

THE LID PROCESS FROM START TO FINISH	
Petition for LID formation	The process from this point is governed by state law. A Petition for Formation of an LID must first be submitted establishing that substantial support exists within the proposed LID boundaries.
	City staff, working with the City Attorney, prepare a Resolution of Intent to create the LID and recommend adoption by the City Council.
	Council reviews staff recommendations and the Resolution at a Council meeting. If approved, a LID formation hearing date is set and staff is directed to proceed.
Public hearing 30-day protest period	Council holds public hearing on LID. Depending on the outcome, a Council majority may approve an ordinance to create the LID. A 30-day protest period commences.
	If property owners representing at least 60% of the assessed value in the LID file written objections within the protest period, the LID cannot go forward.
	Time limit on appeals challenging the formation of the LID ends 30 days after the expiration of the protest period. Once the appeal time limit ends, no more challenges may be brought against the City or Council to proceed with the LID.
Design work completion	When legal appeal period ends, Council authorizes the final design work, project goes to bid, contract is awarded and construction begins. This process can take 6 months, depending on the scope of the project.
	Upon project completion and final acceptance by the City Council, the City tabulates the final total project cost and calculates the final assessment.
Public hearing 10-day appeal period	After official notice is placed in the City's Newspaper, property owners in the LID area are notified by mail. The City Council proceeds with a public hearing concerning the final assessment, then approves an assessment ordinance, followed by a 10-day appeal period.
Final assessment mailed	Final assessments are mailed to property owners and published in the City's official newspaper. LID property owners have 30 days to pre-pay their assessment.
Bonds sold	Bonds are sold to cover project costs minus any pre-payments. Bonds are repaid through LID assessments collected by the City each year.

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City of Poulsbo

Local Improvement Districts



Neighborhood Improvements

Take a good look around your neighborhood. If improvements such as street paving, sidewalks or street lights would enhance the appearance of your neighborhood, or installation of water or sewer lines would mean better service to you and your neighbors, you might want to learn more about Local Improvement Districts (LIDs).

LID's are a local approach of neighbors working together with government to improve the appearance of and services in their neighborhood.

Here are some of the improvements that might qualify:

- Street or alley paving
- Sidewalk construction
- Storm water repair
- Water or sewer system installation
- Street light installation
- Playground or park construction

What is an LID?

An LID is a specific geographical district formed by a group of property owners working together to fund needed capital improvements such as sidewalks, street lights, street paving, and 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 funding for the project. Property owners, within the benefit district, repay the bonds through special assessments, usually over a 10 to 20 year period. (RCV 35.43),(PMC 3.08)

Why form an improvement district?

Neighborhoods should consider forming an LID to fund improvements that would benefit each property owner. LIDs have several advantages. One of the biggest benefits is that LIDs provide a means of sharing the cost of the improvements among several property owners, so that one property owner does not have to bear all the costs.

How long does it take?

The actual processing time of an LID depends on a number of factors, including the scope of the proposed improvements. A typical LID may take 9 to 18 months, with a more complex LID taking as long as 24 months from the time an interest petition is submitted to project completion.

Is there any limit on the size of an LID?

No, but the improvements and the geographical area should be of 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 be used to enhance business districts or mixed use areas.



Getting started...

To begin the process, interested parties should contact the City's Engineering Division to discuss what goal is to be accomplished and what areas will be involved. They will help to determine if the proposed ideas are feasible and may offer other suggestions.



An LID is initiated by obtaining a "Proposal For Formation of an LID" from the City Clerk. The proposal will describe the proposed improvements and what easements may be required.

After review and approval of the proposal, a petition is circulated. The petition must be signed by property owners of at least 51% of the total area within the boundaries of the district outlined in the petition. It is important to inform all of the neighbors, even those who may be opposed to the project.

After discussing the proposal with neighbors and obtaining as many signatures as possible, return the petition to the City Clerk. Once the signatures are confirmed and property ownership is validated, the Engineering Division will have the plans prepared to determine each property owner's estimated share of the total costs for the assessment roll.

Will there be public hearings?

The package is then forwarded to the City Council and, yes, public hearings are required. A public hearing date is set and written notice of the hearing is sent at least 15 days before the hearing date. The written notice is sent to all property owners within the proposed district, as they are listed on the Kitsap County Tax Rolls. Notice is also published in the official City newspaper at least 15 days before the set hearing date.

The public hearing is a required step in the process to determine if the project is to be built. Property owners are encouraged to attend the public hearing to express their views. The City Council will decide if the project is to be built based on the verbal testimony and on letters received from the property owners.

When does construction begin?

If the LID proposal is approved, then construction plans are prepared for the project. Depending on the size of the project, this step can take anywhere from a few months, to a year. The City Council will award the bid to the lowest qualified bidder and construction will begin. The size of the project will determine how long construction will take.

How are the final costs determined?

When construction is completed, the City Council accepts the project as complete and a final cost report of the LID is prepared. Another public hearing is set for the final assessment roll.



Notice of the public hearing is mailed to all property owners within the district at least 15 days before the set hearing date. Notice is also published in the official City newspaper at least 15 days before the hearing date.

Anyone who would like to object to the final assessment roll may do so by filing a written protest with the City Clerk on or before the set public hearing date.

The City Council will review all protests and, if necessary, will correct any errors and may revise the assessment roll by increasing, decreasing, or amending the proposed assessments.

How is payment made?

Once the final assessments have been determined, property owners have 30 days to pay all or any portion of their assessment, without interest or penalty. After 30 days the City will sell bonds to finance the remaining balance of assessments and property owners will be required to make annual payments. The payments are divided into equal principal installments plus accrued interest based on the term of the bonds. The first annual payment is due approximately one year from the final public hearing.

