

Memorandum



CITY OF DALLAS

DATE June 17, 2016

TO Honorable Members of the Housing Committee:
Scott Griggs (Chair), Carolyn King Arnold (Vice-Chair), Monica R. Alonzo, Tiffinni A. Young, Mark Clayton, Casey Thomas, II.

SUBJECT **Abandonment Procedures and Fees**

On June 20, 2016 you will be briefed on abandonment processes and fees. The purpose of this briefing is to receive direction from the committee as to whether changes should be considered to current processes and fees relative to abandonments adjacent to residentially zoned properties.

A handwritten signature in blue ink, appearing to read 'Ry - S. E'.

Ryan S. Evans
First Assistant City Manager

Attachment

c: Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Christopher D. Bowers, Interim City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Managing Director, Public Information Office
Elsa Cantu, Assistant to the City Manager – Mayor & Council

Abandonment Procedures and Fees

Housing Committee
June 20, 2016



Purpose

- Discuss current regulations and fees
- Review specific concerns
- Review possible issues



Abandonment Types

- Most common types of abandonment requests:
 - Street, Alley or Storm Water Management Area
 - Utility Easement (utility, water, wastewater, etc.), Drainage Easement or Other Easement Areas (fire lane, etc.)



Current Process

- Applicant submits written request and initial fees
 - \$4,250 application fee, non-refundable
 - \$75 minimum recording fee
 - Additional appraisal fees, if required
- Request routed to departments and outside agencies for review
- Notices to property owners within 300 ft (if applicable)
- Market value of the property is determined



Determination of Market Value

- If estimated abandonment fee is less than \$20K, DCAD value can be used as the market value
- If estimated abandonment fee is \$20K or more, an independent appraisal is used to determine market value
 - Applicant submits \$2,500 minimum deposit for appraisal fee
 - If appraisal bid exceeds \$2,500, applicant pays difference; if less, applicant refunded difference
- The abandonment fee will be the greater of:
 - Market value or \$5,400

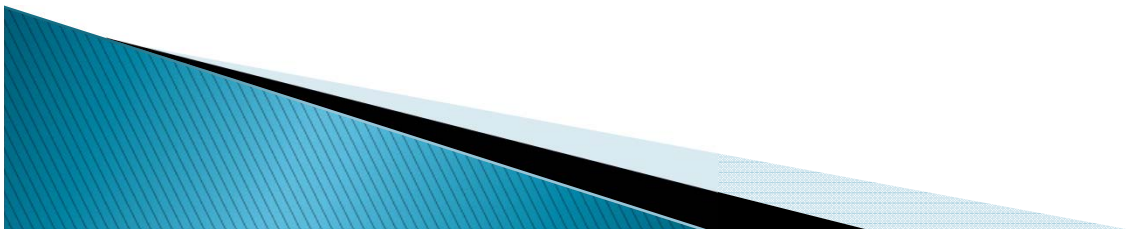
Allowable Credits and Discounts

- If City needs additional property owned by an applicant in the area of the proposed abandonment, a square foot for square foot credit will be given against the area to be abandoned
- If area dedicated to City exceeds the area abandoned, the applicant will only be charged a processing fee of \$5,400
- If easements are retained by the City, the appraiser may discount up to 15 percent



Fees Charged for Other Abandonments

- Utility, drainage or other easements:
 - If originally dedicated to the city at no cost:
 - 0–5 Easements: charge processing fee of \$5,400
 - Additional fee of \$1,000 for each easement after the 5th one



Specific Concern

- Are abandonment fee amounts appropriate in residentially zoned areas?
- Can fees be reduced for abutting residential owners
- Adjacent owners desire to improve and/or utilize parkway area for private purposes



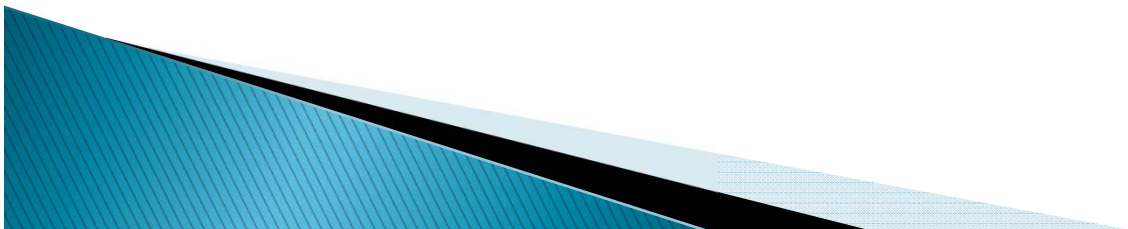
Issues

- State law requires City to receive fair market value for property transactions
- Texas Constitution prohibits gifts of public funds exclusively for private benefit
- Possible equal protection issues in treating commercial and residential owners differently
- Revenue impact to general fund

