



CITY OF DALLAS

## Memorandum

Date: October 10, 2008

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

Subject: Abandonment Procedures and Fees

On Thursday, October 16, you will be briefed on recommended changes to abandonment procedures and fees. This is a follow-up to the September committee meeting, during which additional information was requested. The briefing is attached for your review.

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

A.C. Gonzalez  
Assistant City Manager

- c: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Thomas Perkins, City Attorney  
Deborah Watkins, City Secretary  
Craig Kinton, City Auditor  
Judge C. Victor Lander, Judiciary  
Ryan S. Evans, First Assistant City Manager  
David O. Brown, Interim Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Ramon F. Miguez, P.E., Assistant City Manager  
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  
Hammond Perot, Assistant Director, Office of Economic development



**City of Dallas**

***Abandonment Procedures and Fees:  
Recommended Changes***

***Economic Development  
Committee***

***October 16, 2008***



# Background

- Briefed Committee on September 5, 2008
- Committee requested more detail on specific recommendations for revisions

# Street, Alleys and Storm Water Management Areas

- Continue to charge:
  - \$2,500 application fee
  - \$20 ordinance publication fee
  - \$75 Deed recording fee
  - \$5,400 minimum processing fee
  - \$2,500 appraisal fee, if needed

# Street, Alleys and Storm Water Management Areas

- Continue formula: market value x square footage = abandonment fee
- Continue to allow Discounts (see Appendix)
- Continue to allow Credits for dedications of right-of-way required by the City to support public infrastructure development

# Street, Alleys and Storm Water Management Areas

- Recommended Changes:
  - Do not allow credit for right-of-way dedications that are not required by City and are not necessary to support public infrastructure development
  - Allow credit for dedication of desirable public amenities in urban core (e.g., linear parks, plazas, landscaped open space)

# Street, Alleys and Storm Water Management Areas

- If public amenities dedicated:
  - Acceptance would be at the discretion of the Park Board and subject to a maintenance agreement
- If privately owned and maintained:
  - Responsibility would be assigned to a TIF or PID

# Street, Alleys and Storm Water Management Areas

- Recommended Changes continued:
  - Require appraisals in all areas where there have been known increases in property value (e.g. CBD, Uptown, Victory Park), regardless of DCAD value
    - Currently require appraisals only if DCAD value exceeds \$20,000



# Multiple Easement Abandonments

- City does not own fee; easement granted at no cost
- Continue to charge:
  - \$2,500 application fee
  - \$20 ordinance publication fee
  - \$75 ordinance recording fee
  - \$5,400 minimum processing fee

# Multiple Easement Abandonments

- Recommended Changes:
  - Limit the number of easement abandonment requests on a single application:
    - 1 to 5 Easement Abandonments: \$5,400
    - 6 Plus Easement Abandonments: \$1,000 for each, in addition to \$5,400 minimum

# Fee Structure

Dallas fees compared to other jurisdictions  
(Survey Results in Appendix)

- Analysis indicates Dallas is on high end of scale for overall costs recovered
- Recommendation:
  - No change in fee amounts
  - Add charge for additional easement abandonment requests

# Next Steps

- Prepare necessary Code amendments
- Schedule for City Council action

# APPENDIX

# Allowable Credits and Discounts

- If property rights are retained by the City, the appraiser may discount up to:
  - 15% for encumbrance or easement
  - 30% for abandonment of air rights
  - 70% for abandonment of subsurface rights
  - 85% for abandonment of air rights deed restricted against use

