

Proposed New Public Improvement Districts

**Economic Development
and Housing Committee
August 1, 2005**

Background

- **The Business & Commerce Committee discussed authorizing three new Public Improvement Districts (PIDs) at their June 2005 meeting. The proposed South Side PID garnered support from the committee and will be considered for approval at the August 10, 2005 City Council meeting.**
- **The proposed Southeast Dallas and Preston Hollow North PIDs generated a great deal of discussion and no clear consensus. This briefing will outline issues related to each of these proposed PIDs.**

Legal Authority to Create PIDs

- **Chapter 372 of the Texas Local Government Code provides for the establishment of PIDs to provide property owner funded and managed supplemental services in specified areas.**
- **PIDs are established by the municipality in response to petition from citizens who own property in the specified area.**

Purpose of PIDs/ Petition Requirement

- **PIDs are designed to supplement City services and not replace them.**
- **A municipality may establish a PID if: property owners of record sign petitions representing:**
 - (1) more than 50 Percent of the total value of property in the specified area and**
 - (2) more than 50 percent of the number of property owners of record, or more than 50 percent of the land area.**

City of Dallas PIDs

- **The City's Current PIDs are:**
 - Dallas Downtown Improvement District -
(called the DID)**
 - Uptown PID
(Scheduled for Renewal
on August 10, 2005)**
 - Vickery Meadow PID**
 - Prestonwood PID**
 - Deep Ellum PID**
 - South Side PID
(Scheduled for Approval
on August 10, 2005)**

Summary of Activities for PIDs

- **Four of the existing PIDs are composed of residential and commercial properties – DID, Uptown, Vickery Meadow and Deep Ellum. The proposed South Side PID is also composed of residential and commercial properties.**
- **Prestonwood, is the only residential PID.**
- **Some of the authorized improvements are: Capital Improvements, Promotion, Maintenance of Amenity Features, Security, Community and Public Services, Property Standards Enforcement and Administration.**

Pending PIDs – Preston Hollow North

- Preston Hollow North –

Single-Family Residential Area

1162 accounts

Signed Petitions Supporting PID:

