

Memorandum



DATE June 13, 2008

TO Members of the Economic Development Committee: Ron Natinsky (Chair), Tennell Atkins (Vice-Chair), Dwaine Caraway, Jerry R. Allen, Sheffie Kadane, Mitchell Rasansky, Linda Koop, Steve Salazar

SUBJECT **By-Laws for the Fort Worth Avenue TIF District**

The TIF District By-Laws spell out the powers and duties of the Board of Directors. They are typically approved by the TIF Board with a recommendation for City Council approval.

The By-Laws for the Fort Worth Avenue TIF District are similar to the by-laws adopted by the other TIF districts with a few exceptions: 1) the Board found that an executive committee was unnecessary and thus removed the corresponding language; 2) the By-Laws clarify the roles of the board members and staff, specifying that the board members are specifically responsible for actions such as reviewing requests for TIF funding, for submitting an annual report, and for developing policies related to TIF funding; 3) the By-Laws specifically state that the Board must comply with the City's Code of Ethics.

On June 13, 2007, the City established the Fort Worth Avenue TIF District and a Board of Directors pursuant to Ordinance No. 26798. The TIF District Board of Directors is responsible for advising the Council on development or redevelopment in the TIF District.

On March 26, 2008, by Ordinance No 27129, the City Council approved the Project Plan and Reinvestment Zone Financing Plan for the Fort Worth Avenue TIF District. Implementation of the Project Plan for the District shall be managed and controlled by the City Council based on the recommendations of the Board of Directors of the District.

On April 30, 2008, the Fort Worth Avenue Board of Directors voted to adopt the proposed By-Laws for the Fort Worth Avenue TIF District. These By-Laws will become effective once City Council approves them.

Financing

No cost consideration to the City


Recommendation

Staff recommends City Council approval.

Map

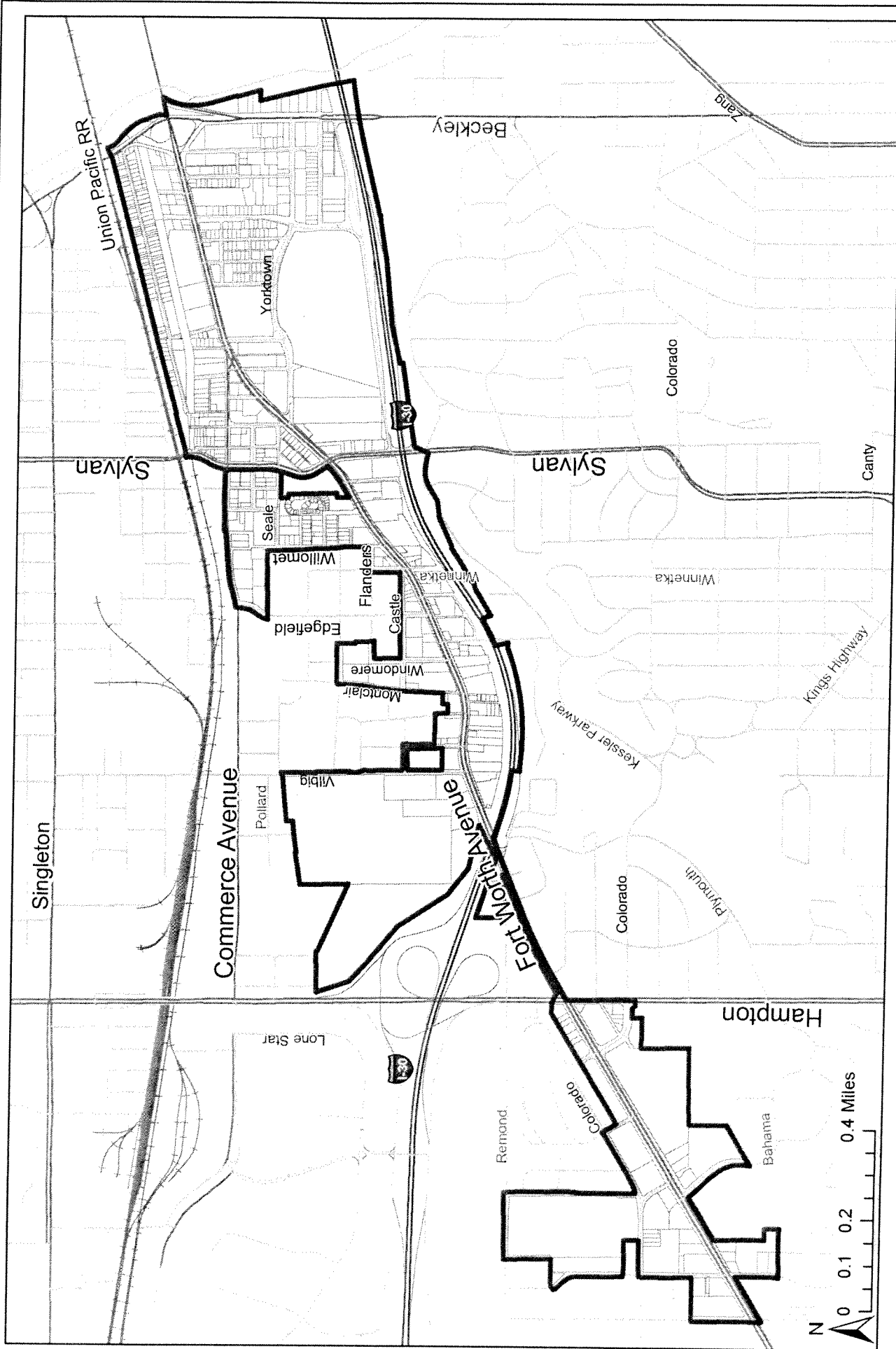
Attached

Should you have any questions, please contact me at (214) 671-8925.



A.C. Gonzalez
Assistant City Manager

- C: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Judge Jay Robinson, Judiciary
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Jeanne Chipperfield, Interim Director, Office of Financial Services
David Cook, Chief Financial Officer
Jerry Killingsworth, Director, Housing Department
Karl Zavitkovsky, Director, Office of Economic Development
Hammond Perot, Assistant Director, Office of Economic Development
Verna E. Martin, Assistant Director, Office of Economic Development
Helena Stevens Thompson, Assistant to the City Manager



Fort Worth Avenue TIF District Boundary

Fort Worth Avenue Boundary



Memorandum



CITY OF DALLAS

DATE June 13, 2008

TO Members of the Economic Development Committee:
Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Jerry R. Allen, Dwaine Caraway,
Sheffie Kadane, Linda Koop, Mitchell Rasansky and Steve Salazar

SUBJECT **Authorize a Development Agreement with Bishop Colorado Retail Plaza, L.P. for the Development of a Retail Center at 1222 N. Bishop Avenue in the Oak Cliff Gateway TIF District**

On June 25, 2008, the City Council will consider authorizing a development agreement with Bishop Colorado Retail Plaza, L.P., in an amount not to exceed \$350,000, payable from future Oak Cliff Gateway TIF funds, in consideration of the development of Bishop Colorado Retail Plaza, a 14,950 square foot retail center located at 1222 N. Bishop Avenue. Bishop Colorado Retail Plaza, L.P., is a Texas limited partnership, acting by and through its general partner, Berlin Interests, a Texas corporation. Ronald P. Berlin is the President of Berlin Interests.

Bishop Colorado Retail Plaza, L.P., plans to construct the Bishop Colorado Retail Plaza on a vacant parcel located at 1222 Bishop Avenue. This parcel is located across Colorado Boulevard from Methodist Medical Center at Bishop Avenue. The retail center will consist of approximately 14,950 square feet of space. The total private investment will be approximately \$4,500,000. The cost of related TIF eligible public improvements is approximately \$350,000. These improvements include, but are not limited to Design, Engineering, Professional Services, Water, Wastewater and Storm Water Improvements, Paving and Streetscape Improvements.

The \$350,000 total amount of TIF funds pledged or dedicated to the Bishop Colorado Retail Plaza project is based on the estimated expenditures to be incurred by, Bishop Colorado Retail Plaza, L.P., on eligible TIF project costs such as public infrastructure improvements including sidewalks, lighting, streetscape, and utility enhancement; plus design, engineering and construction management.

On August 23, 2006, the City Council approved Resolutions No. 06-2281 and 06-2282, which approved a development agreement with Belclaire Realty, LTD for the development of the 1222 N. Bishop property as a small mixed use project. The development was not completed and the authorization for TIF subsidy expired.

The developer will obtain a building permit and begin construction by December 31, 2008.

The developer will use reasonable efforts to obtain a final certificate of acceptance for the retail center and all associated public improvements by December 31, 2009.

The developer will execute and fund an Operating and Maintenance Agreement for all non-standard public improvements by the date of the Certificate of Occupancy for the retail development.

In addition to complying with M/WBE Fair Share Effort goal of 25% for the TIF reimbursable improvements, Bishop Colorado Retail Plaza, L.P shall make a good faith effort to comply with the Oak Cliff Gateway TIF District M/WBE Fair Share policies for the private improvement construction with a participation goal in an amount of 10% of total private expenditures.

Schedule of Project

Begin construction: December 2008
Complete construction: December 2009

Fiscal Information

Development Agreement - Cost Consideration to the City - \$350,000, Oak Cliff Gateway TIF District Finds

Staff

Karl Stundins, Manager, Area Redevelopment Division
Stan Prichard, Economic Development Analyst

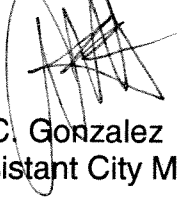
Recommendation

Staff recommends approval of the subject items.

Attachments

Location Map
Vertical Rendering
Site Plan

Please contact me if you have any questions.



A. C. Gonzalez
Assistant City Manager

c: The Honorable Mayor and Members of the City Council

Mary K. Suhm, City Manager

Deborah Watkins, City Secretary

Tom Perkins, City Attorney

Craig Kinton, City Auditor

Judge Jay Robinson, Judiciary

Ryan S. Evans, First Assistant City Manager

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Dave Cook, Chief Financial Officer

Jeanne Chipperfield, Interim Budget Director, Office of Financial Services

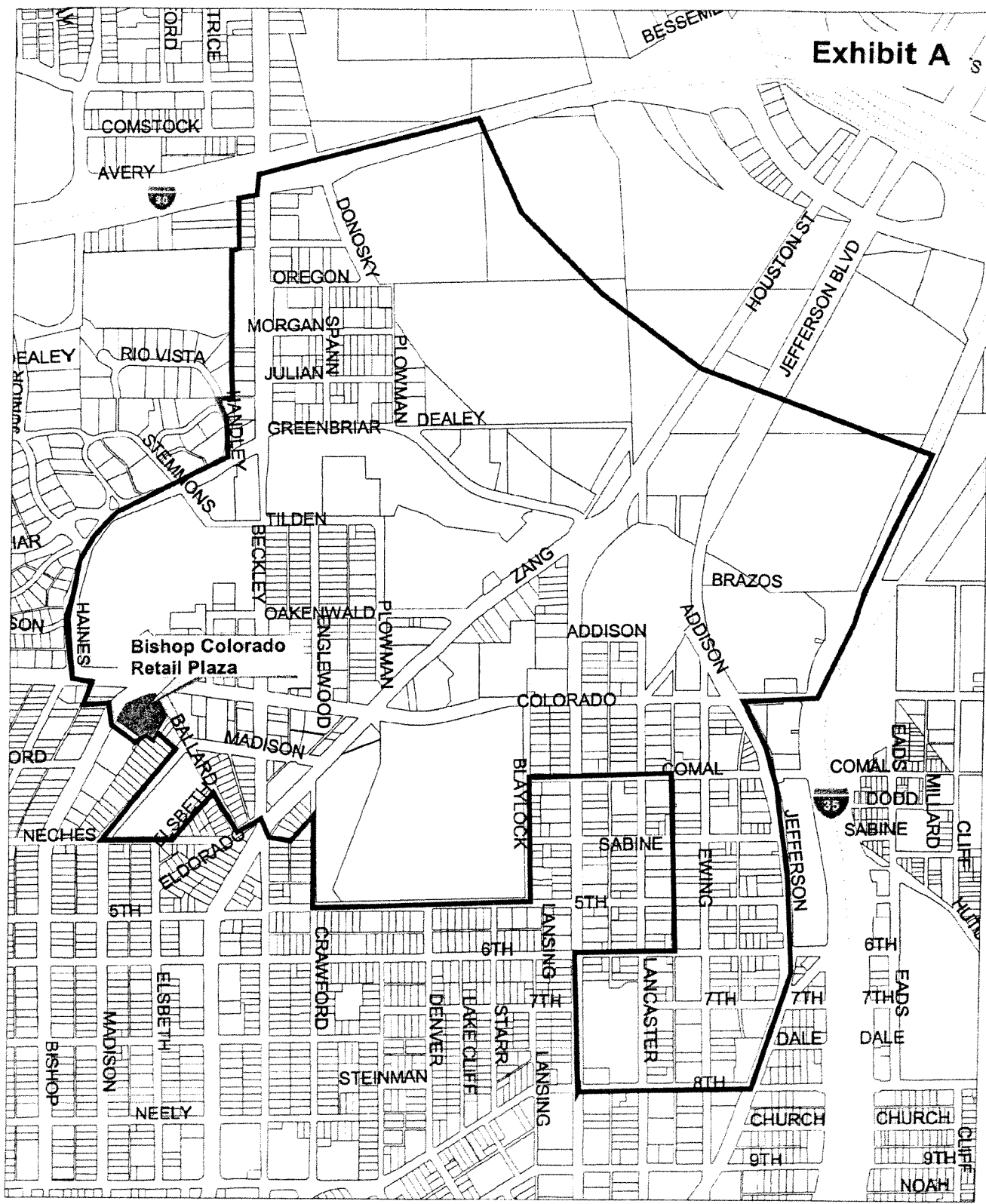
Karl Zavitkovsky Director, Office of Economic Development

