

August 28, 2019

**WHEREAS**, the Public Improvement District Assessment Act, Chapter 372 of the Texas Local Government Code ("Act") allows for the creation of public improvement districts; and

**WHEREAS**, on May 14, 1997, City Council authorized the creation of the Prestonwood Public Improvement District (District), as a public improvement district in accordance with the Act and found that the District promoted the interests of the City and conferred a special benefit to the property in the District, designated Prestonwood Homeowners Association, Inc., as the manager of the District, authorized a contract for management services; and approved the District Service Plan, and annual updates by Resolution No. 97-1575; and

**WHEREAS**, on August 11, 2004, City Council authorized the renewal of the Prestonwood Public Improvement District and approval of the Service Plan and management contract by Resolution No. 04-2328; and

**WHEREAS**, on June 22, 2011, City Council authorized the renewal of the Prestonwood Public Improvement District and approval of the Service Plan and management contract by Resolution No. 11-1796; and

**WHEREAS**, on May 23, 2018, City Council authorized the renewal of the Prestonwood Public Improvement District and approval of the Service Plan and management contract by Resolution No. 18-0785; and

**WHEREAS**, on September 12, 2018, City Council authorized an amended and restated management contract with Prestonwood Homeowners Association pursuant to Resolution No. 18-1319; and

**WHEREAS**, on September 12, 2018, City Council authorized an ordinance approving and adopting the final 2019 Service Plan, 2018 Assessment Plan and the 2018 Assessment Roll by Resolution No. 18-1318; Ordinance No. 30985; and

**WHEREAS**, the Prestonwood Homeowners Association provided City staff with the proposed District 2020 Service Plan and 2019 Assessment Plan as shown in **Exhibits B and C**; and

**WHEREAS**, the City Council must review the proposed 2020 Service Plan and 2019 Assessment Plan and hold a public hearing to provide a reasonable opportunity for any owner of property located within the District to speak for or against the 2019 assessment against real property and real property improvements exclusive of right-of-way, to continue funding for the District for the purpose of providing supplemental services and improvements.

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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 reviewing the proposed 2020 Service Plan and the proposed 2019 Assessment Plan for the Prestonwood Public Improvement District, will consider approval of the final 2020 Service Plan and 2019 Assessment Plan, subject to the public hearing on September 11, 2019.

The City Council makes the following findings concerning the Service Plan for the Public Improvement District:

- (a) **Advisability of the Services Proposed for the District.** The District promotes the interests of the City and confers a special benefit to the property within its boundaries and it is advisable to continue the District and to provide the services and improvements described in this resolution.
- (b) **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 security related improvements within the District as authorized by the Act.
- (c) **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 \$407,130.00 in 2020 and reach \$452,628.00 in 2024. The total estimated assessments to be collected during the next five-year period is approximately \$2,164,888.00. The District shall incur no bonded indebtedness.
- (d) **Boundaries.** The boundaries of the District are located wholly within the city of Dallas, Texas. The boundaries of the District are as shown in **Exhibit A**.
- (e) **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 assessment amount for 2019 is proposed to be \$423,898.00. This amount is approximately equal to \$0.0825 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

August 28, 2019**SECTION 1.** (continued)

not exceed \$0.0825 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.

- (f) **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.

**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 a public hearing shall be held no earlier than 6:00 p.m. on September 11, 2019, in the City Council Chamber, Dallas City Hall, 6th Floor, 1500 Marilla Street, Dallas, Texas 75201 at which time any interested person may appear and speak for or against the setting of an assessment against real property and real property improvements, exclusive of rights-of-way, to continue funding for the District for the purpose of providing supplemental services and improvements.

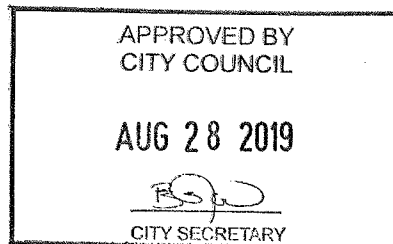
**SECTION 4.** That notice of such public hearing shall be published in the official newspaper of the City of Dallas and mailed to the property owners in the District before the 10th day before the public hearing.