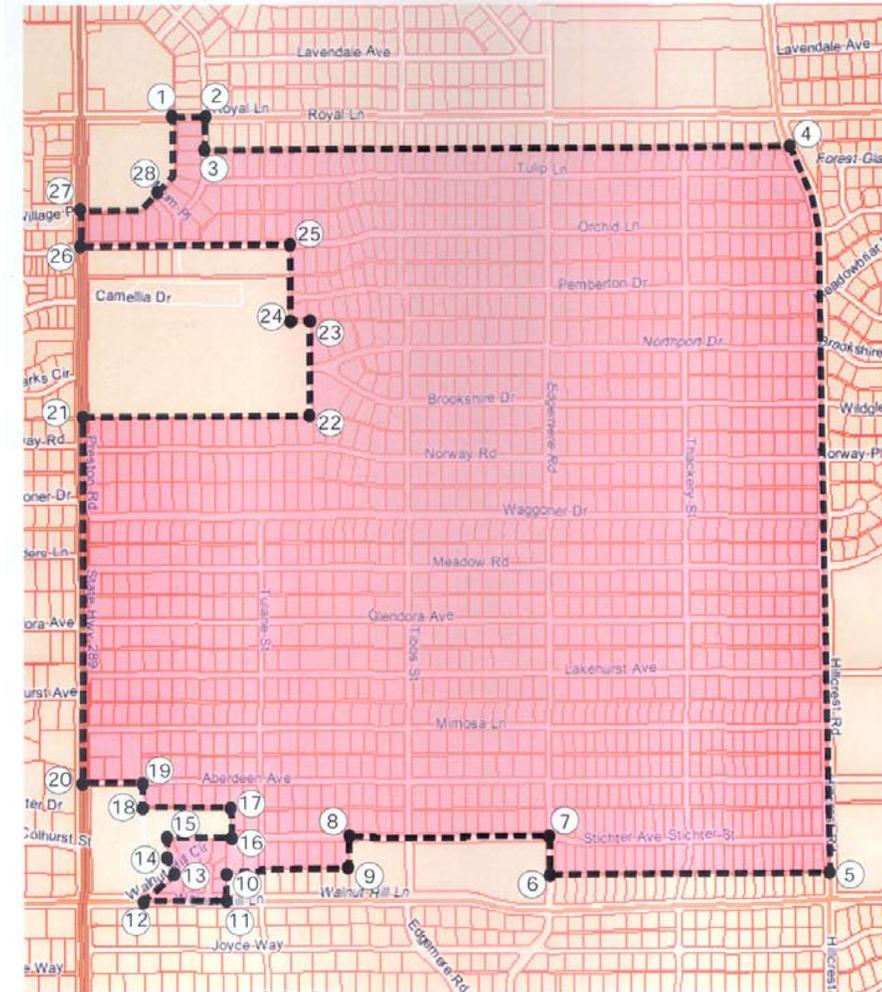
70.64% of Property Owners

69.85% of Total Value

Preston Hollow North

- **Preston Hollow North is a residential area generally bounded by Preston Road, Royal Lane, Hillcrest and Walnut Hill Lane.**
- **Preston Hollow North Homeowners Association presented the signed petitions on April 28, 2005.**
- **The proposed PID Budget focuses funding on providing supplemental security services for the entire district.**
- **The method of assessment requested is based on a set amount for each property - \$262.65.**
- **The Total Seven-Year Budget is \$2,247,419. The Average Annual Budget is \$321,059.**
- **The management entity for the district is envisioned to be the Preston Hollow North Homeowners Association Board.**

Proposed Preston Hollow North PID - Map of the District



Proposed P.I.D Boundary Map
02.24.04

Preston Hollow North PID Budget 2006

Security Expense	\$289,677
Off-Duty Police Officer, Equipment, Communications & Insurance	
Administration	<u>\$15,000</u>
Total	\$304,677

Issues – Preston Hollow North PID

- **There are some vocal members of the Preston Hollow North Homeowners Association that do not wish to participate in a new PID.**
- **The petitions were collected over a period of a year and a half. Staff has verified that the signature matches the property owner of record. Some Council Members felt that a signature from 18 months ago may no longer be valid.**
- **Staff has confirmed that the assessment can be collected through the Special Collections group at a fee of \$2 per account. The cost of staff time, mailing and this collection is included in the Administration budget line item for the PID.**

Issues – Preston Hollow North PID

- **The Committee also discussed the possibility of asking the Preston Hollow North Neighborhood Association to conduct a public meeting to discuss the advantages and disadvantages of the proposed PID.**

Advantages/Disadvantages – Preston Hollow North PID

- **Advantages**
 - **The PID is supported by a majority of property owners**
 - **Creating a PID to supplement security services is a standard practice**
 - **The cost of creating the PID is paid for through PID collections**
- **Disadvantages**
 - **Some property owners do not favor creation of a PID**
 - **The flat rate assessment for each property owner is unlike any other PID**

Proposed Public Improvement Districts

- Southeast Dallas

Vacant land – Residential Zoning

3 Accounts

Signed Petitions Representing:

100% of Total Value

100% of Land Area.