Hammond Perot, Assistant Director, Office of Economic Development

Vernae Martin, Assistant Director, Office of Economic Development

Helena Thompson, Assistant to the City Manager

Exhibit A

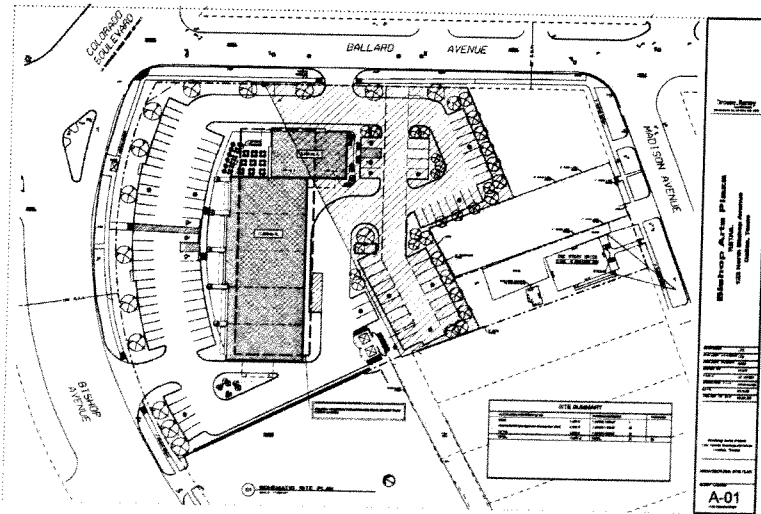
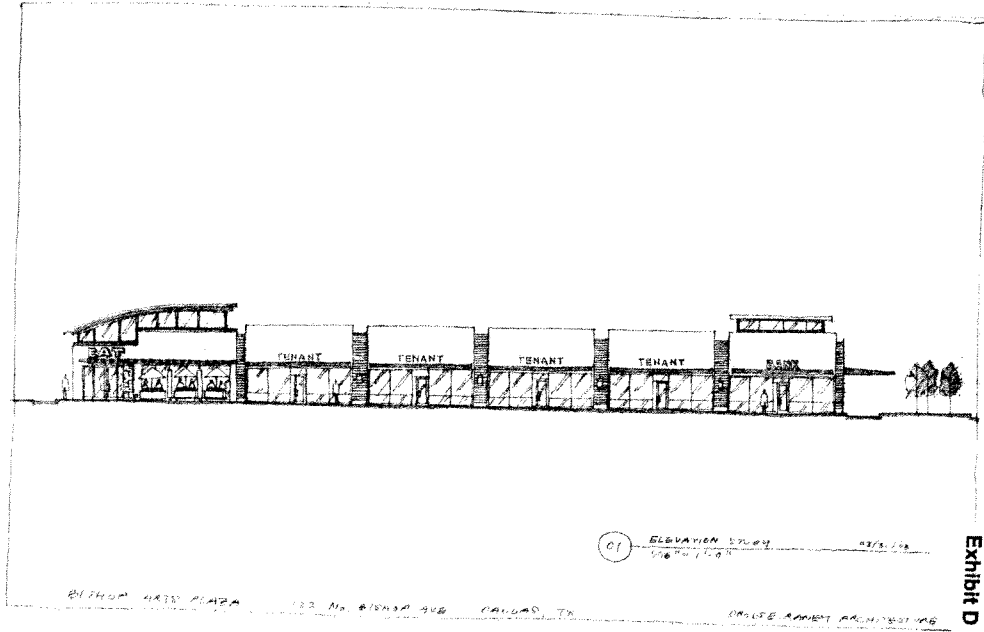


Project Location

 Oak Cliff Gateway TIF Boundary

Office of Economic Development
July 2006





Memorandum



CITY OF DALLAS

DATE June 13, 2008

TO Members of the Economic Development Committee: Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Jerry R. Allen, Dwaine Caraway, Sheffie Kadane, Linda Koop, Mitchell Rasansky and Steve Salazar

SUBJECT **Amendments to Resolution No. 07-2360, Dallas Independent School District (DISD) Cityplace Area TIF District; Agenda Item, June 25, 2008**

On June 25, 2008, the Dallas City Council will consider amendments to a resolution, previously approved on August 22, 2007, authorizing the execution of a Developer's Agreement and the dedication of funds from the Cityplace Area TIF District tax increment in an amount up to \$1,097,987. These funds were to be used by the Dallas Independent School District to construct a series of public space improvements at North Dallas High School, including paving, utility, streetscape and lighting, landscaping. Other proposed space improvements include athletic field improvements, auditorium and training facility space improvements, lighting and technology improvements at the 3021 N. Haskell campus in the Cityplace Area TIF District.

The resolution listed conditions of reimbursement, including items that pertained to project construction start and completion dates. Since the approval of the resolution, DISD found themselves unable to begin construction by the deadline stipulated. Accordingly, the construction of the project will not be completed by August of this year. The school district has indicated that the necessary funds to start and complete this project are now available. It is important to note, the proposed amendments will not alter the scope of this project nor the amount of TIF funds originally requested and dedicated.

To date, the Dallas Independent School District has contributed \$11.1 million to the Cityplace Area TIF District fund. A condition of the district's financial participation was that \$2.571 million in TIF funds be dedicated to DISD improvements. This project will satisfy the TIF District's remaining financial commitment of approximately \$1.1 million to DISD.

The cost of related TIF eligible public improvements and space enhancements is approximately \$1,097,987. The \$1,097,987 total amount of TIF funds committed to the DISD North Dallas High School project is based on the estimated expenditures to be incurred by DISD on eligible TIF project costs.

On May 29, 2008, the Cityplace Area TIF District Board of Directors reviewed the proposed amendments to the resolution and recommended City Council's consideration of the following:

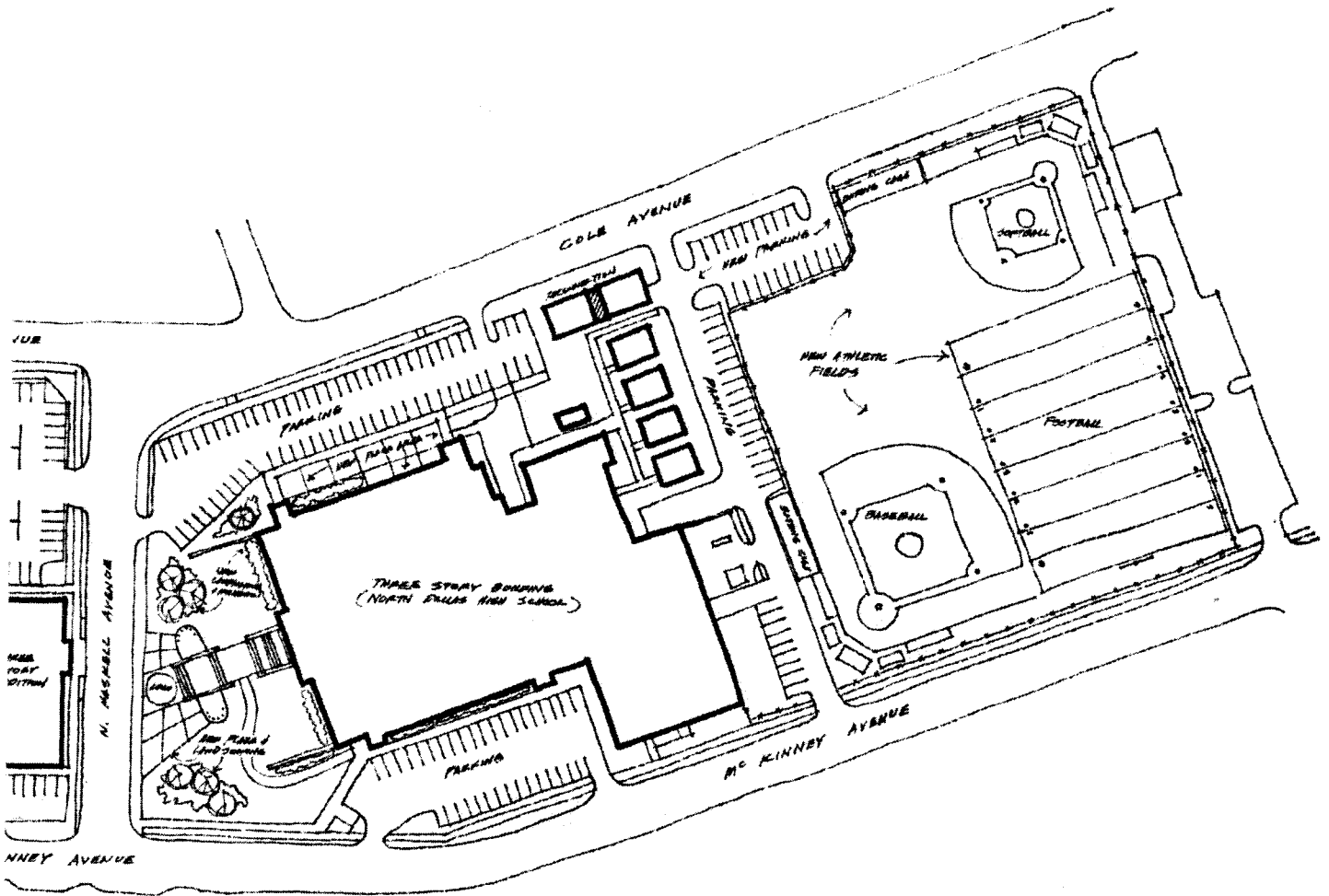
1. Replace Section 8, Items A through F of Resolution Number 07-2360 with the following revised contractual requirements:
 - A. DISD shall use reasonable efforts to take out a construction permit for project improvements or commence funding of project improvements by July 10, 2008.
 - B. DISD shall complete construction and obtain a final certificate of occupancy (CO) for North Dallas High School Improvements by June 30, 2009.
 - C. DISD shall complete construction and obtain a final certificate of acceptance issued by the Department of Public Works and Transportation for public infrastructure projects associated with this project by June 30, 2009.
 - D. DISD shall execute and fund an operating and maintenance agreement for all non-standard public improvements installed as a part of the North Dallas High School Project by June 30, 2009.
 - E. DISD shall comply with their own M/WBE policy and procedures.
 - F. The Director of the Office of Economic Development shall have the authority to extend the completion date for the project up to six (6) months for good cause and with additional consideration.

Schedule of the Project

Begin Construction	September 2007 (Original Date)	July 2008 (New Date)
Complete Construction	August 2008 (Original Date)	June 2009 (New Date)

Fiscal Information

\$1,097,987 – Cityplace Area TIF District Fund and/or Tax Increment Bonds Funds have been dedicated to the DISD North Dallas High School Improvement project; repayment of private funds to be repaid solely from the Cityplace Area TIF District Fund and/or Tax Increment Bonds



SITE PLAN
1" = 50'

SITE IMPROVEMENTS FOR:
NORTH DALLAS HIGH SCHOOL
3150 N. HASSELL AVENUE DALLAS, TEXAS 75219

STAFF

Karl Stundins, Manager, Area Redevelopment Division
Tamara L. Leak, Economic Development Analyst

OWNER

**Dallas Independent School
District**

Michael Hinojosa
Superintendent

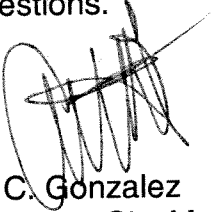
DEVELOPER

**Dallas Independent School
District**

Michael Hinojosa
Superintendent

RECOMMENDATION

Staff recommends approval of the subject item. Please contact me if you have any questions.

