



Road Improvement Districts, Spokane County, Washington

Encompassing 1,800 square miles, Spokane County has nine cities and is the business, trade, and cultural hub of the Intermountain Northwest. Rich in natural resources, its major industries include agriculture and forestry. The county has a strong military history, and the largest employer is the Fairchild Air Force Base. Its approximately 514,631 environmentally conscious residents enjoy 76 rivers and lakes, five ski resorts, six State parks, and four national forests.

Financing Challenges and Indicative Solution

With limited funds to improve the road system, the Spokane County must focus available resources on heavily used arterial roads. This leaves very little revenue for improving local neighborhood roads. However, State law allows special benefit assessment districts that let property owners finance road improvements in their neighborhoods by cooperating with each other and the county. These are called Road Improvement Districts (RIDs). RID is a special benefit assessment district which allows property owners to cooperate with one another and with the county to finance road improvements in their neighborhood. RIDs are used for improvements which result in a benefit to the properties in the district.

Road Improvement Districts (RIDs)

In 1955, Spokane County implemented its first RID. Since that time, 729 have been attempted, 546 were constructed, and 348 miles of roads are now improved. RIDs can be used to rebuild or upgrade existing public roads; finance new paving, curbs, gutters, storm drainage, or sidewalks; or improve existing private roads, which must then be included in the county's public road system. They cannot be used to maintain existing roadways (grading, graveling, oiling, or plowing) or improve private roads that remain private.

The county has three basic RID concepts. The first one is that the boundaries should encompass, as much as possible, all the property that is specially benefited. The second concept is that the special benefit is the increased true and fair value the improvement adds to the property. This is the difference between the property value without the improvement and the value with it. The third concept is that an assessment should not be more than the special benefits derived from the improvements.

Formation Process

Any local resident, owner, or community group can ask for a RID in their area by submitting an informal letter of support, signed by a majority of property owners, to the county. Each request is reviewed on a first-come, first-served basis and can take several years to get to the top of the list. When it is almost time to review a request, the county public works staff prepares a preliminary improvement concept, cost estimate, and assessment method; holds an informational neighborhood meeting to discuss ideas with the owners; schedules a public hearing and election to form the RID; coordinates all aspects of construction; and develops the final assessment roll, based on actual project costs. Both the owner and county engineer play key roles throughout the process.



The engineer makes sure a quality product is constructed at the least cost. This is done by ensuring that all legal, procedural steps are met; developing the improvement plan and cost estimate; coordinating meetings, notifications, public hearings, and election of the RID by owners; approving the design and construction specifications; inspecting the construction work; monitoring costs; being the point of public contact; and maintaining a neutral position on the formation of the RID.

The property owner is directly involved from beginning to end. This includes creating the initial letter of interest; completing surveys; attending neighborhood meetings; sharing comments and suggestions; offering testimony at the public hearing; voting in the election; and, if necessary, protesting the final property assessment.

At the initial neighborhood meeting, the county's public works staff presents and discusses the RID process and project details with benefitting property owners. They determine if the owners seem interested in pursuing the RID through an interest survey, group discussion, comments on an opinion poll, and conversations. After the meeting, a detailed summary is mailed to every owner.

Closeout Process

The Board of County Commissioners then begins the legal process. It adopts a Resolution of Intention declaring its intention to form the RID, including setting the date, time, and place for a public hearing to consider its feasibility. Owners and the public are notified about the hearing in two ways. Public notices are published in the main local newspaper and a notice packet is mailed to every owner and taxpayer at least 15 days before the hearing. The packet includes the date, time, and place of the hearing; estimated project cost; and assessment amount for each benefitting parcel. The owner's packet also includes an election ballot and return envelope.

Next, the board conducts a hearing to consider the feasibility and overall benefit of the RID in relationship to its estimated cost. Written or verbal public testimony is taken from owners to determine if they are for or against the RID. At the conclusion of the hearing, the board decides whether the benefits to the overall neighborhood exceed the estimated cost. If the answer is no, the board can terminate the RID immediately. If it is yes, they put the RID formation up for vote by the owners. Ballots for the owners' votes must be in the hands of the board clerk by 5 p.m. the Tuesday after the public hearing, and each dollar of the estimated assessment cost equals one vote.

The board reconvenes the hearing to receive election results, which must occur within one to two weeks after the ballots are received. Ballots are tabulated by the clerk, the results are certified to the board, and a simple majority of votes determines the outcome. If the majority votes no, the board terminates the proposed RID. If it is yes, the board can form the RID and order construction.



After construction is ordered, the RID is ready to be designed and the estimate is updated. Once the board authorizes the budget, the RID is either put out to bid or scheduled for in-house work. Then, construction begins and final costs are calculated. Throughout this period, RID staff continually monitors costs in relation to the original estimate.

Final Assessment and Repayment Process

A final assessment roll is prepared and set for a public hearing review, and the board adopts a resolution to schedule the hearing. Legal notices are published in the newspaper and a notice packet is mailed to benefiting owners and taxpayers at least 15 days before the hearing. The packet includes the date, time, and place of the hearing; final RID cost; and each parcel owner's proposed final total assessment.

There is a final hearing, with the board functioning as a board of equalization. They review the proposed final assessment roll and consider any formal legal protests that were filed in a timely manner. Any testimony about a parcel's assessment being too high has to be written and submitted before the hearing, and must clearly state why the assessment amount exceeds the benefit. It is highly recommended that any protest is substantiated by professional expert evidence or testimony. The board may modify the roll before it goes to the treasurer for collection.

At this point, the treasurer begins the assessment process. Statement notices are mailed to owners, who have a 30-day interest-free payment period. On the 31st day, 10-year installment plans begin automatically. The first payment is due within 12 months of the statement notice. A tenth of the assessment, plus simple interest on unpaid balances, is due each year. Temporary interest rates by county code are 8 percent until the bond is sold. Then, it adjusts to the bond interest rate plus one-half percent. Full payment can be made at any time without penalty and the assessment is a property lien until it is completely repaid.

RID bonds are sold by a bid or negotiated sale to one or more private investors and, because the earnings are not taxed, the interest rate is relatively low. The bonds are typically sold within a year of the final hearing, before the first installment is due. They are repaid from property assessments and owners can take up to 10 years to repay them. A property lien ensures that the bond will be repaid.

By making it possible for owners to upgrade local roads, RIDs have increased property values while improving entire neighborhoods. As a result, they have enhanced all of Spokane County—without taking revenue away from arterial roads.

Sources:

[Spokane County Public Works – Road Improvement Districts](#)
[Advantage Spokane – Spokane County](#)



Advantage Spokane – Quality of Life