

# Street Transportation Department Improvement District Overview

## PRE-DESIGN PHASE

- 1. Project Requested** – Property owners or developers may request street, sanitary sewer, waterline, decorative street lighting or other public infrastructure improvements. An initial written request describing the proposed improvements and draft boundaries is required.
- 2. Project Information** – Once the request is received, staff determines extent of the district and the initial cost estimate of requested improvements. This cost will be updated periodically and finalized after construction.
- 3. Petition Process** – A petition, boundary map and an initial cost estimate is mailed to the requestor for circulation amongst the property owners requiring 70% approval before continuing the Improvement District process. The initial cost estimate helps inform the participants of the potential future assessments.
- 4. Ballot Process** – Once the petition is returned with the necessary consensus, staff mails a cover letter, a ballot, a map of the proposed district and an estimated assessment cost to each property owner via certified mail. Property owners with at least 51% of the frontage must return the ballot in support of the district in order to proceed. Ballots to be postmarked within 30 days. Staff will provide ballot results to property owners.
- 5. Preliminary Plans and Cost** – Following the review and notification of a successful ballot, City staff or a consultant prepares the preliminary plans and an updated cost estimate.
- 6. Ordinance of Intent** – To form the Improvement District, a City Council hearing is required to pass the Ordinance of Intent. At this time, the public is invited to comment on the formation of the district.
- 7. Posting and Publication** – If the Ordinance of Intent is approved, posting(s) will be displayed no more than 300' along the line of improvements and it will be published in *The Arizona Business Gazette*.
- 8. Protest Period** – Property owners have 15 days after the posting (or after the date of the second publication, whichever is later) to file a written protest to the Ordinance of Intent with the City Clerk. If protested, City Council may schedule a hearing to discuss and act on the formal protests. If upheld, the project will be terminated with a formal letter.

## DESIGN PHASE

- 9. Initiation of Design** – Following the approved Ordinance of Intent, the project will proceed to design. Assessments will be updated at this time and property owners will be notified.

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## CONSTRUCTION PHASE

10. **Call for Bids and Contract Award** – Staff will ~~initiate~~ advertise a call for bids to invite qualified contractors to bid on the proposed improvements. At this time, the lowest responsible bidder is awarded the contract at a formal City Council hearing. The public is invited to comment on the bid results.
11. **Protest Period** – Once the contract award is published, property owners have 15 days to file a written protest with the City Clerk citing objections or defects in the proceedings. If the protests are substantiated, City Council may order abandonment of the district; otherwise, the project continues to construction.
12. **Construction** – Following a successful contract award, construction will be scheduled. When construction is complete, final assessments are calculated.

## ASSESSMENT COLLECTION PHASE

13. **Final Assessments** – Final assessments and notice of the City Council date for the approval of the assessments are mailed to each property owner by certified mail 20 days prior to the hearing date.
14. **Public Hearing on Assessments** – City Council conducts a public hearing at which property owners may protest their assessments. City Council will vote on approval of the final assessments.
15. **Cash Payment Period** – Final approved assessments are mailed to each property owner at which time they have 30 days to pay all, some or none of their assessments in cash.
16. **Property Lien Forms** – Following the 30-day cash period, the unpaid assessment balance for each property will be determined and a lien will be placed on the property for the balance and interest due. This will be recorded with the County Recorder.
17. **Finance** – Currently, the unpaid assessment amounts are billed twice a year over a 10-year period at 6.9% interest. Bonds are issued to front the unpaid assessments and the 10-year interest on the bonds must be paid in full regardless of when the principal is paid off.