

WHEREAS, Chapter 372 of the Texas Local Government Code (the “Act”) allows for the creation of public improvement districts; and

WHEREAS, on June 2, 2017, Lake Highlands Improvement District Corporation, representing owners of real property located within the North Lake Highlands Public Improvement District area, delivered to the City of Dallas a petition to create the North Lake Highlands Public Improvement District (the “District”) in accordance with Chapter 372 of the Texas Local Government Code, and as shown on the attached Map of the District (**Exhibit A**). City staff reviewed the petition and determined that it meets the Act’s thresholds for calling a public meeting after which the City Council may consider creation of the District; and

WHEREAS, pursuant to Section 372.007 of the Act, the City staff, with the assistance of the District property owner representatives, verified the petitions, evaluated the creation service plan to determine whether the services should be made as described by the proposed service plan and found the plan to be feasible; and

WHEREAS, the number of signatures collected on the petitions exceed the percentages required by the Act, both by value and area within the proposed District, the City Council finds that there is good cause to waive the heightened percentages set forth in the policy adopted on December 14, 2005, by Resolution No. 05-3539, as amended, finding that high number of aging multi-family properties with transitional ownership together with the mix of land uses in the proposed District, would make achieving a higher percentage of signatures impractical; and

WHEREAS, on June 28, 2017, City Council authorized a public hearing to be held on August 9, 2017, to hear comments and concerns regarding the establishment of the North Lake Highlands Public Improvement District and stated its intent at the close of that hearing to consider a resolution creating the District by Resolution No. 17-1048; and

WHEREAS, after providing notices required by Section 372.009 of the Act, the City Council on August 9, 2017, conducted a public hearing on the advisability of the improvements and services, and adjourned such public hearing.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That pursuant to the requirements of the Act, the City Council, after considering the Petition for the proposed District and evidence and testimony presented at the public hearing on August 9, 2017, hereby finds and declares:

SECTION 1. (continued)

- A. Purpose of the District; General Nature of the Proposed 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. 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 based on the value of the real property and real property improvements as determined by the Dallas Central Appraisal District. The estimated assessment for the first year of collection is proposed to be \$448,748. This amount is approximately equal to \$0.12 per \$100.00 of appraised value, as determined by the Dallas Central Appraisal District. If appraised values rise such that an assessment rate equal to the amount of \$0.15 per \$100.00 valuation would yield an assessment amount that exceeds the estimated costs, the assessment rate shall be reduced until the total assessment equals or is less than to the budgeted amount approved in the petition, subject to the appropriations set forth in the petition.

- C. Estimated Cost; No Bonded Indebtedness.** During the seven-year period, the annual cost of the improvements and services provided by the existing District is estimated to range from approximately \$448,748 to \$1,399,726 annually. Based on the estimated maximum cost of improvements and services, the seven-year total assessment collection requested by the District shall not exceed a collective total of \$5,850,697 (which is the sum of net assessment revenue over the next seven years). In the event the District requires additional funds, the District shall re-petition the property owners for such an increase. At no time shall the total amount levied exceed the total amount for the services and improvements to be provided for the year in which the property is assessed except as provided in the petition for creation of the District. The District shall not incur bonded indebtedness.

SECTION 1. (continued)

- D. Apportionment of Cost between the District and the Municipality as a Whole.** The District shall pay the costs of the services and improvements by special assessment against the real property and real property improvements. 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.

The City of Dallas is not responsible for payment of assessment against exempt City property in the District. City rights-of-way, railroad rights-of-way, City parks and cemeteries are not specially benefitted and therefore are not subject to Public Improvement District (PID) assessment.

- E. Annual Assessment Collection and Budget Allocation.** The District shall prepare an ongoing service plan that covers a period of at least five years and shall hold an annual meeting to review the service plan for the purpose of determining the annual budget. The annual meeting shall be open to all property owners in a public meeting space (with written notice to all property owners in the PID at least two weeks prior to the meeting) to provide an opportunity for property owner questions, comments and input to be considered during the PID annual budget and service plan approval process.
- F. City Expenses and Dallas County Charges.** The District shall pay the cost of: (i) collections service fee to Dallas County and (ii) City expenses related to oversight of the PID operations.
- G. District Management.** The District shall be managed by Lake Highlands Improvement District Corporation (LHIDC), a private non-profit corporation created under the laws of the State of Texas and under the provisions of Section 501(c)(3) of the Internal Revenue Code. The petition included a provision that in the future the management responsibilities of the District may be assigned to another, independent management entity created under the laws of the State of Texas and provisions of Section 501(c)(3) of the Internal Revenue Code.
- H. Advisory Body.** An advisory body may be established to develop and recommend an improvement plan to the governing body of the municipality. In the interest of providing efficient District management, the City Council, by accepting this Petition and establishing the District, agrees not to establish a separate advisory body and agrees to assign the responsibility for development and recommendation of the annual service and improvement plans and other responsibilities of the advisory body contained in the Act.

