

# Memorandum



DATE September 3, 2010

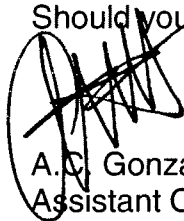
TO Members of the Economic Development Committee: Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Dwaine Caraway, Jerry R. Allen, Sheffie Kadane, Linda Koop, Ann Margolin, Steve Salazar

SUBJECT **City of Dallas Public Improvement Districts Annual Assessment Rate for 2010 and the Service Plan for 2011; Nine Agenda Items, September 8, 2010 & September 22, 2010**

On Tuesday, September 7, 2010, the Economic Development Committee will be briefed on the Dallas Public Improvement Districts.

Briefing material is 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, Administrative Judge Municipal Court  
Ryan S. Evans, First Assistant City Manager  
Forest Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
Hammond Perot, Assistant Director, Office of Economic Development  
Helena Stevens-Thompson, Assistant to the City Manager

# Dallas Public Improvement Districts (PID) Overview and Update

Economic Development Committee  
September 7, 2010



Office of Economic  
Development  
[www.dallas-ecodev.org](http://www.dallas-ecodev.org)



# Dallas PID Overview - Purpose

- ◆ Review PID governance, operating parameters, management and reporting.
- ◆ Provide the Economic Development Committee with a brief overview of the nine PIDs including: 2010 Assessment Rate; 2011 Budget; and review of updated PID Service Plans for 2011.
- ◆ Request Economic Development Committee approval for Council action to call for a public hearing, adopt 2011 Service Plan for nine PIDs, and set PID 2010 Assessment Rate.

# Dallas PID Policy – Governance

- ◆ PIDs are governed by state law and specifically by the City of Dallas PID Policy (originally adopted in December 2005 and last amended on October 28, 2009).
- ◆ 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 Policy – 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.

# Dallas PID Policy – Creation/Operating Parameters (cont.)

- ◆ 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 Policy – 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 Policy – Creation/Operating Parameters (cont.)

- ◆ PID assessments will be based on a set rate applied to total property value. The maximum PID assessment in Dallas shall be \$0.15 per \$100 valuation.
- ◆ PID petitions will be due on April 1<sup>st</sup> annually for approval by October 1<sup>st</sup>. Signatures for PID petitions must be gathered between October 1 and April 1 prior to the submission of the petition.

# Dallas PID Policy – 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 Policy – 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 Policy – 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.
- ◆ **To date, no Special Purpose PID have been created.**

# Dallas PID Overview – Current Districts

- ◆ Dallas now has nine Public Improvement Districts (PIDs)
  - Deep Ellum PID
  - DID – Dallas Downtown Improvement District
  - Knox Street PID (*new PID created in June 2010*)
  - Lake Highlands PID
  - Oak Lawn – Hi Line PID
  - Prestonwood PID
  - Southside PID
  - Uptown PID and
  - Vickery Meadow PID
- ✓ See appendix 1 – Public Improvement District Summary

# Dallas PID Overview – Valuation/Assessment Rates

- Property value changes in the PID districts varied from last year.
  - Seven of eight PIDs valuations declined.
  - Oak Lawn Hi-Line PID had the only increase in total property value.

PID Name	% Change in property valuation
Vickery Meadow PID	-14.8%
Oak Lawn-Hi Line PID	4.60%
Prestonwood PID	-0.70%
Southside PID	-7.00%
Uptown PID	-10.30%
Deep Ellum PID	-11.50%
Lake Highlands PID	-12.70%
DID	-13.00%
Knox Street PID	1st year

## Dallas PID Overview – Valuation/Assessment Rates

- ◆ PID assessment rates have remained stable.
  - Seven of eight PIDs will keep the same assessment rate as last year.
  - Prestonwood PID assessment rate will increase from \$0.0790 per \$100 of appraisal value in 2009 to \$0.0870 in 2010, a 10% increase, to offset the cost related to declining property valuations.
- ◆ The nine PIDs will collect an estimated \$7.4 million in assessment revenue to provide a range of enhanced services and improvements next year that the City would otherwise fund or forgo due to limited City resources.

# Dallas PID Overview – Miscellaneous

- ◆ Expiration dates based on date of formation or last renewal.
- ◆ Number of property owners range from a low of 49 (Oak Lawn-Hi Line) to 2,501 (Vickery Meadow).
- ◆ Most Service Plan budgets focus on public safety as top priority, followed by park and infrastructure improvements and business promotion.
- ◆ Dallas Downtown Improvement District is only PID to receive public assistance because of large number of public properties in the District.

# DID – 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

2003	\$176,000
2004	\$191,976
2005	\$194,411
2006	\$209,500
2007	\$278,000
2008	\$745,522
2009	\$628,776
<b>2010</b>	<b>\$575,906</b>

# DID – City Owned Property (cont.)

- ◆ The City has participated in the DID assessments because:
  - a) Services/improvements benefiting the City:
    - DPD supplemental security services
    - Homeless court/case management
    - Trash collection and public area maintenance
    - Median improvements, landscaping, tree replacement
    - Banners and holiday tree lighting
  - b) Direct benefits to the City from the DID exceed the cumulative assessment paid by 3:1.
- ◆ The City has a large amount of city-owned property and City facilities in the downtown area.
- ◆ The DID organization has provided leadership to help address issues such as loitering, parking, and retail recruitment; coordination with DPD; the Downtown 360 Plan; trolley planning; marketing; and signage/wayfinding.

# Recommended Next Steps

- ◆ Economic Development Committee Recommendation for Council approval of:
  - ✓ Call for Public Hearing to receive comments concerning the annual assessment rate for the nine PIDs on September 8, 2010.
  - ✓ Hold public hearing to set 2010 Assessment Rate and adopt 2011 Service Plan for the nine PIDs on September 22, 2010.

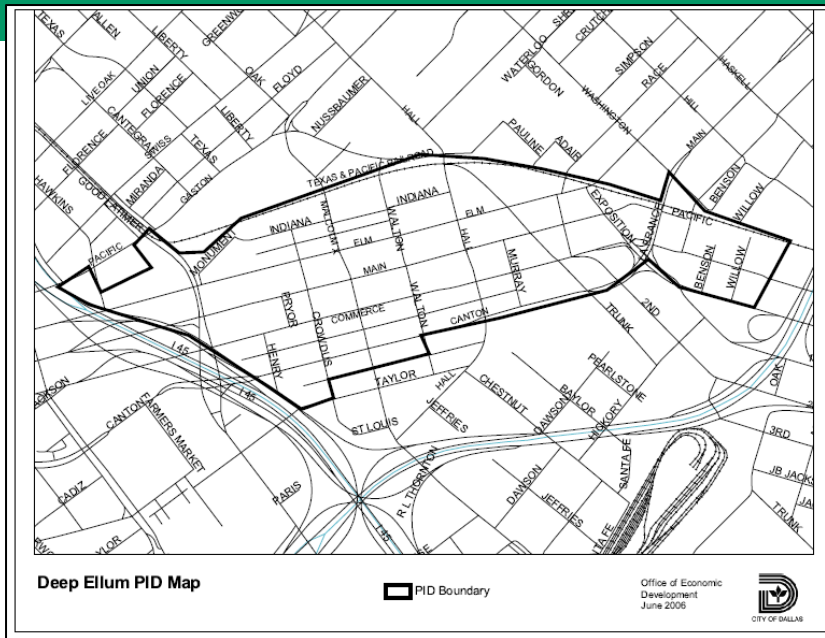
# Dallas PID Overview – District Comparison Chart

	Deep Ellum		Downtown		Knox Street		Lake Highlands		Oak Lawn-Hi Line	
Expiration	12-31-2013		12-31-2013		12-31-2017		12-31-2014		12-31-2016	
Accounts	428		1908		59		982		49	
Value	\$146,834,770		\$3,758,602,390		\$119,797,740		\$199,479,920		\$106,609,780	
Assessment	\$176,202		\$4,472,737		\$179,697		\$259,324		\$159,915	
Change in value	-11.5%		-13.0%		1st year		-15.1%		4.6%	
Budget	Park Impvmts., L/S Svcs.	26%	Public Safety	43%	Public Safety	7%	Public Safety	67%	Public Safety	44%
	Professional Svcs.	3%	Capital Improvements	10%	Capital Improvements	35%	Improvements	14%	Improvements	33%
	Promotion	42%	Park Impvmts. L/S Services	25%	Promotion	43%	Promotion	5%	Promotion	6%
	Capital Improvements	6%	Communication/ Events	12%	PID Creation	5%	Audit/Insurance	6%	Insurance	10%
	Audit/Insurance	9%	Administration	10%	Audit/Insurance	4%	Administration	8%	Administration	7%
	Administration	14%			Administration	6%				
	Prestonwood		South Side		Uptown		Vickery Meadow			
Expiration	12-31-2011		12-31-2012		12-31-2012		12-31-2014			
Accounts	1031		133		2501		2446			
Value	\$364,159,810		\$80,679,420		\$2,748,687,800		\$688,357,040			
Assessment	\$316,819		\$113,111		\$1,236,910		\$473,736			
Change in value	-0.7%		-7.0%		-10.3%		-14.8%			
Budget	Public Safety	85%	Capital Imprvmts	14%	Services (incl safety) & Promotion	41%	Community Service	12%		
	Administration	3%	Safety & Security	42%	Capital Improvements	27%	Property Standards	15%		
	Audit/Insurance	6%	Maintenance	12%	Maintenance/Par k Improvements	17%	Safety & Security	48%		
	PID Creation/Renewal	6%	Business Promotion	14%	Contingency and Reserve	5%	Park Lane Improvements, Services	9%		
			Administration	12%	Administration	10%	Promotion	3%		
			Audit/Insurance	6%			Economic Devel	2%		
							Administration	11%		

# Appendix 1

- ◆ Public Improvement Districts  
Summary

# Deep Ellum PID – Annual Plan Summary

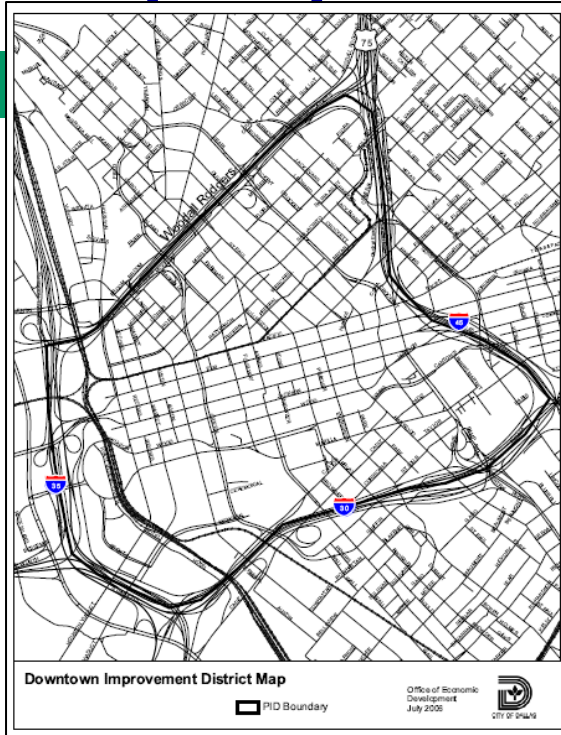


## Major Service Provided:

- Trash removal/cleanup of trash
- Installation/Maintenance of Enhanced Lighting & Signage
- Promotional Events (Arts Festival, Pet Parade, DART station opening event)
- Weekend Event Security

Expiration	12-31-2013	
Accounts	428	
Total Property Value	\$146,834,770	
Change in value	-11.5%	
2010 Assessment	\$176,202	
2010 Assessment Rate	\$0.12	
Proposed 2011 Budget \$169,000	Park Improvements and Landscaping Services	26%
	Capital Improvements	6%
	Promotion/Events	42%
	Professional Svcs.	3%
	Audit/Insurance	9%
	Administration	14%
Management	Deep Ellum Foundation (501c3) Barry Annino, President	

