



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:		11/23/15		
Department:		City Manager		
Department Head		P. Jarrell - Special Projects		
Agenda Coordinator (include phone #): M. Martinez - 7122				
CAPTION				
<p>A Resolution of the City of Plano, Texas, approving the Service Plan and Assessment Plan for the Downtown Plano Public Improvement District as recommended by the Public Improvement District Advisory Board, directing the preparation of a proposed assessment roll for the Public Improvement District, authorizing the City Manager or his designee to publish required notice of a public hearing to consider the levying of the proposed assessments on owners of real property within the Public Improvement District, and establishing an effective date.</p>				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: 2015-2016	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
BALANCE	0	0	0	0
FUND(S): N/A				
<p>COMMENTS: This item has no immediate financial impact; however, an agenda item approving the City of Plano's \$50,000 contribution to the Public Improvement District (PID) is expected for consideration by the City Council in December 2015. The City of Plano's PID contribution was included in the 2015-16 General Fund Budget.</p> <p>STRATEGIC PLAN GOAL: Approving the governing documents of 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				
Please see attached memo.				
List of Supporting Documents: Memo, Map, Resolution Service Plan, Assessment Plan			Other Departments, Boards, Commissions or Agencies	



Memorandum

Date: November 2, 2015

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

From: Phyllis M. Jarrell, Special Projects Director

Subject: Downtown Plano Public Improvement District Update

The Downtown Plano PID is nearing the end of its first year of operation, and City Council approval is required for the Service Plan and Assessment Plan for 2016. Council must also call a public hearing and direct the preparation of an assessment roll, which will be scheduled for consideration in December. The attached resolution addresses these actions.

In 2014, property owners in Downtown Plano petitioned the City Council to create the Downtown Plano Public Improvement District, and the district was formalized in December of that year. 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, and sanitation services. Most of the PID services are carried out by the Historic Downtown Plano Association.

The Service Plan adopted for 2015 included funding for marketing and advertising, events, beautification and sanitation, PID management by HDPA, and safety and security. HDPA engaged an executive director through a contract with the City using PID funds. Other expenditures were for a new website design, regular advertising and promotion of Downtown Plano, and services associated with events such as Steinfest, Chalk It Up and the Long Table on 15th.

HOW THE PID OPERATES

Below is a brief overview of how the PID is structured and operates.

Governance

City Council established an Advisory Board for the PID which consists of all of the property owners and has the responsibility of recommending the Service Plan and Assessment Plan for the PID. Any property owner may designate a representative to serve on the advisory board. An Executive Committee that develops the Service Plan and Assessment Plan is comprised of the three property owners representing the greatest appraised property values, plus five other members elected by the entire advisory board. The Advisory Board also elects a Management Committee (the Executive Committee may serve in this capacity), which meets monthly and administers contracts and approves any PID expenditures of \$5,000 or greater.

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 PID owned by PISD, DART, the Masonic Lodge and City are not assessed. However, the City contributes a minimum of \$50,000 each year to the PID. At the request of the downtown property owners the annual assessment is based on 2014 appraised values for the initial term of the PID. The assessment is recalculated if the property is sold or if improvements greater than \$200,000 in value are made to a property. Since the large multi-family developments in downtown constitute a disproportionate part of the overall assessed value within the PID, their assessment is capped at \$25,000 per project. The City administers and collects the annual assessment, and \$10,000 is budgeted annually to cover the costs of pursuing delinquent accounts.

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 wished to establish 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.

2016 SERVICE PLAN AND ASSESSMENT PLAN

The Advisory Board's recommended Service Plan uses six broad categories for the services and improvements to be undertaken by the PID. Each category is described further in the notes. The planned services include marketing, advertising, beautification, lighting, events and PID management. \$10,000 is included for the city's administration of the PID. The total 2016 budget is \$200,000, and includes approximately \$61,000 in unspent funds being carried forward from the 2015 budget.

