Memorandum

DATE
September 3, 2009

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

SUBJECT
Economic Development Committee
Tuesday, September 8, 2009, 9:30 – 11:00 a.m.
1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201

AGENDA

1. Approval of August 17, 2009 Minutes of the Economic Development Committee

2. Streetscape Briefing II

3. Dallas Public Improvement Districts (PID)
   Overview and Update

4. Upcoming Agenda Items for September 2009
   - Hilton Hotels Corporation Regional Headquarters Relocation:
     Economic Development Grant

Ron Natinsky, Chair
Economic Development Committee

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 C. Victor Lander, Judiciary
   - Ryan S. Evans, First Assistant City Manager
   - A.C. Gonzalez, Assistant City Manager
   - Forest Turner, Assistant City Manager
   - Jill A. Jordan, P.E., Assistant City Manager
   - Jeanne Chipperfield, Director, Budget & Management Services
   - Karl Zavitkovsky, Director, Office of Economic Development
   - Hammond Perot, Assistant Director, Office of Economic Development
   - Helena Stevens-Thompson, Assistant to the City Manager
A closed session may be held if the discussion on any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation, or matters where legal advice is requested to the City Attorney. Section 551.071 of the Texas Open Meetings Act.

2. The Purchase, exchange, lease or value of real property, if the deliberation in an Open Meeting would have a detrimental affect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.

3. A contract for a prospective gift or donation to the City, if deliberation in an Open Meeting would have a detrimental affect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.

4. Personnel matters involving appointments, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.

5. The deployment or specific occasions for implementation of security personnel or device. Section 551.076 of the Texas Open Meetings Act.

1. Approval of August 6, 2009 Minutes of the Economic Development Committee
   Presenter(s):

   Action Taken/Committee Recommendation(s): Motion made to support item with a
   correction to the August 6th meeting to show that Mr. Atkins was out of the country on
   behalf of the City of Dallas.

   **Motion made by: Mr. Salazar**
   Item passed unanimously: X
   Item failed unanimously: ___
   Follow-up (if necessary):

   **Motion seconded by: Ms. Koop**
   Item passed on a divided vote: ___
   Item failed on a divided vote: ___
2. Southern Skates: Evaluating Future Options
Presenter(s): AC Gonzalez, Assistant City Manager, City Manager Office; Karl Zavitkovsky, Director, Office of Economic Development; Paul Dyer, Director, Parks & Recreation; Lee McKinney, Assistant Director, Office of Economic Development; Carolyn Bray, Assistant Director, Parks & Recreation:

Action Taken/Committee Recommendation(s): Motion made to recommend that option 3 (Sell the building) be adopted with further information and review from HUD

Motion made by: Ms. Koop
Motion seconded by: Ms. Margolin
Item passed unanimously: 
Item failed unanimously: 

Voting Yes: Mr. Natinsky, Ms. Koop, Mr. Kadane, Mr. Allen, Mr. Atkins, Mr. Salazar, Ms. Margolin
Voting No: Mr. Caraway

Follow-up (if necessary):
- Councilman Salazar requested further clarity on HUD guidelines/restrictions/timelines with regards to close or sale of Southern Skates building
- Councilwoman Koop suggested when/if building is sold to reinvest the money back into Southern Dallas (ie: movie theatre, etc)

3. Southwest Center Mall: Moving Forward
Presenter(s): AC Gonzalez, Assistant City Manager, City Manager Office; Karl Zavitkovsky, Director, Office of Economic Development:

Action Taken/Committee Recommendation(s): Recommend that staff work with option 3 – the City as the facilitator of development - which includes moving toward resolution of the access issue as well as the evaluation of potential property uses.

