

Memorandum



DATE January 29, 2016

TO Members of the Economic Development and Housing Committee:
Rick Callahan (Chair), Casey Thomas, II, (Vice-Chair), Adam Medrano, Lee M. Kleinman,
Carolyn King Arnold, B. Adam McGough
Scott Griggs, (Chair), Carolyn King Arnold, (Vice-Chair), Mayor Pro Tem Monica R. Alonzo,
Tiffinni A. Young, Mark Clayton, Casey Thomas, II

SUBJECT **Review of Tax Increment Financing Policy and Applicability for Encouraging Mixed Income Housing**

On Monday, February 1, 2016, you will be briefed on Review of Tax Increment Financing Policy and Applicability for Encouraging Mixed Income Housing.

Briefing material is attached.

Please let me know if you have any questions.



Ryan S. Evans
First Assistant City Manager

C: The Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager

Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Karl Zavitkovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Elsa Cantu, Assistant to the City Manager – Mayor & Council

Review of Tax Increment Financing Policy and Applicability for Encouraging Mixed Income Housing

Economic Development and Housing
Committee

February 1, 2016



Purpose

- Define Tax Increment Financing (TIF) Districts, explain their purpose, review Criteria for Establishment/Extension of TIF Districts and describe how they work in practice and function financially
- Review existing state law and local Financial Management Performance Criteria (FMPC)
- Provide update on performance
- Relate lessons learned
- Discuss Mixed Income Housing Guidelines in context of broader Affordable Housing Policy

City of Dallas TIF Policy

Definition of Tax Increment Financing

- Tax Increment Financing (defined):
 - A tool to finance improvements within a **defined geographic area** to stimulate new private investment and generate increased real estate values
 - Any **increase in property tax revenues in excess of the base year** value of the District is paid into a special TIF fund to finance improvements within the District
 - **Developer funds and completes improvements** and is subsequently **subsidized** from TIF revenue, as funds are available
 - Limits the financial risk of both the City and taxpayers

City of Dallas TIF Policy

How TIFs work in practice

- TIF financing is a tool that commits future property tax revenues to encourage new real estate development
 - Typically TIF Districts do not have upfront cash, unless supplied from other sources
 - Program cash generated from incremental property tax collections produced by completed new development projects
 - Project financing is combination of private debt and equity, but sometimes receives additional public support (HUD 108, tax credits and PPP funds)
 - TIF subsidy commitments implemented through Development Agreements, authorized by Council prior to commencement of construction
 - Since TIF subsidy funding only occurs when project is completed and all Council approved requirements are met, minimal risk of public funding not leveraging private investment

City of Dallas TIF Policy

How TIFs work in practice (cont.)

- TIF Districts formed through a collaborative process that includes developers, city staff and neighborhood stakeholders
 - Redevelopment plan created that includes proposed new land uses, necessary infrastructure improvements, urban design guidelines and a budget
 - TIF Board nominated and approved by Council
 - Plan approved by TIF Board and Council
 - Individual subsidy funding requests also require TIF Board and Council approval
- TIF subsidies used in combination with other financial tools help reposition real estate

City of Dallas TIF Policy

How TIFs work in practice (cont.)

- **Successful TIF districts are characterized by:**
 - Areas with large amounts of vacant land and/or vacant or under-utilized buildings
 - Proximity to well-performing real estate markets
- **Isolated areas are not good TIF candidates, absent additional financial stimulus (i.e. Revenue sharing combinations such as TOD/Lancaster corridor, Midtown/Southwest Center Mall or Victory/West Dallas). Other factors important in these areas:**
 - Good development partners
 - Well conceived plan
 - Additional financial support (tax credits, bond funds, PPP grants)