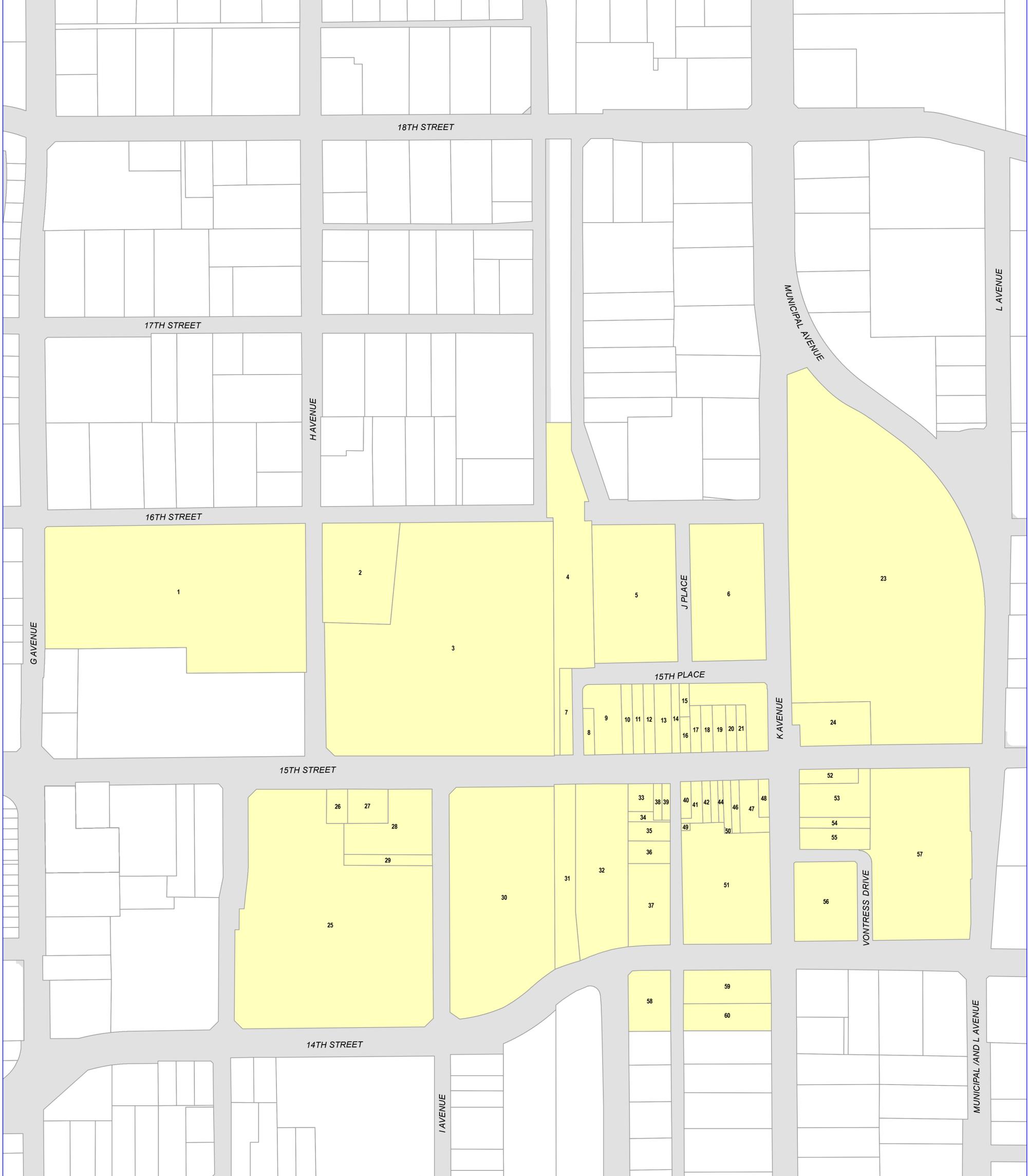
The recommended Assessment Plan lays out the methodology for assessing property owners within the PID in accordance with the City Council's policies, and estimates the amount of funding collected each year through the assessment and with the city's annual contribution. For 2016, the full value of the Junction 15 development is reflected in the assessment. The development hits the assessment cap of \$25,000 in 2016. Future years include the Municipal Center South redevelopment project being added to the tax roll, partially in 2017 and the full value in 2018. Both the Service Plan and Assessment Plan will be updated annually.

NEXT STEPS

The resolution directs the preparation of the assessment roll, which lists the dollar amount of the PID assessment for each property within the district. The assessment roll will be available in the City Secretary's office for public inspection. A public hearing will be scheduled for the December 14th City Council meeting to hear any objections to the assessment roll. At that meeting, the Council will also consider an ordinance to levy the assessments as a special assessment on each property. Collection notices will be sent to property owners after approval of the ordinance.

