

May 28, 2025

**WHEREAS**, Chapter 372 of the Texas Local Government Code (“the Act”) allows for the creation of public improvement districts (PID); and

**WHEREAS**, on February 1, 2025, the Woodall Rogers Park Foundation (WRPF), representing owners of real property located within the Klyde Warren Park/Dallas Arts Districts Public Improvement District (the “District”), delivered to the City of Dallas a petition to renew the District in accordance with the Act; and

**WHEREAS**, the City staff reviewed the petition and determined the owners of 63.7% of the appraised value of the taxable real property liable for assessment, and 60.5% of the land area of all taxable real property liable for assessment within the District executed the petition, in accordance with the necessary thresholds for the City Council to consider creation of the District; and

**WHEREAS**, the Act further requires that prior to the adoption of the resolution providing for the reestablishment of the District to provide supplemental public services to be funded by assessments on real property and real property improvements, the City Council must hold a public hearing on: (i) the advisability of the improvements; (ii) the nature of the improvements; (iii) the estimated cost of the improvements; (iv) the boundaries of the public improvement district; (v) the method of assessment; and (vi) the apportionment of costs between the district and the municipality as a whole; and

**WHEREAS**, on April 23, 2025, the City Council called for a public hearing to be held on May 28, 2025, to hear comments and concerns regarding the renewal of the District and at the close of the public hearing, to consider a resolution to renew the District, by Resolution No. 25-0648; and

**WHEREAS**, after providing the notices required by Section 372.009 of the Act, the City Council on May 28, 2025, conducted a public hearing on the advisability of the improvements and services, and adjourned such public hearing.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

May 28, 2025

**SECTION 1.** That pursuant to the requirements of the Act, the City Council, after considering the Petition for the proposed District and evidence and testimony presented at the public hearing on May 28, 2025, hereby finds and declares:

- A. District Name.** The name of the District is Klyde Warren Park/Dallas Arts District Public Improvement District.
- B. Advisability of Services and Improvements Proposed for District.** It is advisable to renew the District to provide the services and improvements described in this Resolution and **Exhibit B**.
- C. District Location.** The District is located wholly within the City of Dallas, Texas, a Texas home rule municipality. The boundaries of the District are shown on **Exhibit A**.
- D. Nature of the Proposed Services and Improvements.** The purpose of the assessments to be levied in the District is to supplement and enhance services provided to or for District's benefit including, but not limited to: security, beautification, programming, cultural enhancements, custodial and landscape maintenance, and capital improvements. Additionally, a smaller portion of the assessments may also be used for the administration of the District to include costs related to staff time, liability insurance, and financial audit related costs as authorized by the Act and the City Council. To the extent of a conflict between the proposed permissible services and improvements referenced in this Petition, the Service Plan, and the Act, the Act shall prevail.
- E. Estimated Cost of the Services and Improvements. No Bonded Indebtedness.** During the next ten-year term of the District, the estimated annual cost of services and improvements to be provided by the District is expected to begin at approximately \$4,743,989.00 in 2026 and to end at \$16,688,768.00 in 2035. The total estimated net assessment revenue to be collected during the ten-year period is approximately \$96,320,624.00. The District shall incur no bonded indebtedness. The ten-year budget detailing the estimated cost per year and total estimated costs for the entire term (the "Service Plan") is attached as **Exhibit B**. The proposed services and improvements cost shall be paid solely from assessment funds or sources other than additional City funds.
- F. Method of Assessment.** The assessment shall apportion the costs each year among the property owners on the basis of special benefits accruing to the property. The proposed method of assessment, which may specify included or excluded classes of assessable property, shall be assessed according to the value of the real property and real property improvements as determined by the Dallas Central Appraisal District ("DCAD"). The net assessment amount for 2026 is proposed to be \$4,743,989.00. The annual assessment rate for 2026 is

**SECTION 1. (continued)**

approximately equal to \$0.05 per \$100.00 valuation. Once levied, this assessment rate shall not increase during the 2026 Service Plan year.

