

Memorandum



CITY OF DALLAS

DATE August 3, 2018

TO The Honorable Members of the Economic Development & Housing Committee:
Tennell Atkins, Chair, Rickey D. Callahan, Vice-Chair, Lee M. Kleinman,
Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,
Omar Narvaez

SUBJECT **Upcoming Agenda Item: August 22, 2018 Call for Public Hearing for Public Improvement Districts (PIDs) to Set Annual Assessment Rates for 2018 and Adopt 2019 Service Plans**

Background

Chapter 372 of the Texas Local Government Code, Improvement Districts in Municipalities and Counties, requires that the City Council annually call and hold a public hearing to set the annual assessment rate for property in each district and approve a Service Plan for each district. These actions take place in September each year after the management of each public improvement district (PID) has reviewed changes in the appraised values and service needs for their district and prepared an annual budget for the remaining term of the PID.

PIDs are governed by state law and City of Dallas PID Policy (adopted in December 2005 and last amended on October 23, 2013). In the City of Dallas, a PID is a special assessment area created at request of property owners in the proposed district via petition. Property owners pay a supplemental assessment with their taxes, which PIDs use for services and/or improvements above and beyond existing City services. The assessment allows each PID to have its own work program, which may consist of eligible activities such as marketing, providing additional security, landscaping and lighting, street cleaning, and cultural or recreational improvements. City's power to levy is limited to petition and budget categories/costs approved by property owners. Individual PIDs are governed by property owner elected boards and managed by a specifically formed non-profit organization or homeowners' association.

Below is a list of the PIDs in Dallas

- Dallas Downtown Improvement District
- Deep Ellum Public Improvement District
- Klyde Warren Park/Dallas Arts Public Improvement District
- Knox Street Public Improvement District
- Lake Highlands Public Improvement District
- North Lake Highlands Public Improvement District
- Oak Lawn Hi-Line Public Improvement District

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- Prestonwood Public Improvement District
- *South Dallas/Fair Park Public Improvement District
- South Side Public Improvement District
- Tourism Public Improvement District
- University Crossing Public Improvement District
- Uptown Public Improvement District
- Vickery Meadow Public Improvement District

* In October 2017, the South Dallas/Fair Park PID Management Contract was terminated. Since there is no PID Manager, the City did not receive a 2019 Service Plan. Funds will not be assessed in 2018 and therefore no Council items are needed to call and hold the public hearing and set the assessment rate. The City has collected the approximately \$105,000 in 2017 assessment. Any future South Dallas/Fair Park PID Manager will execute a management contract allowing for the expenditure of the previous year's collections to implement the 2018 Service Plan.

With the exception of the South Dallas/Fair Park PID, the City desires, by the calling and holding of such public hearings, to provide a reasonable opportunity for any owner of property located within each district to speak for or against the proposed assessment rate for each district. On August 22, 2018, City Council will consider calling a public hearing to be held on September 12, 2018. At the close of the public hearing on September 12, 2018, City Council will take action to adopt the final 2019 Service Plans, the final 2018 Assessment Plans and the 2018 Assessment Rolls.

City staff is working with Dallas County and each of the PIDs to finalize the assessment rolls and copies of the individual PID Service Plans and budgets. These documents provide more detailed information regarding the improvements and services proposed for 2019. A follow up memo will be sent prior to the September 12th public hearing, once the 2018 assessment rolls have been compiled.

Fiscal Information

No cost consideration to the City except for the Downtown Improvement District. Last year's assessment for the Downtown Improvement District on City-owned property was \$659,987. 2018 estimate is pending.

Issues

The City must adhere to the City Council annual schedule of calling for public hearing (last August Council date) and holding of public hearing (first September Council date) so that Dallas County can include the PID assessments in the regular tax bills. If this schedule is not met, the City would need to find another way to collect the assessments, costing the City money to send a separate bill, and would likely not have the same success rate with payments or issuing penalties.

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Recommendation

Staff recommends City Council's approval to call and hold a public hearing for each district to set the annual assessment rate for property in each district and authorize the Service Plan for each district.

Should you have any questions, please contact me at (214) 671-5257.



Raquel Favela
Chief of Economic Development & Neighborhood Services

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Billierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager

Majed A. Al-Ghafry, Assistant City Manager
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Chief of Community Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors