

May 27, 2020

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

**WHEREAS**, on February 6, 2020, UCPID, Inc. d/b/a University Crossing Public Improvement District Corporation, representing owners of real property located within the University Crossing Public Improvement District (the “District”), delivered to the City of Dallas a petition to renew the District in accordance with the Act; and

**WHEREAS**, pursuant to Section 372.007 of the Act, City staff, with the assistance of the UCPID, Inc. d/b/a University Crossing Public Improvement District Corporation verified the petitions, determining that more than 76% of the appraised value of the taxable real property liable for assessment and 62% of the land area of all taxable real property liable for assessment within the District executed the petition, evaluated the petitioned Service Plan to determine whether the services should be made as described by the proposed Service Plan, and found the Service Plan to be feasible; 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, City Council must hold a public hearing on the advisability of the improvements; the nature of the improvement; the estimated cost of the improvement; the boundaries of the public improvement district; the method of assessment; and the apportionment of costs between the district and the municipality as a whole; and

**WHEREAS**, on April 22, 2020, City Council called for a public hearing to be held on May 27, 2020, to hear comments and concerns regarding the renewal of the District and at the close of the public hearing, to consider a resolution renewing the District by Resolution No. 20-0623; and

**WHEREAS**, after providing notices required by Section 372.009 of the Act, City Council on May 27, 2020, 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 27, 2020

**SECTION 1.** That pursuant to the requirements of the Act, City Council, after considering the Petition for the proposed District and evidence and testimony presented at the public hearing on May 27, 2020, hereby finds and declares:

- A. District Name.** The name of the District is University Crossing 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 **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 the map attached as **(Exhibit A)** of the District.
- D. Purpose of the District; General Nature of the Services and Improvements.** The purpose of the District is to supplement and enhance services provided within the District, but not to replace or supplant existing City services provided within the District. The general nature of the proposed services and improvements to be performed by the District includes security and safety enhancements (police safety patrols for the area, safety awareness, wayfinding signage, pedestrian lighting, etc.); public improvements (landscaping, pocket parks, public art/murals, sidewalks, planters, waste disposal, and clean area programs); services to promote the area among owners; and related expenses incurred in establishing, administering and operating the District as authorized by the Act and approved by City Council.
- E. Estimated Cost of the Services and Improvements; No Bonded Indebtedness.** During the seven-year term of the District, the estimated annual cost of services and improvements provided by the District is expected to begin at approximately \$1,748,252.00 in 2021 and reach \$2,149,496.00 in 2027. The total estimated revenue to be collected during the seven-year period is approximately \$11,877,420.00, which includes \$11,189,920.00 in net assessments, \$7,500.00 in interest income, and a \$680,000.00 grant award income from the North Central Texas Council of Governments. The District shall incur no bonded indebtedness. The seven-year budget detailing the estimated cost per year and total estimated costs for the entire term (the "Petitioned Service Plan") is labeled as Exhibit B attached to the resolution.
- 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.

**SECTION 1.** (continued)

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 2021 is proposed to be \$1,066,752.00. The annual assessment rate for 2021 is approximately equal to \$0.10 per \$100.00 valuation. Once levied, this assessment rate shall not increase during the 2021 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 City Council approval. The real property of jurisdictions and entities that have obtained an exemption from City of Dallas real property taxes pursuant to the Texas Property Code (except under the provisions of Sections 11.24 and 11.28 of the Property Tax Code) will not be subject to an assessment on that portion of the assessed value of the property exempt from City real property taxes. Property owned by tax-exempt religious organizations will be exempt from assessment as will property owned by persons already receiving and qualifying for 65-or-older homestead exemption under Section 11.13 (c) or (d) of the Texas Property Tax Code as well as railroad rights-of-way and cemeteries.

Southern Methodist University ("SMU") has agreed to participate in the District by contract with the UCPID, Inc. through special assessment based on all taxable and tax exempt real property owned by SMU or SMU affiliates within the District. The contract specifies SMU's level of assessment as well as possible offset of SMU assessment for new landscaping overpass improvements to the entryway areas within the Dallas City limits. Payment of assessments by other exempt jurisdictions and entities must be established by contract.

- G. Apportionment of Cost 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. No assessment, however, will be levied against exempt City property in the District. The City of Dallas is not responsible for payment of assessment against exempt City property in the District. City rights-of-way, City parks and cemeteries are not specially benefitted and, therefore, are not subject to assessment.

