

August 10, 2005

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

WHEREAS, on April 28, 2005, owners of real property represented by South Side Quarter Development Corporation located within the South Side Public Improvement District delivered to the City of Dallas a Petition (the "Petition") to establish the South Side Public Improvement District (the "District") that is shown on the map attached hereto and made a part hereof and labeled **Exhibit A** (the "Map of the District"); and

WHEREAS, the Act states that the Petition is sufficient if signed by owners of more than 50 percent of taxable real property, according to appraised value, and either of the following: more than 50 percent of the area of all taxable real property liable for assessment under the proposal, or more than 50 percent of all record owners of property liable for assessment; and

WHEREAS, City staff has reviewed the Petitions and determined that owners of more than 50 percent of the appraised value of the taxable real property liable for assessment, and owners of more than 50 percent of the area of all taxable real property liable for assessment within the District have signed the petition; and

WHEREAS, the Act further requires that prior to the adoption of the resolution providing for the establishment of the South Side Public Improvement District to provide supplemental public services to be funded by assessments on real property and real property improvements, the City Council must hold a public hearing on the advisability of the improvements; the nature of the improvement; the estimated cost of the improvement; the boundaries of the public improvement district; the method of assessment; and the apportionment of costs between the district and the municipality as a whole; and

WHEREAS, after providing notices required by Section 372.009 of the Act, the City Council on August 10, 2005, conducted a public hearing on the advisability of the improvements and services, and adjourned such public hearing.

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

Section 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

Section 2. That pursuant to the requirements of the Act, the City Council, after considering the Petition for the proposed District and evidence and testimony presented at the public hearing on August 10, 2005, hereby finds and declares:

APPROVED _____

HEAD OF DEPARTMENT

APPROVED _____

CITY CONTROLLER

APPROVED _____

CITY MANAGER

August 10, 2005

(a) Advisability of Service and Improvements Proposed for the District. It is advisable to create the District to provide the services and improvements described in this Resolution.

(b) Nature of the Services and Improvements. The general nature of the services and improvements to be performed by the District is to enhance public safety/security, design and construct public infrastructure improvements, maintain common areas and lighting, produce pedestrian amenities and linkages and provide other improvements that are authorized by the Act.

(c) Estimated Cost of the Services. The total estimated cost of services and improvements provided by the District is approximately seven hundred sixty-one thousand four hundred dollars (\$761,400). The estimated annual average cost for the services and improvements is approximately one hundred eight thousand seven hundred seventy-one dollars (\$108,771). (Service Plan - **Exhibit B**). The District shall incur no bonded indebtedness.

(d) Boundaries. The District is located wholly within the City of Dallas, Texas. The boundaries of the District are shown on the map of the District (**Exhibit A**).

(e) Method of Assessment. The method of assessment, (**Exhibit C**), which may specify included or excluded classes of assessable property, is based on an annual assessment rate recommended by the petitioners and established by the City-Council. The proposed rate per property owner for the 2005 assessment is \$0.12 per \$100.00 of value for the standard service area and \$0.15 per \$100.00 of value for the premium service area. The assessment rates are requested to provide the necessary revenue for the annual activities of the District and the costs of the District shall be apportioned on the basis of special benefits accruing to the property because of the services and improvements. The final assessment rate for 2005 will be established by City Council after the close of an assessment rate public hearing on September 28, 2005. The annual assessment rate, during the seven-year life of the PID, however, shall not exceed \$0.15 per \$100.00 of valuation.

(f) Apportionment of Cost Between District and Municipality as a Whole. 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 specially benefited. City rights-of-way and city parks are not subject to assessment. Properties otherwise exempt from ad valorem taxes are not subject to assessment. Payment of assessment by other exempt jurisdictions must be established by contract.

(g) The findings set forth in the preamble of this Resolution are hereby found to be true and correct.

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Section 3. That the South Side Public Improvement District 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 December 31, 2005. The District shall be subject to all of the terms, conditions, limitations and reservations contained in the findings of Section 2 of this Resolution.

