



## PRIVATELY FUNDED ROAD IMPROVEMENT PROJECTS

Privately funded road improvement projects generally involve converting gravel roads to hard-surface roads. Other improvements, such as drainage projects, may also be eligible. Property owners have three options to privately fund these projects on Washington County roads:

1. Local Improvement District (LID)
2. Cooperative Agreement (Co-Op)
3. Right-of-Way Permit

Property owners are required to fund any of these options. However, the structure, process and financial obligations vary significantly.

For properties on Public Dedicated Roads, or Local Access Roads, only the Right-of-Way Permit option is possible. Property owners need to obtain a [Right-of-Way Permit](#) before beginning work. For road classification information, call Operations and Maintenance Division at 503-846-ROAD (7623). Contact [Steve Franks](#), Senior Program Coordinator, at 503-846-7653 to learn more.

### **LOCAL IMPROVEMENT DISTRICTS (LID)**

Creating a LID is a formal process involving the County Board of Commissioners (BOC), County staff and property owners. In general, it involves:

#### **1. Neighborhood Meeting**

Neighborhood meetings are organized when there is significant interest in the LID process. The neighborhood meeting is arranged by someone in the neighborhood and the County mails invitations to all adjacent property owners who would benefit from the LID. During this meeting, staff explains the road condition, recent maintenance history and an “order of magnitude” cost estimate for improvements. Staff will also provide detailed information about the LID, Co-Op and Right-of-Way permit options.

Following the meeting, property owners will decide if they want to proceed with the LID. If not, the road will not be eligible for LID consideration for another five years.

#### **2. Petition**

A petition and mandatory information sheet will be prepared by the County so residents can gather signatures on a petition supporting road improvements. The information sheet provides a detailed explanation about the proposed improvements, what it means to sign the petition and County contact information for answers to additional questions.

Members of the neighborhood are responsible for acquiring signatures. At least 51 percent of the impacted property owners must sign the petition in order for the district to move forward. Only one signature per property is allowed, even if the property has multiple owners.



### 3. District Formation

Once the petition has the required number of valid signatures, approval from the BOC is required. The discussion about a LID formation occurs during a regularly scheduled BOC meeting. The process involves a public hearing on the LID (prior to a regularly scheduled BOC meeting) during which property owners can publicly testify about the proposal. Other elements:

- a. **Feasibility Report:** County staff will prepare and present a feasibility report to the BOC during the public hearing. The report will include a detailed analysis of the proposed improvements, including an estimated cost per parcel.
- b. **Cost Distribution:** The per parcel costs will be developed and adopted. The most common way, as defined in the LID ordinance (WCC 3.20.180), is for the BOC to assign cost shares to each parcel based on the benefits to each parcel. Properties that benefit more may pay more than properties that benefit less. Those who own multiple properties within the district pay for each one.

After hearing testimony, the BOC votes. If the LID is approved, then all impacted property owners are obligated to pay their share, even if they opposed the LID. The LID assessment becomes a lien on the property. If the property is sold, the balance of the lien transfers to the new owners until the entire obligation is paid.

### 4. Construction

LID road improvement construction generally occurs in July and August and can take two or more weeks. Once completed, the work is guaranteed by the County for one year. After one year, the road surface will be maintained by Washington County, in accordance with the BOC-adopted Road Maintenance Priority Matrix. Many factors affect the performance of a road surface, and each road is unique.

### 5. Assessment

Following construction, staff will reconcile costs and request that the BOC consider the assessment to the individual parcels. Once assessments have been made, the information is shared with the Department of Assessment and Taxation (A&T), which prepares invoices and collects payments. Payment options include:

1. Lump sum: One payment in full.
2. Payment plan: Payment over 10 years (nominal interest is charged).



## 6. Ongoing Maintenance

Benefiting property owners may want to form a Maintenance Local Improvement District (MLID). A MLID is similar to the LID, but instead of a one-time assessment for a specific task (such as paving a gravel road), the MLID is a mechanism to collect revenue on an ongoing/perpetual basis for maintaining the road surfaces constructed through a LID.

Forming a MLID early on is valuable because it allows for more frequent road maintenance which preserves the investment made by the LID. County staff will develop a long-term maintenance strategy, including a spending plan, which determines annual rates for each property. The MLID revenue is earmarked for maintenance of a given road and is not available for any other purpose.

### **COOPERATIVE AGREEMENT (CO-OP)**

A Co-Op agreement is typically created when a limited number of property owners are interested in an improvement project. Elements include:

#### **1. Property Owner Contact/Advocate**

An interested property owner, typically the person who initiates the process, serves as the point of contact to work with staff. The owner works with the other interested/impacted property owners throughout the Co-Op process, serving as the advocate or champion.

#### **2. Feasibility**

Staff develops a scope of work and prepares cost estimates based on the best available information at the time the work is scoped. However, unforeseen circumstances can affect the final cost.

#### **3. Payment**

Co-Op members are required to deposit the full amount of the estimate. If the actual cost of construction is less than the estimate, refunds will be issued. If the actual construction cost is higher than the assessment, an invoice will be sent to the project champion for the balance due.

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## **RIGHT-OF-WAY PERMIT**

A County Right-of-Way Permit is required when property owners hire a private contractor to perform road improvements. The County provides specifications, general conditions and other requirements as attachments to the Right-of-Way Permit.

Property owners interested in obtaining a Right-of-Way Permit are highly encouraged to obtain specifications and other requirements from the County before obtaining quotes from private contractors, as these standards will likely affect these estimates.

***The County is not involved with the contract between the property owner(s) and the contractor.*** However, permitting process requires the contractor to provide:

- Proof of insurance before work in the right-of-way begins.
- A one-year warranty on all work.
- A bond (cash or surety) for the full amount of the work, based on the County's estimate, to be held for the duration of the warranty period, after which time it will be released once any defects and issues have been satisfactorily addressed.

County inspectors will review the work periodically during construction, but it is ultimately the property owner and contractor's responsibility to assure the work meets County specifications. The cost of the inspections will be estimated, and a deposit for these services will be required prior to issuing the permit. After the work is finished, it must pass final County inspection to ensure it has met standards and specifications.