

Memorandum



DATE April 2, 2021

TO The Honorable Members of the Economic Development Committee: Tennell Atkins (Chair), David Blewett (Vice-Chair), Jennifer Staubach Gates, Adam McGough, Omar Narvaez, Jaime Resendez, Chad West

SUBJECT **Upcoming Agenda Items: April 28, 2021 Klyde Warren Park/Dallas Arts District Public Improvement District Renewal Call for Public Hearing to be held on May 26, 2021**

The Dallas City Council first authorized the creation of the Klyde Warren Park Public Improvement District (KWPPID) in 2013. The purpose of the District was to provide an enhanced level of services and improvements to a benefit area limited to Klyde Warren Park. The Dallas Arts District, the nexus for the City's leading visual and performing arts institutions, is adjacent to Klyde Warren Park and was not a part of the initial District. In 2014, the KWPPID was dissolved to create a new Klyde Warren Park/Dallas Arts District Public Improvement District containing properties that are specially benefitted by their proximity to Klyde Warren Park and the Dallas Arts District for a seven-year term effective from January 1, 2015 to December 31, 2021. This is the first renewal for the District. The District is seeking renewal for a ten-year term effective January 1, 2022 and to continue to be managed by the Woodall Rodgers Park Foundation, a Texas nonprofit corporation. Per state law, City Council must conduct a public hearing to approve renewal of the District and approval of the District's Service Plan. On April 28, 2021, City Council will be asked to consider a resolution calling for a public hearing to be held on May 26, 2021 to receive comments concerning renewal of the District.

Background

On February 1, 2021, Woodall Rodgers Park Foundation submitted petitions requesting renewal of the District. City staff reviewed the petitions and verified that owners of record representing more than 71% of the appraised value and 71% of the land area of real property in the District liable for assessment had signed the petitions. Signed petitions exceeded the minimum renewal requirements established in the City's Public Improvement District (PID) Policy and Chapter 372 of the Texas Local Government Code (the Act). The City's PID Policy requires signed petitions from owners of at least 60% of the appraised value of real property liable for assessment and at least 60% of the land area of real property liable for assessment. State law requires signed petitions from owners of at least 50% of the appraised value of real property liable for assessment and at least 50% of the land area of real property liable for assessment.

The purpose of the District is to supplement and enhance services within the District, but not to replace or supplant existing City services. The District is currently managed by Woodall Rodgers Park Foundation. The District is in Council District 14. The District boundary includes properties adjacent to Klyde Warren Park and Dallas Art District facilities, consists of approximately 722 properties and is primarily a combination of commercial and residential uses. During the renewal, boundary was expanded to include property located at 2323 Filed

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N. Street, see the attached map for the properties within the boundary of the District (see **Exhibit A**).

Assessment funds will be utilized by the Woodall Rodgers Park Foundation and Dallas Arts District to provide services including but not limited to: security, beautification, programming, cultural enhancements, custodial and landscape maintenance, and capital improvements. Additionally, a smaller portion of the assessments will be used to administer the District, including staff time, liability insurance and financial audit related costs as authorized by the Act.

The cost for service and improvements will be apportioned among District property owners on the basis of special benefits accruing to each property as determined by the Dallas Central Appraisal District's appraised value of real property and real property improvements in the District. The annual assessment rate for the 2022 Service Plan year is approximately equal to \$0.025 per \$100 valuation. Properties owned by nonprofit organizations, religious organizations, and jurisdictions and entities exempt from paying property taxes to the City are exempt from assessment as well as railroad rights-of-way, cemeteries, and City of Dallas-owned property including rights-of-way and public parks. Payment of assessments by exempt jurisdictions and entities must be established by contract.

The District's Service Plan is a ten-year forecast of service level needs and new development activities projected by Woodall Rodgers Park Foundation (see **Exhibit B**). The projected annual cost of services and improvements to be provided by the District ranges from \$1.8 million to \$6.4 million. The total estimated assessment revenue to be collected during the District's upcoming ten-year term is approximately \$36.9 million. On an annual basis, Woodall Rodgers Park Foundation, will be required to prepare an updated, five year Service Plan and host a public meeting where any District property owner will have an opportunity to ask questions, make comments, and provide input on the District's proposed service plan budget prior to adoption by City Council. Woodall Rodgers Park Foundation must also provide District property owners with at least two weeks written notice prior to the annual meeting.