# Dallas Downtown Improvement District (DID) - Annual Plan Summary



## Major Service Provided:

- Public Safety top priority (patrols – bikes for DPD). Crime down 10%; Private donations received for the purchase of 89 security cameras.
- Landscape planting, trash & graffiti removal.
- Promotional event includes: “Did you know” postcard campaign, e-newsletters, website upgrades, support/sponsor downtown events

Expiration	12-31-2013	
Accounts	1908	
Total Property Value	\$3,758,602,390	
Change in value	-13.0%	
2010 Assessment	\$4,472,737 Including City participation = \$575,906	
2010 Assessment Rate	\$0.1190	
*Proposed 2011 Budget \$4,804,468	Public Safety	43%
*Difference between proposed 2011 budget and 2010 assessment covered by cash balance carried forward of \$697,376	Capital Improvements	10%
	Park Improvements and Landscaping Services	25%
	Communication/Events	12%
	Administration	10%
Management	CBD Enterprises (501c3) John Crawford, President CEO	

## City Benefits from DID

- City benefits from DID through services like:
  - ❖ Median improvements and landscaping
  - ❖ Tree replacement
  - ❖ Trash collection
  - ❖ Maintenance of public areas
  - ❖ Banners
  - ❖ Holiday tree lighting
  - ❖ DPD supplemental security services
  - ❖ homeless court/case management
- The value of direct benefits to the City (between 1993-2004) from DID services/improvements was estimated at \$3.3 million, based on the last detailed calculation in 2004.

# Knox Street Improvement District - Annual Plan Summary

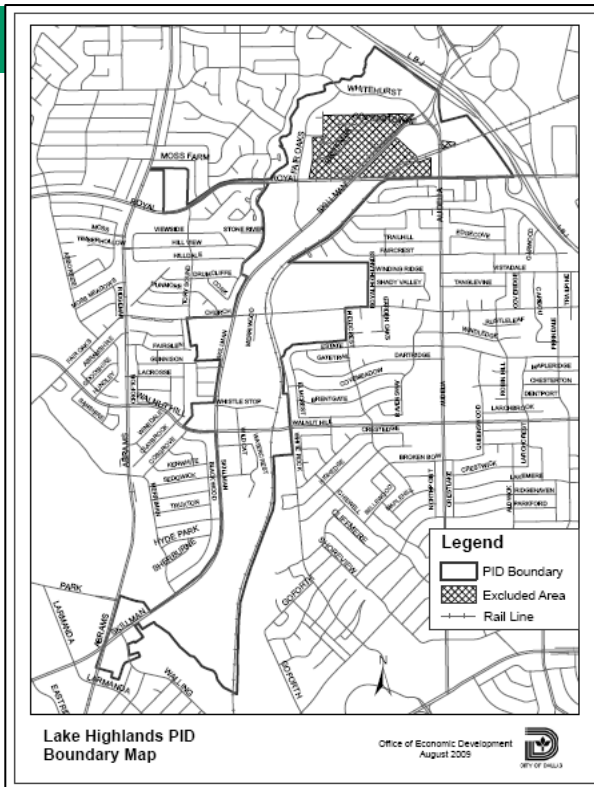


## Major Service Provided:

- Will start operating from January 1, 2011 (created on June 23, 2010).
- Primary purpose is to enhance aesthetics of the area by enhancing the pedestrian lighting, maintaining sidewalks.
- Promote this area as an attractive retail destination.
- Enhance security

Expiration	12-31-2017	
Accounts	59	
Total Property Value	\$119,797,740	
Change in value	1st year	
2010 Assessment	\$179,697	
2010 Assessment Rate	\$0.15	
Proposed 2011 Budget \$279,696*	Public Safety	7%
Other contributions = \$100,000 *Expenditures to setup the PID projected to exceed net assessment revenue in initial years, deficits to be made up with property owner donations.	Capital Improvements	35%
	Promotion	43%
	Audit/Insurance/setup	9%
	Administration	6%
Management	Knox Street Improvement District Corporation (501 c3) Kevin Hickman, current contact. Board in formation process	

