



Legislation Details (With Text)

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On agenda: 1/12/2022 **Final action:**

Title: Consider an ordinance (1) authorizing the Dallas County Tax Office to issue refunds to the respective owners (at the time of assessment payment) of 38 properties who were inadvertently levied 2019 and 2020 Deep Ellum Public Improvement District (DEPID) assessments; and (2) for the removal of said properties from the 2019 and 2020 DEPID assessment rolls attached to Resolution Nos. 19-1434 and 20-1359 as recorded by the City Secretary’s Office - Financing: This action has no cost consideration to the City (see Fiscal Information)

Sponsors:

Indexes: 14, 2

Code sections:

Attachments: 1. Ordinance, 2. Exhibit A, 3. Exhibit B

Date	Ver.	Action By	Action	Result
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STRATEGIC PRIORITY: Economic Development

AGENDA DATE: January 12, 2022

COUNCIL DISTRICT(S): 2, 14

DEPARTMENT: Office of Economic Development

EXECUTIVE: Dr. Eric A. Johnson

SUBJECT

Consider an ordinance **(1)** authorizing the Dallas County Tax Office to issue refunds to the respective owners (at the time of assessment payment) of 38 properties who were inadvertently levied 2019 and 2020 Deep Ellum Public Improvement District (DEPID) assessments; and **(2)** for the removal of said properties from the 2019 and 2020 DEPID assessment rolls attached to Resolution Nos. 19-1434 and 20-1359 as recorded by the City Secretary’s Office - Financing: This action has no cost consideration to the City (see Fiscal Information)

BACKGROUND

On May 23, 2018, pursuant to Chapter 372 of the Texas Local Government Code, the City Council authorized the renewal of the Deep Ellum Public Improvement District (DEPID) for a period of seven-years and designated the Deep Ellum Foundation (DEF) as the management entity.

During the 2018 renewal of the DEPID, the District’s boundary was modified, and resulted in the removal of 38 properties shown on **Exhibit A** from the District’s service area. These 38 properties

have not received supplemental services or improvements from the DEPID since 2018. However, during the development of the DEPID's 2021 assessment roll, current Office of Economic Development (ECO) staff learned that the properties removed from the District's boundary were inadvertently levied a DEPID assessment in 2019 and 2020. Staff have identified the factors that led to the situation, discussed the matter internally, with the City Attorney's Office, with the Public Improvement District (PID)'s management entity, and with the Dallas County Tax Office and have implemented new quality control procedures that will help ensure that future PID map boundary adjustments and assessment rolls are made and checked by ECO staff at the time of a Public Improvement District (PID)'s renewal. The existing properties within the District boundary are not impacted as they will not incur additional assessments due to this oversight.

To reverse the collection of the invalid assessments, the City should remove the 38 accounts from the DEPID's 2019 and 2020 assessment rolls and authorize the Dallas County Tax Office to refund DEPID assessments collected to those who had an interest in the 38 properties at the time the assessments were paid. The 38 accounts will not be included in the DEPID assessment rolls moving forward.

This action calls for consideration of an ordinance authorizing: 1) Dallas County Tax Office to refund the 2019 and 2020 DEPID assessments collected in error to the individual or entity who actually paid the assessments and 2) the removal of the 38 properties shown in **Exhibit B** from the 2019 and 2020 DEPID assessment rolls on file with the City Secretary's Office. In the past two years, there might have been changes to the ownership of a property, and the assessment payer may not be the current property owner. Subject to City Council approval, the County will research the ownership of the 38 impacted accounts and issue refunds to the person/entity that actually paid the 2019 and 2020 assessments. City staff will file the updated 2019 and 2020 assessment rolls with the City Secretary's Office.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On August 14, 2013, City Council authorized the renewal of the Deep Ellum Public Improvement District (the "District") for a period of seven-years (7) and designated the Deep Ellum Foundation, as the management entity for the District by Resolution No. 13-1376.

On September 9, 2015, City Council authorized an ordinance approving and adopting the final 2016 Service Plan, the 2015 Assessment Plan and the 2015 Assessment Roll by Resolution No. 15-1696; Ordinance No. 29861.

On September 14, 2016, City Council authorized an ordinance approving and adopting the final 2017 Service Plan, the 2016 Assessment Plan and the 2016 Assessment Roll by Resolution No. 16-1497; Ordinance No. 30202.

On September 13, 2017, City Council authorized an ordinance approving and adopting the final 2018 Service Plan, the 2017 Assessment Plan and the 2017 Assessment Roll by Resolution No. 17-1483; Ordinance No. 30637.

On May 23, 2018, City Council authorized the renewal of the Deep Ellum Public Improvement District (the "District") for a period of seven-years (7) and designated the Deep Ellum Foundation, as the management entity for the District by Resolution No. 18-0784.

On September 12, 2018, City Council authorized an ordinance approving and adopting the final 2019 Service Plan, the 2018 Assessment Plan and the 2018 Assessment Roll by Resolution No. 18-1306;

Ordinance No. 30979.

On September 12, 2018, City Council authorized an amended and restated management contract with Deep Ellum Foundation, the non-profit corporation designated as the management entity for the Deep Ellum Public Improvement District (the "District") to reflect changes in the process for disbursement of assessment revenue, authorizing the City to disburse assessments to Deep Ellum Foundation, and to address other amendments to the agreement form by Resolution No. 18-1307.

On September 11, 2019, City Council authorized an ordinance approving and adopting the final 2020 Service Plan, the 2019 Assessment Plan and the 2019 Assessment Roll by Resolution No. 19-1434; Ordinance No. 31316.

On September 9, 2020 City Council authorized an ordinance approving and adopting the final 2021 Service Plan, the 2020 Assessment Plan and the 2020 Assessment Roll by Resolution No. 20-1359; Ordinance No. 31635.

On August 25, 2021 City Council authorized an ordinance approving and adopting the final 2022 Service Plan, the 2021 Assessment Plan and the 2021 Assessment Roll by Resolution No. 21-1416; Ordinance No. 31973.

[The Economic Development Committee was briefed by a memorandum regarding this matter on January 3, 2022. <https://cityofdallas.legistar.com/View.ashx?M=F&ID=10377094&GUID=D41FBE4A-A773-4AA0-BFF4-CA35C9BD449A>](https://cityofdallas.legistar.com/View.ashx?M=F&ID=10377094&GUID=D41FBE4A-A773-4AA0-BFF4-CA35C9BD449A)

FISCAL INFORMATION

This action has no cost consideration to the City. As per the City's management contract with DEF, DEF is responsible for refunding assessments collected in error to those that paid them. DEF has agreed to refund those monies through the Dallas County Tax Office. Once the refunds are processed by Dallas County on behalf of the City, the City will net the refunds from DEPID's reserves and/or monthly assessment collections as appropriate.