If the District's total collections will exceed the total budgeted collections on the District's Petitioned Service Plan Woodall Rodgers Park Foundation will be contractually required to either 1) reduce the District's assessment rate in subsequent years to offset the over-collection, 2) return the assessment funds to the property owners, 3) or obtain property owner consent for an increased collection, services, and costs via an early renewal process.

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 Woodall Rodgers Park Foundation, or a successor entity approved by property owners and the City Council.

Subject to the City Council approval, the District shall start operating from January 1, 2022 and automatically dissolve on December 31, 2031 unless renewed or dissolved through the petition and approval process as provided by the Act.

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Alternatives

City Council may choose to deny the renewal of the District. Unless renewed the District will terminate on December 31, 2021, resulting in the cessation of services and improvements provided within the District.

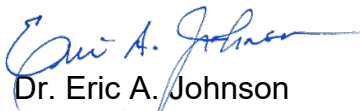
Recommendation

Staff recommends City Council's approval on April 28, 2021 to: (1) call a public hearing to be held on May 26, 2021 to receive comments concerning the renewal of the Klyde Warren Park/Dallas Arts District PID; and at the close of the public hearing, (2) approval of a resolution renewing the District for a period of ten years; (3) approval of a Service Plan for 2022-2031 for the purpose of providing supplemental public services in the District; and (4) approval of a management contract with Woodall Rodgers Park Foundation as the management entity for the District.

Fiscal Information

This action has no cost consideration to the City. Property owners within the boundaries of the District will pay a proposed assessment amount that is approximately equal to \$0.025 per \$100.00 of appraised value as determined by DCAD.

Should you have any questions, please contact Jiroko Rosales, Assistant Director, Office of Economic Development at (214) 671-8266.