# Lake Highlands PID - Annual Plan Summary

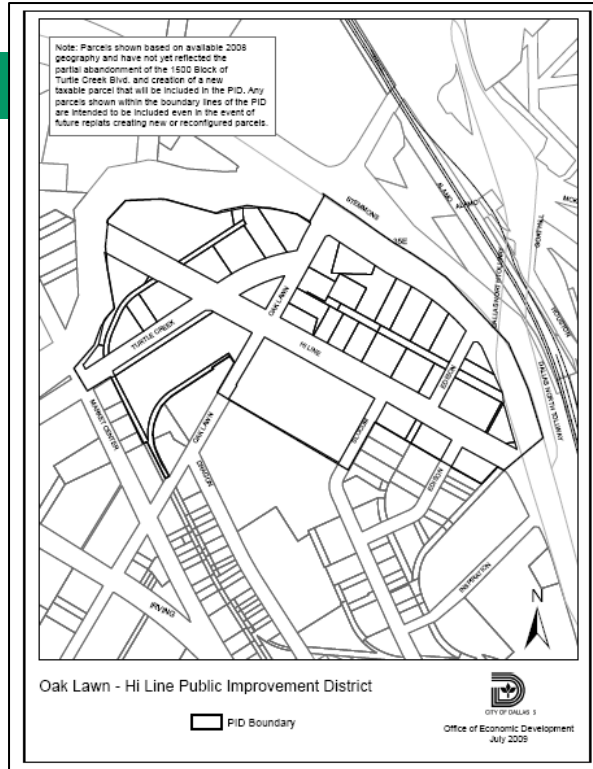


Major Service Provided:

- Enhance Security
- Landscape Enhancement & Maintenance
- Graffiti removal

Expiration	12-31-2014	
Accounts	982	
Total Property Value	\$1,199,479,920	
Change in value	-15.1%	
2010 Assessment	\$259,324	
2010 Assessment Rate	\$0.13	
*Proposed 2011 Budget \$319,505	Public Safety	67%
*Difference between proposed 2011 budget and 2010 assessment covered by cash balance carried forward of \$175,552	Capital Improvements	14%
	Promotion	5%
	Audit/Insurance	6%
	Administration	8%
Management	Lake Highlands Improvement District Corporation (501 c3) Stephanie Colovas, President	

# Oak Lawn-Hi Line PID - Annual Plan Summary

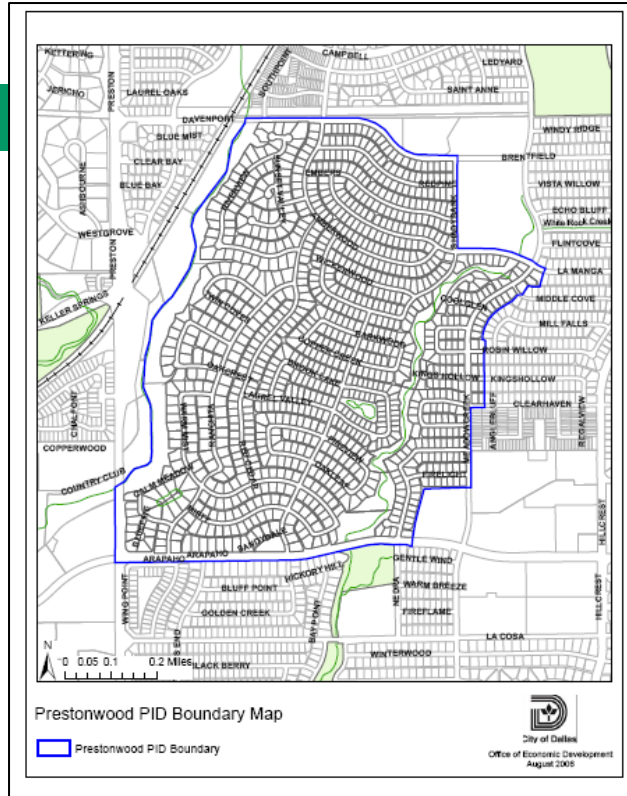


## Major Service Provided:

- Enhanced public safety/security
- Promotion of District
- Maintain enhanced public improvements
- Litter & Graffiti removal
- Landscape Enhancement & Maintenance

Expiration	12-31-2016	
Accounts	49	
Total Property Value	\$106,609,780	
Change in value	+ 4.6%	
2010 Assessment	\$159,915	
2010 Assessment Rate	\$0.15	
Proposed 2011 Budget \$262,616	Public Safety	44%
Other contribution = \$104,085 *Expenditures projected to exceed net assessment revenue in initial years, deficits to be made up with property owner donations.	Area Maintenance/Improvements	33%
	Promotion	6%
	Insurance	10%
	Administration	7%
Management	Oak Lawn-Hi Line Improvement District Corporation (501 c3) Michael Woodlee, PID Manager.	

