

## Minutes of July 11, 2011, ECIA Road Committee Meeting

The meeting was called to order by Chair Nolan Zisman at 6:05 P.M. Also in attendance were member Bob Burdette, potential new member Laurie Grob, and Board member Greg Bundrick, sitting in for Board Liaison Ed Moreno. Excused absences were Linda Pierce, Dale Knapp, Fred Raznick.

There was no one for Public Forum and no open Old Business.

### New Business:

Nolan reported on the content of the County's June 1 meeting on Special Assessment Districts. He distributed an extract from a handout from that meeting that discusses, via the FAQ method, the attributes of the different types of special districts available to support chip sealing of roads and the alternative means of funding that type of work. In Nolan's opinion the best means are using the petition-method to create a County Improvement District (CID) financed by a special assessment of beneficiary property owners within the CID, which, in all likelihood, would be an add-on to the lot owners' property tax bill. Establishing a CID requires signatures representing at least two-thirds ownership of the total assessed value of properties within the proposed CID. If approved all property owners within the geographical boundaries of the CID would be obligated by law to pay the assessment. Other alternatives were briefly identified and discussed. The attachment represents the materials distributed by Nolan. The last page are questions currently with the County Attorney's office. Once received Nolan will prepare articles for Vistas and the ECIA web site to inform Eldorado residents/lot owners of the process which can be used to effect chip sealing of current dirt roads.

There being no additional business, the meeting was adjourned at 6:40 P.M. The next meeting will be on September 12 at 6PM.

Submitted by Nolan Zisman

## FAQ's

### COUNTY IMPROVEMENT DISTRICTS

#### 1. What is a County Improvement District?

A County Improvement District is a district established to finance specific capital improvements projects or a combination of projects and to assess residents with the district a proportional share of the cost of the capital improvements.

#### 2. How is a County Improvement District created?

A County Improvement District is beneficial when a community has identified particular projects that would ordinarily not be funded by the county absent a contribution from the property owners.

#### 3. What type of projects can be funded by a County Improvement District?

An Improvement District may construct, acquire, repair or maintain any one or any combination of the following:

- a. a street, road, bridge, walkway, overpass, underpass, parkway, alley, curb, gutter or sidewalk project;
- b. a utility project for providing gas, water, electricity or telephone service;
- c. a storm sewer project, sanitary sewer project, or water project;
- d. a flood control or storm drainange project; or,

e. a railroad spur, track, rail yard or switch project.

In addition, an Improvement District may fund the following additional items to support economic development or to address deficiencies arising from premature sub-division:

a. street right of way or street access control;

b. drainage easements or rights-of-way;

c. park, recreation or open-space areas;

d. overall grading and drainage plan; and,

e. adequate subdivision grading both on or off the public right-of-way.

#### 4. How is a County Improvement District created?

An improvement district can be created by provisional order or petition method.

To create a district by provisional order, an engineer is assigned to prepare a preliminary plan and cost estimate which, after review, forms the basis for provisional order of the Board of County Commissioners, which creates the district. The exact procedure by which a district is created is complicated and would be impractical to set out here in detail.

To create a district by the petition method, owners of property in an area proposed for a district submit a petition to the Board of County Commissioners that is signed by the owners of 66 2/3% of the total assessed valuation with the territory to be assigned to the district. If accepted by the Board of County Commissioners, a resolution is adopted creating the district.

#### 5. May County staff assist owners to create a district by the petition method?

Yes.

#### 6. Who governs a County improvement District?

The Board of County Commissioners serves as the governing authority of County improvement District, and County staff supports the district.

#### 7. What comprises the geographic area of a County Improvement District?

The territory within an improvement district is assigned by the Board of County Commissioners in the Petition Method and is governed by the petition in the Petition Method.

#### 8. How long is a County Improvement District in existence?

An improvement district persists until the project or projects for which the district was created are completed.

#### 9. How is a County Improvement District financed?

Improvements to be made within an improvement district may be financed from appropriations from the New Mexico Legislature, from a budgeted appropriation from the Board of County Commissioners, from a direct assessment of the costs of the improvement from owners of property within the district, from revenue from a general obligation bond or revenue bond, from an improvement district property tax, or from any combination of the foregoing.

#### 10. May a property tax be imposed to pay for capital improvements within the district?

Yes, but the property tax is for the sole purpose of repaying interest and principal on general obligation bonds issued to support the district, which bonds are approved by the voters.

11. May the County create improvements and assess the owners within the improvement district?

Yes. If the Board of County Commissioners creates capital improvements within a district, the County may advance the cost of the capital improvements and then subsequently assess the costs to the property owners over a reasonable period of time. A public hearing is required; following the hearing an assessment is levied proportionally against the benefitting property owners according to the property's valuation.

12. Are the voters required to approve the creation of a County Improvement District?

No, but voter approval is required of any general obligation bond and corresponding property tax levy.

13. Is there a limitation on the amount of improvements that may be provided by an Improvement District?

Yes. In general a property may not be assessed more than the total increase of value attributable (to that property) to the improvements provided by the District. And, the principal amount of general obligation bonds issued to support an Improvement District is limited to twenty five percent (25%) of the value of all properties within the district after completion of the project(s) to be financed.

14. What statutes govern the creation of County Improvement Districts?

NMSA 1978, Sections 4-55A-1 through 4-55A-43 (1980, as amended).