Motion made by: Ms. Margolin
Motion seconded by: Mr. Kadane
Item passed unanimously: X
Item failed unanimously: 

Follow-up (if necessary):
- Councilman Atkins requested definitive timelines with the City as the Facilitator of development and Facilitator of development with City Land Position
- Councilwoman Koop requested information on how Houston operates its Local Government Corporation
- Councilman Natinsky suggested that one of the top priorities should be to focus on the road access entry into/from Southwest Center Mall
- Councilman Caraway requested staff to include an aerial map with pertinent demographics as it relates to Southwest Center Mall in Southern Dallas
5. **Upcoming City Council Agenda Items for August 2009**
Presenter(s): AC Gonzalez, Assistant City Manager, City Manager Office; Karl Zavitkovsky, Director, Office of Economic Development:

- South Dallas/Fair Park Trust Fund Grant Agreements
- Call and Hold a Public Hearing to consider amendments to the TIF Reinvestment Zone Number Ten (Southwestern Medical TIF District)

**Action Taken/Committee Recommendation(s):** Motion made to support items number 1 and 2.

Motion made by: **Mr. Kadane**
Motion seconded by: **Mr. Atkins**

Item passed unanimously: X
Item failed unanimously: ______

Item passed on a divided vote: ______
Item failed on a divided vote: ______

4. **Streetscape Briefing II**
Presenter(s): Theresa O’Donnell, Director, Development Services:

**Action Taken/Committee Recommendation(s):** No vote was taken for this item.

Motion made by: ______
Motion seconded by: ______

Item passed unanimously: ______
Item failed on a divided vote: ______

Item failed on a divided vote: ______

**Follow-up (if necessary):**

**Meeting Adjourned:** **11:56 AM.**

**Approved By:** _______________________

Ron Natinsky, Chair
Memorandum

Date: September 3, 2009

To: City Council Economic Development Committee:
   Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Jerry R. Allen, Dwaine Caraway,
   Sheffie Kadane, Linda Koop, Ann Margolin, Steve Salazar

Subject: Streetscape Briefing II

On Tuesday, September 8, you will be briefed on recommendations regarding licenses
issued for use of public rights-of-way. This a follow-up briefing as requested at your
April 20, 2009 meeting. A copy of the briefing is attached for your review.

If you need further information, please call Theresa O’Donnell at 214-670-4127.

A.G. Gonzalez
Assistant City Manager

c: The Honorable Mayor and Members of the City Council
   Mary K. Suhm, City Manager
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   Dave Cook, Chief Financial Officer
   Theresa O’Donnell, Director of Development Services
   Jeanne Chipperfield, Director, Office of Budget Services
   Helena Stevens-Thompson, Assistant to the City Manager
   Karl Zavitkovsky, Director, Office of Economic Development
STREETSCAPE BRIEFING II

Economic Development Committee
September 8, 2009
Purpose

☐ Discuss regulations and fees for using public right-of-way for streetscape and/or other improvements

☐ Review impacts

☐ Consider next steps
BACKGROUND

- Briefed Committee April 20, 2009
  - Vibrant, active streets are desirable
  - Currently implemented in a variety of ways (Licenses, PD, MOWmentum Program)
  - Method, Fees are inconsistent

- Committee requested follow-up to provide:
  - Specifics on hardship requests for fees
  - Recommendations on standard approach
Place-making focuses on the grey area between public, private realms.
Issues

- With economic slowdown, recently received requests for relief from license fees
  - Belmont Henderson Improvements
  - Swiss Avenue Gateway
Hardship Requests

- Belmont Henderson Improvements
  - Council granted license in November 2008 for use of right-of-way for off-street parking and landscaping
  - Improvements were made
  - Economic environment changed
  - Owner originally requested relief from payment of 2009 license fee (January 2009)
  - Fee of $16,915 has been paid
Belmont Henderson
Hardship Requests

- Swiss Avenue Gateway
  - First issued license in June 1984
  - Desire one-time fee rather than annual license fee
Swiss Avenue
Recommendations

- Separate residentially based projects from commercial or for-profit business projects
- Standardize process and fees to minimize fees and paperwork for HOAs and other neighborhood-based groups
- Ensure city public safety, utility and liability concerns are addressed
Recommendations

- Residential Communities
  - Continue pilot program that reduces fees for:
    - Subdivision signs – one-time $1,000 fee per sign
    - Landscaping and appurtenant irrigation systems – one-time $1,000 fee
    - Landscaping should include plantings and architectural elements that help define the space
  - Require permanent license, indemnification and insurance on structures and architectural elements
Recommendations

- Commercial/Business Communities
  - Amend Code to provide a one-time cost-recovery fee of $5,400 for processing and review of enhancement items in ROW:
    - Street trees, shrubbery, planter boxes, pots
    - Awnings with no advertising
    - Streetscape and architectural elements
    - Off-street parking
Recommendations

☐ Commercial/Business, cont.

