

CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** September 9, 2019
SUBJECT: Consider Resolution No. 2019-035, under Section 372.010 of the Texas Local Government Code establishing the City Point Public Improvement District within the City of North Richland Hills, Texas; and authorizing the issuance of notice by the City Secretary of North Richland Hills, Texas
PRESENTER: Craig Hulse, Director Economic Development

SUMMARY:

Pursuant to Section 372.010 of the Texas Local Government Code, City Council is being asked to consider Resolution 2019-035, which authorizes the City Point Public Improvement District in order to provide eligible public improvements for the benefit of the properties inside the 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 that set the time and date of September 9, 2019 for a public hearing seeking any interested person(s) to speak for or against the establishment of the district.

Notice of the September 9, 2019 public hearing was published in the Star Telegram and notices were sent certified mail to property ownership within the proposed district. Upon conclusion of the September 9, 2019 public hearing, City Council can consider authorizing the district by resolution if approved by a majority in accordance with its finding as to the advisability of the improvements. Resolution 2019-035 has been drafted in the event of approval and would take effect when it has been published in the newspaper of general circulation for the city, which in this case is the Star Telegram.



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, the city shall 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 (including interest and principal), 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 approves the creation of the City Point Public Improvement District, the city will not be obligated to provide any funds to finance the district's public improvements. Rather, the city will be obligated to administer the annual assessments levied on district property. The city may also wish to consider the establishment of a Tax Increment Reinvestment Zone to assist in funding the public improvements.

RECOMMENDATION:

Approve Resolution No. 2019-035 establishing the City Point Public Improvement District within the City of North Richland Hills, Texas; and authorizing the issuance of notice by the City Secretary of North Richland Hills, Texas.