



Legislation Text

File #: 20-1591, **Version:** 1

STRATEGIC PRIORITY: Economic and Neighborhood Vitality
AGENDA DATE: September 9, 2020
COUNCIL DISTRICT(S): 7
DEPARTMENT: Office of Economic Development
EXECUTIVE: Dr. Eric A. Johnson

SUBJECT

South Dallas/Fair Park Public Improvement District

A public hearing to receive comments concerning: **(1)** 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: **(2)** authorize an ordinance approving and adopting the final 2021 Service Plan, the final 2020 Assessment Plan and the 2020 Assessment Roll (to be kept on file with the City Secretary); **(3)** establishing classifications for the apportionment of costs and the methods of assessing special assessments for the services and improvements to property in the District; **(4)** 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 2021; **(5)** providing for reimbursement of city administrative costs for operational oversight of the District; **(6)** fixing charges and liens against the property in the District and against the owners thereof; **(7)** providing for the collection of the 2020 assessment; **(8)** authorizing the receipt and deposit of assessments from Dallas County; **(9)** authorizing the disbursement of assessments and interest to South Side Quarter Development Corporation; and **(10)** providing for an effective date - Not to exceed actual collections estimated at \$165,000.00 - Financing: South Dallas/Fair Park Public Improvement District Fund (subject to appropriations) (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.

The South Side Quarter Development Corporation provided City staff with the proposed District Service Plan for 2021 and the proposed Assessment Plan for 2020 for review, and staff found the services and improvements to be advisable and recommended approval subject to the public hearing on September 9, 2020.

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, transfer the remaining assessments to the City. The City will then disburse assessments to the PID management entity at a frequency outlined in the amended management contract.

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 the Act.
- (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 \$174,000.00 in 2021 and reach \$235,000.00 in 2025. The total estimated net assessments to be collected during the next five-year period is approximately \$1,010,000.00. The District shall incur no bonded indebtedness.
- (c) **Boundaries.** The boundaries of the District are located wholly within the city of Dallas, Texas. The boundaries of the District are as shown on Exhibit A attached to the resolution.
- (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 2020 is proposed to be \$165,000.00. 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 2021 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 approval by the City Council.

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, railroad right-of-way, City parks and cemeteries are not subject to PID 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 (District), for a period of seven-years and designated the Alliance for Greater Works (AWG) as the management entity for the District by Resolution No. 16-1249. 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 by Resolution No. 18-1804.

On September 11, 2019, City Council authorized an ordinance approving and adopting the final 2020 Service Plan, 2019 Assessment Plan and the 2019 Assessment Roll by Resolution No. 19-1441; Ordinance No. 31323.

The Economic Development Committee was briefed by memorandum regarding this matter on August 3, 2020.

On August 26, 2020, City Council authorized a public hearing to be held on September 9, 2020, to receive comments on the South Dallas/Fair Park Public Improvement District final 2021 Service Plan and 2020 assessment rate by Resolution No. 20-1242.

City Council will be briefed by memorandum regarding this matter on September 4, 2020.

FISCAL INFORMATION

Fund	FY 2020	FY 2021	Future Years
South Dallas/Fair Park Public Improvement District Fund	\$0.00	\$165,000.00	\$0.00

Cost consideration to others - For District property owners, the proposed assessment amount is approximately equal to \$0.15 per \$100.00 of appraised value as determined by the DCAD. (i.e.

property owners within the boundaries of the Public Improvement District pay the assessment and the funds are managed by private, non-profit entities under a management contract with the City).

MAP

Attached