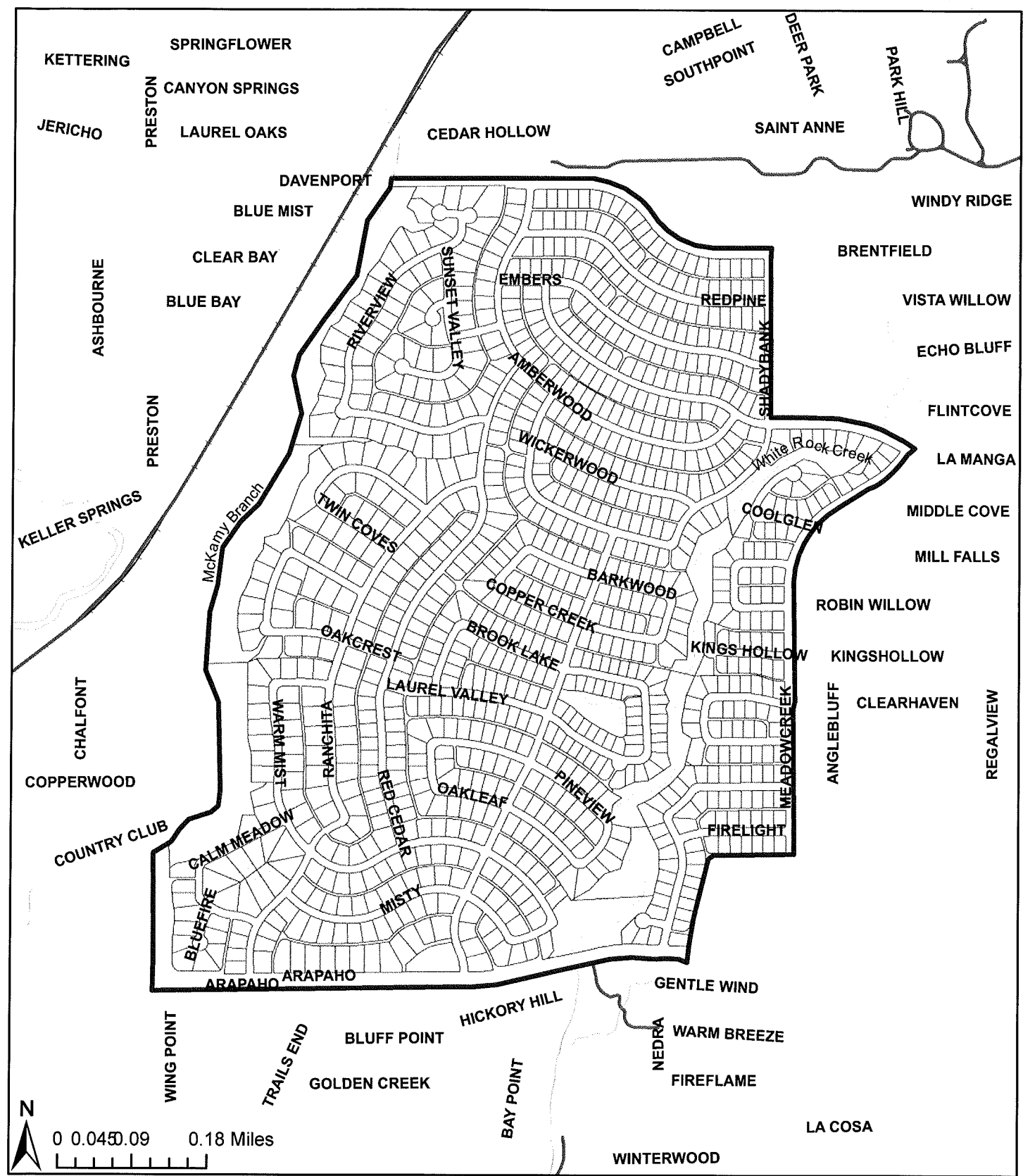
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**SECTION 5.** That after the public hearing, the City Council may consider approval of an ordinance establishing classifications for the apportionment of costs and the methods of assessing special benefits accruing to property in the District because of the services and improvements in the District, approving and adopting the 2019 Assessment Roll on file with the City Secretary; approving the Service Plan for 2020; closing the hearing and levying assessments for the cost of certain services and/or improvements to be provided in the District during 2020; fixing charges and liens against the property in the District and against the owners thereof; providing for the collection of the assessment; and providing an effective date.

