

# Memorandum



CITY OF DALLAS

DATE April 12, 2019

Honorable Members of the Economic Development and Housing Committee  
TO Tennell Atkins, (Chair), Rickey D. Callahan, (Vice-Chair), Casey Thomas, II,  
Scott Griggs, Mark Clayton, Lee M. Kleinman, B. Adam McGough, Kevin Felder,  
Omar Narvaez

SUBJECT **Abandonment Procedures & Fees**

On Monday, April 15, 2019, the Committee will be briefed on the Abandonment Procedures and Fees. The briefing material is attached for your review.

Please feel free to contact myself or Kris Sweckard, Director of the Department of Sustainable Development and Construction, if you have any questions or need additional information.

A handwritten signature in blue ink, appearing to read 'Majed Al-Ghafry'.

Majed Al-Ghafry, P.E.  
Assistant City Manager

c: Honorable Mayor and Members of the City Council  
T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager  
Jon Fortune, Assistant City Manager

Joey Zapata, Assistant City Manager  
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer  
Michael Mendoza, Chief of Economic Development and Neighborhood Services  
M. Elizabeth Reich, Chief Financial Officer  
Laila Aleqresh, Chief Innovation Officer  
Directors and Assistant Directors

# Abandonment Procedures and Fees

**Economic Development  
& Housing Committee**

**April 15, 2019**

**Kris Sweckard, Director  
Sustainable Development &  
Construction**

**Ashley Eubanks, Assistant Director  
Sustainable Development &  
Construction**



# Presentation Overview

- Discuss current regulations and fees
- Review specific concerns
- Review possible issues
- Review Alternative
- Next Steps

# Abandonment Types

- Most common types of abandonment requests:
  - Street, Alley or Storm Water Management Area
  - Utility Easement (utility, water, wastewater, etc.), Drainage Easement or Other Easement Areas (fire lane, etc.)

# Current Process

- Applicant submits written request and initial fees
  - \$4,250 application fee, non-refundable
  - \$50 minimum recording fee
  - Additional appraisal fees, if required
- Request routed to departments and outside agencies for review
- Notices to property owners within 300 ft (if applicable)
- Market value of property is determined

# Determination of Market Value

- If estimated abandonment fee is less than \$20K, DCAD value can be used as the market value
- If estimated abandonment fee is \$20K or more, an independent appraisal is used to determine market value
  - Applicant submits \$2,500 minimum deposit for appraisal fee
  - If appraisal bid exceeds \$2,500, applicant pays difference; if less, applicant refunded difference
- The abandonment fee is the greater of:
  - The market value or \$5,400

# Allowable Credits and Discounts

- If City needs additional property owned by an applicant in the area of the proposed abandonment, a square foot for square foot credit may be given against the area to be abandoned
- If area dedicated to City exceeds the area abandoned, the applicant will only be charged a processing fee of \$5,400
- If easements are retained by the City, appraiser may discount up to 15 percent

# Fees Charged for Other Abandonments

- Utility, drainage or other easements:
  - If originally dedicated to City at no cost:
    - 0-5 Easements: processing fee of \$5,400
    - Additional fee of \$1,000 for each easement after the 5<sup>th</sup> one



# Specific Concern

- Are abandonment fee amounts appropriate in residentially zoned areas?
- Can fees be reduced for abutting residential owners
- Adjacent owners desire to improve and/or utilize parkway area for private purposes

# Issues

- State law requires City to receive fair market value for property transactions
- Texas Constitution prohibits gifts of public funds exclusively for private benefit
- Possible equal protection issues in treating commercial and residential owners differently
- Revenue impact to general fund

# Issues (Cont'd)

- Limits the City's future options and flexibility (bike lanes, trails, sidewalks)
- Individual abandonments may result in “saw-toothing” of right-of-way property lines
- Potential for setback issues and neighborhood disputes
- Creation of inconsistent block faces
- Potential change in street character

# Example



# Example



# Alternative

- Credit 85 percent of \$4250 application fee for residential abandonments if:
  - Request is in an single family or duplex zoned area adjacent to a residential dwelling unit
  - Minimum ROW required by Thoroughfare Plan or Code is maintained
  - Standard review by utilities and City departments clears with no objections
- Existing procedures provide for a 300 ft. notification to adjacent property owners

# Next Steps

- If changes are requested by the Committee, staff would work with the City Attorney's Office on amendments to Chapter 2-26.2 "Abandonment of Public Rights-of-Way" for future Council consideration.

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