

Memorandum



CITY OF DALLAS

DATE August 4, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **Upcoming Public Improvement District (PID) Agenda Items #30 – 42 – Files 23-1789 – 23-1801: (1) August 9, 2023 Call for Public Hearing for PIDs to Set Annual Assessment Rates for 2023 and Adopt 2024 Service Plans; and (2) August 23, 2023 Public Hearing to Amend 2023 Service Plans for three PIDs, Adopt 2023 Annual Assessment Rates, and Adopt 2024 Service Plans.**

A Public Improvement District (PID) is a special assessment area created at the request of property owners in the proposed district via petition. Property owners pay a supplemental assessment with their taxes, which PIDs use for services and/or improvements above and beyond existing City services. In the City of Dallas, PIDs are governed by Chapter 372 of the Texas Local Government Code (Improvement Districts in Municipalities and Counties) and the City of Dallas' PID Policy. Per contractual agreement with each PID's management company, PID managers are required to prepare an updated Service Plan budget for their district and to hold an annual meeting with property owners where property owners are provided an opportunity to ask questions and provide input on the PID's preliminary Service Plan. The Service Plan outlines the proposed cost of services and improvements to be provided to property owners annually. Additionally, Chapter 372 requires that the City Council annually call and hold a public hearing to set the annual assessment rate for property in each PID and approve an updated, five-year Service Plan for each PID.

Background

City staff reviewed the preliminary 2024 Service Plans submitted by each PID manager. Finding the preliminary Service Plans to be advisable, City staff recommend that on August 9, 2023, the City Council authorize calling a public hearing to be held on August 23, 2023. During the August 23, 2023 public hearing, any owner of property located within the boundaries of a PID will be provided a reasonable opportunity to speak for or against the PID's proposed assessment rate. At the close of the public hearing, the City Council will take action to adopt the final 2024 Service Plans, the final 2023 Assessment Plans, and the 2023 Assessment Rolls for all the PIDs which staff, in conjunction with PID management companies, will update to reflect 2023 certified property values received from the Dallas County Appraisal District (DCAD) on July 25, 2023. A follow up memo will be sent to full City Council on Friday, August 18, 2023 with final PID budget totals proposed for the 2024 Service Plan year.

Additionally, Chapter 372 requires that any amendments or updates to a Service Plan be authorized by City Council ordinance. Accordingly, Knox Street PID, Midtown Improvement District, and Uptown PID have requested to amend their adopted 2023 Service Plans to reflect lower-than budgeted expenditures, primarily due to project delays.

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Staff reviewed the proposed mid-year budget amendments and found the requests to be reasonable and are recommending them to the City Council for approval.

The assessment is an apportionment of the total cost of service enhancements and improvements approved by property owners who signed a petition in support of the district's creation or renewal. The assessment allows each PID to have its own work program or Service Plan, which may consist of eligible activities such as marketing, providing additional security, landscaping and distinctive lighting, street cleaning, and cultural or recreational improvements. The City's power to levy is limited to petition and budget categories/costs approved by property owners. Individual PIDs are governed by property owner elected boards and managed by a specifically formed non-profit organization or homeowners' association. Under a management contract with the City, PID managers are responsible for updating the PID's Service Plan annually, and following City Council approval, implementation of the PID's annual Service Plan.

The South Dallas/Fair Park PID (SDFPID) will terminate on December 31, 2023. As such, no Service Plan or assessment roll will be presented to the City Council for the SDFPID. Please refer to **Exhibit A** for a map of each PID. Below is a list of the City's 13 PIDs that will operate in 2024:

1. Dallas Downtown Improvement District (23-1789)
2. Dallas Tourism Public Improvement District (23-1790)
3. Deep Ellum Public Improvement District (23-1791)
4. Klyde Warren Park/Dallas Arts Public Improvement District (23-1792)
5. Knox Street Public Improvement District (23-1793)
6. Lake Highlands Public Improvement District (23-1794)
7. Midtown Improvement District (23-1795)
8. North Lake Highlands Public Improvement District (23-1796)
9. Oak Lawn Hi-Line Public Improvement District (23-1797)
10. Prestonwood Public Improvement District (23-1798)
11. South Side Public Improvement District (23-1799)
12. University Crossing Public Improvement District (23-1800)
13. Uptown Public Improvement District (23-1801)


For these 13 PIDs, the City must call for a public hearing by early August 2023 and hold a public hearing by the end of August 2023 so that Dallas County Tax Office can include the PID assessments in the regular tax bills. If this schedule is not met, the City would need to find another way to collect the assessments, costing the City additional funds to send a separate bill, and would likely not have the same success rate with the collection of assessment payments.

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Fiscal Information

There is no cost consideration to the City except for the Downtown Improvement District (DID). The FY 2023-24 DID assessment for City-owned property is \$920,768.79. With the exception of the Dallas Tourism PID where a 2% assessment on the value of hotel room night receipts is levied, owners of property within the boundaries of each PID will pay an assessment equal to the PID's 2023 assessment rate per \$100.00 of appraised property value.

Should you have any questions, please contact Assistant Director, Maria Smith, Office of Economic Development, at 214-670-1690 or maria.smith@dallas.gov.



Majed A. Al-Ghafry, P.E.
Assistant City Manager

[Attachment: Public Improvement District Maps]

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