

City of Dallas Public Improvement Districts (PIDs) – Recommended PID Policy

Economic Development and Housing Committee
October 17, 2005

Background

- ◆ On June 8, 2005, the Business & Commerce Committee discussed authorizing three new PIDs. After a discussion of this item, the Committee directed staff to proceed with the South Side PID and develop a PID Policy for reviewing other proposed PIDs.
- ◆ The South Side PID was approved by City Council on August 10, 2005.
- ◆ On August 1, 2005, the Economic Development and Housing Committee continued the discussion and asked staff to provide additional information on the PID Policy.

Background (continued)

- ◆ On September 20, 2005, the Economic Development and Housing Committee continued the discussion and asked staff to develop a policy related creating new PIDs.
- ◆ On October 3, 2005, the Economic Development and Housing Committee reviewed staff recommendations for the City of Dallas PID Policy and directed staff to make some minor modifications to their presentation and bring the revisions back for final review by the Economic Development and Housing Committee.
- ◆ The purpose of this briefing is to have a final review of the proposed PID Policy and recommend approval of this policy by City Council at their November 9, 2005 meeting.

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 City of Dallas Office of Economic Development will phase out the use of Public Improvement Districts for Single-Family Districts.**

PID Policy – Specific Recommendations

- ◆ Office of Economic Development will only support Public Improvement Districts (PIDs) for Commercial and Mixed Use Districts. *Commercial and Mixed Use Districts shall be defined as areas containing no more than 30% of total property area dedicated to detached, single-family housing.*
- ◆ Existing PIDs for Single-Family Districts will be supported until their expiration.
- ◆ In Commercial and Mixed Use Districts, the City will require that 60% of Property Owners support the creation of a new or renewing PID (in conformance with state law).
 - Petitions will not be required to be notarized.
 - Staff will verify that the person signing the petition has the authority to sign.

PID Policy – Specific Recommendations (continued)

- ◆ 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.
- ◆ PIDs must be self-sufficient and not adversely impact ordinary service delivery of the City.
- ◆ Administrative expenses for a PID shall not exceed 10% of the total budget in any year.

PID Policy – Specific Recommendations (continued)

- ◆ 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 a majority of property owners in the PID.*
- ◆ *Upon approval of a PID, City staff will file the resolution creating the PID including the assessment roll in the Dallas 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.*

PID Policy – Specific Recommendations (continued)

- ◆ The City of Dallas will not participate financially in any additional PID, excluding the DID.
- ◆ 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 program by City staff. *The fee will be used for direct expenditures and to compensate the City of Dallas for staff time expended.*
- ◆ A PID application for creating or renewing a PID shall include a current tax roll.

PID Policy – Specific Recommendations (continued)

- ◆ PID applications shall include a map acceptable to the Office of Economic Development and a legal description of the property included in the District.
- ◆ 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 consider and approve the PID Budget and Service Plan.

Next Steps –PID Policy

- ◆ **Staff will prepare an item for the November 9, 2005 City Council meeting to adopt the PID Policy described in this briefing.**
- ◆ **This policy will go into effect at that date.**