

tioned improvements. The report may be prepared by city staff or outside consultants.

2. The municipality may appoint an advisory body with the responsibility for developing and recommending a district improvement plan to the City Council. The composition of the advisory body must include record owners of real property within the district who are liable for assessments under the proposal.
3. Upon completion of the report, the City Council will hold a public hearing on the advisability of the improvements planned within the district.
4. Within a six month period after the date of the public hearing, the City Council may authorize the improvement district by adopting a resolution in accordance with its findings as to the advisability of the improvement.

### **How long does the Resolution process take?**

In general the establishment process can take from three months to one year depending upon the timing of the submittals for review, the thoroughness of the information, and the cooperation of the petitioners.

### **How does a PID function after establishment?**

The PID advisory board is responsible for the preparation of a service plan that is presented to the city. The service plan must cover a period of at least five years and must also define the annual indebtedness and the projected costs for improvements. This service plan shall be reviewed and updated annually

for the purpose of determining the annual budget for improvements.

The yearly assessments are based on the annual budget. The City Council must hold a public hearing each year prior to the adoption of the service plan, the assessment rate, and approval of the assessment roll.

New owners must sign a statement before purchasing the property acknowledging that they will pay PID assessments with their property taxes.

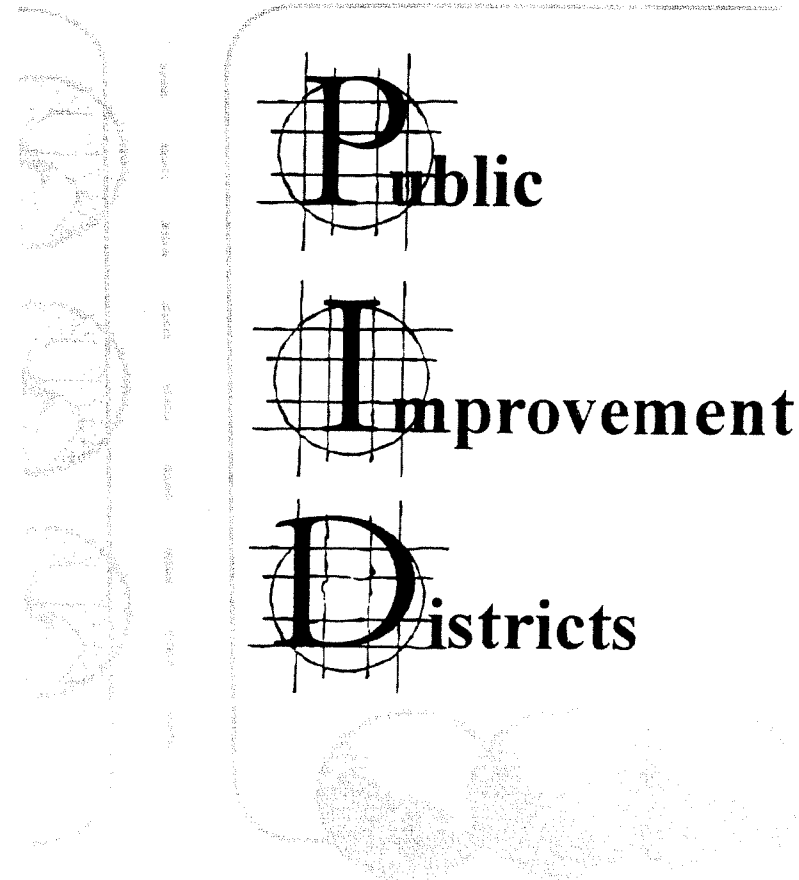
The PID Advisory Board is then directly responsible for managing the improvements outlined in their petition. The board can hire contractors, maintenance personnel, or purchase materials necessary to develop and/or maintain their improvements. The level of quality of the improvements rests with the PID Board and is managed based on the assessment rate adopted annually.

### **What are Public Improvement Districts doing in Grand Prairie?**

Currently the approved PID's are performing landscape improvements and maintenance functions along right-of-ways, landscape irrigation services, maintenance of common property decorative fencing, sign maintenance, funding decorative street lighting, and park and playground maintenance services.

### **Other Questions?**

Please contact the City of Grand Prairie Finance Department at (972) 237-8091 or e-mail LHarriss@gptx.org for additional information.



What is a Public Improvement District (PID) and how can a PID be of assistance to residential communities and developers?



## What is a Public Improvement District?

A PID is a defined geographical area established to provide specific types of improvements or maintenance within the area which are financed by assessments against the property owners within the area.

Chapter 372 of the Texas Local Government Code authorizes the creation of PIDs by cities.

## What improvements can be provided in a Public Improvement District?

A PID improvement may include:

- ◆ landscaping and irrigation;
- ◆ erecting fountains, distinctive lighting, and signs;
- ◆ constructing or improving perimeter fencing;
- ◆ constructing or improving sidewalks;
- ◆ acquiring and installing pieces of art or decorations;
- ◆ acquiring, constructing, or improving entry features;
- ◆ establishing or improving parks;
- ◆ projects similar to those listed previously;
- ◆ acquiring, by purchase or otherwise, real property in connection with an authorized improvement;
- ◆ using special supplemental services for improving and promoting the district, including services relating to advertising,

promotion, public safety, security, business recruitment, development, recreation, and cultural enhancement; and

- ◆ paying expenses incurred in establishing, administering, and operating the district.

## What is the benefit of a Public Improvement District?

A PID allows for improvements and a higher degree of maintenance within the PID area which presumably enhances the property values.

With the establishment of an advisory body, the property owners within the PID have control over the types of improvements, level of maintenance, and amount of assessments to be levied against the property owners.

Assessments are usually collected by the city's tax collecting agent and are deposited into a specific PID fund. Revenue collection is simple since a homeowner's association does not have to perform fee collection. Also, the PID allows for an interest charge and lien on unpaid assessments. This ensures a dependable revenue source for the PID. In most instances, mortgage companies include PID assessments within the property owner's escrow payment and pay the assessment at the same time that ad valorem taxes are paid.

## What are the steps required to establish a Public Improvement District?

Any property owner group, developer, homeowner's association, etc., can initiate the PID establishment process. A petition for the establishment of a

PID must be submitted to the city and include the following:

- ◆ the general nature of the proposed improvement;
- ◆ the estimated cost of the improvement;
- ◆ the boundaries of the proposed assessment district;
- ◆ the proposed method of assessment, which may specify included or excluded classes of assessable property;
- ◆ the proposed apportionment of cost between the PID and the municipality as a whole;
- ◆ whether the management of the district is to be by the municipality, the private sector, or a partnership between the municipality and the private sector;
- ◆ that the persons signing the petition request or concur with the establishment of the district; and
- ◆ that an advisory body may be established to develop and recommend an improvement plan to the City Council.

The petition must be signed by:

- ◆ owners of taxable real property representing more than 50% of the appraised property within the proposed PID;
- ◆ and either more than 50% of the property owners *or* owners representing more than 50% of the land area within the PID.

## What happens next?

1. The petition is submitted to the City Secretary for filing. The city staff will review the petition to determine compliance with state statutes. If it meets state requirements, a report will be developed to determine the cost benefit ratio of the peti-