City of Dallas TIF Policy

History of TIF Program

- Dallas implemented program in 1988 with formation of State-Thomas TIF District
- Seven TIF Districts created between 1988 and 1999 – State-Thomas, Cityplace Area, Oak Cliff Gateway, Cedars, City Center, Farmers Market and Sports Arena
 - Property value up **\$2.9 billion (276.6%)** over respective base years
 - Two districts – State-Thomas and Cityplace Area were retired and now **generate approximately \$10M** annually in property tax revenue for **General Fund**
- Lessons learned from early districts used to develop criteria for new TIF applications
- Current Policy Guidelines updated for all TIFs created/extended since 2005 (Mixed-Income requirement now in place for all operating TIF Districts)
 - 13 new TIF Districts created since 2005 (see Appendix B)
 - 5 term extensions for the original TIF Districts



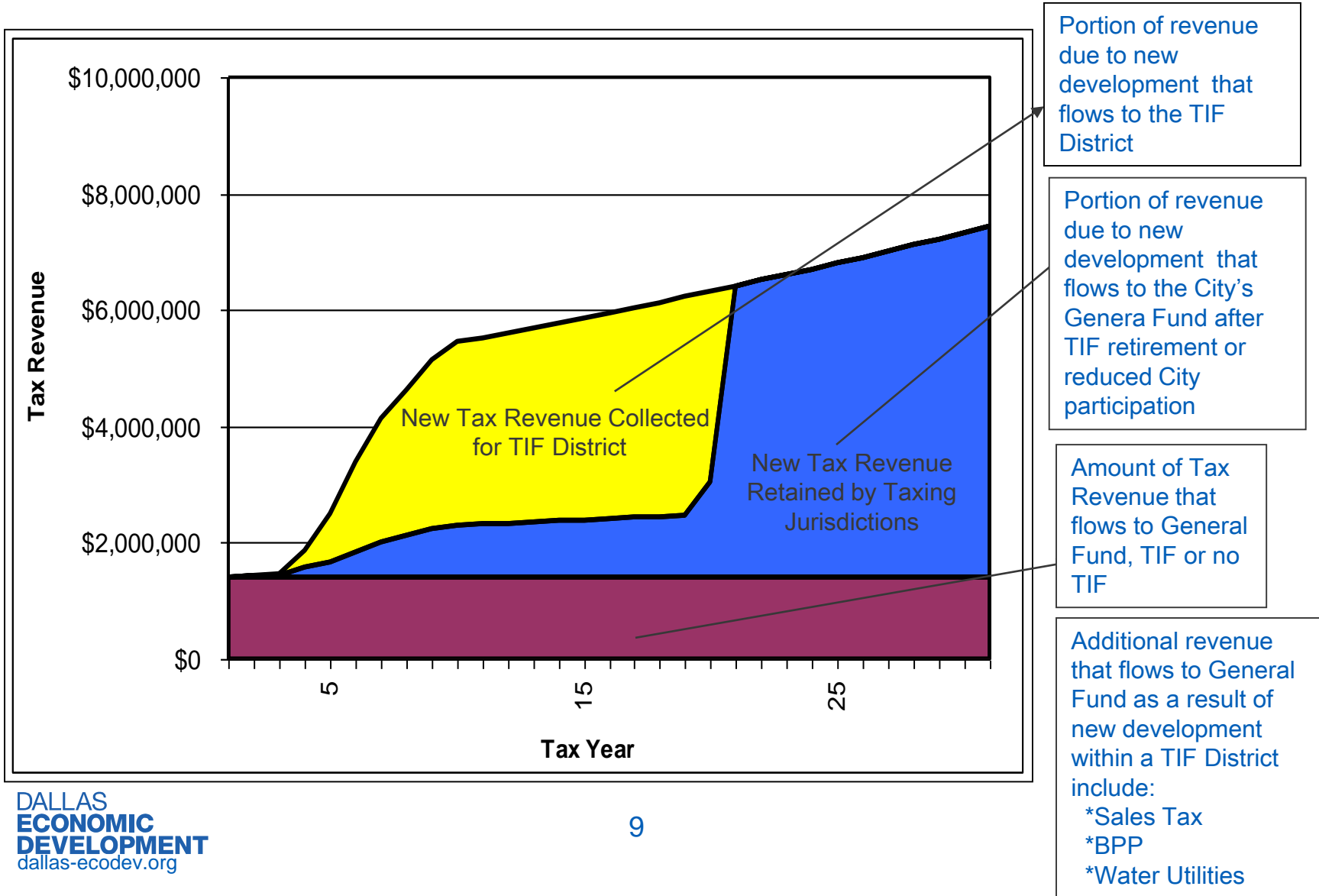
City of Dallas TIF Policy

Criteria for TIF Formation/Extension

- **Financial Performance (see Appendix A)**
 - Assists projects that would otherwise not occur with desired densities/quality (“but for”)
 - Generate income for the district, but also enhances revenue for the General Fund
 - Taxes generated exceed taxes foregone
 - Financial participation by other taxing entities
 - Catalyst Projects: Minimum \$100 million investment over 5-year period
- **Public Policy Initiatives**
 - Mixed-Income housing
 - Strong urban design
 - Hiring of neighborhood residents
 - Enhancement of other public investments and core assets of the City of Dallas
 - Benefits statistically low-income areas
 - Provides for and enhances park/trail/green space
 - M/WBE business hiring

City of Dallas TIF Policy

How TIFs function financially



Appendix D:

State Law vs. FMPC definitions (cont.)

	State Law	Dallas FMPC
Tax Base Definition	Real Property	Real Property + BPP
Reinvestment Zones Included	TIFs and Other Reinvestment Zones	TIFs and Other Reinvestment Zones
Exclusions	Excludes Reinvestment Zones that have expired	Excludes Reinvestment Zones contributing 100% of Revenue to City's General Fund
Cap Level	25%	10%
Current Ratio	10.2%	9%

City of Dallas TIF Policy

What have TIF Districts Accomplished

