

CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** September 9, 2019
SUBJECT: Public hearing regarding the petition filed by La Verne Butterfield, L.P., a California limited partnership, requesting that the city create the City Point Public Improvement District.
PRESENTER: Craig Hulse, Director of Economic Development

SUMMARY:

Pursuant to Section 372.009 of the Texas Local Government Code, a public hearing is to be held by City Council to receive public comments regarding the petition requesting creation of the City Point Public Improvement District.

GENERAL DESCRIPTION:

The area surrounding City Hall, known as City Point, is the former location of North Hills Mall. Demolished in 2007, the vacant property lacks public utilities (such as water, sewer, drainage and streets), and requires an entity to purchase and develop the land.

On August 8, 2019, property owner La Verne Butterfield L.P. submitted a petition to the city to create a Public Improvement District (PID). A PID is a designated area where property owners pay a special assessment for improvements and services within that area. The services must benefit the district area and are supplemental to services already provided by the city.

In order to consider such a district, a series of public hearings are required to take place. On August 12, 2019, City Council approved Resolution 2019-032 accepting the petition and setting the time and date of September 9, 2019 for a public hearing to receive comments from any interested person(s) wishing to speak for or against the establishment of the district and the advisability of the improvements made for the benefit of the property within the district.

Notice of the September 9, 2019 public hearing was published in the Star Telegram and notices sent certified mail to property owners within the proposed district.



Proposed City Point Public Improvement District

The district is proposed to include 52.873 acres of land located at the southeast corner of Boulevard 26 and Rodger Line Drive. As proposed, the plan calls for a mixed-use development that includes the following uses:

- Commercial – minimum of 60,000 square feet along City Point Drive;
- Single Family Residential – approximately 425 residential lots including 40 foot wide bungalow homes, 22 foot wide urban homes and a maximum of 250 townhomes;
- Multi-Family Residential – a maximum of 600 multi-family units;
- Hospitality – a full service or limited service hotel on the southeast corner of Boulevard 26 and Rodger Line.

General Nature and Estimated Cost of Proposed Authorized Improvements

The public improvements proposed by the district consist of streets, roadways, sidewalks, street lighting, off-street parking, water, sewer and drainage improvements, and public open space. The estimated cost to design and construct, together with bond issuance costs and legal, financial and administration fees, is not to exceed \$15,000,000.

Proposed Method of Assessment & Apportionment of Cost between the District and City

Since the proposed improvements confer a special benefit to the district and not the area outside the district, if approved, the city will levy assessments on each parcel within the district in a manner that results in imposing proportional shares of the cost. The assessments may be paid in full at any time, but are more commonly paid through annual installments in the amount necessary to meet the annual costs of the improvements financed by the assessment.

If the city authorizes the creation of the City Point Public Improvement District, the city will be obligated to administer the annual assessments levied on district property. The district will issue bonds to provide immediate funds to finance the district's public improvements, and the city may consider the establishment of a Tax Increment Reinvestment Zone to assist in funding the public improvements.

RECOMMENDATION:

Hold a public hearing to allow interested persons to speak for or against the establishment of the City Point Public Improvement District and the advisability of the improvements made for the benefit of the property within the district, and close the public hearing.