



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY					
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory					
Council Meeting Date:		October 13, 2014			
Department:		Special Projects			
Department Head		P. Jarrell			
Agenda Coordinator (include phone #): T. Stuckey - 7156					
CAPTION					
Public Hearing and Consideration of a Resolution of the City Council of the City of Plano, Texas, authorizing the creation of the Downtown Plano Public Improvement District, directing the City Manager or his designee, to publish required public notice of the district's authorization, and establishing an effective date.					
FINANCIAL SUMMARY					
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP					
FISCAL YEAR:	2014-2015, 2015-2016, 2016-2017	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		0	50,000	100,000	150,000
Encumbered/Expended Amount		0	0	0	0
This Item		0	-50,000	-100,000	-150,000
BALANCE		0	0	0	0
FUND(S): GENERAL FUND					
<p>COMMENTS: Funding for the City's annual contribution to the Downtown Plano Public Improvement District is available in the the 2014-15 Budget. Future year contributions will occur within appropriations established by the City Council.</p> <p>STRATEGIC PLAN GOAL: Contributing financial resources to the Downtown Plano Public Improvement District relates to the City's Goal of Exciting Urban Centers - Destination for Residents and Guests.</p>					
SUMMARY OF ITEM					
See attached memo.					
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies		
Memo Resolution					

September 30, 2014

MEMO

TO: Bruce D. Glasscock, City Manager
Frank F. Turner, Deputy City Manager

FROM: Phyllis M. Jarrell, Director of Special Projects

SUBJECT: Downtown Plano Public Improvement District

The City has received petitions from property owners in Downtown Plano requesting the creation of a public improvement district (PID) for an initial term of three years for the area shown on the attached map. Public Improvement Districts are authorized by Chapter 372 of the Texas Local Government Code, and provide a mechanism for property owners to petition a city to create a district for the purpose of providing additional improvements and services in a defined area. Funding for the improvements and services comes from a special assessment paid by property owners and based on a property's taxable value. Examples of improvements and services that can be undertaken through a PID include landscaping, public safety and security, advertising and marketing, special events, sanitation services, and sidewalks and plazas. Numerous PIDs have been created by Texas cities. Dallas, for example, has 12 PIDs covering areas such as Klyde Warren Park, Deep Ellum, and Uptown. A public hearing and resolution creating the Downtown Plano PID, as required by the statute, are scheduled for City Council's consideration at its October 13, 2014 meeting.

Property Owner Petitions

State law requires that property owners representing more than 50% of the district's assessed taxable value, plus more than 50% of the owners, or owners representing more than 50% of the land area must support the creation of a PID. City Council by policy has increased this threshold to 60% of owners. The petitions in favor of creating the PID represent the following:

- 94.1 % of the district's assessed taxable value
- 66.7 % of the property owners
- 74.5 % of the land area

These percentages are based on the properties that are subject to the PID assessment and do not include the properties that are subject to governmental and charitable tax exemptions.

Advisory Body

Chapter 372 allows City Council to establish an advisory body for the PID, which has the responsibility of developing the improvement plan for the PID. The advisory body must consist of property owners. Any property owner may designate a representative to serve on the advisory board. A separate item on the October 13, 2014 agenda creates an advisory board consisting of all property owners within the district, to ensure broad participation and representation of all property owner interests. The resolution also establishes an executive committee comprised of the three property owners representing the greatest appraised property values, plus five other members to be elected by the entire advisory board. The executive committee shall prepare a service plan and assessment plan for consideration of the advisory board, whose recommendation shall be presented to the City Council for review and approval. The advisory board will develop these plans for presentation and adoption in November.

Annual Assessment

The City Council policy for PIDs includes a cap of \$0.15 per \$100 of assessed taxable value for the annual assessment. The annual assessment applies to the taxable value of land and improvements before heritage tax exemptions. Tax exempt properties in the proposed PID owned by PISD, DART, the Masonic Lodge, and City would not be assessed at this rate. However, staff is recommending that the City of Plano, as a downtown property owner, contribute a minimum of \$50,000 each year to the PID. The downtown property owners and merchants support a cap on the annual assessment based on 2014 appraised values. The assessment would be recalculated if the property is sold or if improvements greater than \$200,000 in value are made to the property. Since the large multifamily developments in downtown constitute a disproportionate part of the overall assessed value within the PID, their assessment would be capped at \$25,000 per project. The PID is anticipated to collect approximately \$465,000 during the initial three year term.

The City will administer and collect the annual assessment, including pursuit of delinquent accounts and placing of liens, and will charge the PID \$10,000 annually to cover the cost of administration.

Term of the PID

Chapter 372 requires the development of a service plan that covers a period of at least five years; however, the property owners would like to begin with an initial term of three years. After three years, the PID can be extended or dissolved through the same petition process required for its creation.

Administration of the PID

The City of Plano will collect assessments and will contract with the Historic Downtown Plano Association to provide specified services. A contractual condition will be that HDPA must establish a management and oversight committee comprised of property owners or a designated representative. The committee will consist of not less than eight members, three of which would represent the largest property owners by

valuation. Other members would be elected by the PID advisory board. The executive committee of the advisory board may serve as the management and oversight committee. The management and oversight committee will administer the PID contract with the city, which will specify the use of PID funds and the annual budget.

Next Steps

Council's adoption of the resolution creating the PID and the advisory board initiates the next steps in the process. The resolution must be published in the newspaper to officially notify the public of the PID creation. The advisory board will begin its work to develop the service plan and assessment plan for Council's consideration in November. After another public hearing in December, the Council will consider the formal assessment roll for each property and take action to levy the assessments. Collection of the assessments will begin after that date.

