



ENGINEERING DEPARTMENT

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Frisco, Colorado 8044

APPLICATION FEE: \$250

PUBLIC IMPROVEMENT DISTRICT CUSTOMER ASSISTANCE PACKET

WHO SHOULD USE THIS PACKET?

Persons interested in improving and maintaining public facilities including, but not limited to: roads, storm sewers, sanitary sewers, and water distribution systems. Costs will be paid as they are incurred from a mill levy or assessment that is collected with property taxes.

INFORMATION INCLUDED WITH THIS PACKET

1. PURPOSE OF PUBLIC IMPROVEMENT DISTRICTS
2. DEFINITIONS
3. POLICIES FOR FORMATION AND ADMINISTRATION OF PUBLIC IMPROVEMENT DISTRICTS
4. PROCEDURE FOR THE FORMATION OF A PUBLIC IMPROVEMENT DISTRICT
5. TIMETABLE FOR PROCEEDING AND METHOD OF COLLECTING MILL LEVIES OR ASSESSMENTS
6. SAMPLE LETTER REQUESTING A PRELIMINARY ENGINEERING STUDY AND AN IMPROVEMENT PLAN.

PURPOSE

A Public Improvement District (PID) enables property owners within a given area to fund construction and maintenance of public facilities. Public facilities may include road improvements, storm sewers, sanitary sewer improvements or collection systems, water distribution systems, and parks or recreation areas.

DEFINITIONS

ASSESSED VALUE: The assessed value of a district is the sum of all land values and improvement values within the district boundary. The assessed values for individual properties are determined by the Summit County Assessor's office.

PID: Public Improvement District

PID COORDINATOR: An Engineering Department staff member who will assist the property owners in making a request for a district.

PRELIMINARY ENGINEERING: The engineering work done at the outset of a project and is conceptual in nature. It may represent the evaluation of several options.

PRELIMINARY COST ESTIMATE: The estimate cost of a project made at the time of preliminary engineering. It is based the best information available in terms of quantities and prices for the project. Where information is not available, the worst case conditions are assumed.

PROJECT BID PRICE: The amount bid for a project by the lowest responsible and reliable bidder. It is based upon bid prices and bid quantities.

PUBLIC FACILITY: A facility dedicated for public use and accepted by the appropriate governmental or quasi-governmental entity.

PUBLIC MAINTENANCE: A facility maintained by a governmental or quasi-governmental entity.

QUALIFIED ELECTOR: A person who at the designated time or event is qualified to vote in general elections in Colorado; and who has been a resident of the district (by means of voter registration) for not less than thirty (30) days or who or whose spouse owns taxable real or personal property within the district whether or not they reside in the district. Where the owner of taxable real or personal property within the district is not a natural person, an "elector" of the district shall include a person designated by the owner to vote for the entity. Such designation shall be in writing and filed with the county clerk and recorder. Only one such person may be designated by an owner.

STATUTORY LIEN: The mill levy or assessment associated with the PID constitutes a general tax lien according to CRS 30-20-501 et seq.

SUMMIT COUNTY POLICIES FOR FORMATION AND ADMINISTRATION OF PUBLIC IMPROVEMENT DISTRICTS

1. Complete an application for Public Improvement District, available from the County Engineering Department. Each application must be accompanied by a \$250 processing fee to cover the costs associated with reviewing the plan and cost estimate, as well as preparing the petition.
2. Applicants will then prepare a plan of construction and maintenance, provide cost estimates and submit the items to the Engineering Department who will prepare a petition for circulation by the applicants. The form of the petition will be approved by the County Attorney's Office.
3. Summit County Board of County Commissioners will hold a public hearing to consider forming a PID only after receiving a formal legal petition in support of the proposal. By state statute the petition must be signed by at least 30% or two hundred (200) of the electors who reside or own taxable or personal property within the proposed district, whichever is less.
4. In preparing its recommendation to the BOCC at the public hearing, the Engineering Department shall take into account the following:
 - a. Each district recommended for approval may be for construction and maintenance of new facilities or improvement and maintenance of existing facilities to a higher standard than currently exists.
 - b. Each project shall include a plan for maintenance of the improvement for a period of at least twenty (20) years following the improvement.
 - c. Each project shall include a plan for funding, which is adequate to pay the entire cost of the improvement over ten (10) years and the projected cost of maintenance for a twenty (20) year period following construction.
5. The County will only consider proposals for PID's for facilities that are dedicated to public use. In the case of road improvements or maintenance, the roads must be with the public right-of-way, by deed of dedication or by dedication on a plat to the satisfaction of Summit County.
6. All goods and services, including but not limited to consultant selection, bidding for construction, and contracting for construction shall be per Summit County Purchasing Policies.
7. Any and all variances from the above policies will require Board of County Commissioner approval.
8. Summit County shall charge an annual administrative fee of 5% to all districts.

PROCEDURE FOR THE FORMATION OF A PUBLIC IMPROVEMENT DISTRICT

1. The formation process for a PID begins after the Engineering Department receives a completed application and the application fee (\$250) from a group of property owners.
2. After reviewing the proposal with the Engineering Department, applicants must prepare a proposed improvement plan, preliminary engineering study and cost estimate, and submit these along with a letter of request from the proponents. The Engineering Department will use these documents to prepare a petition to be circulated by the petitioners.
 - a. The improvement plan must state what is being improved, the nature of the improvement, and the extent of the improvement.
 - b. The preliminary engineering study must include an estimate of the cost of construction and the estimated cost of maintenance of the improvement for a minimum of twenty (20) years following the construction. For projects which include only maintenance of existing facilities, cost estimates are only needed for one (1) year.
 - c. Engineering Department will add the cost of administration.
3. The Engineering Department will review the plan and preliminary engineering study for the project. The full range of options for each project will be considered including to do nothing, repair the existing facility, and total reconstruction of the facility. The study will consider how long each choice might last and its cost. The least expensive alternative which meets the design requirements will be recommended.
4. The Engineering Department will also review the preliminary cost estimate for construction or maintenance. The cost estimate is normally based on an estimate of quantities and construction bid prices, and is only a cursory investigation of site conditions at this stage. For this reason the Engineering Department will assume worst case conditions for estimated quantities. Prior to the formation of a district, the property owners may choose to pay for site specific investigations such as soil test, surveying, etc. to eliminate uncertainty in the cost estimate. If the property owners elect not to pay for further engineering at this stage, the cost estimate produced in the preliminary engineering study will be utilized in the formal legal petition requesting the County to form the district.
5. After reviewing the proposed improvement plan, preliminary engineering study and cost estimate, the Engineering Department will consider if the proposed level of funding is sufficient to improve the facility and maintain the facility in its improved condition for a minimum of twenty (20) years. The staff will prepare a recommendation to the Board of County Commissioners.
6. If the staff recommendation is for denial or approval with modification, the applicants may, in writing, request a review before the Board of County Commissioners.
7. A formal legal petition requesting the formation of the district must be prepared by the applicant in consultation with the Engineering Department. The petition must state:
 - a. The name of the proposed district
 - b. A general description of the improvements to be constructed, installed, acquired, operated, or maintained or the services to be provided by the district
 - c. The estimated cost of the proposed improvements or the estimated annual cost of providing the proposed services

- d. A general description of the boundaries of the district with enough clarity to enable a property owner to determine whether or not his or her property is within the district
 - e. The names of at least three (3) but not more than five (5) electors who will represent the district during the formation process as Advisory Board members.
 - f. A statement that either:
 - I. The boundaries of the proposed district include at least one hundred eligible electors, or
 - II. The boundaries of the proposed district include at least one eligible elector for each five acres of land included within the proposed district; or
 - III. The petition is signed by one hundred percent of the owners of taxable real property to be included in the proposed district
8. The applicant will be responsible for the circulation of the petition among the Qualified Electors of the proposed district. After the Clerk & Recorder receives the petition and verifies it was signed by at least 30% of the Qualified Electors of the proposed district, or 200 Qualified Electors (whichever is less), the public hearing process will be initiated. Along with the petition, the applicant must submit a financial guarantee in the form of a bond or cash in an amount sufficient to cover the cost of the PID process in the event the PID is not approved (public notice, mailing, admin costs, election, etc).
 9. The County Clerk will publish legal notice of a hearing before the Board of County Commissioners in a newspaper of general circulation and will also mail notices to all Qualified Electors within the proposed district as well as any municipality within three (3) miles of the district boundaries. At the public hearing, the Commissioners will hear concerns and comments from property owners and interested citizens regarding formation of the proposed district.
 10. If it is shown that the proposed improvements will benefit the district and that the cost of the improvements are not excessive as compared with the value of the property within the district, the BOCC may order the question of formation of the district and the question of issuance of bonds to be decided at a general election. The Board of County Commissioners must certify the item for the ballot at least 60 days prior to the election.
 11. If the ballot passes (simple majority of votes), final engineering design of the improvements and maintenance plan will be contracted by the Engineering Department. After the design is complete, the plans will be advertised for bid and the construction contract will be awarded to the lowest most responsive bidder. Design and construction are financed by the County and supervised by the Engineering Department staff.
 12. The Board of County Commissioners, acting as a district board, will establish a mill levy annually based on the annual cost to be applied to the assessed value of real property in the district or an assessment to generate funds to repay the debt and for district operations and administration. The Advisory Board members will make a recommendation for the annual budget to the County Commissioners, who will decide on the item during a public hearing.
 13. The additional mill levy or assessment will be part of the annual tax notice to property owners within the district.

SAMPLE PID FORMATION TIMETABLE OF EVENTS

Prior to January 1: Application filed and reviewed by the Engineering Department.

Prior to March 1: Preliminary engineering study, improvement plan, cost estimate and letter of intent completed and submitted to the Engineering Department.

By May 31: Signed petition submitted to the Clerk and Recorder along with a bond or cash sufficient to cover the cost of the cost of mailings, staff time and preparation for hearing.

Prior to June 10: Notify Treasurer and Assessor of possible district formation.

By July 31: Public hearing to consider formation of the district (not less than 20 days, nor more than 40 days after submission of the petition to the Clerk and Recorder).

No later than 4th Tuesday in August: BOCC certifies ballot for November election

Prior to October 10: Assessor certifies total valuation to the secretary of the special district.

1st Tuesday of November: Election to form the District and approve a mill levy or assessment.

Beginning in mid-November: Final design of the improvements and formal bidding process for construction and/or annual maintenance of the improvements

Not later than December 15: Secretary of the district (Clerk and Recorder) recommends levy or assessment to County Commissioners.

Not later than December 22: County Commissioners approve mill levy or assessment.

This timetable is an estimate only, and many factors may contribute to fluctuations

SAMPLE LETTER

December 1, 2008

Summit County Engineering Department
Attn: Ric Pocius, County Engineer
PO Box 5660
Frisco, CO 80443

Dear Mr. Pocius:

The homeowners association of Beetle Kill Pines has met and discussed the option of forming a Public Improvement District for improvements and maintenance of roads within the Beetle Kill Pines subdivision. We had a meeting on November 1, 2008 and found that a large number of the property owners that will benefit from the improvements are in favor of our association requesting that the Summit County Engineering Department review our preliminary engineering study and improvement plan. Enclosed please find our fee of \$250 to cover the cost of processing this application.

Respectfully,

Lance Saber
Beetle Kill Pines HOA President