■ Continue standard fee assessment for items in the ROW that generate revenue:
  ☐ Sidewalk cafes
  ☐ Advertising on signs or awnings
  ☐ Telecommunication cables
  ☐ Skybridges

■ Formula based on square footage x market value x percent
Recommendations

- Commercial/Business, cont.
  - Require permanent license, indemnification and insurance on structures and architectural elements
  - Assess a minimal fee for using public right-of-way allowed under future PD-Zoning Ordinance for landscaping, awnings and signs, and/or sidewalk cafes
Recommendations

☐ Commercial/Business cont.

- If economic hardship prevents payment of license fees once improvements installed:
  - Request Council to grant moratorium on license fees for up to two years if business files for reorganization or bankruptcy;
  - Require applicant to dedicate improvements to City and post a performance bond to pay for upkeep; or
  - Require removal and reinstatement of ROW to previous condition
Next Step

☐ Prepare ordinance revisions for Council approval prior to December 2009
Memorandum

DATE: September 3, 2009

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

SUBJECT: Dallas Public Improvement Districts (PID) Overview and Update;

On Tuesday, September 8, 2009, the Economic Development Committee will be briefed on City of Dallas Public Improvement Districts.

A copy of the briefing is attached. Staff will be available at the meeting to answer questions.

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

A. C. Gonzalez
Assistant City Manager

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Dallas-Together, we do it better
Memorandum

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Dallas-Together, we do it better
Dallas Public Improvement Districts (PID) Overview and Update

Economic Development Committee
September 8, 2009

Office of Economic Development
www.dallas-ecodev.org
Dallas PID Overview - Purpose

- Provide the Economic Development Committee with an overview of the City of Dallas PID Policy (see Appendix 1).

- Present an annual update of PID Service Plans in anticipation of public hearings and related Council action to set PID assessment rates for the upcoming year.
Dallas PID Overview – Current Districts

- Dallas now has eight Public Improvement Districts (PIDs)
  - Deep Ellum PID
  - DID – Downtown Dallas Public Improvement District
  - Lake Highlands PID
  - Oak Lawn – Hi Line PID
  - Prestonwood PID
  - Southside PID
  - Uptown PID and
  - Vickery Meadow PID
Dallas PID Overview – Governance

- PIDs are governed by state law and specifically by the City of Dallas PID Policy (last adopted on June 25, 2008).
- Individual PIDs are governed by property owner elected boards and managed by a specifically formed non-profit organization or homeowners’ association.
- State law requires that City Council annually adopt an updated PID Service Plan, hold a public hearing and set the PID assessment rate for each district for the upcoming year.
Dallas PID Overview – Creation/Operating Parameters

- To create a PID, property owners petition the City Council to adopt a special assessment on all property within PID boundaries for the purpose of improving services and infrastructure with the PID boundaries.
- In new and renewing PIDs, the City requires 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.
- In new 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.
In Dallas, PIDs are authorized for a period of five (5) to seven (7) years with the option of renewal. The renewal process requires preparing a budget, service plan and assessment plan for the district and having property owners sign a petition supporting renewal of the PID.

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, an assessment plan, and also evidence of insurance.

PID applications include a map and a legal or clear description of the property included in the District.
Dallas PID Overview – Creation/Operating Parameters (cont.)

- PIDs are required to be self-sufficient and not adversely impact ordinary service delivery of the City.
- PIDs in Dallas will be allowed to fund any item provided by state law.
- Most of the PIDs are in mixed-use districts but the PID policy allows for the establishment of PIDs in residential districts like Prestonwood.
- The PID Policy does NOT allow the creation of PID Districts in undeveloped subdivisions.
Dallas PID Overview – Creation/Operating Parameters (cont.)

- 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.
- 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.
Dallas PID Overview – Creation/Operating Parameters (cont.)