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

XC: Jack Carr, Assistant City Manager
Denise Tacke, Finance Director
Allison Friloux, Controller



Map No.	Ownership	Appraised Value	Site Address	Map No.	Ownership	Appraised Value	Site Address	Map No.	Ownership	Appraised Value	Site Address
1	PLANO ISD	\$ 2,364,904	1509 H AVE	21	FERCHER JOERG W & CATHY A	\$ 176,950	1037 E 15TH ST	43	JSMTX PROPERTIES LLC	\$ 105,063	1018 E 15TH ST
2	PLANO CITY OF	\$ 567,523	902 16TH ST	22	BEDROCK BUILDING LP THE	\$ 1,301,988	1039 E 15TH ST	44	CRH RENTALS LTD	\$ 50,575	1020 E 15TH ST
3	PLANO CITY OF	\$ 922,526	901 E 15TH ST	23	PLANO CITY OF	\$ 16,043,049	1520 K AVE	45	15TH STREET REAL PROPERTY HOLDINGS LLC	\$ 373,250	1022 E 15TH ST
4	DALLAS AREA RAPID TRANSIT	\$ 376,576	SITE ADDRESS NOT ASSIGNED	24	GTE SOUTHWEST INC	\$ 475,797	1508 K AVE	46	JSMTX PROPERTIES LLC	\$ 205,388	1024 E 15TH ST
5	PLANO CITY OF	\$ 1,626,975	1013 15TH PL	25	PLANO CITY OF	\$ -	629 14TH ST	47	SUTTON-1012 LLC	\$ 364,000	1026 E 15TH ST
6	PLANO CITY OF	\$ 1,437,475	1013 15TH PL	26	STICE CHARLES	\$ 48,097	908 E 15TH ST	48	CHADDICK CENTER LEASING OFFICE	\$ 314,250	1032 E 15TH ST
7	DALLAS AREA RAPID TRANSIT	\$ 139,485	SITE ADDRESS NOT ASSIGNED	27	STICE CHARLES	\$ 178,771	912 E 15TH ST	49	PLANO CITY OF	\$ 8,000	SITE ADDRESS NOT ASSIGNED
8	SHELL FAMILY TRUST B	\$ 476,913	1001 E 15TH ST	28	STICE CHARLES	\$ 224,151	916 E 15TH ST	50	PLANO CITY OF	\$ 2,156	SITE ADDRESS NOT ASSIGNED
9	MASCOM PROPERTIES LLC	\$ 827,100	1005 E 15TH ST	29	STICE CHARLES	\$ 168,285	1421 I AVE	51	PLANO CITY OF	\$ 843,445	1409 K AVE
10	N A T PROPERTIES LLC	\$ 445,813	1011 E 15TH ST	30	15TH AND I LLC	\$ 25,496,314	930 E 15TH ST	52	PLANO CITY OF	\$ 86,772	1430 K AVE
11	PIERCE FAMILY LIVING TRUST THE	\$ 448,575	1013 E 15TH ST	31	DALLAS AREA RAPID TRANSIT	\$ 139,485	SITE ADDRESS NOT ASSIGNED	53	LAS BRISAS PROPERTIES INC	\$ 1,333,200	1422-1426 K AVE
12	1015 METROPOLITAN PLANO LTD	\$ 275,563	1015 E 15TH ST	32	PLANO CITY OF	\$ 1,446,175	SITE ADDRESS NOT ASSIGNED	54	PMM ENTERPRISES LLC	\$ 204,763	1418 K AVE
13	MONTGOMERY R MICHAEL & MARY JO	\$ 415,763	1017 E 15TH ST	33	METROPOLITAN MAMMOTH JACK LTD	\$ 419,475	1004 E 15TH ST	55	COPELAND SCOTT	\$ 219,652	1416 K AVE
14	TVG HOLDINGS LLC	\$ 312,825	1021 E 15TH ST	34	HISTORIC PLANO-25 LTD	\$ 267,325	1416 J AVE	56	OLY-IDA EASTSIDE VILLAGE II LP	\$ 5,730,364	1404 VONTRESS ST
15	PLANO CITY OF	\$ 39,204	1020 15TH PL	35	PLANO LODGE 768 AF & AM	\$ 480,300	1414 J AVE	57	OLY-IDA EASTSIDE VILLAGE II LP	\$ 16,141,254	1404 VONTRESS ST
16	ROBERT M F	\$ 207,025	1023 E 15TH ST	36	BRODHEAD FAMILY LIMITED PARTNERSHIP	\$ 374,880	1410 J AVE	58	EASTSIDE 14TH STREET LLC	\$ 3,249,213	1000 14TH ST
17	LAMAN/STARK JV	\$ 235,788	1027 E 15TH ST	37	PLANO CITY OF	\$ 508,451	1400 J AVE	59	PLANO CITY OF	\$ 159,560	1317 K AVE
18	LYNCH ROBERT A	\$ 318,700	1029 E 15TH ST	38	BLACK GOLD PARTNERS LLC	\$ 594,825	1006 E 15TH ST	60	PLANO CITY OF	\$ 135,560	1313 K AVE
19	MKNS LLC	\$ 238,888	1031 E 15TH ST	39	CRIDER LIVING TRUST	\$ 341,263	1008 E 15TH ST		Total Appraised Value	\$ 90,633,655	
20	YOGA DREAM LLC	\$ 176,950	1035 E 15TH ST	40	NEAL FRANKLIN W	\$ 210,125	1010 E 15TH ST				
				41	JSMTX PROPERTIES LLC	\$ 221,825	1012 E 15TH ST				
				42	JSMTX PROPERTIES LLC	\$ 135,088	1016 E 15TH ST				