SECTION 1. (continued)

- I. **District Dissolution.** The District shall automatically dissolve on December 31, 2024, unless renewed or dissolved through the Petition and approval process as provided by the Act. Additionally, a public hearing may be called for the purpose of dissolving the District if a petition requesting dissolution is filed with the Dallas City Secretary and the Petition contains the signatures of at least enough property owners in the District to make the petition sufficient for the creation of a public improvement district as provided in Section 372.005(b) of the "Act." If the District is dissolved, the District nonetheless shall remain liable for the payment of any indebtedness for the District.
- J. **Request for District Renewal.** The persons signing this Petition request or concur with the renewal of the District and, if approved by the owners of the designated area, the boundaries and request that this Petition be considered at the earliest possible time and that the City Council take those lawful steps necessary to renew the District, authorize the improvements and services described herein, levy the necessary assessments to pay for the improvements and services and take any additional actions required under the Act for the benefit of the District.
- K. **PID Assessment Collection Budget Projection.** The seven-year service plan (**Exhibit B**) is a projection of annual PID assessment collection. If the total PID collection is less than the annual budgeted amount, the management entity, NLHPID, can:
- use discretion to re-allocate PID revenues to best service property owners and residents within the PID area. No budget category may be adjusted by more than 20 percent of projected amount.
 - use funds in the contingency category for other expenditures.

No over-collection is anticipated, however, if the PID assessment collection is greater than the annual projected amount, the managing entity shall:

- be permitted to carry over up to 20 percent of the funds budgeted to the following year to account for delays or cost adjustments, provided that the cumulative seven-year total for each category is not exceeded as a result of such carry-over, or
- reduce the amount of the assessment in the following year to absorb the over-collection, or
- return the funds to the property owners, or
- submit a revised petition to obtain consent of the property owners for an increased collection.

The term of the District upon creation is seven years (2018 to 2024). Pending approval, actual operations in the District will commence next year.

SECTION 2. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 3. That the City of Dallas PID Policy of requiring that property owners representing at least 60 percent of the value and 60 percent of all record property owners or 60 percent of land area support the creation of a new or renewing PID, adopted on December 14, 2005, by Resolution No. 05-3539, as amended, is hereby waived, finding that high number of aging multi-family properties with transitional ownership together with the mix of land uses in the proposed District, would make achieving a higher percentage of signatures impractical.

SECTION 4. That the North Lake Highlands Public Improvement is hereby authorized and established as a Public Improvement District under the Act in accordance with the findings as to the advisability of the services and improvements contained in this Resolution, with an effective date of January 1, 2018. The District shall be subject to all of the terms, conditions, limitations and reservations contained in the findings of Section 1 of this Resolution.

SECTION 5. That the City Secretary is directed to give notice of the authorization for the establishment of the District by publishing a copy of this Resolution once in the newspaper of general circulation in the City of Dallas. Such authorization shall take effect and the District shall be deemed to be established effective upon the publication of such notice.

SECTION 6. That the District shall automatically dissolve on December 31, 2024 unless the District is renewed through the petition and approval process as provided by the Act, or the District is sooner terminated as provided by law. The power of the City to continue to levy and collect assessments within the District will cease and the District will be dissolved on the date that a petition requesting dissolution is filed with the City Secretary of the City of Dallas and the petition contains the signatures of at least enough property owners in the District to make the petition sufficient for creation of a public improvement district as provided in Section 372.005(b) of the Act.

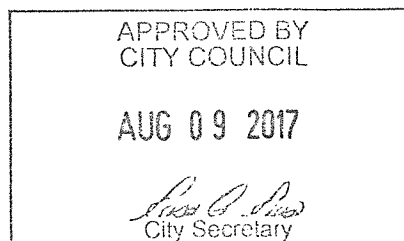
SECTION 7. That the City Council authorizes that the District shall be managed through Lake Highlands Improvement District Corporation, a non-profit corporation established under the provisions of Section 501(c) of the Internal Revenue Code, to develop and recommend a service plan, improvement plan and assessment plan in order to promote the efficient management of the District. The Lake Highlands Improvement District Corporation shall be the entity responsible for the management of the District. The petition included a provision that in the future the management responsibilities of the District may be assigned to another, independent management entity created under the laws of the State of Texas and provisions of Section 501(c)(3) of the Internal Revenue Code.