- Administrative expenses, including costs for day to day City Staff administration, for a PID are limited to **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).
Dallas PID Overview – City Owned Property

- Property owned by the City of Dallas is typically not subject to assessment by any PID.
- The only exception to this is the Downtown Improvement District where an assessment is paid based on the market value of city property in the district.

DID Assessment for City Owned Property

<table>
<thead>
<tr>
<th>Year</th>
<th>Assessment ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$176,000</td>
</tr>
<tr>
<td>2004</td>
<td>$191,976</td>
</tr>
<tr>
<td>2005</td>
<td>$194,411</td>
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<tr>
<td>2006</td>
<td>$209,500</td>
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<tr>
<td>2007</td>
<td>$278,000</td>
</tr>
<tr>
<td>2008</td>
<td>$745,522</td>
</tr>
<tr>
<td>2009</td>
<td>$628,776</td>
</tr>
</tbody>
</table>
Dallas PID Overview – Management and Reporting

- All PID management entities are required to:
  - Submit quarterly reports on activities and expenditures
  - Have an independent annual audit
  - Hold an annual open meeting with at least 2 weeks notice to all property owners for input on the budget and service plan
Dallas PID Overview – Special Purpose PIDs

- Special Purpose PIDs may be requested by the City Manager’s Office to address unique issues.
- 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 or as part of a settlement of a legal matter.
- Administrative expenses in these districts shall not exceed 10% of the total budget in any year.
Deep Ellum PID – Annual Plan Summary

- Trash removal
- Installation/Maintenance of Enhanced Lighting & Signage
- Promotional Events (Arts Festival, Pet Parade, DART station)
- Weekend Event Security
- DART Station Opening – improvements for pedestrian linkages

<table>
<thead>
<tr>
<th>Deep Ellum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expiration</td>
</tr>
<tr>
<td>Accounts</td>
</tr>
<tr>
<td>Value</td>
</tr>
<tr>
<td>Assessment</td>
</tr>
<tr>
<td>Change in value</td>
</tr>
<tr>
<td>2009 Assessment Rate</td>
</tr>
</tbody>
</table>

| Proposed 2010 Budget | $175,000 |

- Park Improvements and Landscaping Services 28%
- Capital Improvements 3%
- Promotion 42%
- Professional Svcs. 3%
- Audit/Insurance 9%
- Administration 15%

Management

Deep Ellum Foundation (501c3)
Barry Annino, President

Office of Economic Development
www.dallas-ecodev.org
## Dallas Downtown Improvement District (DID) - Annual Plan Summary

**Budget**

- **Expiration**: 12-31-2013
- **Accounts**: 1925
- **Value**: $4,314,579,210
- **Assessment**: $5,134,349
  - Including City participation = $628,776
- **Change in value**: -10.6%
- **2009 Assessment Rate**: $0.1190
- **Proposed 2010 Budget**: $5,778,525
  - **Public Safety**: 37%
  - **Capital Improvements**: 25%
  - **Park Improvements and Landscaping Services**: 17%
  - **Communication/Events**: 13%
  - **Administration**: 8%
  - CBD Enterprises (501c3)
    - John Crawford, President CEO

**Estimated City participation**

- $628,776 equates to 8:1 leverage

- Public Safety top priority (patrols – bikes for DPD). Crime down 10%; 89 security cameras
- Landscape planting, trash & graffiti
- "Did you know" postcard campaign, e-newsletters, website upgrades, support/sponsor downtown events

**Office of Economic Development**
www.dallas-eodev.org
# Lake Highlands PID - Annual Plan Summary

<table>
<thead>
<tr>
<th></th>
<th>Lake Highlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expiration</td>
<td>12-31-2014</td>
</tr>
<tr>
<td>Accounts</td>
<td>965</td>
</tr>
<tr>
<td>Value</td>
<td>$234,943,480</td>
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<tr>
<td>Assessment</td>
<td>$305,427</td>
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<tr>
<td>Change in value</td>
<td>-7.4%</td>
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<tr>
<td>2009 Assessment Rate</td>
<td>$0.13</td>
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<table>
<thead>
<tr>
<th>Proposed 2010 Budget</th>
<th>Public Safety</th>
<th>66%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Improvements</td>
<td>14%</td>
</tr>
<tr>
<td></td>
<td>Promotion</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>Audit/Insurance</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>Administration</td>
<td>10%</td>
</tr>
</tbody>
</table>