**SECTION 1.** (continued)

- H. District Management.** The District shall be managed by UCPID, Inc. d/b/a University Crossing Public Improvement District Corporation, a Texas non-profit 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. UCPID, Inc. will be responsible for the management of the District, development, and recommendation of annually updated Service Plan covering a period of at least five-years ("Annual Service Plan"), and perform other required responsibilities pursuant to a contract with the City. City Council will review and approve the Annual 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, 2027, 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.
- 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 responsibility for development and recommendation of the annual service plan and other responsibilities of the advisory body contained in the Act be assigned to UCPID, Inc. or a successor entity approved by property owners and the City Council.

The term of the District upon renewal is seven years, 2021-2027. Pending approval, actual operations in the District will commence from January 1, 2021.

**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 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, 2021. 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 City Secretary is directed to give notice of the authorization for the re-establishment of the District by publishing a copy of this Resolution once in the newspaper of general circulation in the City of Dallas. Such authorization shall take effect and the District shall be deemed to be established effective upon the publication of such notice.

**SECTION 4.** (continued)

The District shall automatically dissolve on December 31, 2027 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 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 the City Council authorizes that the District shall be managed by UCPID, Inc. d/b/a University Crossing Public Improvement District Corporation, a Texas nonprofit corporation, established under the provisions of Section 501(c)(3) of the Internal Revenue Code, to develop and recommend a service plan, improvement plan and assessment plan for approval by the City Council in order to promote the efficient management of the District. UCPID, Inc. shall be the entity responsible for the management of the District.

**SECTION 6.** That City Council hereby approves the Petitioned Service Plan prepared by UCPID, Inc., which is attached hereto and made part hereof **(Exhibit B)** and directs UCPID, Inc., 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 seven years and defines the cost of service and improvements and new development activities in the District as projected by UCPID, Inc. UCPID, Inc. is hereby granted the ability to modify or substitute items, upon review and written approval by the Director of Office of Economic Development or his/her designee, within the "Program Categories" of listed improvements in **Exhibit B** authorized by the Act, if such changes serve the common interest of owners and tenants in the District and the increase and/or decrease in the amount of a Program Category does not exceed twenty percent (20%) of the Program Category's total term budget. Any increase and/or decrease in the amount of a Program Category that exceeds twenty percent (20%) shall require City Council approval.
- B. Assessment Collection Cap.** 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 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. Therefore, no over-collection of assessments is anticipated over the District's term.

**SECTION 6.** (continued)

If, however, the District's cumulative, net assessment collections exceed the cumulative assessments budgeted on the Petitioned Service Plan, UCPID, Inc. 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) obtain the consent of the property owners for an increased collection and service levels/ costs on a revised petition and apply for an early renewal of the District.

**C. Excess Revenue and Carry-Forward.** If annual revenues will exceed actual expenditures due to greater than budgeted assessment collections or lower than budgeted costs resulting from delays or cost adjustments, UCPID, Inc. shall be permitted to carry-forward the excess revenue to subsequent year(s), provided that the cumulative amount of all assessment revenue (inclusive of unspent carry-forward revenue) does not exceed the total cost of services and improvements budgeted on the Petitioned Service Plan and that no Program Category is adjusted by more than 20% of the Program Category's cumulative budget.

**D. Expenditure Overruns and Use of Fund Balance or Reserves.** If annual expenditures will exceed revenues due to lower than projected assessments or greater than projected costs, UCPID, Inc. shall take measures to avoid a negative fund balance at year-end, such as: (1) reduce spending among Program Categories in a manner that best serves the interest of District property owners, tenants, and residents, provided that no Program Category is adjusted by more than 20 percent of the Program Category's total term budget, (2) access amounts set-aside in a budgeted contingency reserve category as applicable, and/or (3) access excess assessments carried forward from prior year fund balance.

**SECTION 7.** 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 UCPID, Inc. d/b/a University Crossing Public Improvement District Corporation to manage special supplemental services to be paid from the assessments collected. The contract with UCPID, Inc. shall be in accordance with the Act, the Petitioned Service Plan and this Resolution and shall provide for compliance by the UCPID, Inc., with the Business Inclusion and Development Plan for participation of minorities and women providing services and improvements to the District.

**SECTION 8.** That the contract with UCPID, Inc. shall also provide for assessment collection services by Dallas County ("County") to the UCPID, Inc., for collection of the special assessments. The County shall receive a fee per account as compensation for its collection services. Currently, the fee is \$2.75 per account and subject to change by the County.

May 27, 2020

**SECTION 9.** That the contract with UCPIID, Inc. shall provide that the City shall be responsible for disbursement of the assessments to the District. City will transfer assessment funds to UCPIID, Inc. 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 UCPIID, Inc.

**SECTION 10.** That the contract shall include terms and conditions as set forth in the City of Dallas Public Improvement District Policy as authorized by City Council on October 23, 2013, by Resolution No. 13-1825 and amended on March 25, 2020, by Resolution No. 20-0496.

**SECTION 11.** That 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.