A Resolution of the City of Plano, Texas, approving the Service Plan and Assessment Plan for the Downtown Plano Public Improvement District as recommended by the Public Improvement District Advisory Board, directing the preparation of a proposed assessment roll for the Public Improvement District, authorizing the City Manager or his designee to publish required notice of a public hearing to consider the levying of the proposed assessments on owners of real property within the Public Improvement District, 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 within a district by means of special assessments levied on real property within the district; and

WHEREAS, on October 13, 2014, the City Council approved Resolution No. 2014-10-8(R) authorizing the creation of the Downtown Plano Public Improvement District; and

WHEREAS, on October 13, 2014, the City Council also approved Resolution No. 2014-10-9(R), creating an Advisory Board of property owners or their designated representatives and an Executive Committee of the Advisory Board to develop the initial Service Plan and Assessment Plan for the District and subsequent updates; and

WHEREAS, the Act requires that City Council annually review and approve the Service Plan and Assessment Plan; and

WHEREAS, the Executive Committee of the Advisory Board has developed and recommended a Service Plan and Assessment Plan to the Advisory Board; and

WHEREAS, the Advisory Board has met and has approved the Service Plan and Assessment Plan for City Council’s consideration and approval; and

WHEREAS, in accordance with the Act, the Service Plan and Assessment Plan covers a period of five (5) years, although the initial term of the District is three (3) years; and

WHEREAS, the Act requires the preparation of a proposed assessment roll that states the assessment against each parcel of land within the district, as determined by the method of assessment chosen by the City of Plano; and

WHEREAS, the Act further requires the City Council to hold a public hearing, notice of which must be provided in written form to all property owners and published in a newspaper of general circulation in the city, before levying any assessment;

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 being presented with the annual update of the five year Service Plan and Assessment Plan for the District developed by

the Executive Committee of the Advisory Board and approved by the Advisory Board, hereby approves and adopts the Service Plan and Assessment Plan, attached as Exhibits “A” and “B”.

Section II. The Advisory Board shall continue to review and update the Service Plan and Assessment Plan annually and present the updated Service Plan and Assessment Plan to the City Council for approval.

Section III. The City Council hereby directs the City Manager or his designee to prepare a proposed assessment roll for the District, stating the assessment against each parcel of land in the District, as determined by the method of assessment chosen by the City, and to file the proposed assessment roll with the City Secretary. The proposed assessment roll shall be available for public inspection in accordance with the Act.

Section IV. The City Manager or his designee is hereby directed to schedule a public hearing to consider public testimony concerning the proposed assessment roll and to provide notice of the City Council’s intention to consider the proposed assessment roll at the public hearing as prescribed in the Act.

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

DULY PASSED AND APPROVED this the 23rd day of November, 2015.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

DOWNTOWN PLANO PID SERVICE PLAN

Public improvement district revenues generated by assessments and municipal contribution are to be used for the following categorial purposes in accordance with the adopted budget and further directed by the PID Management Committee.