Management

- Enhance Security
- Graffiti removal
- Landscape Enhancements & Maintenance

Lake Highlands Improvement District Corporation (501 c3)
Stephanie Colovas, President
Oak Lawn-Hi Line PID - Annual Plan Summary

- Enhanced public safety/security
- Promotion of District
- Maintain enhanced public improvements
- Litter & Graffiti
- Landscaping

<table>
<thead>
<tr>
<th>Oak Lawn-Hi Line</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Expiration</td>
<td>12-31-2016</td>
</tr>
<tr>
<td>Accounts</td>
<td>47</td>
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<tr>
<td>Value</td>
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<tr>
<td>Assessment</td>
<td>$152,946</td>
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<tr>
<td>Change in value</td>
<td>1st year</td>
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<tr>
<td>2009 Assessment Rate</td>
<td>$0.15</td>
</tr>
<tr>
<td>Proposed 2010 Budget</td>
<td></td>
</tr>
<tr>
<td>$267,946*</td>
<td></td>
</tr>
<tr>
<td>Public Safety</td>
<td>41%</td>
</tr>
<tr>
<td>Improvements</td>
<td>31%</td>
</tr>
<tr>
<td>Promotion</td>
<td>6%</td>
</tr>
<tr>
<td>PID Creation</td>
<td>6%</td>
</tr>
<tr>
<td>Insurance</td>
<td>9%</td>
</tr>
<tr>
<td>Administration</td>
<td>7%</td>
</tr>
<tr>
<td>Other contributions = $115,000</td>
<td></td>
</tr>
<tr>
<td>*Expenditures projected to exceed net assessment revenue in initial years, deficits to be made up with property owner donations.</td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td></td>
</tr>
</tbody>
</table>

Oak Lawn-Hi Line Improvement District Corporation (501 c3)
Tom Peterson, current contact. Board in formation process

Other contributions = $115,000
Prestonwood PID - Annual Plan Summary

- Primary purpose to enhance security
- 24/7 security patrols
- Support bulk trash pick up

<table>
<thead>
<tr>
<th></th>
<th>Prestonwood</th>
</tr>
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<tbody>
<tr>
<td>Expiration</td>
<td>12-31-2011</td>
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<tr>
<td>Accounts</td>
<td>1031</td>
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<tr>
<td>Value</td>
<td>$366,600,480</td>
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<tr>
<td>Assessment</td>
<td>$289,614</td>
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<tr>
<td>Change in value</td>
<td>0.2%</td>
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<tr>
<td>2009 Assessment Rate</td>
<td>$0.079</td>
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<tr>
<td>2010 Proposed Budget</td>
<td>$316,992*</td>
</tr>
</tbody>
</table>

*Difference between proposed 2010 budget and 2009 assessment covered by cash balance carried forward of $102,942

<table>
<thead>
<tr>
<th>Management</th>
<th>Prestonwood Homeowners Association (non-profit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Safety</td>
<td>90%</td>
</tr>
<tr>
<td>Audit/Insurance</td>
<td>7%</td>
</tr>
<tr>
<td>Administration</td>
<td>3%</td>
</tr>
</tbody>
</table>

Jim Beaman, President
South Side PID - Annual Plan Summary

<table>
<thead>
<tr>
<th>Office of Economic Development</th>
<th><a href="http://www.dallas-ecodev.org">www.dallas-ecodev.org</a></th>
</tr>
</thead>
</table>

South Side

- Expiration: 12-31-2012
- Accounts: 134
- Value: $86,746,570
- Assessment: $121,028
- Change in value: -8.6%
- 2009 Assessment Rate: Premium $0.15, Standard $0.12

Proposed 2010 Budget: $135,000

- Safety & Security: 44%
- Capital Improvements: 15%
- Business Promotion: 13%
- Maintenance: 9%
- Audit/Insurance: 8%
- Administration: 11%