Future annual assessment rates, however, may be increased up to a maximum of \$0.15 per \$100.00 valuation, subject to appropriations set forth in the petition that renewed the District. Any future increase in the assessment rate would also be subject to a public hearing and the City Council approval.

- G. Apportionment of Costs Between the District and the Municipality as a Whole.** The assessment is levied on the real property and real property improvements in the District according to the value of such property. Levying the assessment for the services and improvements based on the appraised value of the property results in the apportionment of the costs on the basis of special benefits accruing to the property.

The real property of jurisdictions and entities that have obtained an exemption from the City of Dallas real property taxes pursuant to the Texas Tax Code (except under the provisions of Sections 11.24 and 11.28 of the Texas Tax Code) will not be subject to an assessment on that portion of the assessed value of the property exempt from the City real property taxes. Payment of assessments by exempt jurisdictions and entities must be established by contract. Property owned by tax-exempt religious organizations will be exempt from assessment as well as the City rights-of-way, the City parks, railroad rights-of-way, and cemeteries. The City of Dallas is not responsible for payment of assessment against the City-owned property in the District.

- H. District Management.** The District shall be managed by the Woodall Rogers Park Foundation (WRPF), a private Texas nonprofit corporation established under the provisions of Section 501(c)(3) of the Internal Revenue Code, or its successors or assigns, as approved by property owners and the City Council. Any successor or assignee shall be subject to approval by the Director of the Office of Economic Development. WRPF will be responsible for the management of the District, development, and recommendation of an annually updated Service Plan, and perform other required responsibilities pursuant to a contract with the City, approved as to form by the City Attorney. The City Council will review and approve annually the Service Plan and assessment plan, determine and levy assessments and conduct other functions as required by the Act.
- I. District Dissolution.** The District shall automatically dissolve on December 31, 2035, unless renewed or dissolved through the petition and approval process as provided by the Act. If the District is dissolved, the District nonetheless shall remain in effect for the purpose of meeting obligations of indebtedness for improvements.

**SECTION 1. (continued)**

- J. Advisory Body.** An advisory body may be established to develop and recommend an improvement plan to the governing body of the municipality. At this time, staff is not recommending that an advisory board be appointed but is recommending that the responsibilities for the development and recommendation of the annual Service Plan and other duties of the advisory board contained in the Act be assigned to WRPF or a successor entity approved by property owners and the City Council.
- K. The City's Consent to Pledge District Assessments for Completion of Klyde Warren Park Phase II/DAD Capital Improvements.** The WRPF proposes to finance certain capital improvement costs related to the completion of Klyde Warren Park ("Phase II") with a third-party loan. Subject to the City Council finding that the completion of Phase II and DAD Capital Improvements are qualified public improvements that will confer special benefits on property within the District pursuant to the Act, the WRPF requests approval from the City Council to pledge District assessments in an amount not to exceed \$48,160,314.00 to service principal and interest for the Phase II loan. The District's proposed assessment rate of \$0.05 per \$100.00 of appraised value includes \$0.025 per \$100.00 of appraised value to fund the repayment of Phase II loan principal and interest costs, subject to the annual approval of the City Council. In the event that the Phase II principal and interest balance is satisfied before the anticipated loan repayment term and the Phase II and the DAD Capital Improvements are complete, the District's assessment rate of \$0.05 per \$100.00 of appraised value shall be reduced by \$0.025 per \$100.00 of appraised value. This reversion shall take effect in the following assessment plan year upon full satisfaction of the loan balance and completion of the Phase II and DAD Capital Improvements. In accordance with the City's Financial Management and Performance Criteria (FMPC) #45 - "Public Improvement District (PID) and TIF Service Impact Analysis", as amended, the City staff have evaluated WRPF's Phase II loan repayment proposal and petitioned service plan for service impact. The City assumes no responsibility or liability regarding the proposal. The WRPF understands that the City shall issue no PID bonds to finance the Phase II project.
- L. Klyde Warren Park Phase II Loan Repayment.** The WRPF shall furnish a copy of the amortization schedule for the Phase II loan to the City of Dallas and shall periodically provide proof of payment made towards the loan to monitor the progress of the loan's repayment. The repayment of the Phase II loan shall continue until the principal and interest balance is paid in full. Under no circumstances shall the Phase II loan repayment term extend beyond the duration of the District's petitioned term, which is set for a period of ten (10) years, whichever occurs first. The District cannot be dissolved as long as debt obligations secured by the District's assessments remain outstanding.