# Survey Results

**ABANDONMENT FEES  
COMPARISON TO OTHER TEXAS CITIES**

<b>STREET/ALLEY ROW ABANDONMENTS: APPLICATION AND PROCESSING FEES</b>						
	<b>DALLAS</b>	<b>HOUSTON</b>	<b>AUSTIN</b>	<b>SAN ANTONIO</b>	<b>FT. WORTH</b>	<b>ARLINGTON</b>
<b>APPLICATION FEES</b>	1. \$2500 non-refundable fee	1. \$300 per tract or parcel	1. \$1000 non-refundable fee	1. \$500 fee	1. \$676 non-refundable fee	1. \$125 non-refundable fee (will increase to \$450 in next 6 months)
	2. Applicant provides field notes	2. Applicant provides field notes	2. Applicant provides field notes	2. Applicant provides field notes	2. Applicant provides field notes	2. Applicant provides field notes
	3. \$75 Deed recording fee	3. Actual fee for recordation of documents paid by applicant prior to recording	3. Actual fee for recordation of documents paid by applicant prior to recording	3. Actual fee for recordation of documents paid by applicant prior to recording	3. Actual fee for recordation of documents paid by applicant prior to recording	3. Actual fee for recordation of documents paid by applicant prior to recording
<b>PROCESSING FEES</b>	1. Minimum \$5400 Fee	1. No minimum fee	1. No minimum fee	1. Minimum fee is the greater of \$7500 or 100% of market value determined by appraisal district or independent appraisal paid for by applicant if required	1. No minimum fee	1. No minimum fee
	2. Abandonment fee is 100% of market value determined by appraisal paid for by applicant (\$2500 collected upfront; difference is either credited or collected when fee is collected)	2. Abandonment fee is 100% of market value determined by appraisal district value or independent appraisal if value >\$25,000 (paid by applicant)	2. Abandonment fee is 100% of market value based on appraisal paid for by City of Austin	2. Abandonment fee is 100% of market value or \$7500, whichever is greater (see comment above)	2. Abandonment fee is 100% market value as determined by the appraisal district value if city purchased land; fee is waived if property was dedicated by deed or plat at no cost to city	2. Abandonment fee is 100% market value for streets as determined by the appraisal district if city paid for land originally; fee is 50% of market value for alleys as determined by appraisal district if city paid for them originally
	3. Credit given for easement reservations; up to 15% at discretion of appraiser	3. Credit of 50% for easement reservations based on value and surface area	3. Discount given for any easements retained by city; amount at discretion of appraiser with no maximum	3. Credit given for easement reservations based on value and surface area		3. Credit given for easement reservations: 50% for water and general utility, 90% for drainage
	4. If needed by City, credit given for dedication square foot for square foot	4. Credit for dedications if part of same tract and required by city for replat	4. Credit for dedications given if part of vacation process and done by separate instrument; no credit for dedications done via replat	4. No credit for dedications given as part of development		4. Credit given for dedications
		5. Credit given against abandonment fee for appraisal cost		5. Petitioner pays recording fees		



**ABANDONMENT FEES  
COMPARISON TO OTHER TEXAS CITIES**

<b>EASEMENT ABANDONMENTS: APPLICATION AND PROCESSING FEES</b>						
	<b>DALLAS</b>	<b>HOUSTON</b>	<b>AUSTIN</b>	<b>SAN ANTONIO</b>	<b>FT. WORTH</b>	<b>ARLINGTON</b>
<b>APPLICATION FEES</b>	1. \$2500 non-refundable fee	1. \$300 per individual easement	1. \$435 per easement; additional \$300 required by Pedernales Electric Coop. if applicant serviced by them	1. \$500 for easement abandonments	1. \$407 for public access easements; \$300 for drainage or utility easement abandonments	1. \$125 non-refundable fee
	2. Applicant provides field notes	2. Applicant provides field notes	2. Applicant provides field notes	2. Applicant provides field notes	2. Applicant provides field notes	2. Applicant provides field notes
	3. \$75 ordinance recording fee	3. Actual fee for recordation of documents paid by applicant prior to recording	3. Actual fee for recordation of documents paid by applicant prior to recording	3. Actual fee for recordation of documents paid by applicant prior to recording	3. Actual fee for recordation of documents paid by applicant prior to recording	3. Actual fee for recordation of documents paid by applicant prior to recording
<b>PROCESSING FEES</b>	1. Minimum \$5400 fee per application	1. Fee is 50% of market value determined by appraisal district	1. No additional charge for easement release; \$435 total fee, unless applicants served by Pedernales Electrical Cooperative	1. Minimum fee is the greater of \$7500 or 100% of market value determined by appraisal district or independent appraisal paid for by applicant if required	1. Abandonment fee of \$319 - \$473 (depending on number of lots) for replat to show vacation of public access easement; no additional or minimum fees for release of drainage or utility easements	1. No additional or minimum fee for easement abandonments
	2. Fee is 50% of market value if city originally paid for land	2. Applicant pays recording fees		2. Petitioner pays recording fees		