Management

- Southside Quarter Development Corporation (501c3)
  - Jeff West, President

- $31,300 surplus from previous year
  - Distinctive signage is a $20,000 one time expense to be paid from surplus

- 50% of budget for public courtesy patrol for the 100 acre district
- New business recruitment
- "Faces of South Side" exhibit
- Bark Park
Uptown PID - Annual Plan Summary

- Building capital projects
- Quality of Life
- Promoting neighborhood businesses
- Additional street lighting, streetscape, green space plan for future parks

<table>
<thead>
<tr>
<th></th>
<th>Uptown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expiration</td>
<td>12-31-2012</td>
</tr>
<tr>
<td>Accounts</td>
<td>2515</td>
</tr>
<tr>
<td>Value</td>
<td>$3,065,219,610</td>
</tr>
<tr>
<td>Assessment</td>
<td>$1,379,349</td>
</tr>
<tr>
<td>Change in value</td>
<td>2.4%</td>
</tr>
<tr>
<td>2009 Assessment Rate</td>
<td>$0.045</td>
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<tr>
<td>Proposed 2010 Budget</td>
<td>$1,352,733</td>
</tr>
</tbody>
</table>

- Maintenance/Park Improvements: 17%
- Capital Improvements: 29%
- Services (incl. security) & Promotion: 35%
- Contingency and Reserve: 7%
- Administration: 12%
- Contingency for potential tax refunds due to protests. Reserve is $800,000 over 4 years to renovate Griggs Park ($1.5 million total cost)

Off-duty police, graffiti removal, trash can and tree grate maintenance
Crime reduced 5th consecutive year (working closely with neighborhood police and Vickery Meadow Patrol. (Per capita crime below the City).
Next Steps

On September 9, 2009 – City Council will consider approval of the eight PID Service Plans and to call public hearings for September 23rd on the proposed assessment rates.

On September 23, 2009 – Public hearings will be held to receive comments on the proposed PID assessment rates. At the close of the hearings an ordinance approving each PID assessment rate will be considered.
Appendix 1

Council Adopted PID Policy, June 2008
### Appendix 2 - PID Assessment Rates by PID since 2000

<table>
<thead>
<tr>
<th>PID Name</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deep Ellum</td>
<td>N/A</td>
<td>$0.12</td>
<td>$0.12</td>
<td>$0.12</td>
<td>$0.12</td>
<td>$0.12</td>
<td>$0.12</td>
<td>$0.12</td>
<td>$0.12</td>
<td>$0.12</td>
</tr>
<tr>
<td>DID - Premium</td>
<td>$0.07</td>
<td>$0.07</td>
<td>$0.09</td>
<td>$0.09</td>
<td>$0.10</td>
<td>$0.10</td>
<td>$0.11</td>
<td>$0.12</td>
<td>$0.12</td>
<td>$0.12</td>
</tr>
<tr>
<td>DID - Standard</td>
<td>$0.04</td>
<td>$0.04</td>
<td>$0.05</td>
<td>$0.06</td>
<td>$0.07</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Lake Highlands</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$0.13</td>
<td>$0.13</td>
</tr>
<tr>
<td>Oak Lawn - Hi Line</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$0.15</td>
</tr>
<tr>
<td>Prestonwood</td>
<td>$0.11</td>
<td>$0.09</td>
<td>$0.08</td>
<td>$0.08</td>
<td>$0.09</td>
<td>$0.09</td>
<td>$0.09</td>
<td>$0.09</td>
<td>$0.09</td>
<td>$0.08</td>
</tr>
<tr>
<td>South Side - Premium</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$0.15</td>
<td>$0.15</td>
<td>$0.15</td>
<td>$0.15</td>
<td>$0.15</td>
</tr>
<tr>
<td>South Side - Standard</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$0.12</td>
<td>$0.12</td>
<td>$0.12</td>
<td>$0.12</td>
<td>$0.12</td>
</tr>
<tr>
<td>Uptown - Premium</td>
<td>$0.07</td>
<td>$0.06</td>
<td>$0.04</td>
<td>$0.04</td>
<td>$0.04</td>
<td>$0.04</td>
<td>$0.04</td>
<td>$0.04</td>
<td>$0.04</td>
<td>$0.04</td>
</tr>
<tr>
<td>Uptown - Standard</td>
<td>$0.02</td>
<td>$0.02</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Vickery Meadow - Premium</td>
<td>$0.10</td>
<td>$0.10</td>
<td>$0.10</td>
<td>$0.10</td>
<td>$0.10</td>
<td>$0.10</td>
<td>$0.10</td>
<td>$0.10</td>
<td>$0.10</td>
<td>$0.10</td>
</tr>
<tr>
<td>Vickery Meadow - Standard</td>
<td>$0.05</td>
<td>$0.05</td>
<td>$0.05</td>
<td>$0.05</td>
<td>$0.05</td>
<td>$0.05</td>
<td>$0.05</td>
<td>$0.05</td>
<td>$0.05</td>
<td>$0.05</td>
</tr>
</tbody>
</table>
WHEREAS, Chapter 372 of the Texas Local Government Code (the "Act") allows for the creation of public improvement districts; and