**SECTION 1.** (continued)

The WRPf and DAD shall maintain clear and transparent accounting records to track the allocation of assessment revenues, detailing the amounts allocated to regular services and those allocated for repayment of the Phase II loan. Regular reporting to the City of Dallas will be provided by the WRPf to ensure compliance with this petition. If annual assessment revenue exceeds approved service plan costs, the WRPf may pre-pay Phase II loan principal and/or hold excess funds in a debt service reserve fund.

- M. Non-Liability of the City of Dallas.** The City of Dallas shall bear no responsibility or liability for any debt, repayment obligations, or financial shortfalls arising from the assessments collected under this petition. No City-owned property, including Klyde Warren Park and any park improvements thereon, shall be utilized as collateral for any loan. The City funds are not available to satisfy any liability, debt, repayment obligation, pledge, financial shortfall, assessment shortfall, or any associated financial obligations in connection with Klyde Warren Park Phase II loan or to reimburse lenders for losses related to the Klyde Warren Park Phase II Loan. Further, the City shall not be held liable for any liability, debt, repayment obligation, pledges, financial shortfall, or assessment shortfall in collection or any associated financial obligations related to the Phase II construction or regular services. The WRPf agrees to cover any financial shortfalls if assessment revenues do not meet the projected values. The WRPf shall ensure that all obligations under this petition are fulfilled without requiring reimbursement, financial assistance, or guarantee from the City of Dallas or negatively impacting day-to-day District operations and ordinary service delivery. PID revenue shall be pledged by the WRPf on a net revenue basis ("net revenue pledge") whereby assessment revenues shall be pledged to service Phase II debt costs (interest and principal payments) immediately after satisfying the District's annual operational expenses.

**SECTION 2.** That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and that the action of the City Council closing the public hearing in these proceedings is hereby ratified and confirmed.

**SECTION 3.** That the District is hereby authorized and re-established as a Public Improvement District under the Act in accordance with the findings as to the advisability of the services and improvements contained in this Resolution, with an effective date of January 1, 2026. The District shall be subject to all of the terms, conditions, limitations and reservations contained in the findings of Section 1 of this Resolution and **Exhibit B**.

**SECTION 4.** That the District shall automatically dissolve on December 31, 2035 unless the District is renewed through the petition and approval process as provided by the Act, or the District is sooner terminated as provided by law. The power of the City to continue to levy and collect assessments within the District will cease, and the District will be

**SECTION 4** (continued)

dissolved on the date that a petition requesting dissolution is filed with the City Secretary of the City of Dallas and the petition contains the signatures of at least enough property owners in the District to make the petition sufficient under Section 372.005(b) of the Act.

**SECTION 5.** That City Council hereby approves the Petitioned Service Plan prepared by WRPF which is attached hereto and made part hereof **(Exhibit B)** and directs WRPF to implement it in accordance with the Act and the following contractually required administrative provisions:

- A. **Service Plan Budget Modifications.** The Petitioned Service Plan covers a period of 10 years, groups services and improvements to be provided into program categories ("Program Category"), and the percentage of available funds allocated to each Program Category by WRPF. As required by the Act, changes to the adopted Annual Service Plan budget require City Council approval.
- B. **No Collection of Assessments in Excess of Petitioned Cost Total.** The City has no power to levy and collect assessments within the District in excess of the total cost of services and improvements that property owners agreed to when they signed the District's renewal petition. If appraised property values increase or decrease within the District, the apportionment of the cost among the property owners may change on an annual basis but the cumulative amount of assessment revenue that is generated over the District's term cannot exceed the total cost of services and improvements projected on the Petitioned Service Plan. No over-collection of assessments is anticipated over the District's term. If, however, the District's cumulative, net assessment collections will exceed the cumulative assessments budgeted on the Petitioned Service Plan, WRPF shall: (1) reduce the District's assessment rate in a subsequent year(s) to offset the over-collection, (2) return the assessment funds to the property owners, and/or (3) retain and not expend such additional assessments until a revised petition for an early renewal of the District that includes the additional assessments and increased service levels/costs is signed by the District property owners and approved by the City Council, in accordance with the Act and the City's PID Policy.
- C. **Excess Funds.** The District must identify any unspent assessment funds arising from greater than anticipated collections and/or lower than budgeted costs on the upcoming year's Annual Service Plan as either revenue available for current/future expenditures or return the excess funds to property owners. The District's revenue at any time (inclusive of unspent carry-forward revenue and interest generated from assessments) should not exceed the total cost of services and improvements budgeted on the Petitioned Service Plan. Requests to carry-forward funds in excess of 20% of the District's budgeted collections, WRPF must explain/justify why the District is carrying such a large fund balance (i.e., future capital improvement project, etc.). At no time shall carryover funds be used for services

**SECTION 5.** (continued)

or improvements that were not approved in the District's Petition. If in the last year of the District's term, there are unspent funds, the City Council reserves the right to adjust the assessment rate to absorb such funds to the extent not otherwise approved by the City Council to be used during the District's ensuing renewal term. In all instances, the City Council shall have final approval as to whether the District and/or WRPF is permitted to carry over assessments to the following year.

- D. Expenditure Overruns and Use of Approved Fund Balance/Contingency Reserves.** If annual expenditures will exceed revenues (for example, due to lower than projected collections or greater than projected costs), WRPF shall take measures to avoid a negative fund balance at year-end, such as: (1) reducing spending among Program Categories in a manner that best serves the interest of District property owners, tenants, and residents, provided that amendments to Program Category budget percentages require the City Council approval, (2) accessing approved amounts set-aside in a budgeted contingency reserve category as applicable, (3) and/or accessing approved excess assessments carried forward from prior year fund balance.

**SECTION 6.** That pursuant to the exception granted by Section 252.022(a)(9) of the Texas Local Government Code, the City Manager is hereby authorized and directed, upon approval as to form by the City Attorney, to enter into a contract with WRPF to manage special supplemental services to be paid from the assessments collected. The contract with WRPF shall be in accordance with the Petitioned Service Plan and this Resolution and shall provide for compliance by the WRPF with the Business Inclusion and Development Plan for participation of minorities and women providing services and improvements to the District.

**SECTION 7.** That the contract with WRPF shall also provide for assessment collection services by Dallas County ("County") to the WRPF for collection of the special assessments. The County shall receive a fee per account as compensation for its collection services. Currently, the fee is \$2.90 per account and subject to change by the County.

**SECTION 8.** That the contract with WRPF shall provide that the City shall be responsible for disbursement of the assessments to the District. City will transfer assessment funds to WRPF at least 30-45 days from the end of the previous month. Additionally, City will retain a percentage of the net assessments (assessments less collection service fees) for repayments, if any, required by the County in settlement of tax protests ("retainage funds"). If the retainage funds are not sufficient to address repayments, the deficiency funds shall be provided by WRPF.

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**SECTION 9.** That the contract shall include, but not limited to, the terms and conditions as set forth in the City of Dallas Public Improvement District Policy as amended on January 8, 2025, by Resolution No. 25-0162.

**SECTION 10.** That the Director of the Office of Economic Development (or his or her designee) is directed to, no later than seven (7) days after the date this resolution takes effect, shall file a copy of this resolution with the Dallas County Clerk's office in accordance with Section 372.010 of the Act.

**SECTION 11.** This resolution 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.