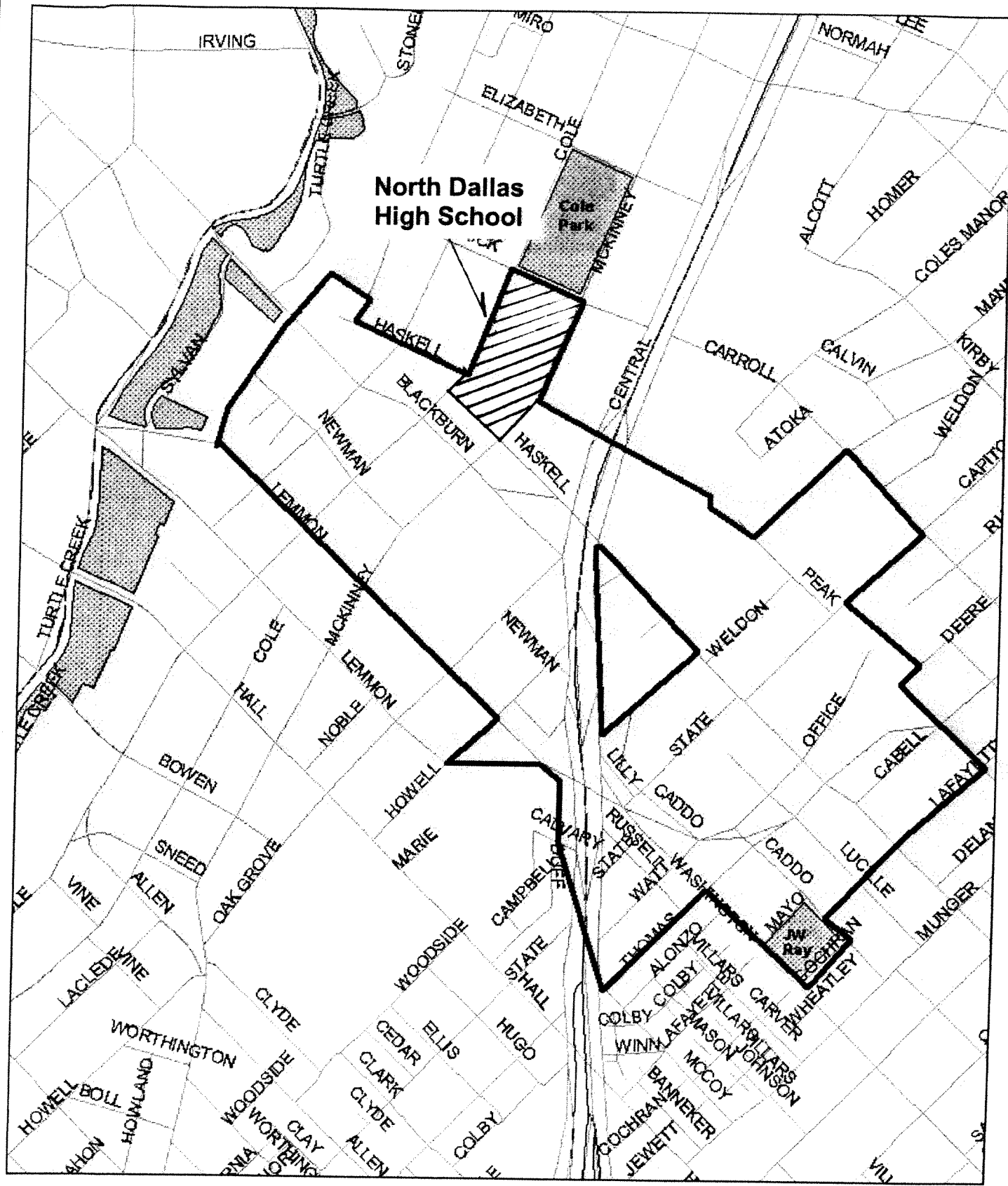


A. C. Gonzalez
Assistant City Manager

Attachment

Location Map

- C: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Ryan S. Evans, First Assistant City Manager
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Judge Ray Robinson, Judiciary
Charles W. Daniels, Assistant City Manager
Ramon F. Miguez, P.E., Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
David Cook, Chief Financial Officer
Karl Zavitkovsky, Director, Office of Economic Development
Jerry Killingsworth, Director, Housing Department
Hammond Perot, Assistant Director, Office of Economic Development
Verna Martin, Assistant Director, Office of Economic Development
Karl Stundins, Manager, Office of Economic Development
Chandra Marshall-Henson, Assistant to the City Manager



Cityplace Area TIF District Location Map

 Cityplace TIF Boundary

Economic Development
Development Services Dept.
January 2004



**THIS ITEM HAS
BEEN MOVED TO
AUGUST**

Memorandum



DATE June 13, 2008

TO Members of the Economic Development Committee:
Ron Natinsky (Chair), Tennell Atkins (Vice-Chair), Dwaine Caraway, Jerry R. Allen,
Sheffie Kadane, Mitchell Rasansky, Linda Koop, Steve Salazar

SUBJECT **NEC Lake June & Masters, L.P. Economic Development Grant, June 25, 2008 Council Agenda**

MAIN TOPIC

Authorize an economic development grant of \$1,500,000 with NEC Lake June & Masters, L.P. (NEC Lake June) related to the redevelopment of the Lake June Plaza shopping center at Lake June Road and Masters Drive in southeast Dallas.

BACKGROUND

NEC Lake June seeks City Council approval of an economic development grant of \$1,500,000 for redeveloping and remodeling the 145,000 square foot shopping center situated on approximately 15 acres located at the northeast quadrant of the intersection of Lake June Road and Masters Drive. This largely vacant and deteriorating shopping center has a 45,000 square foot vacant grocery store that was formerly occupied by Winn-Dixie. This retail project is planned to retenant the vacant grocery store with another full-service grocery store and fill the other vacancies with stores offering general merchandise and retail related services.

NEC Lake June will make a private investment of approximately \$8,000,000 and the shopping center will be required to have a minimum of 50 jobs in order to be eligible for the proposed economic development grant. The city grant is designed to offset certain development costs including demolition, environmental remediation, and other related improvements for the redevelopment of this vacant shopping center. Should the developer not secure a full-service grocery store for the vacant 45,000 square foot grocery anchor space, the economic development grant will be reduced to \$750,000.

The proposed development meets minimum eligibility requirements of the Public/Private Partnership Program as adopted by the City Council on April 9, 2008.

NEC Lake June's general partner, Syd Hurley of Vista Property Company, LLC, previously developed the Sierra Vista Plaza shopping center at W. Illinois Avenue and S. Westmoreland Road.

PROJECT DETAILS

Project Site: Northeast corner of Lake June Road & Masters Drive

Acreage: 15

Existing Facility: 145,000 square feet

Real Property Investment: Building improvements - \$8 million

NEC Lake June & Masters, L.P.
June 13, 2008
Page 2 of 3

Minimum Required Jobs: 50

Average Wage: \$12.00 per hour

PROPOSED ESTIMATED SCHEDULE OF THE PROJECT

Begin Construction September 2008
Complete Construction December 31, 2009
Grocery Anchor December 31, 2010

CITY INCENTIVES

Economic Development Grant

(Development Fees and other project costs
such as demolition and environmental remediation) \$1,500,000

Revenue	<u>Investment</u>	<u>Annual Taxable Retail Sales</u>	<u>Annual Foregone Revenue</u>	<u>Annual City of Dallas Tax Revenue</u>
New Real Property	\$8M		\$0	\$59,834
Sales Tax @1%		\$10M	\$0	<u>\$100,000</u>
1-year Total			\$0	<u>\$159,832</u>
10-year Total (2% annual growth)			\$0	\$1,750,116

FISCAL INFORMATION

- Financing: Public Private Partnership Program Funds - \$1,500,000

OWNER

NEC Lake June & Masters, L.P.
Syd Hurley
Managing Partner

DEVELOPER

Vista Property Company, LLC
Syd Hurley
President

Should you have any questions, please contact me at (214) 670-3314.


A.C. Gonzalez
Assistant City Manager

NEC Lake June & Masters, L.P.
June 13, 2008
Page 3 of 3

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Karl Zavitkovsky, Director, Office of Economic Development
Hammond Perot, Assistant Director, Office of Economic Development
Helena Thompson, Assistant to the City Manager

Exhibit B

Proposed Project Information Worksheet

Economic Development Committee

A. Project Summary

City Council District	5	
Project/Company Name	NEC Lake June & Masters, L.P.	
Project Location	10325 Lake June Road	
Project Type	Retail	
Facilities (Square Feet)	145,000	
Construction Schedule	Begin	Sep-08
	Complete	Jun-09
Private Improvement Investment	Real Property	\$8M
	Business Property	na
Jobs	Created	50
	Retained	na
Average Wage Rate	Salary	\$20K
	Hourly	\$12
City Incentive Summary	Tax Abatement	
	Infrastructure	
	Other	\$1.5M

B. Economic Impact Estimates (Dallas City Economy Only)

	10-Year	
	Jobs	Economic Output
Direct Impact	50	\$10,000,000
Indirect and Induced Impact*	35	\$8,000,000
Total Impact	85	\$18,000,000

C. City of Dallas General Fund Fiscal Impact

(From direct, indirect and induced economic impacts)

	10-Year	20-Year
Total City GF Revenue Generated	\$1,640,303	\$3,673,325
Total City GF Service Costs	\$781,677	\$1,516,777
Net Impact Before Incentives	\$858,626	\$2,156,548
City Incentives	\$1,500,000	\$1,500,000
Net City Fiscal Impact	-\$641,374	\$656,548

* Indirect impacts represent supplier effects, induced impacts represent spin-off household effects.