Please let me know if you have questions or need additional information.

A Resolution of the City Council of the City of Plano, Texas, authorizing the creation of the Downtown Plano Public Improvement District, directing the City Manager or his designee, to publish required public notice of the district's authorization, and establishing an effective date.

WHEREAS, Chapter 372 of the Texas Local Government Code (the "Act") allows for the creation of public improvement districts in municipalities to finance certain supplemental services and public improvements with a district by means of special assessments levied on real property within the district ; and

WHEREAS, the City Secretary has received petitions from property owners requesting the establishment of a Downtown Plano Public Improvement District (the "District") in accordance with the parameters of the Act; and

WHEREAS, the petitions have been verified to meet the requirements of the Act and the City Council's policies for establishing the District, with petitions received from the owners of more than 60% of the appraised value of the taxable real property liable for assessment within the District, and from the owners of more than 60% of the land area of all taxable real property liable for assessment within the District; and

WHEREAS, pursuant to the Act, the City Council's intention to consider the establishment of the District at a public hearing on October 13, 2014 was mailed to all property owners within the District and was published in a newspaper of general circulation in the municipality in accordance with the Act; and

WHEREAS, after providing the notices required by Section 372.009 of the Act the City Council conducted a public hearing on October 13, 2014 to consider the advisability of the supplemental services and public improvements, the nature and estimated cost of the services and improvements, the boundaries of the proposed District, the method of assessment and the apportionment of costs between the District and the City of Plano as a whole; and

WHEREAS, during the public hearing held on October 13, 2014 the City Council also heard comments from the public regarding the establishment of the District; and

WHEREAS, the City Council stated its intent at the close of the public hearing to consider a Resolution creating the District.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS:

Section I. That pursuant to the requirements of the Act, the City Council, after considering the petitions for the proposed District and evidence and testimony presented at the public hearing on October, 13, 2014, hereby finds and declares:

- A. Advisability of Service and Improvements proposed for the District - It is advisable to create the District to provide the supplemental 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 and improvements for Downtown Plano. The general nature of the proposed services and improvements to be performed by the District includes marketing and advertising, special event production and management, street and sidewalk cleaning, enhanced security, landscape maintenance, and related expenses incurred in establishing, administering and operating the District as authorized by the Act.
- C. Estimated Cost of the Services and Improvements - During the three (3) year initial period, the estimated costs of the improvements and services provided by the District will be approximately \$465,000 (an average annual expenditure of \$155,000). The District shall not incur bonded indebtedness. The service plan, budget and assessment rate are subject to annual review, a public hearing and approval by the City Council.
- D. Boundaries of the Public Improvement District - the boundaries of the proposed District are as illustrated in Exhibit "A" and are generally Municipal Avenue/L Avenue to the east, 16th Street to the north, G Avenue and H Avenue to the west, and 14th Street to the south, and including the Eastside 14th Street Addition, Lot 1, Block A, and the public parking lot located on the south side of 14th Street between J Avenue and K Avenue.
- E. Proposed Method of Assessment - The proposed method of assessment, which may specify included or excluded classes of assessable property, is based on the value of the real property and real property improvements as determined by the Collin County Central Appraisal District. The real property of jurisdictions and entities that have obtained an exemption from the City of Plano real property taxes pursuant to the Texas Tax Code (except under the provisions of Sections 11.24 and 11.28 of the 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 proposed annual assessment rate for the three (3) year initial duration of the District will be \$0.15 per \$100.00 of appraised value as determined by the Collin County Central Appraisal District. The annual assessment rate shall not exceed \$0.15 per \$100.00 valuation. The District shall pay the costs of the services and improvements by special assessment against real property and real property improvements.
- F. Proposed Apportionment of Cost between the District and the City of Plano as a Whole - No portion of the supplemental services and improvement shall be apportioned to the City of Plano as a whole.

Section II. That the Downtown Plano Public Improvement District comprising the boundaries set forth in Section I and described in Exhibit "A" 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, 2015. The District is subject to all the terms, conditions, limitations and reservation contained in the findings of Section I of this Resolution. The District's boundaries may be expanded only by the same procedure required by the Act for establishment of the District.

Section III. In accordance with the Act and with Resolution No. _____, adopted by the City Council on October 13, 2014, an Advisory Body and Executive Committee shall be established to prepare the improvement plan, the initial five year Service Plan and Assessment Plan, and the District's annual budget and service plan for presentation and adoption by the City Council.

Section IV. That the City Manager or his designee 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 Plano. Such authorization shall take effect and the District shall be deemed to be established effective upon the publication of such notice. The District shall automatically dissolve on December 31, 2017 unless the District is renewed through the petition and approval process as provided by the Act, or the District is terminated earlier 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 Plano and the petition contains the signatures of at least enough property owners in the District as would be required to make a petition sufficient for creation of a district as provided in Section 372.005(b) of the Act.

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

Section VI. This Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS THE 13TH DAY OF OCTOBER, 2014.

Harry LaRosiliere, MAYOR

ATTEST:

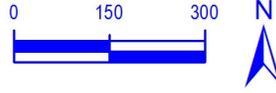
Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

Downtown PID

-  Downtown PID
-  Parcels
-  R.O.W.



Source : City of Plano, GIS Division
Date : 6/30/2014

sharif 6/26/2014 C:\Analyst\Projects\CityManager\Phyllis\06-26-14 PID\Downtown PID_2014.mxd