SECTION 8. That City Council hereby approves the Service Plan prepared by the Lake Highlands Improvement District Corporation, which is attached hereto and made part hereof and marked (Exhibit B) and directs the Lake Highlands Improvement District Corporation, to implement it in accordance with the Act. The Service Plan covers a period of seven years and defines the annual indebtedness and projected cost for services and improvements. The Lake Highlands Improvement District Corporation, is hereby granted the ability to modify or substitute items without City Council approval within the program categories in the Service Plan, with City staff review and approval, if such changes serve the common interest of owners and tenants in the District and the increase and/or decrease in the amount of a program category does not exceed 20 percent of the budgeted amount for that category and the amount levied shall not exceed the total amount shown on the budget for the services and improvements to be provided for the year in which the property is assessed. "Program categories" in the Service Plan includes the listed improvement in Exhibit B that is authorized by the Act.

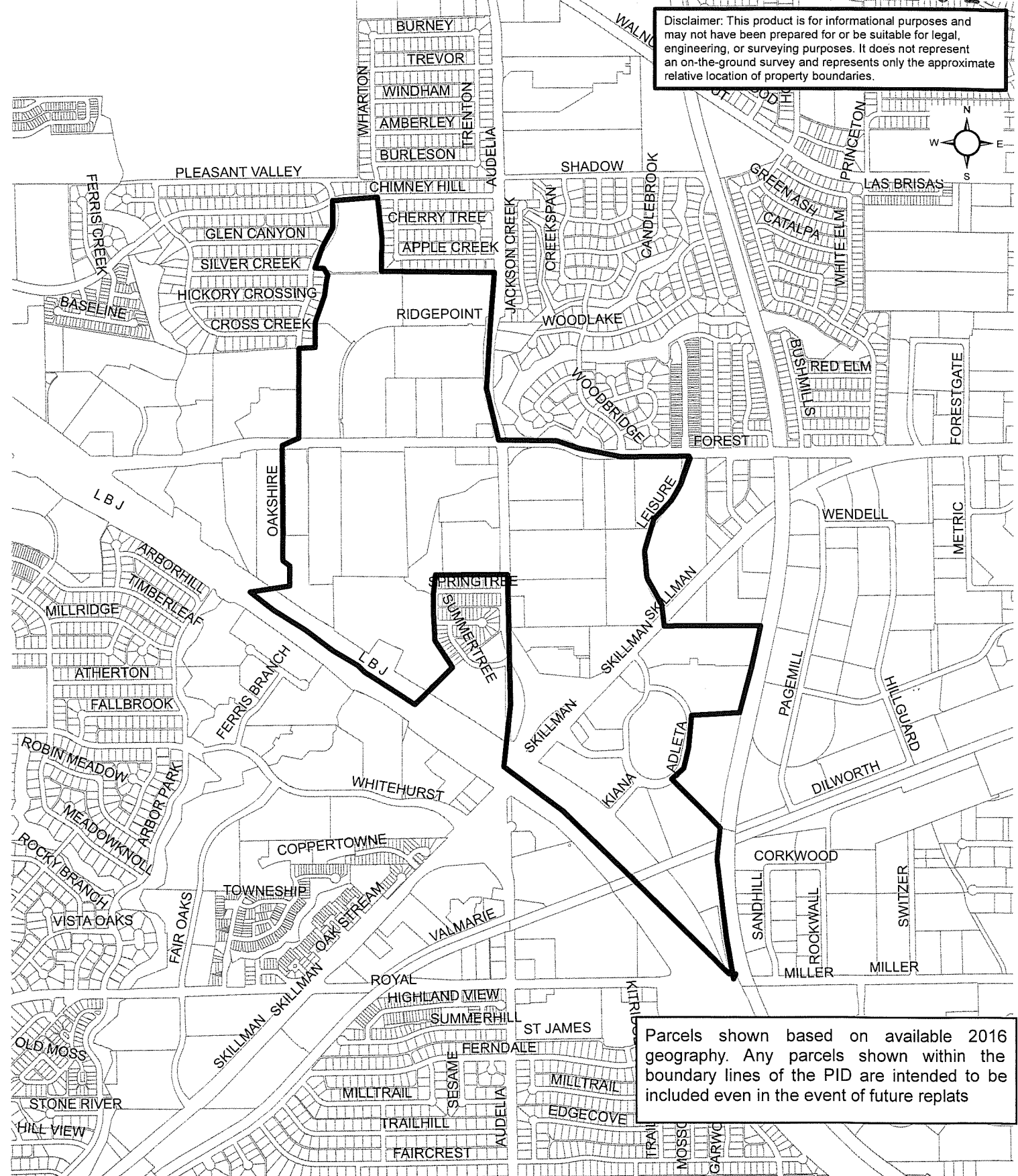
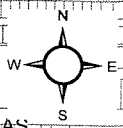
SECTION 9. That pursuant to the exception granted by Section 252.022(a)(9) of the Texas Local Government Code, the City Manager is hereby authorized and directed, approved as to form by the City Attorney, to enter into a contract with Lake Highlands Improvement District Corporation, to manage special supplemental services to be paid from the assessments collected. The contract with the Lake Highlands Improvement District Corporation shall be in accordance with the Service Plan and this Resolution and shall provide for compliance by the Lake Highlands Improvement District Corporation, with the Business Inclusion and Development Plan for participation of minorities and women providing services and improvements to the District.

