.67	\$103.33	\$666.67
6	\$66.67	\$33.33	\$100.00	\$600.00
7	\$66.67	\$30.00	\$96.67	\$533.33
8	\$66.67	\$26.67	\$93.33	\$466.67
9	\$66.67	\$23.33	\$90.00	\$400.00
10	\$66.67	\$20.00	\$86.67	\$333.33
11	\$66.67	\$16.67	\$83.33	\$266.67
12	\$66.67	\$13.33	\$80.00	\$200.00
13	\$66.67	\$10.00	\$76.67	\$133.33
14	\$66.67	\$6.67	\$73.33	\$66.67
15	\$66.67	\$3.33	\$70.00	\$0.00
Total Paid	\$1,000.00		\$400.00	\$1,400.00



**City of Edgewood - Meridian Avenue
Sewer Project LID No. 1
August 2008**

Presented by:



TETRATECH

Legend

LID Boundary City Limits

0 500 1,000
Feet