- TIF Districts saw a **190.8% increase in taxable value** over their base years - **\$6.6 billion** in added property value in TIF Districts since program inception
- Property value in TIF Districts increases at a higher level than the City as a whole. In 2015, citywide property value increased by 7.7%; property value in TIF Districts increased by 11.8%
- **Cityplace and State-Thomas are examples of fully successful TIF implementation** – property value increases by approximately 11-16 times; reconstruction of aging public infrastructure, higher development density, pedestrian amenities and ties to light-rail and streetcar
- **Total TIF expenditures and allocations of \$1.05 billion, to date, have leveraged approximately \$9.0 billion in completed and approved projects** (almost 10% of City tax base)
 - Each public dollar has leveraged \$9 in private investment
 - These investments will continue to:
 - Generate tax revenue, produce employment and improve quality of life
 - Enhance values in areas adjacent to targeted investment and protect surrounding neighborhoods from decline and disinvestment (halo effect)
 - Change the perception of investment potential of the area

City of Dallas TIF Policy

Lessons Learned

- Identify under performing real estate in locations proximate to areas with successful real estate markets
- Seek areas where property owners share a common vision for redevelopment and have a willingness to invest a significant amount of their own money – TIF Districts need private investment to generate taxable property value
- ‘Horizontal’ developments have a long gestation period and are difficult to control when original developer sells ‘improved’ land to vertical builders
- Find areas where other taxing entities will participate financially and/or are supported by other public investment – County, DART, NCTCOG
- Layer TIF Districts with Public Improvement Districts (PIDs) – Provides a higher level of maintenance and community engagement in emerging neighborhoods
- Revenue Sharing combination TIF Districts are often necessary to ‘jump-start’ investments in underserved areas – Example: Mall Area TIF District; TOD, Sports Arena/West Dallas and Downtown Connection
- Opportunities to leverage TIF funding with other public and private sources – Example: Lancaster Urban Village – 2 HUD programs, PPP + NMTC