**SECTION 6.** 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.





Prestonwood PID Boundary Map  
Exhibit A

 Prestonwood PID Boundary



City of Dallas  
Office of Economic Development  
August 2007

## EXHIBIT B

**Prestonwood Public Improvement District**  
**Service Plan 2020-2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Estimated annual assessment rate requirement	<b>0.0825</b>	<b>0.0825</b>	<b>0.0825</b>	<b>0.0825</b>	<b>0.0825</b>
Estimated annual aggregate property valuation increase <sup>1</sup>		1.0%	1.0%	1.0%	1.0%
Estimated annual aggregate property valuation	<b>\$ 549,981,430</b>	<b>\$ 555,481,244</b>	<b>\$ 561,036,057</b>	<b>\$ 566,646,417</b>	<b>\$ 572,312,881</b>
<b>Revenue &amp; Reserves</b>					
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Calendar Year Beginning Balance	\$ 126,021	\$ 142,789	\$ 144,475	\$ 142,083	\$ 135,388
Gross Assessment Revenue	\$ 453,735	\$ 458,272	\$ 462,855	\$ 467,483	\$ 472,158
Retainage held for Protests	\$ (45,373)	\$ (45,827)	\$ (46,285)	\$ (46,748)	\$ (47,216)
PID Oversight Charge from City	\$ (7,150)	\$ (7,150)	\$ (7,150)	\$ (7,150)	\$ (7,150)
Retainage funds Returned <sup>2</sup>	\$ 22,687	\$ 22,914	\$ 23,143	\$ 23,374	\$ 23,608
Net Assessment Revenue	\$ 423,898	\$ 428,208	\$ 432,562	\$ 436,959	\$ 441,400
Total Income & Reserves	<b>\$ 549,919</b>	<b>\$ 570,997</b>	<b>\$ 577,037</b>	<b>\$ 579,042</b>	<b>\$ 576,789</b>
<b>PID Services</b>					
Public Safety <sup>3</sup>	\$ 375,000	\$ 393,750	\$ 401,625	\$ 409,658	\$ 417,851
Audit & Insurance <sup>4,5</sup>	\$ 22,440	\$ 22,889	\$ 23,347	\$ 23,814	\$ 24,290
Administrative <sup>6</sup>	\$ 9,690	\$ 9,884	\$ 9,983	\$ 10,182	\$ 10,488
Total Disbursements	<b>\$ 407,130</b>	<b>\$ 426,523</b>	<b>\$ 434,954</b>	<b>\$ 443,653</b>	<b>\$ 452,628</b>
<b>Reserve</b>	<b>\$ 142,789</b>	<b>\$ 144,475</b>	<b>\$ 142,083</b>	<b>\$ 135,388</b>	<b>\$ 124,160</b>

**Assumptions**

1. Assumes 1% increase in annual aggregate appraisal values
2. Assumes initial realization of 97% of the tax levy and city releases 50% of holdback in the year of the levy. Revenue increases match property value increases.
3. Assumes 5.0% annual officer compensation, cost of living & expense increase and a one time \$7000 payment for safety signage in 2019. 5% increase will start in 2021. Also assumes one time 10% increase in 2019/2020 to make officers' compensation competitive (increase will begin in September 2019 and impact 8 months into 2020).
4. Assumes annual audit paid 100% by PID with cost increase of \$2000 for accrual based financial audit
5. Assumes insurance split with PHA more in line with value received under coverages
6. Assumes a 2% annual increase in admin fees. Additionally, a management fee of \$500 per month is charged to the PID by PHA to reflect the cost of operating the PID and time spent by PHA members.

**EXHIBIT C****2019 ASSESSMENT PLAN  
Prestonwood Public Improvement District**

The cost of services and improvements provided by the Prestonwood Public Improvement District will be paid primarily by assessments against real properties within the Prestonwood Public Improvement District (PID) boundaries. Annual assessments will be based on the value of real property and improvements as certified by the Dallas Central Appraisal District.

The 2019 assessment rate for the property in the Prestonwood PID is proposed at \$0.0825 per \$100.00 of value. Assessments will be carried out in accordance with procedures stipulated in Chapter 372 of the Texas Local Government Code.

The District shall pay the costs of the services and improvements by special assessment against the real property and real property improvements. The City of Dallas is not responsible for payment of assessments against exempt City property in the District which is specifically benefited. City rights-of way, parks and cemeteries are not subject to assessment. Payment of assessments by other exempt jurisdictions and entities must be established by contract. No such contract is in place, nor is any proposed.

The Prestonwood PID's assessments will be collected by the Dallas County Tax Office in accordance with the contract with the City of Dallas and in accordance with the management contract between the City of Dallas and the Prestonwood Homeowners Association.