WHEREAS, on June 16, 2008, 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 June 25, 2008.

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

JUN 25 2008

City Secretary
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 16, 2008, the Economic Development Committee reviewed staff recommendations for amendments to the City of Dallas PID Policy and recommended the amended policy for City Council approval.

• On June 25, 2008, the City Council considered amendments to the PID Policy.
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.
- 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 allow support the creation of PID Districts in undeveloped subdivisions.

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

PID Policy

- Office of Economic Development will support new Public Improvement Districts (PID) 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.

- The City of Dallas Office of Economic Development will support the use of Public Improvement Districts for single-family districts (defined as areas with a minimum of 30% of land area dedicated to single-family housing) in established areas (defined as at least 85% 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.

- Existing PIDs for Single-Family Districts will be supported.

- 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.

Office of Economic Development
www.dallas-ecodev.org
Exhibit A

PID Policy (continued)

- In new and renewing 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 sentence additional note: "The person signing represents that he or she is the property owner or is authorized to execute this petition on behalf of the property owner. With respect to community property, the City may accept the signature of one a spouse as a representation of both spouses that they support the creation or renewal of the PID absent a separate property agreement.

- In new 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.
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.

Office of Economic Development
www.dallas-ecodev.org
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).
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.
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 or as part of a settlement of a legal matter.
- Administrative expenses in these districts shall not exceed 10% of the total budget in any year.
MEMORANDUM

DATE: September 3, 2009

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

SUBJECT: Hilton Hotels Corporation Regional Headquarters Relocation: 
          Economic Development Grant, September 23, 2009, Council Agenda

MAIN TOPIC

Authorize an economic development grant of $150,000, pursuant to Chapter 380 of the Local 
Government Code, with Hilton Hotels Corporation related to the relocation of its regional 
headquarters to 16000 N. Dallas Parkway.

BACKGROUND

Hilton Hotels Corp. seeks City Council approval of an economic development grant in an amount 
not to exceed $150,000 to help defray a portion of the relocation costs for its regional 
headquarters to 16000 N. Dallas Parkway from Farmers Branch, TX. In addition to the Dallas 
site, Hilton considered Farmers Branch, Addison, and Plano as a potential location for the 
relocation. Hilton will lease 50,000 square feet of Class A office space at 16000 N. Dallas 
Parkway for a minimum of 5 years. The 187,000 square feet building is presently 45% vacant.

Hilton Hotels Corporation will make a private investment of approximately $3,000,000 in tenant 
improvements and approximately $1,100,000 in business personal property, as well as create a 
minimum of 200 jobs in order to be eligible for the proposed economic development grant. The 
city grant is designed to defray relocation costs and building improvements. The city grant will be 
payable upon substantial completion of approximately $3,000,000 in improvements and the 
creation of 200 jobs at the site by April 30, 2010.

This proposed regional headquarters relocation is non-conforming project under the Public 
Private Partnership Program as adopted by the City Council on April 9, 2008 and requires a 3/4 
City Council vote for approval. Hilton Hotels Corporation is bringing 200 jobs to Dallas which is 
below the minimum North Dallas Commercial Zone requirement of 250.