PID funds shall be retained and managed by the City of Plano, except as provided by contract with a non-profit organization.

Service Plan	Item	Budget for Fiscal Year Ending Sept. 30				
		2016	2017	2018	2019	2020
	Marketing/Advertising	\$45,500	\$30,000	\$40,000	\$43,500	\$43,500
	Events	\$57,000	\$50,000	\$50,000	\$55,000	\$55,000
	Beautification/Sanitation	\$25,000	\$11,000	\$10,000	\$10,000	\$10,000
	PID Management	\$52,500	\$40,000	\$40,000	\$42,500	\$42,500
	Safety/Security	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
	City Administrative Services	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
	Total budget	\$200,000	\$151,000	\$161,000	\$171,000	\$171,000
	 Funds carried to next year	 \$7,248	 \$2,573	 \$2,898	 \$3,225	 \$3,548
	 Administrative services as % of total annual budget	 5.00%	 6.60%	 6.20%	 5.80%	 5.80%

Notes:

Marketing and Advertising – Commercial media advertising, printed material, social media, web-based information and messaging, signs, billboards, banners and souvenirs.

Events – Entertainment, celebrations, support services, equipment/venue charges and fees.

Beautification and Sanitation – landscaping, streetscaping, lighting and other decorative improvements, removal of trash and litter, cleaning of streets and walks.

Safety and Security – Security technology, lighting, valet parking and personnel.

Management – Services and costs related to coordinating and administering the PID program and budget by persons and organizations other than the city.

City Administrative Services – Contract services related to assessment administration and collection.

DOWNTOWN PLANO PID ASSESSMENT PLAN

Notes and assumptions:

The PID petition provides a sunset after three years unless the PID is renewed by a subsequent petition. The Texas Local Government Code requires a service plan to cover at least five years. Years four and five are thus contingencies, without relevance unless the PID is renewed and annual budgets are subsequently approved. Assessments will be set annually by the Plano City Council, upon recommendation from a PID advisory board, but may not exceed \$0.15 per \$100. No owner may be assessed for more than \$25,000 in any year per development project.

Annual assessments will be based on 2014 real property appraisals by the Collin Central Appraisal District or as further limited by the Plano City Council.

The 2014 appraised value cap remains in place unless there is a change in ownership or \$200,000 or more in improvements are made to the property.

The Junction 15 project is projected to add an incremental \$5.5 million of taxable value to the 2016 appraisal roll to reach the \$25,000 cap.

The Municipal Center South redevelopment is projected to add an incremental \$10,000,000 of taxable value to the 2016 appraisal roll and \$6.6 million in 2017 to reach the \$25,000 cap.

The City of Plano will pay at minimum \$50,000 annually to the PID fund in lieu of other assessment.

The assessment and service plan will be reviewed and approved annually as consistent with the PID designation petition and relevant law.

Owners may elect to prepay estimated future assessments. This assessment plan/service plan does not reflect revenue or expenditures related to pre-payments.

Assessment Plan	Year of Valuation and Levy				
	2015	2016	2017	2018	2019
Estimated appraisals for Jan. 1,					
PID revenue received in fiscal year ending Sept. 30,	2016	2017	2018	2019	2020
2014 appraised real property value liable for assessment	\$58,635,295	\$58,635,295	\$58,635,295	\$58,635,295	\$58,635,295
Additional appraisals liable for assessment after 2014					
Junction 15 (estimated)	\$5,581,674	\$5,581,674	\$5,581,674	\$5,581,674	\$5,581,674
Municipal Center South site (estimated)	0	0	\$10,000,000	\$16,666,667	\$16,666,667
Adjusted basis for assessment	\$64,216,969	\$64,216,969	\$74,216,969	\$80,883,636	\$80,883,636
PID assessment @ \$0.15 per \$100 of value	\$96,325	\$96,325	\$111,325	\$121,325	\$121,325
Minimum City payment in lieu of assessment	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Anticipated total PID assessments and City payments	\$146,325	\$146,325	\$161,325	\$171,325	\$171,325
Cash balance carried forward from prior year	\$60,923	\$7,248	\$2,573	\$2,898	\$3,223
Total funds available	\$207,248	\$153,573	\$163,898	\$174,223	\$174,548