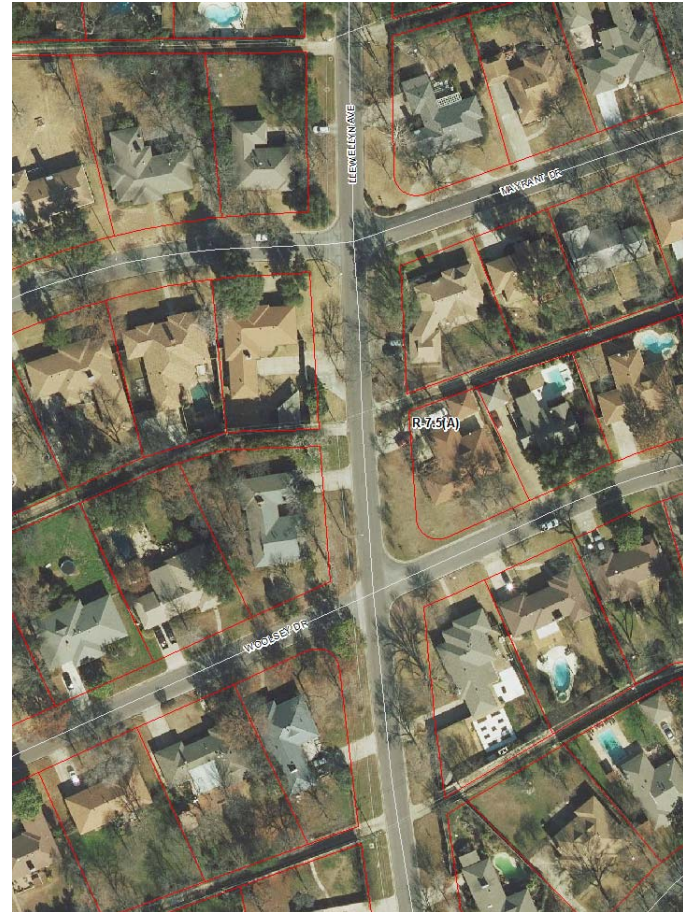
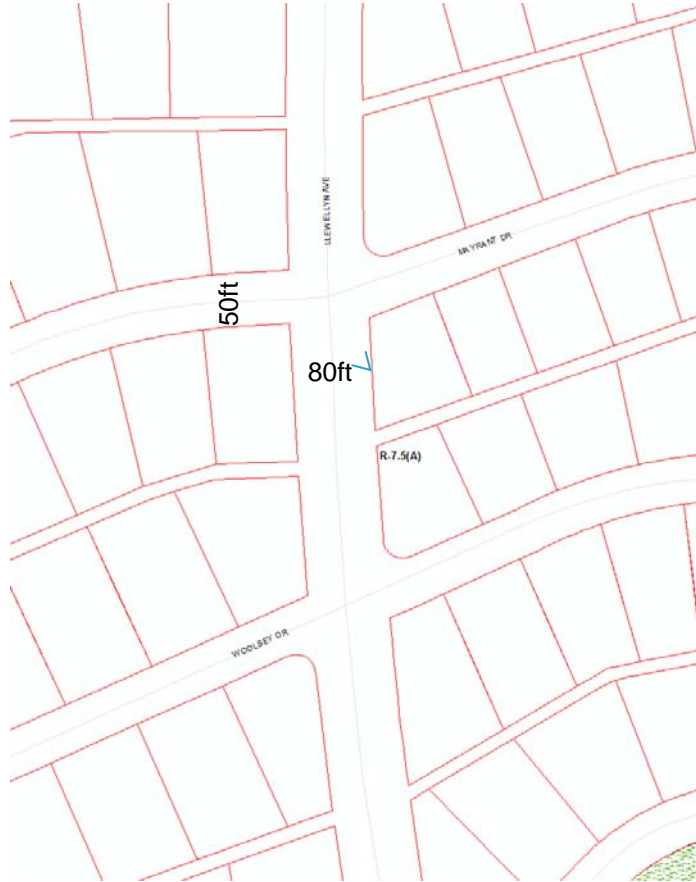


Issues

- Limits the City's future options and flexibility (bike lanes, trails, sidewalks)
- Individual abandonments may result in “saw-toothing” of right-of-way property lines
- Potential for setback issues and neighborhood disputes
- Creation of inconsistent block faces
- Potential change in street character



Example



Example



Alternative

- ▶ Credit 85 percent of \$4250 application fee for residential abandonments if
 - Request is in an single family or duplex zoned area adjacent to a residential dwelling unit
 - Minimum ROW required by Thoroughfare Plan or Code is maintained
 - Standard review by utilities and City departments clears with no objections
- ▶ Existing procedures provide that replies resulting from 300 ft. notification are provided in agenda materials for council consideration

Questions