PROJECT DETAILS

Project Site: 16000 N. Dallas Parkway

Jobs: 200

New Business Personal Property Investment: $1.1 million

New Real Property Improvements: $3.0 million

Average Salary: $43,975
Proposed estimated schedule of the project

Commence Relocation: February 1, 2010
Complete Relocation: April 30, 2010

City incentives

Economic Development Grant: $150,000

Fiscal information

Financing: Public Private Partnership Program Funds - $150,000

Owner

Hilton Hotels Corp
Robert King
VP Finance

Map

Attached

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

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 C. Victor Lander, Judiciary
   Ryan S. Evans, First Assistant City Manager
   A.C. Gonzalez, Assistant City Manager
   Forest Turner, Assistant City Manager
   Jill A. Jordan, P.E., Assistant City Manager
   Jeanne Chipperfield, Director, Budget & Management Services
   Karl Zavitkovsky, Director, Office of Economic Development
   Hammond Perot, Assistant Director, Office of Economic Development
   Helena Stevens-Thompson, Assistant to the City Manager

Dallas-Together, we do it better
A. Project Summary

<table>
<thead>
<tr>
<th>City Council District</th>
<th>11</th>
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<tbody>
<tr>
<td>Project/Company Name</td>
<td>Hilton Hotels Corp.</td>
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<tr>
<td>Project Location</td>
<td>16000 N. Dallas Parkway</td>
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<tr>
<td>Project Type</td>
<td>Office Relocation</td>
</tr>
<tr>
<td>Facilities (Square Feet)</td>
<td>50,000</td>
</tr>
<tr>
<td>Construction Schedule</td>
<td>Begin 2/1/2010, Complete 4/30/2010</td>
</tr>
<tr>
<td>Private Improvement Investment</td>
<td>Real Property 3,000,000, Business Property 1,100,000</td>
</tr>
<tr>
<td>Jobs</td>
<td>Created 200</td>
</tr>
<tr>
<td>Average Wage Rate</td>
<td>Salary 43,974.33, Hourly N/A</td>
</tr>
<tr>
<td>City Incentive Summary</td>
<td>Tax Abatement N/A, Infrastructure N/A, Grant 150,000</td>
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B. Economic Impact Estimates  (Dallas City Economy Only, $ Million)

<table>
<thead>
<tr>
<th></th>
<th>10-Year</th>
<th>20-Year</th>
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<tr>
<td></td>
<td>Jobs</td>
<td>Economic</td>
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<tr>
<td>Direct Impact</td>
<td>100</td>
<td>$64,548,636</td>
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<tr>
<td>Indirect and Induced Impact*</td>
<td>180</td>
<td>$57,833,773</td>
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<tr>
<td>Total Impact</td>
<td>280</td>
<td>$122,382,409</td>
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C. City of Dallas General Fund Fiscal Impact ($ Million)

<table>
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<tr>
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<th>10-Year</th>
<th>20-Year</th>
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<tbody>
<tr>
<td>Total City GF Revenue Generated</td>
<td>$3,327,540</td>
<td>$8,980,618</td>
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<tr>
<td>Total City GF Service Costs</td>
<td>$2,807,753</td>
<td>$5,748,153</td>
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<tr>
<td>Net Impact Before Incentives</td>
<td>$519,787</td>
<td>$3,322,465</td>
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<tr>
<td>City incentives</td>
<td>$150,000</td>
<td>$150,000</td>
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<tr>
<td>Net City Fiscal Impact</td>
<td>$399,787</td>
<td>$3,062,465</td>
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</table>

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

D. Other Taxing Jurisdiction 10-yr Estimated Tax Revenue*

<table>
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<tr>
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<th>Property Taxes</th>
<th>Sales Tax</th>
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<tbody>
<tr>
<td>DISD</td>
<td>$1,163,402</td>
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</tr>
<tr>
<td>Dallas County</td>
<td>$233,028</td>
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<tr>
<td>DCCCD</td>
<td>$89,400</td>
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<tr>
<td>Parkland Hospital</td>
<td>$254,000</td>
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* Based on previous valuations and following the income approach, this project will add $10M to the improvement value.