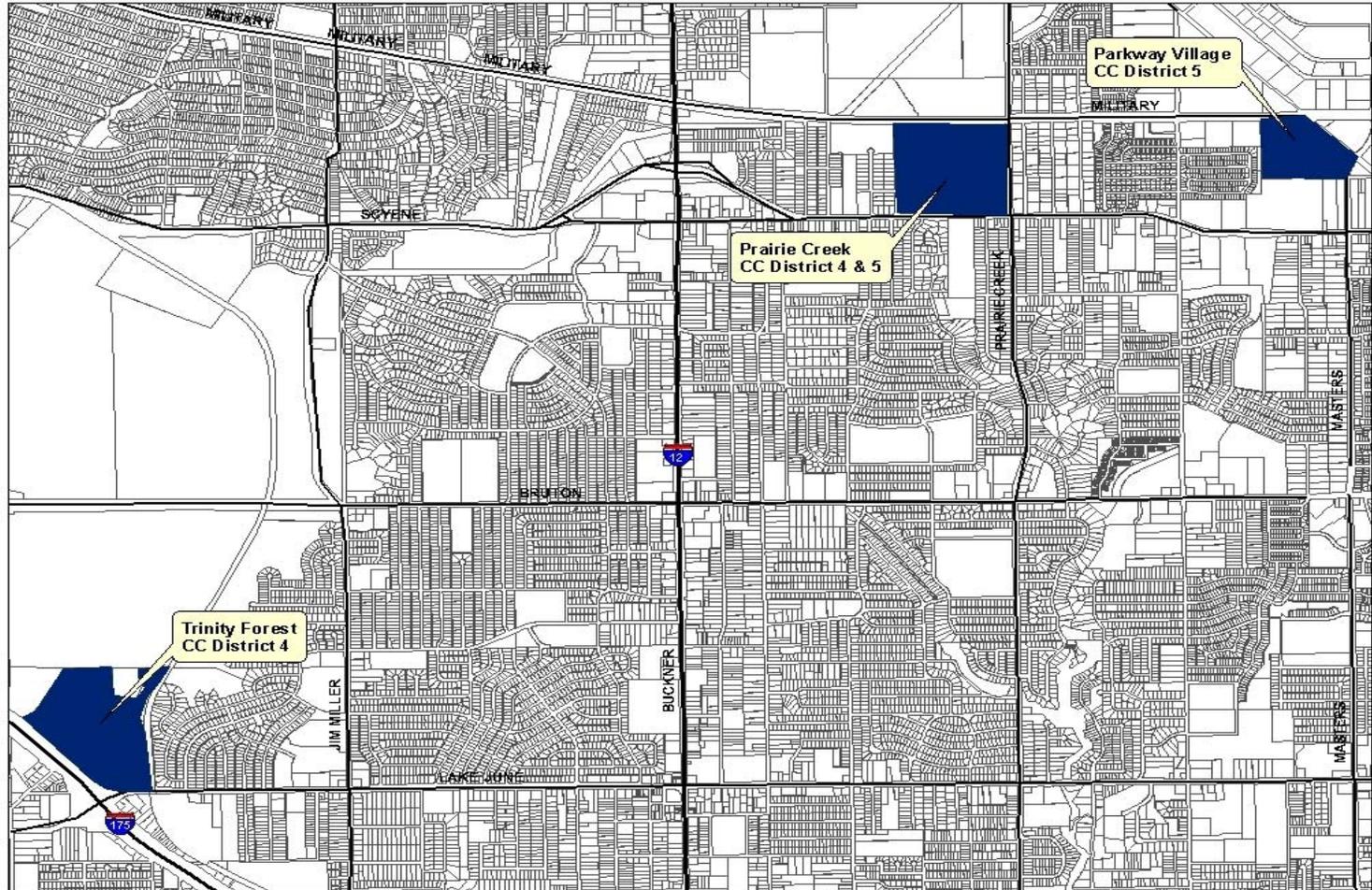
Southeast Dallas

- **The proposed Southeast Dallas PID is a non-contiguous area in three locations for the development of single-family housing:**
 - **Trinity Forest, C. F. Hawn and Lake June Road – 125 homes;**
 - **Prairie Creek, Military Parkway and Prairie Creek Road – 113 Homes; and,**
 - **Parkway Village, Military Parkway and Sam Houston Road – 225 Homes.**
- **KB Home and Mooreland Homes presented the signed petitions to City staff on November 9, 2004.**

Southeast Dallas PID (Cont.)

- **The Proposed Improvements are Public Amenities, Landscaping, Maintenance, and Administration.**
- **The Total Seven-Year Budget is \$840,395. The Average Annual Budget is \$120,000.**

Southeast Dallas PID Map



Southeast Dallas PID Budget 2006

Common Areas Maintenance, Landscaping and Utilities	\$85,398
Administration & Insurance	<u>\$13,876</u>
Total	\$99,274

Note: Three housing sub-divisions combined.

Issues - Southeast Dallas PID

- **This proposed PID is different than previously approved PIDs in a couple ways:**
 - **This is the first proposed Public Improvement District that includes non-contiguous areas. Here three new single-family subdivisions are connected by public street right-of-ways.**
 - **This is the first proposed Public Improvement District where the residential development group(s) signs the petition but ultimately the PID assessments will be paid by the persons purchasing the homes.**

Advantages/Disadvantages – Southeast Dallas PID

- **Advantages**
 - **The PID is supported by developer**
 - **This is a way to ensure that new subdivisions in the Southern Sector of the City have a high degree of public amenities**
 - **The cost of creating the PID is paid for through PID collections**
- **Disadvantages**
 - **Residents do not have a voice in the creation of the PID – they vote for it by purchasing the property with the PID assessment**
 - **It is likely that approval of this item will encourage other proposals where developers will set up a PID prior to selling any lots in the new subdivision. Since most of the developable land is contained in the Southern Sector of the City, most of these new PIDs may be located in the Southern Sector.**

Recommendations

- **Approve the Preston Hollow North Agenda Item on August 10, 2005 calling for a public hearing to be held on September 14, 2005 and upon the close of that public hearing on September 14, 2005, consideration of an Ordinance creating the Preston Hollow North PID.**
- **At the close of the Public Hearing to be Held on August 10, 2005, Approve an Ordinance Creating the South Side PID.**

Recommendations (cont.)

- **Recommend that the policy precedents established by the Southeast Dallas PID district be discuss further. While the petitions submitted for this PID meet the legal requirements for creating a new PID, staff is concerned about the following:**
 - **The PID covers a non-contiguous area;**
 - **That the property owners benefiting from the PID are not involved in the petition process.**
 - **Further, staff is concerned with the potential administrative burden for City if the creation of PIDs for new subdivisions becomes standard practice.**