

Memorandum



CITY OF DALLAS

DATE May 17, 2019

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

SUBJECT **Abandonment Procedures and Fees**

On Monday, May 20, 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 black ink, appearing to read 'Michael Mendoza'.

Michael Mendoza
Chief of Economic Development and Neighborhood Services

Attachment

c: Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizar Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant 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**

May 20, 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 5th 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.

Abandonment Procedures and Fees

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& Housing Committee**

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