



## Legislation Text

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**File #:** 19-1274, **Version:** 1

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**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality  
**AGENDA DATE:** September 11, 2019  
**COUNCIL DISTRICT(S):** 7  
**DEPARTMENT:** Office of Economic Development  
**EXECUTIVE:** Michael Mendoza

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### **SUBJECT**

#### **South Dallas/Fair Park Public Improvement District**

A public hearing to receive comments concerning the proposed levy of assessment for the South Dallas/Fair Park Public Improvement District (District), in accordance with Chapter 372 of the Texas Local Government Code, for the purpose of providing supplemental public services, to be funded by special assessments on property in the District; and at the close of the public hearing, authorize an ordinance approving and adopting the proposed and final 2020 Service Plan, the final 2019 Assessment Plan and the 2019 Assessment Roll (to be kept on file with the City Secretary); establishing classifications for the apportionment of costs and the methods of assessing special assessments for the services and improvements to property in the District; closing the public hearing and levying a special assessment on property in the District for services and improvements to be provided in the District during 2020; providing for reimbursement of city administrative costs for operational oversight of the District; fixing charges and liens against the property in the District and against the owners thereof; providing for the collection of the 2019 assessment; authorizing the receipt and deposit of assessments from Dallas County; authorizing the disbursement of assessments to South Side Quarter Development Corporation; and providing for an effective date - Financing: No cost consideration to the City (see Fiscal Information)

### **BACKGROUND**

Annually, City Council calls and holds a public hearing to consider the proposed assessment for property in the Public Improvement District (PID) and authorizes the Service Plan for each PID. At the adjournment of the hearing on the proposed assessments, the City Council must hear and pass on any objections to a proposed assessment and may amend a proposed assessment on any parcel. After hearing and passing on objections, the City Council by ordinance shall levy the assessment as a special assessment on the property.

On August 10, 2016, City Council authorized the creation of the South Dallas/Fair Park Public Improvement District, approval of the Service Plan, and management contract with Alliance for Greater Works (AGW). AGW assigned the management contract to Hip Hop Government, Inc., a Texas corporation (HHG).

On September 22, 2017, the Office of Economic Development sent HHG a default letter citing an insurance deficiency, and on November 6, 2017, a termination letter was sent to HHG stating that the Management Contract was terminated effective as of October 25, 2017. The Office of Economic Development worked with Business Development and Procurement Services Department to solicit a new manager for the District.

On December 12, 2018, City Council authorized a management contract with South Side Quarter Development Corporation, to manage the existing South Dallas/Fair Park Public Improvement District for a term of five years.

The South Side Quarter Development Corporation provided City staff with the proposed District Service Plan for 2020 and the proposed Assessment Plan for 2019 for review, and staff found the services and improvements to be advisable and recommended approval subject to the public hearing on September 11, 2019.

Dallas County will continue to collect assessments, retain a collection fee (\$2.75 per account and subject to change), and as went into effect beginning with the 2018 assessment year 2018, transfer the remaining assessments to the City. The City will then disburse assessments to the PID entity at a frequency outlined in the amended management contract with the PID management entity.

The PID Service Plan is outlined in the following way:

- (a) **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 enhanced security and public safety, capital improvements, improvement of common areas, landscaping, trash/litter removal, graffiti control, marketing and promotional activities, distinctive lighting and signage, business development and recruitment to promote the area, and related expenses incurred in establishing, administering and operating the District as authorized by as authorized by the Public Improvement District Assessment Act in Chapter 372 of the Texas Local Government Code.
- (b) **Estimated Cost of the Services and Improvements.** During the next five-year period, the estimated annual cost of the improvements and services provided by the District is expected to begin at approximately \$121,957.30 in 2020 and reach \$226,090.80 in 2024. The total estimated net of assessments to be collected during the next five-year period is approximately \$844,140.98. The District shall incur no bonded indebtedness.
- (c) **Boundaries.** The boundaries of the District are shown on the attached map of the District.

- (d) **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 2019 is proposed to be \$120,344.00. This amount is approximately equal to \$0.15 per \$100.00 of appraised value as determined by DCAD. Once levied, this assessment rate shall not increase during the 2020 Service Plan year. The annual assessment rate shall not exceed \$0.15 per \$100.00 valuation. 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 created the District. Any future increase in the assessment rate would also be subject to a public hearing and the city council passing on all objections. The real property of jurisdictions and entities that have obtained an exemption from the 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. Payment of assessments by other exempt jurisdictions and entities must be established by contract.
- (e) **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. 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 and City parks are not subject to assessment.

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On August 10, 2016, City Council authorized the creation of the South Dallas/Fair Park Public Improvement District, approval of the Service Plan, and management contract with Alliance for Greater Works (AWG) by Resolution No. 16-1249. AGW assigned the management contract to Hip Hop Government, Inc., a Texas corporation (HHG).

On December 12, 2018, City Council authorized a management contract with South Side Quarter Development Corporation, to manage the existing South Dallas/Fair Park Public Improvement District for a term of five years by Resolution No. 18-1804.

On August 28, 2019, City Council authorized a public hearing to be held on September 11, 2019, to receive comments on the South Dallas/Fair Park Public Improvement District final 2020 Service Plan and 2019 assessment rate.

City Council was briefed by memorandum regarding this matter on August 23, 2019.

City Council will be briefed by memorandum regarding this matter on September 6, 2019.

**FISCAL INFORMATION**

Cost consideration to others - the proposed assessment amount is approximately equal to \$0.15 per \$100.00 of appraised value as determined by DCAD (i.e. property owners within the boundaries of the District pay the assessment and the funds are managed by private, non-profit entities under a management contract with the City).

**MAP**

Attached