

EXHIBIT A

City of Dallas PID Policy

Adopted December 14, 2005

Amended June 25, 2008

Amended October 28, 2009

Amended October 23, 2013



PID Policy - Background

- On December 14, 2005, the City Council, pursuant to Resolution Number 05-3539, adopted the City of Dallas Public Improvement District (PID) Policy for the creation, renewal, administration and management of Public Improvement Districts within the City of Dallas.
- The City Council subsequently amended the policy pursuant to Resolution No. 08-1782 on June 25, 2008 and Resolution No. 09-2620 on October 28, 2009.
- On October 7, 2013, the Economic Development Committee reviewed an amendment to the PID policy and recommended the amended policy for City Council approval.
- On October 23, 2013, the City Council considered the amended PID policy.

PID Policy – Overall Recommendations

- The amended PID policy will prohibit future PIDs that overlap the boundaries of another Dallas PID and make such other minor clarifications consistent with state law including the process for boundary changes.
- The City of Dallas should continue to support and upgrade the use of Public Improvement Districts for Commercial and Mixed Use Areas.
- The Prestonwood PID shall continue to be renewed, supported and administered until such time the City Council deems it appropriate not to pursue renewal in accordance with Chapter 372 of the Texas Local Government Code. *Procedures for renewal will follow those outlined in this policy for single-family PIDs.*
- The City of Dallas Office of Economic Development will allow the use of Public Improvement Districts for single-family districts (defined as areas with a minimum of 30% of land area dedicated to detached single-family housing) in established areas (defined as at least 80% of all single-family lots being developed) for the purpose of funding screening wall improvements, park improvements and maintenance, landscaping, other public improvement and additional security if less than 50% of the total PID budget.
- The amended PID Policy will NOT support the creation of PID Districts in undeveloped subdivisions.

PID Policy (continued)

- ◆ In new and renewing *commercial or mixed use district* PIDs, the City will require that Owners representing at least 60% of the value and 60% of all record Owners or 60% of land area support the creation of a new or renewing PID.
 - Petitions will not be required to be notarized.
 - Staff will verify that the person signing the petition is the owner and has the authority to sign.
 - PID petitions shall include this additional note: “With respect to community property, the City may accept the signature of a spouse as a representation of both spouses that they support the creation or renewal of the PID absent a separate property agreement. *However, if staff is made aware of any disagreement among owners of community property those petitions will not be counted.*”
- ◆ In new or *renewing* Single-Family PIDs, the City will require that Owners representing at least 66.7% of the value and 66.7% of all record Owners or 66.7% of land area support the creation of a new PID.
- ◆ PID petitions will be due on April 1st annually for approval by October 1st. Signatures for PID petitions must be gathered between October 1 and April 1 prior to the submission of the petition.
- ◆ PID assessments will be based on a set rate based on total property value. The maximum PID assessment in Dallas shall be \$0.15 per \$100 valuation.
- ◆ PIDs in Dallas will be allowed to fund any item provided by state law.

PID Policy (continued)

- ◆ PIDs must be self-sufficient and not adversely impact ordinary service delivery of the City.
- ◆ Administrative expenses, including costs for day to day City Staff administration, for a PID shall not exceed **15%** of the total budget in any year.
- ◆ A PID Service Plan shall contain procedures for the termination of the PID without imposing unintended costs on the City of Dallas. A PID cannot be dissolved without a petition from property owners and must be sufficient as for creation or renewal in accordance with Chapter 372, Section 372.005(b).
- ◆ Upon approval of a PID, City staff will file the resolution creating the PID including the assessment roll in the Dallas or other County deed records and provide contact information so that a title company may determine how much of an assessment is owed or paid for each property in the PID each year. This will ensure that a title company can pro-rate the assessments for the year between the buyer and seller in the same way the title company is responsible for calculating and collecting the taxes apportioned between the buyer and seller at the date of closing. This practice will not involve separately recording documents for each parcel within a PID.

PID Policy (continued)

- ◆ Property owned by the City of Dallas shall not be subject to assessment by any PID, excluding the Downtown Improvement District.
- ◆ An application fee of \$15,000 will be required for all new or renewing PIDs. This fee may be reimbursed to the PID management entity out of PID assessments when collected. This fee is regulatory in character so it approximates the costs of administering the PID through creation or renewal by City staff. The fee will be used for direct expenditures and to compensate the City of Dallas for creation and renewal staff time expended. If the City of Dallas costs for this process are less than \$15,000, the remainder will be reimbursed to the PID applicant. The application fee will not be counted as part of the 15% maximum for administrative expenses in a PID budget.
- ◆ A PID application for creating or renewing a PID shall include a current list of properties and tax roll (City will assist in this process in coordination with the PID and DCAD).

PID Policy (continued)

- ◆ PID applications shall include a map acceptable to the Office of Economic Development and a legal or clear description of the property included in the District. This practice will not require that the applicant provide property surveys.
- ◆ A PID application for creating or renewing a PID shall include a section that clearly identifies the benefit of the PID to the affected property owners and to the city as a whole and also evidence of insurance.
- ◆ Any management firm for a PID shall be required to submit quarterly reports of all activities and expenditures; an annual independent audit of all PID expenditures; and shall hold an annual meeting open to all property owners and held in a public meeting space with written notice to all property owners in the PID at least two weeks prior to this meeting to provide an opportunity for property owner questions, comments and input to be considered during the PID Budget and Service Plan approval process.

PID Policy - Boundaries

- ◆ With the exception of Klyde Warren Park and the Tourism PID, and any future modifications to the boundaries of either PID, no future PIDs will be allowed to be created that overlap the boundaries of another Dallas PID.
- ◆ In general, the boundaries of existing PIDs can be modified during a renewal process (with updated map as part of the petition). However, a boundary change during the existing term of a PID may only be considered if a re-petition of the entire PID area (both current boundary and proposed modified areas) meets the minimum criteria for creation/renewal and the \$15,000 application fee as described earlier in this Policy.
- ◆ The boundaries of the Tourism PID include hotels over 100 rooms at the time of creation. Any hotels that drop below that level during the term will be removed from the assessment roll. New hotels may only be added during the next renewal or re-petition process.

PID Policy (continued)

- ◆ Special Purpose PIDs may be requested by the City Manager's Office to address unique issues, **subject to state law petition requirements**.
- ◆ The maximum PID assessment in these districts may be above \$0.15 per \$100 valuation.
- ◆ These PIDs in Dallas will be allowed to fund any item provided by state law.
- ◆ These Districts may be used to address special facility maintenance and beautification issues.
- ◆ Administrative expenses in these districts shall not exceed **10%** of the total budget in any year.