WHEREAS, Chapter 372 of the Texas Local Government Code (the "Act") allows for the creation of public improvement districts; and

WHEREAS, on October 5, 2009, the Economic Development Committee was briefed on the proposed amended PID Policy and recommended the item to the City Council for consideration and approval on October 28, 2009.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the amended City of Dallas Public Improvement District (PID) Policy, as presented in **(Exhibit A**), be adopted as a policy guideline for the Area Redevelopment Program and is hereby established and approved.

Section 2. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

Section 3. That the City of Dallas Public Improvement District (PID) Policy **(Exhibit A)** shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

Distribution: Office of Economic Development – Tenna Kirk, 5CS
Office of Economic Development – Sajid Safdar, 2CN
City Attorney's Office - Barbara Martinez

APPROVED BY
CITY COUNCIL

OCT 28 2009

Deborah Watkins
City Secretary

EXHIBIT A

City of Dallas PID Policy

Adopted December 14, 2005
Amended June 25, 2008
Amended October 28, 2009

City of Dallas

Office of Economic
Development
www.dallas-ecodev.org

09 2620

Exhibit A

PID Policy - Background

- On December 14, 2005, the City Council, pursuant to Resolution Number 05-3539, adopted the City of Dallas Public Improvement District (PID) Policy for the creation, renewal, administration and management of Public Improvement Districts within the City of Dallas.
- On June 25, 2008, the City Council pursuant to Resolution Number 08-1782 adopted amendments to the City of Dallas PID policy.
- On September 8, 2009, the Economic Development Committee was briefed on the annual service plan and assessment process for the eight existing PIDs. The Committee requested a few clarifications to the current PID policy in the form of a minor amendment to be brought forward at a future date.
- On October 5, 2009, the Economic Development Committee reviewed an amendment to the PID policy and recommended the amended policy for City Council approval.
- On October 28, 2009, the City Council considered the amended PID policy.

09 26620

Exhibit A

PID Policy – Overall Recommendations

- The City of Dallas should continue to support and upgrade the use of Public Improvement Districts for Commercial and Mixed Use Areas.
- The Prestonwood PID shall continue to be renewed, supported and administered until such time the City Council deems it appropriate not to pursue renewal in accordance with Chapter 372 of the Texas Local Government Code. *Procedures for renewal will follow those outlined in this policy for single-family PIDs.*
- The City of Dallas Office of Economic Development will allow the use of Public Improvement Districts for single-family districts (defined as areas with a minimum of 30% of land area dedicated to detached single-family housing) in established areas (defined as at least 80% of all single-family lots being developed) for the purpose of funding screening wall improvements, park improvements and maintenance, landscaping, other public improvement and additional security if less than 50% of the total PID budget.
- The amended PID Policy will NOT support the creation of PID Districts in undeveloped subdivisions.

NOTE: Statements in italics are recommended changes from the adopted policy.

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Exhibit A

PID Policy (continued)

- In new and renewing *commercial or mixed use district* PIDs, the City will require that Owners representing at least 60% of the value and 60% of all record Owners or 60% of land area support the creation of a new or renewing PID.
  - Petitions will not be required to be notarized.
  - Staff will verify that the person signing the petition is the owner and has the authority to sign.
  - PID petitions shall include this additional note: "With respect to community property, the City may accept the signature of a spouse as a representation of both spouses that they support the creation or renewal of the PID absent a separate property agreement. *However, if staff is made aware of any disagreement among owners of community property those petitions will not be counted.*
- In new or *renewing* Single-Family PIDs, the City will require that Owners representing at least 66.7% of the value and 66.7% of all record Owners or 66.7% of land area support the creation of a new PID.
- PID petitions will be due on April 1st annually for approval by October 1st. Signatures for PID petitions must be gathered between October 1 and April 1 prior to the submission of the petition.
- PID assessments will be based on a set rate based on total property value. The maximum PID assessment in Dallas shall be $0.15 per $100 valuation.
- PIDs in Dallas will be allowed to fund any item provided by state law.

NOTE: Statements in italics are recommended changes from the adopted policy.

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Exhibit A

PID Policy (continued)

- PIDs must be self-sufficient and not adversely impact ordinary service delivery of the City.
- Administrative expenses, including costs for day to day City Staff administration, for a PID shall not exceed ***15%*** of the total budget in any year.
- A PID Service Plan shall contain procedures for the termination of the PID without imposing unintended costs on the City of Dallas. A PID cannot be dissolved without a petition from property owners and must be sufficient as for creation or renewal in accordance with Chapter 372, Section 372.005(b).
- Upon approval of a PID, City staff will file the resolution creating the PID including the assessment roll in the Dallas or other County deed records and provide contact information so that a title company may determine how much of an assessment is owed or paid for each property in the PID each year This will ensure that a title company can pro-rate the assessments for the year between the buyer and seller in the same way the title company is responsible for calculating and collecting the taxes apportioned between the buyer and seller at the date of closing. This practice will not involve separately recording documents for each parcel within a PID.

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Exhibit A

PID Policy (continued)

- Property owned by the City of Dallas shall not be subject to assessment by any PID, excluding the Downtown Improvement District.
- An application fee of $15,000 will be required for all new or renewing PIDs. This fee may be reimbursed to the PID management entity out of PID assessments when collected. This fee is regulatory in character so it approximates the costs of administering the PID through creation or renewal by City staff. The fee will be used for direct expenditures and to compensate the City of Dallas for creation and renewal staff time expended. If the City of Dallas costs for this process are less than $15,000, the remainder will be reimbursed to the PID applicant. The application fee will not be counted as part of the 15% maximum for administrative expenses in a PID budget.
- A PID application for creating or renewing a PID shall include a current list of properties and tax roll (City will assist in this process in coordination with the PID and DCAD).

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Exhibit A

PID Policy (continued)

- PID applications shall include a map acceptable to the Office of Economic Development and a legal or clear description of the property included in the District. This practice will not require that the applicant provide property surveys.
- A PID application for creating or renewing a PID shall include a section that clearly identifies the benefit of the PID to the affected property owners and to the city as a whole and also evidence of insurance.
- Any management firm for a PID shall be required to submit quarterly reports of all activities and expenditures; an annual independent audit of all PID expenditures; and shall hold an annual meeting open to all property owners and held in a public meeting space with written notice to all property owners in the PID at least two weeks prior to this meeting to provide an opportunity for property owner questions, comments and input to be considered during the PID Budget and Service Plan approval process.

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Exhibit A

PID Policy (continued)

- Special Purpose PIDs may be requested by the City Manager's Office to address unique issues.
- The maximum PID assessment in these districts may be above $0.15 per $100 valuation.
- These PIDs in Dallas will be allowed to fund any item provided by state law.
- These Districts may be used to address special facility maintenance and beautification issues.
- Administrative expenses in these districts shall not exceed ***10%*** of the total budget in any year.

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