SECTION 10. That the contract with the Lake Highlands Improvement District Corporation shall also provide for assessment collection services that the County will provide to the Lake Highlands Improvement District Corporation, for collection of the special assessments. The County shall receive a fee per account as compensation for its collection services.

SECTION 11. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.



Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



Parcels shown based on available 2016 geography. Any parcels shown within the boundary lines of the PID are intended to be included even in the event of future replats

**Exhibit A
Proposed
North Lake Highlands PID Boundary Map**

City of Dallas
Office of Economic Development
Created 6/2017

NORTH LAKE HIGHLANDS PUBLIC IMPROVEMENT DISTRICT PROPOSED PID SEVEN YEAR SERVICE PLAN (2018-2024)							Exhibit B
	2018	2019	2020	2021	2022	2023	2024
INCOME							
Net Assessment*	\$448,748.00	\$516,727.25	\$630,903.39	\$768,205.95	\$932,103.89	\$1,154,683.05	\$1,399,326.46
Interest on Cash Balance	\$0.00	\$300.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00
Surplus Carried Forward	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Income	\$448,748.00	\$517,027.25	\$631,303.39	\$768,605.95	\$932,503.89	\$1,155,083.05	\$1,399,726.46
EXPENSES							
Renewal/Creation Fee	\$15,000.00	3%					
Public Safety ⁽¹⁾	\$269,248.80	60%	\$347,216.86	55%	\$466,251.94	50%	\$699,863.23
Improvements ⁽²⁾	\$70,262.12	16%	\$93,064.91	18%	\$145,199.78	23%	\$261,101.09
Promotion ⁽³⁾	\$22,437.40	5%	\$31,021.64	6%	\$37,878.20	6%	\$55,950.23
Administration ⁽⁴⁾	\$44,874.80	10%	\$51,702.73	10%	\$76,860.59	10%	\$93,250.39
Audit	\$8,974.96	2%	\$10,340.55	2%	\$12,626.07	2%	\$18,650.08
Insurance	\$17,949.92	4%	\$20,681.09	4%	\$25,252.14	4%	\$37,300.16
Total Expenses	\$448,748.00	\$517,027.25	\$631,303.39	\$768,605.95	\$932,503.89	\$1,155,083.05	\$1,399,726.46
Surplus Carried Forward							
Notes:							
The assessment amount is approximately equal to \$0.12 per \$100.00 of appraised value as determined by the Dallas Central Appraisal District (DCAD).							
*Net assessment reflects the deduction of City and County fees from the gross assessment collection.							
⁽¹⁾ Public Safety consists of enhanced neighborhood patrols, security enhancements, emergency preparedness							
⁽²⁾ Improvements include aesthetic improvements, acquisition and installation of public art, the establishment of parks and youth recreation sites, and educational programming							
⁽³⁾ Promotion includes business recruitment related expenses, branding efforts, marketing and outreach efforts and materials, and advertising							
⁽⁴⁾ Administrative costs include management fee, annual tax preparation, bookkeeping charges, office supplies, and postage for public notification							