



## Charter, Code and Policies

### City of Portland

GENERAL INFORMATION: 503-823-4000 EMAIL: [cityinfo@portlandoregon.gov](mailto:cityinfo@portlandoregon.gov)

More Contact Info (<http://www.portlandoregon.gov/citycode/article/15472>)

## ENB-6.01 - Local Improvement District Process Policy

edit content

### LOCAL IMPROVEMENT DISTRICT PROCESS POLICY

Binding City Policy

BCP-ENB-6.01

---

#### PURPOSE

WHEREAS, the Local Improvement District (LID) process provides an excellent tool for citizens to obtain needed improvements in their neighborhoods, and

WHEREAS, the LID improvements can be financed through the use of General Obligation Bancroft Bonds, and

WHEREAS, debt service on Bancroft Bonds is paid by assessments against LID property owners with the general taxing power of the City as back-up security, and

WHEREAS, any failure of LID assessments to produce sufficient revenues to pay debt service on outstanding Bancroft Bonds could force the City to levy a general property tax against all property owners within the City, and

WHEREAS, the City's financial advisor, Government Finance Associates, has conducted an analysis of the LID Construction Fund and the Improvement Bond Interest and Sinking Fund which has recommended that certain policies be set, and administrative actions taken, to promote the fiscal health of these funds and to prevent problems experience by other jurisdictions.

---

#### POLICY

##### NOW, THEREFORE, BE IT RESOLVED

1. That the City shall maintain an active and effective LID process to allow citizens to obtain local improvements as necessary, and
2. That the full cost of the LID process should be recovered from benefitted property owners or other previously identified and approved sources of funding, and
3. That to ensure that all benefitted property owners pay all costs associated with their LIDs, the City Auditor is directed to annually review all LID fees and assessments to ensure that all direct financing and administrative costs are recovered from the benefitted property owners, and to bring recommendations to Council to implement these fees and charges, and
4. That no assessments or charges will be waived by the City without first identifying an alternative source of funding which does not rely upon payments from or charges to non-benefitted property owners, and
5. That the City's investment program continue to be managed to maximize earnings in the Improvement Bond Interest and Sinking Fund, and
6. That the City Auditor is hereby directed to continue her efforts to improve the collection activities necessary to ensure full and prompt payment of all LID and Improvement Bond assessments and charges, and the City Auditor is further directed to bring revised policies to improve collections to the Council for approval as soon as possible, and

7. That the Office of Fiscal Administration and the City Auditor are directed to monitor bond market conditions and to bring to Council ordinances authorizing defeasance or refunding of Bancroft debt as appropriate to further improve the condition of the Improvement Bond Interest and Sinking Fund and to reduce the possibilities of any future deficits, and

8. That the Office of Fiscal Administration and the City Auditor are hereby directed to structure all future Bancroft Bond issues and interim LID financing to comply with the provisions of the Tax Reform Act of 1986, to reduce any risks for the City as a whole, and to obtain the best possible interest rates for benefitted property owners.

BE IT FURTHER RESOLVED

1. That the City Council accepts the reports of the City's financial advisor on the LID Construction Fund and the Improvement Bond Interest and Sinking Fund, and

2. That the Office of Fiscal Administration and the City Auditor are hereby directed to take all necessary steps and to obtain necessary Council approval to implement the recommendations in those two reports, and

3. That the City's financial advisor be requested to review the City's progress in implementing these recommendations and to identify any additional actions that may be required. This review should occur in July and August, 1988.

---

HISTORY

Filed for inclusion in PPD December 4, 2003.

Resolution No. 34367 adopted by City Council November 12, 1987.

---