Section 4. That the City Secretary 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 Dallas. 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, 2012 unless the District is renewed through the petition and approval process as provided by the Act, or the District is sooner terminated 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 Dallas and the petition contains the signatures of at least enough property owners in the District to make the petition sufficient for creation of a public improvement district as provided in Section 372.005(b) of the Act.

Section 5. That the City Council designates South Side Quarter Development Corporation, a private nonprofit corporation, to develop and recommend a service plan, improvement plan and assessment plan for approval by the City Council in order to promote the efficient management of the District. The South Side Quarter Development Corporation shall be the entity responsible for the management of the District.

Section 6. That City Council hereby approves the Service Plan prepared by the South Side Quarter Development Corporation, which is attached hereto and made part hereof and marked **Exhibit B** and directs South Side Quarter Development Corporation, to implement it in accordance with the Act. The Service Plan covers a period of seven (7) years and defines the annual indebtedness and projected cost for services and improvements. The South Side Quarter Development Corporation, is hereby granted the ability to modify or substitute items without City Council approval within the program categories in the Service Plan if such changes serve the common interest of owners and tenants in the District and the increase and/or decrease in the amount of a program category does not exceed twenty percent (20%) of the budgeted amount for that category. "Program categories" in the Service Plan include public safety/security, design and construct public infrastructure improvements, maintenance of common areas and lighting, production of pedestrian amenities and linkages and other improvements that are authorized by the Act. Program Categories in subsequent years may include other types of services and improvements authorized by the Act.

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Section 7. That pursuant to the exception granted by Section 252.022(a)(9) of the Texas Local Government Code, the City Manager is hereby authorized and directed, upon approval as to form by the City Attorney, to enter into a contract with South Side Quarter Development Corporation, to manage special supplemental services for improvement and promotion of the District, including services relating to security and public safety, to be paid from the assessments collected. The contract with the South Side Quarter Development Corporation shall be in accordance with the Service Plan and this Resolution and shall provide for compliance by South Side Quarter Development Corporation, with the City's Good Faith Effort Plan for participation of minorities and women providing services and improvements to the District.

Section 8. That the contract with the Side Quarter Development Corporation, shall also provide for assessment collection services that the County will provide to the Side Quarter Development Corporation, for collection of the special assessments. The County shall receive \$2 per account as compensation for its collection services.

Section 9. This resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Dallas, and it is accordingly so resolved.

Distribution: Office of Economic Development – Lori Landin, 5CS
City Attorney's Office - Barbara Martinez

APPROVED BY
CITY COUNCIL

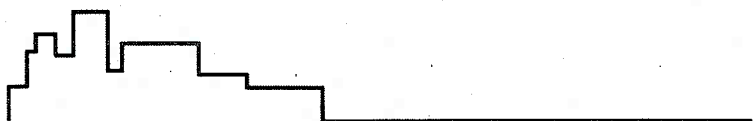
AUG 10 2005

Shirley Gray
City Secretary

APPROVED *[Signature]*
HEAD OF DEPARTMENT

APPROVED *[Signature]*
CITY CONTROLLER
Ed

APPROVED *[Signature]*
CITY MANAGER



SOUTH SIDE QUARTER DEVELOPMENT CORPORATION

The Creative District in the Heart of Dallas

**EXHIBIT C
SOUTH SIDE QUARTER PUBLIC IMPROVEMENT DISTRICT
2005 ASSESSMENT PLAN**

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

The assessment rate for the property in the South Side PID is proposed at \$0.12 per \$100.00 value in the Standard Service Area and \$0.15 per \$100.00 in the Premium Service Area. Assessments will be carried out in accordance with procedures stipulated in Chapter 372 of the Texas Local Government Code. The City of Dallas shall not be responsible for payment of assessments against exempt City property including City rights-of-way and parks. Payment of assessment by other tax-exempt owners must be established by contract.

The South Side PID assessments will be collected by the Dallas County and in accordance with the management contract between the City and the South Side Quarter Development Corporation.