County Improvement Districts for Road Improvements

What is a County Improvement District?

A special taxing district formed for a limited purpose, in this case to make road improvements.

How much can a District spend on improvements?

- If funded by sale of bonds: No limit if done through standard process of selling bonds to private investors, but this generally requires very large (several million dollars) of improvements.
- If funded by advances from County: Statutes limit advances to $300,000 per project.

How is a district formed?

- Majority of owners must petition the Board of Supervisors to form district. The Board notifies all owners and holds hearing to determine whether to form the district. If formed, the Board has Pima County Transportation staff estimate the costs of improvements and has Finance staff determine whether the financing will work considering:
  - Are there enough property owners to pay the costs?
  - Are the property values sufficient to collateralize the financing?
  - Is the project no more than $300,000, or if greater, is there a market for this size of debt?

How is the project designed/constructed?

- Pima County Transportation will design the project. The project must be competitively bid and awarded to the lowest qualified bidder.

How do owners repay the financing?

- All property owners within the district are assessed a proportionate share of the cost which is either paid at the beginning of construction or over a period of years through an annual assessment with interest. If paid over time, there is a lien on the owner’s property and the amount together with interest is paid.

For more information: Pima County Finance and Risk Management, 724-8579

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