# Prestonwood PID - Annual Plan Summary



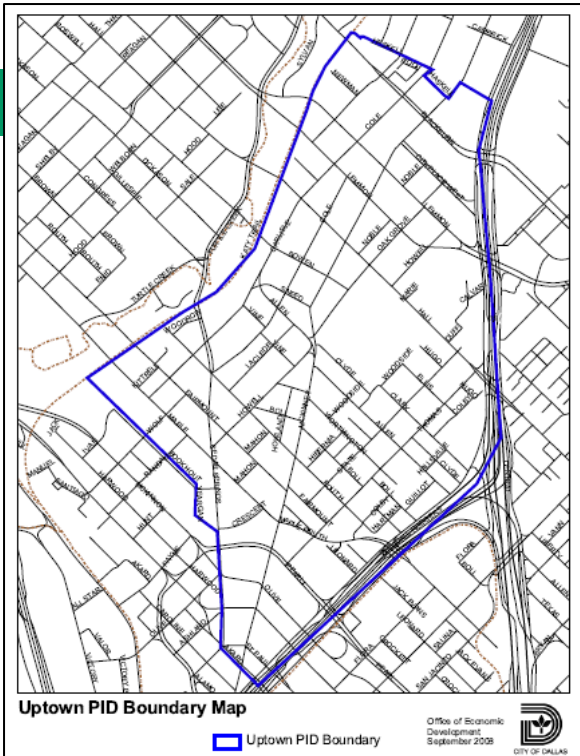
Major Service Provided:

- Primary purpose to enhance security
- 24/7 security patrols
- Prestonwood PID is up for renewal in April, 2011. PHA is holding series of meeting to inform the property owners about the renewal process.

Expiration	12-31-2011	
Accounts	1031	
Total Property Value	\$364,159,810	
Change in value	-0.7%	
2010 Assessment	\$316,819	
*2010 Assessment Rate	\$0.0870	
2011 Proposed Budget \$346,355	Public Safety	85%
* A 10% increase in the assessment rate (\$27,205 ) from 2009 to 2010 will offset the costs related to declining property valuation in the District.	Audit/Insurance	6%
	Administration	3%
	PID renewal	6%
Management	Prestonwood Homeowners Association (PHA) (non-profit) Jamie Walk, President	



# Uptown PID - Annual Plan Summary



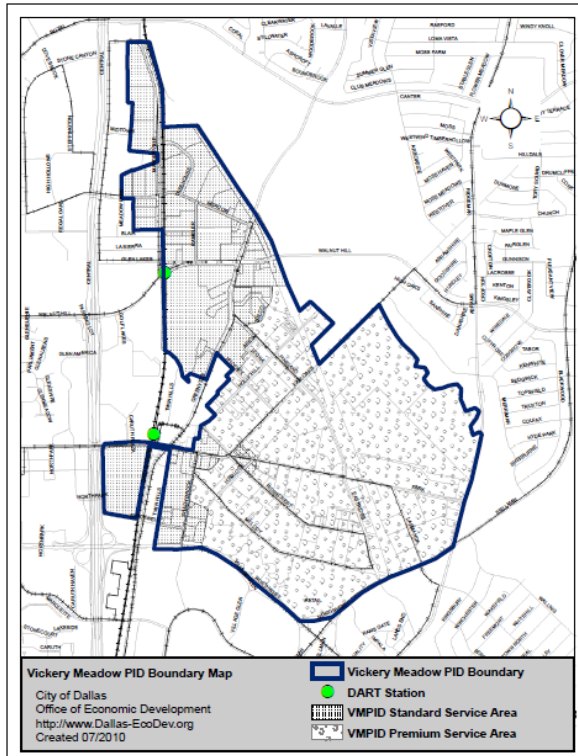
Major Service Provided:

- Landscaping, tree care, street & sidewalk sweeping, trash cans & graffiti removal
- Off-duty police, trolley operations, marketing and promotion.
- Gateway markers, walking trails- Katy Trail maintenance, parks maintenance.