Dr. Eric A. Johnson

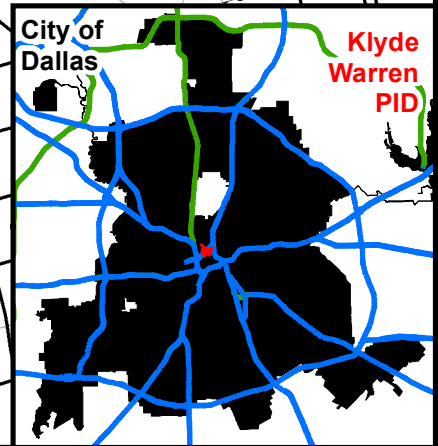
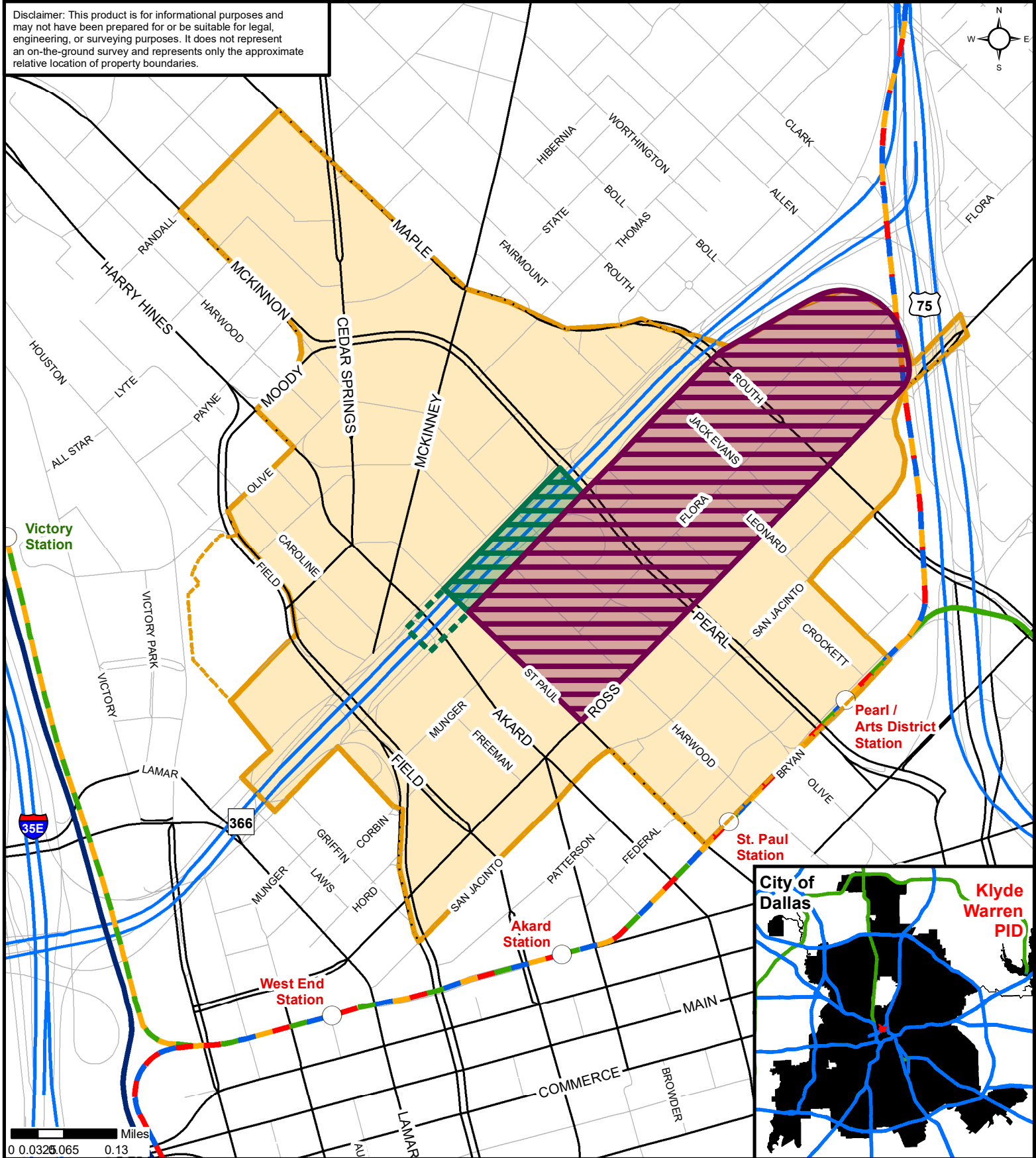
Chief of Economic Development and Neighborhood Services

T.C Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizar Tolbert, Chief of Staff to the City Manager

Majed A. Al-Ghafry, Assistant City Manager
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors

Klyde Warren PID and Dallas Art District - Exhibit A

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



Legend

- | | | | |
|-----------------------------|--|-------------------------|---------------|
| Dallas Art District | Klyde Warren Public Improvement District | DART Red Line | Freeway |
| Klyde Warren Park | Klyde Warren Public Improvement District Extension | DART Blue Line | Tollway |
| Klyde Warren Park Phase 2.0 | Rail Station | DART Green Line | Highway |
| | | DART Orange Line | Arterial |
| | | Trinity Railway Express | Local Streets |

EXHIBIT - B
KLYDE WARREN PARK/DALLAS ARTS DISTRICT PID
SERVICE PLAN 2022 - 2031

[illegible]

KWP and DAD will support the remaining operating costs of their organizations thru fundraising and other activities, which is not included in the Service Plan.

* Assumes a 15% increase in property values each year based on the future growth and development of Uptown and Downtown. 15% is the recommended growth rate per the City of Dallas.

1 24 hour security in KWP

2 Lawn care, horticultural upgrades, cleaning services, repairs & maintenance, equipment rental, electrical work, utilities, trash collection, graffiti and rodent control, pavement cleaning / detailing / staining and restoration, and capital improvements for safety and connectivity in KWP and DAD

3 Providing free Wi-Fi, holiday lighting, TVs on the Porch, daily/weekly programming and cultural enhancements in KWP and DAD, event production and equipment rental, signage, public relations, website, advertising, promotion and marketing for both KWP and DAD

4 Partial cost of staff time and office related expenses for KWP and DAD

5 Liability insurance carried for the Park and Dallas Arts District, and the annual audit and tax return preparation