D. Other Taxing Jurisdiction 10-yr Estimated Tax Revenue

	Property Taxes	Sales Taxes
DISD	\$1,050,000	
Dallas County	\$204,000	
DCCCD	\$70,000	
Parkland Hospital	\$222,000	
DART		\$1,094,000

KEY FOCUS AREA: Economic Vibrancy

AGENDA DATE: June 25, 2008

COUNCIL DISTRICT(S): 2

DEPARTMENT: Convention and Event Services

CMO: A. C. Gonzalez, 671-8925

MAPSCO: N/A

SUBJECT

A resolution declaring the City's intent, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for payments to certain third parties related to the convention center headquarters hotel project, at such time as it issues obligations to finance the Project (the Project Debt) - Financing: No Cost Consideration to the City

BACKGROUND

The City has issued \$40,280,000 City of Dallas, Texas Combination Tax and Revenue Certificates of Obligation, for the purpose of financing the acquisition of a tract of land known as the Chavez tract, which is to be the site of the convention center hotel. The City intends that the Certificates of Obligation be refinanced with the Project Debt.

As part of the analysis and negotiation process in connection with the convention center headquarters hotel and related financing, the City has made payments and expects to make additional payments to certain third parties. This reimbursement resolution authorizes the City to reimburse itself at the time it issues the Project Debt.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Briefed Economic Development Committee on June 16, 2008

FISCAL INFORMATION

No Cost Consideration to the City

June 25, 2008

WHEREAS, the City of Dallas, Texas (the "City") is a home-rule municipality and political subdivision of the State of Texas;

WHEREAS, the City Council has been briefed on the acquisition of the Chavez tract as a site for a convention center headquarters hotel;

WHEREAS, on May 14, 2008, the City Council approved Resolution No. 08-1460 (1) directing the City Manager to distribute the Official Statement and to proceed with the City of Dallas Combination Tax and Revenue Certificates of Obligation, Series 2008, no sooner than May 21, 2008 or later than May 28, 2008; (2) stating the City's intent to purchase the Chavez tract, no sooner than May 21, 2008 or later than May 28, 2008 and (3) directing the City Manager to pursue negotiations with hotel developers and operators for construction and operation of a publicly-owned convention center hotel to be built on the Chavez site;

WHEREAS, on May 21, 2008, the City Council approved Ordinance No. 08-1485, authorizing the issuance of \$40,280,000 City of Dallas, Texas Combination Tax and Revenue Certificates of Obligation, Series 2008 (the "Certificates of Obligation") for the purpose of financing the acquisition of a tract of land known as the Chavez tract;

WHEREAS, pursuant to Resolution No. 08-1486, approved by the City Council on May 28, 2008, the City acquired the Chavez tract on June 19, 2008, to be the site of the convention center headquarters hotel as directed by the City Council;

WHEREAS, the City intends that the Certificates of Obligation be refinanced with convention center hotel revenue bonds (the Project Debt);

WHEREAS, the City expects to pay expenditures in connection with the design, planning, acquisition and construction of the projects described on Exhibit "A" hereto (collectively, the "Project") prior to the issuance of the Project Debt from available funds, including without limitation engagement of cost consultants and special counsel;

WHEREAS, the City understands that third parties will make expenditures in connection with the Project prior to the issuance of the Project Debt from available funds;

WHEREAS, the City finds, considers, and declares that the reimbursement of the City and certain third parties for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the City and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issues the Project Debt;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS THAT:

June 25, 2008

Section 1. The City reasonably expects it will incur debt, as one or more series of obligations, with an aggregate maximum principal amount not to exceed \$600,000,000, for the purpose of paying the aggregate costs of the Project (the "Project Debt"), including debt reserves, capitalized interest, and refinancing of the Certificates of Obligation.

Section 2. All costs to be reimbursed pursuant hereto will be capital expenditures. No tax-exempt obligations will be issued by the City in furtherance of this Statement after a date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service.

Section 3. The foregoing notwithstanding, no tax-exempt obligation will be issued pursuant to this Statement more than three years after the date any expenditure which is to be reimbursed is paid.

Section 4. That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Dallas, and it is accordingly so resolved.

Memorandum



DATE June 13, 2008

TO Members of the Economic Development Committee: Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Jerry R. Allen, Dwaine Caraway, Sheffie Kadane, Linda Koop, Mitchell Rasansky and Steve Salazar

SUBJECT **A Public Hearing to Receive Citizens' Comments Regarding the Renewal of the Vickery Meadow Public Improvement District and Consideration of Resolution Renewal of the Vickery Meadow PID; June 25, 2008.**

On June 25, 2008 the City Council will conduct a public hearing to receive citizen's comments concerning the renewal of the Vickery Meadow Public Improvement District, for the specified area of the Vickery Meadow Public Improvement District (District) including additional property at Park Lane, **(Exhibit A)** for the purpose of providing supplemental public services, to be funded by assessments on real property and real property improvements in the District; and at the close of the hearing, authorize **(1)** a resolution renewing the Vickery Meadow Public Improvement District for a period of seven years, **(2)** approval of the Service Plan for the purpose of providing supplemental public services, to be funded by assessments on real property and real property improvements in the District; and **(3)** a management contract with the Vickery Meadow Management Corporation, as the management entity for the Vickery Meadow Public Improvement District.

The boundaries of the Vickery Meadow PID were expanded to include the Park Lane redevelopment project located at the southeast corner of the Park Lane and Central Expressway. Because of anticipated increased property value in the Valencia projects, overall annual assessments for the district are expected to increase from \$712,500 (2009) to \$1,272,000 (2015) annually. Of this increase, approximately 75% is expected to accrue from the Park Lane project over the term of the PID. The Valencia project is expected to increase PID collection by approximately 20% over the term of the PID. Other increases are likely to accrue through land appreciation outside these projects.

The Vickery Meadow Public Improvement District was first established on June 23, 1993 for 5 years terms and was renewed in 1998 for 5 years term, was renewed in 2003 for 5 years term ending on December 31, 2008.

On April 1, 2008, property owners in the Vickery Meadow area, represented by Vickery Meadow Management Corporation, presented to the City staff the petition requesting the approval of the service plan for seven years and the renewal of the Vickery Meadow Public Improvement District with an effective

date of January 1, 2009. The staff reviewed the proposed Service Plan (**Exhibit B**), verified the petitions and found the creation plan to be viable and recommended approval.

City staff reviewed the petitions and determined that the owners of seventy four percent (74%) of the property value and owner of the seventy five percent (75%) of the land area has signed the petitions for the renewal of the Vickery Meadow Public Improvement District. In accordance with the Chapter 372 of the Local Government Code fifty percent of the property owner’s approval is required and sixty percent of the property owner’s approval is required by the City of Dallas PID Policy for the City Council to consider renewal of the District. Staff has also evaluated the renewal service plan to determine whether the services should be made as proposed by the proposed service plan and found the plan to be viable. Following table shows the details of the review:

	Area in sq. ft	Property Values
Total accounts within the PID*	30,676,629.37	\$529,660,530.00
Total accounts of signed owners for the renewal of Vickery Meadow PID	23,016,145.78	\$394,263,010.00
% of owners who signed the petition	75.03% (land area)	74.44% (property value)

* 2007 accounts are taken from the GIS and do not include tax-exempt property.