Expiration	12-31-2012	
Accounts	2501	
Total Property Value	\$2,748,687,800	
Change in value	-10.3%	
2010 Assessment	\$1,236,910	
2010 Assessment Rate	\$0.045	
* Proposed 2011 Budget \$1,279,545	Maintenance/Park Improvements	17%
* Carry forward and Contingency reserves will be used cover the difference in the 2010 Assessment value and 2011 Budget. Additionally, \$800,000 over 4 years is set aside to renovate Griggs Park (\$1.5 million total cost)	Capital Improvements	29%
	Services (including security) & Promotion	35%
	Contingency and Reserve	7%
	Administration	12%
Management	Uptown, Inc. (501 c3) Jim Reagan, Executive Director	

# Vickery Meadow PID - Annual Plan Summary



Major Service Provided:

- Landscaping, Litter Removal, & Graffiti Abatement
- Maintenance of Common Areas
- Community Enrichment Activities, Youth Development Activities, & Special Events
- Marketing & Promotional Activities
- Neighborhood Planning
- Security Patrol, & Crime Prevention

Expiration	12-31-2014	
Accounts	2446	
Total Property Value	\$688,357,040	
Change in value	-14.8%	
2010 Assessment	\$473,736	
2010 Assessment Rate	Premium	\$0.10
	Standard	\$0.05
2011 Proposed Budget \$479,940	Safety & Security	28%
	Park Lane Improvements, Services	13%
	Promotion	2%
	Community Service	38%
	Property Standards	6%
	Valencia Dev. Improvements	2%
	Economic Devel	2%
	Administration	9%
	Management	Vickery Meadow Management Corp Frank Nuchereo, Chairman

# Appendix 2 - PID Assessment Rates by PID since 2000

PID Name	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Deep Ellum PID	N/A	\$0.1200	\$0.1200	\$0.1200	\$0.1200	\$0.1200	\$0.1200	\$0.1200	\$0.1200	\$0.1200	\$0.1200
DID - Premium	\$0.0715	0.0657	\$0.0707	\$0.0936	\$0.0953	\$0.1070	\$0.1070	\$0.1190	\$0.1190	\$0.1190	\$0.1190
DID - Standard	\$0.0430	\$0.0420	\$0.0468	\$0.0619	\$0.0635	\$0.0700	N/A	N/A	N/A	N/A	N/A
Knox Street PID	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0.1500
Lake Highlands PID	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0.1300	\$0.1300	\$0.1300
Oak Lawn-Hi Line PID	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0.1500	\$0.1500
Prestonwood PID	\$0.1075	\$0.0900	\$0.0788	\$0.0890	\$0.0890	\$0.0900	\$0.0900	\$0.0900	\$0.0900	\$0.0790	\$0.0870
Southside -Premium	N/A	N/A	N/A	N/A	N/A	\$0.1500	\$0.1500	\$0.1500	\$0.1500	\$0.1500	\$0.1500
Southside - Standard	N/A	N/A	N/A	N/A	N/A	\$0.1200	\$0.1200	\$0.1200	\$0.1200	\$0.1200	\$0.1200
Uptown PID - Premium	\$0.0700	\$0.0600	\$0.0450	\$0.0450	\$0.0450	\$0.0450	\$0.0450	\$0.0450	\$0.0450	\$0.0450	\$0.0450
Uptown PID - Standard	\$0.0235	\$0.0235	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vickery Meadow - Premium	\$0.1000	\$0.1000	\$0.1000	\$0.1000	\$0.1000	\$0.1000	\$0.1000	\$0.1000	\$0.1000	\$0.1000	\$0.1000
Vickery Meadow - Standard	\$0.0500	\$0.0500	\$0.0500	\$0.0500	\$0.0500	\$0.0500	\$0.0500	\$0.0500	\$0.0500	\$0.0500	\$0.0500