

## Legislation Text

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**File #:** 17-4819, **Version:** 1

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### **INDIAN CREEK DRIVE LOCAL IMPROVEMENT DISTRICT**

#### **COUNCIL STRATEGIC INITIATIVE ADDRESSED:**

Improve streets and roads

#### **CITY ATTORNEY REVIEW:** N/A

#### **SUMMARY STATEMENT:**

The City has received several inquiries from members of the Indian Hills Home Owners Association requesting formation of a Local Improvement District (LID) to improve Indian Creek Drive. While most requests for LID's are straight forward and easy to implement, improvement of Indian Creek Drive through the LID process is more complicated and could easily be legally challenged if not implemented fairly and based on benefit derived.

The City forms LIDs using the petition method provided for in state statute. After receiving a request to form an LID and determining the City will support the requested improvements, City staff prepare a formal petition for the project proponents to circulate and obtain signatures from the property owners within the LID boundary. Preparing the LID petition requires establishing the LID boundary by identifying the properties deriving current and future benefit from the public improvement. The boundary defines who can vote on the creation of the LID, and who will be assessed for the cost of the improvements. Once the boundary is established, an assessment method must be determined to distribute the cost of the improvements amongst the properties within the LID boundary based on the benefit derived.

In the case of improving Indian Creek Drive, an LID boundary is somewhat subjective and hard to determine based on current and future uses of properties near the roadway. Currently, the primary users are residents on adjacent property, and residents in the private Indian Hills PUD located at the end of Indian Creek Drive. Secondary users are residents on Fairway View and Fairway Lane; these properties also have access off Sunset Way. Potential future use exists from abutting undeveloped property to the east and north of the roadway.

To form an LID, the increased value of a property within the LID must exceed the amount of that property's LID assessment. Due to the uncertainty that exists in determining an LID boundary for Indian Creek Drive and the potential for legal challenge, staff recommends that a special benefit study be completed by an outside expert to determine the LID boundary and method of assessment. After the LID boundary and method of assessment is determined, and the cost of improvements estimated, the formal LID petition and preliminary assessment roll can be prepared for review and action by the property owners.

Staff does not possess adequate expertise in conducting a special benefit study that will withstand legal challenge in this complex situation. This would need to be contracted out with consultants that specialize in developing and legally defending the results of such study under LID laws.

As an alternative to the LID process, staff has considered partial improvements to Indian Creek Drive. Until such time as the surrounding area develops and warrants a street constructed to City standards, including sidewalks, street lights and storm drainage, staff would support minor widening of the road and improving sight distance challenges at the intersection of Indian Creek Drive and Indian Hills Drive. However, these

improvements would not meet the legal test to form an LID and would need to be funded from other sources. The City may also choose to make no improvements and leave the roadway in its current condition.

**FINANCIAL SUMMARY:**

The estimated cost to complete a special benefit study for this LID is \$50,000. All preliminary costs associated with preparation of the LID petition (study costs, City staff time, publishing legal notices, etc.) are eligible to be included in the LID assessments. However, if the LID is not formed, all preliminary expenses will be absorbed by the City.

Funding for partial improvements that do not meet the legal test to form an LID could be provided by contributions from users of the roadway, City funds, or Longview Transportation Benefit District funds.

**RECOMMENDED ACTION:**

Direction to staff.

**STAFF CONTACT:**

Craig Bozarth, City Engineer