The public improvement district is outlined in the following way:

Nature of the Services and Improvements. The nature of the services and improvements to be performed by the District is to enhance security and public safety within the District, provide maintenance, conduct marketing and promotion activities, special event and other services and activities that are authorized by the Act and approved by the Dallas City Council.

Estimated Cost of the Services and Improvements. The total estimated cost of services and improvements provided by the District for the seven year period is approximately ten million three hundred thirty seven thousand dollars (\$10,337,000). The estimated average annual cost of services for the District is approximately one million four hundred seventy six thousand seven hundred fourteen dollars (\$1,476,714).

Boundaries. The District is located wholly within the City of Dallas, Texas. The boundaries of the District are shown on the Map of the District.

Method of Assessment. The proposed method of assessment, which may specify included or excluded classes of assessable property, is based on the value of the real property and real property improvements, as determined by the

Dallas Central Appraisal District. The proposed 2008 annual assessment rate for the premium service area in the District is \$0.10 per \$100.00 of appraised value by the Dallas Central Appraisal District. The standard service area proposed 2008 assessment rate for the District is \$0.05 per \$100.00 of appraised value by the Dallas Central Appraisal District.

Apportionment of costs between the District and the Municipality as a Whole. The District shall pay the costs of the services and improvements by special assessment against the real property and real property improvements. The City of Dallas is not responsible for payment of assessments against exempt City property in the District which is specifically benefited. City rights-of-way, City Parks, and other tax-exempt property in the District are not subject to assessment. Payment of assessments by other exempt jurisdictions and entities must be established by contract.

The term of the District upon renewal is seven years (2009 to 2015). Pending approval, actual operations in the District will commence next year (January 1, 2007). The District will automatically dissolve on December 31, 2008, unless the District is renewed.

Fiscal Information

No Cost Consideration to the City

Staff

Karl Stundins, Manager, Area Redevelopment Division
Vasavi Mallena, Economic Development Analyst

Recommendation

Staff recommends approval of the subject items. Please contact me if you have any questions.



A. C. Gonzalez
Assistant City Manager

- c: The Honorable Mayor and Members of the City Council
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 - Hammond Perot, Assistant Director, Office of Economic Development
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Memorandum



DATE June 13, 2008

TO Members of the Economic Development Committee: Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Jerry R. Allen, Dwaine Caraway, Sheffie Kadane, Linda Koop, Mitchell Rasansky and Steve Salazar

SUBJECT **A Public Hearing to Receive Citizens' Comments Regarding the Creation of the Lake Highlands Public Improvement District and Consideration of Resolution Creating the Lake Highlands PID; Agenda Item, June 25, 2008.**

On June 25, 2008, the City Council will conduct a public hearing to receive citizens' comments concerning the creation of the Lake Highlands Public Improvement District (**Exhibit A**), for the specified area of the Lake Highlands Public Improvement District for the purpose of providing supplemental public services, to be funded by assessments on real property and real property improvements in the District, and at the close of the hearing, authorize **(1)** a resolution creating the Lake Highlands Public Improvement District for a period of seven years, **(2)** approval of the Service Plan for the purpose of providing supplemental public services, to be funded by assessments on real property and real property improvements in the District; and **(3)** a management contract with the Lake Highlands Improvement District Corporation, as the management entity for the Lake Highlands Public Improvement District.

On April 1, 2008, property owners in the Lake Highlands area, represented by Prescott Realty Group, presented to the City staff the petition requesting the approval of the service plan for seven years and the creation of the Lake Highlands Public Improvement District with an effective date of January 1, 2009. The staff reviewed the proposed Service Plan (**Exhibit B**), verified the petitions and found the creation plan to be viable and recommended approval.

The public improvement district is outlined in the following way:

Nature of the Services and Improvements. The general nature of the services and improvements to be performed by the District is to enhance public safety/security, design and construct public infrastructure, promotion of the District, maintain common areas and lighting, produce pedestrian amenities and linkages and provide other improvements that are authorized by the Act.

Estimated Cost of the Services and Improvements. The total estimated cost of services and improvements provided by the District for the seven (7) year term is approximately five million, two hundred thirty-nine thousand, fifty-six dollars (\$5,239,056). The estimated annual average cost for the services and improvements provided by the District is approximately seven hundred, forty-

eight thousand, four hundred thirty-six dollars (\$748,436). The District shall incur no bonded indebtedness.

Boundaries. The District is located wholly within the City of Dallas, Texas. The boundaries of the District are shown on the map of the district.

Method of Assessment. The method of assessment (**Exhibit C**), which, may specify included or excluded classes of assessable property, is based on an annual assessment rate recommended by the petitioners and established by the City Council. The proposed rate per property owner for the 2008 assessment is \$0.13 per \$100 of valuation. The assessment rate is requested to provide the necessary revenue for the annual activities of the District; and the costs of the District shall be apportioned on the basis of special benefits accruing to the property because of the services and improvements. The final assessment rate for 2008 will be established by City Council after the close of an assessment rate public hearing on September 24, 2008. The annual assessment rate, during the seven-year life of the PID, however, shall not exceed \$0.15 per \$100.00 of valuation.

Apportionment of Cost between the District and the Municipality as a Whole. The District shall pay the costs of the services and improvements by special assessment against the real property and real property improvements. The City of Dallas is not responsible for payment of assessments against exempt City property in the District, which is specially benefited. City rights-of-way and city parks are not subject to assessment. Properties otherwise exempt from ad valorem taxes are not subject to assessment. Payment of assessment by other exempt jurisdictions must be established by contract.

Staff review of the signed petitions presented on April 1, 2008, revealed that in accordance with the City of Dallas PID Policy approved by the Dallas City Council on December 7, 2005, property owners of record representing 67.19 percent of the value of the property in the specified area and representing 68.62 percent of the land area have signed the petitions requesting creation of the District.

Fiscal Information

No Cost Consideration to the City

Staff

Karl Stundins, Manager, Area Redevelopment Division
Stan Prichard, Economic Development Analyst

Recommendation

Staff recommends approval of the subject items. Please contact me if you have any questions.



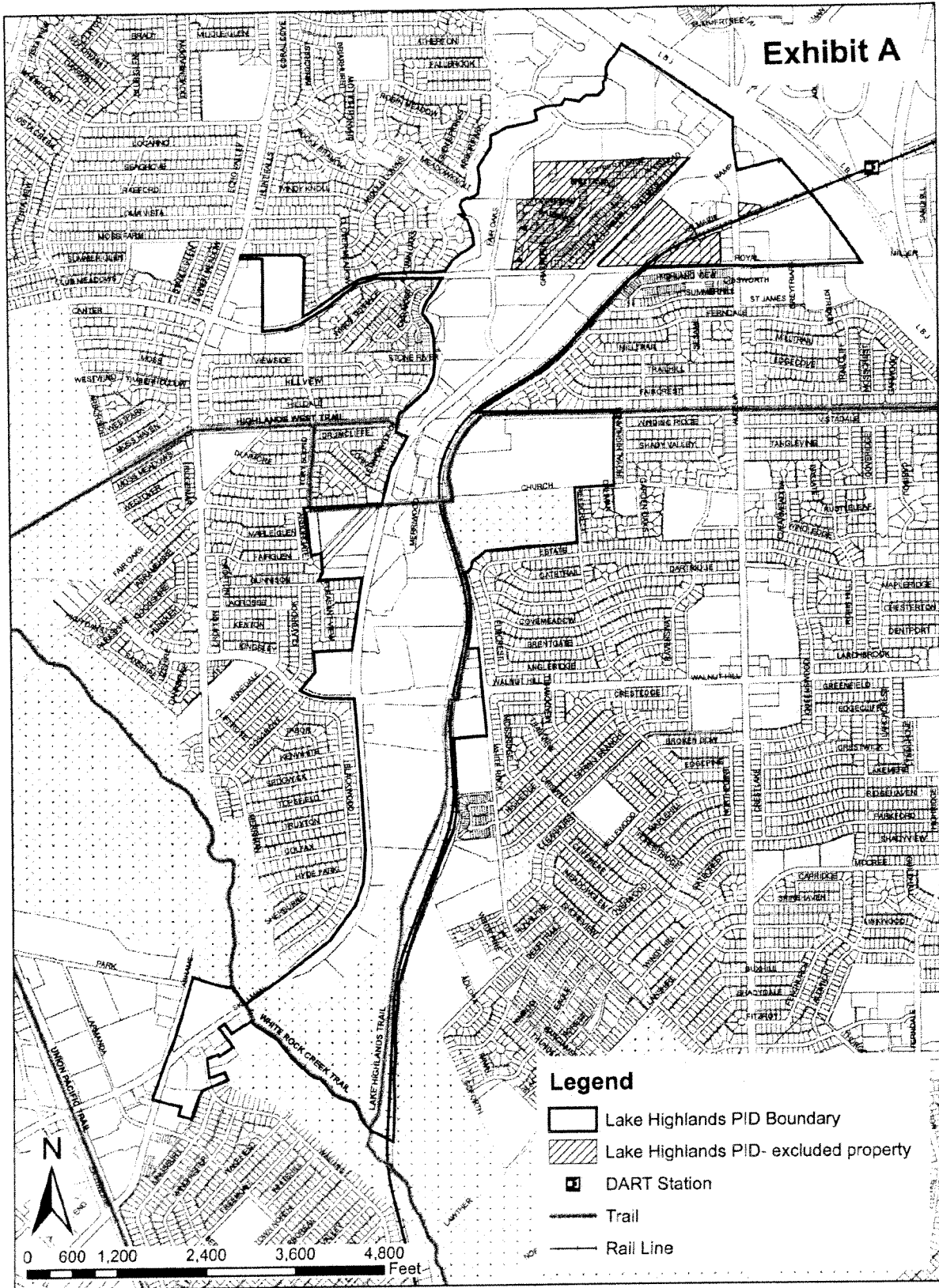
A. C. Gonzalez
Assistant City Manager

Attachments

Map of the District
Service Plan Budget
Assessment Plan

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Judge Jay Robinson, Judiciary
Ryan S. Evans, First Assistant City Manager
David O. Brown, Interim Assistant City Manager
Ramon Miguez, P.E., Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Dave Cook, Chief Financial Officer
Jeanne Chipperfield, Interim Budget Director, Office of Financial Services
Karl Zavitkovsky Director, Office of Economic Development
Hammond Perot, Assistant Director, Office of Economic Development
Verna Martin, Assistant Director, Office of Economic Development
Helena Thompson, Assistant to the City Manager

Exhibit A



Lake Highlands PID Boundary Map



City of Dallas

Office of Economic Development
April 2008

Lake Highlands Public Improvement District - Seven-Year Budget

Exhibit B

INCOME	2009	2010	2011	2012	2013	2014	2015
Net assessment revenue	\$302,406	\$317,790	\$424,824	\$792,469	\$1,180,243	\$1,215,650	\$1,252,120
Exempt jurisdictions	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest on cash balances	\$2,408	\$3,178	\$4,248	\$7,925	\$11,802	\$12,157	\$12,521
Other income & contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INCOME	\$304,815	\$320,968	\$429,072	\$800,394	\$1,192,045	\$1,227,807	\$1,264,641
EXPENDITURES							
Public Safety	\$205,524	\$236,516	\$292,003	\$470,393	\$801,670	\$726,647	\$703,071
Improvements	\$12,157	\$15,000	\$25,000	\$200,000	\$250,000	\$300,000	\$350,000
Promotion	\$11,684	\$15,000	\$55,000	\$55,000	\$55,000	\$100,000	\$100,000
General/Administration (15% Cap)	\$28,065	\$30,170	\$32,432	\$50,000	\$60,000	\$75,000	\$85,000
Creation	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0
Disbursements	\$11,440	\$11,783	\$12,137	\$12,501	\$12,876	\$13,660	\$14,070
Contingency	\$5,945	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
TOTAL EXPENDITURES	\$304,815	\$320,968	\$429,072	\$800,394	\$1,192,045	\$1,227,807	\$1,264,641
	67.43%	73.69%	68.05%	58.77%	67.25%	59.18%	55.59%
	3.99%	4.67%	5.83%	24.99%	20.97%	24.43%	27.68%
	3.83%	4.67%	12.82%	6.87%	4.61%	8.14%	7.91%
	9.21%	9.40%	7.56%	6.25%	5.03%	6.11%	6.72%
	9.84%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	3.75%	3.67%	2.83%	1.56%	1.08%	1.11%	1.11%
	1.96%	3.89%	2.91%	1.56%	1.05%	1.02%	0.99%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Exhibit C

Lake Highlands Public Improvement District Assessment Plan

The costs of the services and improvements by the District will be paid primarily by special assessment against properties in the District. Annual assessments are based on the total value of real property and real property improvements as determined by the Dallas Central Appraisal District ("DCAD").

The service area is identified on the enclosed map. All properties will be assessed at a uniform rate. The proposed assessment rate for the first year is \$0.13 per \$100 of appraised value. In each subsequent year, a recommended assessment rate will be determined by the budget prepared by the management corporation. Assessments will be carried out according to procedures stipulated in Chapter 372 of the Texas Local Government Code.

Properties not liable for assessment include City rights-of-way, City-owned park properties and properties not owned by the City of Dallas but have obtained an exemption from the City of Dallas real property taxes pursuant to the Texas Property Code (except under the provisions of Sections 11.24 and 11.28 of the Property Tax Code), and property owned by persons already receiving and qualifying for the 65-or-older homestead exemption (under Section 11.13(c) or (d) of the Texas Property Tax Code). Payment of assessments by other exempt jurisdictions shall be established by contract.

The District's assessments will be collected by Dallas County or other collection agent as determined by the City of Dallas, in accordance with the management contract by and between the City of Dallas and Lake Highlands Improvement District Corporation, the non-profit management corporation for the District.