City of Dallas TIF Policy

Mixed-Income Housing: Policy Guidelines

- **All TIF Districts created after 2005 require an affordable housing set-aside**
 - 20% of all housing receiving TIF funding must be set-aside for families earning less than 80% of AMFI - Area Median Income (\$56,300 for a family of 4) for a period of 15 years (except Downtown Connection – 10%)
 - Affordable units distributed geographically and by unit size
 - Maximum rents set each year at 30% of 80% of AMFI – method for determining income the same for affordable and market rate units
 - All units share access to same amenities
- **Fair Housing Considerations**
 - Must avoid disparate impact against protected classes (Example: limiting all income restricted housing to one-bedroom units would negatively impact families with children)
 - Affirmative Furtherance of Fair Housing: extends to all City funding programs related to Housing and Urban Development
- **No 'Buy-outs' allowed in Mixed Income Housing Policy**

City of Dallas TIF Policy

Mixed-Income Housing: Results

- TIFs currently the only tool City consistently using to promote mixed-income housing
- Since 2005, TIF program has helped facilitate 2,320 affordable housing units of 10,087 units authorized (23%)*
- 40% of TIF subsidized units located north of IH-30/Trinity River
- Success stories related to collaborative efforts between OED and Housing
 - Lancaster Urban Village
 - Continental Building
 - Atmos Lofts
 - Hillside West/Taylor Farms

* Some in conjunction with LITC projects and HUD 108 financing

City of Dallas TIF Policy

Mixed-Income Housing: Lessons Learned

- Effective with individual projects and work well in new transit-oriented neighborhoods
- District-wide impact limited in ‘hot’ residential markets where developers opt out of subsidy to avoid mixed-income housing requirements
- Disproportionately high TIF subsidy necessary to incent developers to provide affordable units
- Deed restrictions required upon sale or refinance to ensure compliance
- TIF subsidies for ‘Horizontal’ (infrastructure) development become complicated when vertical developer is different entity with separate investors and objectives
- Effectiveness could be improved if TIF incentives combined with other initiatives in context of City-wide Mixed Income Housing Policy

City of Dallas TIF Policy

Mixed-Income Housing: Lessons Learned (cont.)

- **Mixed-income housing requirements related to major public infrastructure improvements within large TIF Districts and multiple owners/developers are difficult to structure equitably**
 - Developers who do not seek TIF Subsidies, but who benefit from significant public investment (major thoroughfares, parks, etc.) aren't motivated to comply if they do not require re-platting or zoning changes
- **Mixed-income for-sale housing is expensive and complicated to subsidize**

City of Dallas TIF Policy

How Improved Policies Might Work

- Offer **density bonuses or parking reductions** to projects meeting mixed-income housing goals
- Create an **'Affordable Housing Trust Fund'** to incentivize developers to build affordable units in market-rate areas and market-rate units in areas with concentrations of affordable units
- Encourage more **strategic use of tools available to Dallas Housing Finance Corporation** to support city-wide mixed-income housing efforts
- Promote **inter-departmental cooperation** to further City initiatives

APPENDICES

Appendix A: Detailed Description of TIF *Evaluation Criteria*

Financial Benefit

- **Policy 1** - Total new taxes generated by the proposed TIF District from all revenue sources must exceed the amount of taxes foregone - Weight 50 points. Full points awarded if:
 - Direct monetary benefits to all taxing jurisdictions will exceed public funds invested in the proposed TIF District during the term of the TIF District
 - Direct Cash Benefits accruing to the City from the TIF District will exceed direct City expenditures within the term of the TIF District for full points. Points will be deducted if the City 'payback' term exceeds the life of the TIF District (10 points for each three years)
- **Policy 2** - Other taxing units are participating – Weight 5 points for Dallas County and DISD and 5 points for either DCCCD or Dallas County Hospital District up to a maximum of 15 points
- **Policy 3** – Project Review – Weight 20 points. Full points awarded if staff's financial analysis of likely projects meets 'but for' test for requiring financial assistance. Analysis includes review of rental rates, occupancy, expenses, construction costs, developer fee/return, funding, market conditions, etc
- **Policy 4** – Minimum likely private investment of \$100M in initial 3-5 years of TIF District – Weight 15 points. Full points awarded if condition met. Provisions for early termination of the district, if not met.
- **Policy 5** – Requires Mixed Income Housing - Weight 20 points. Full points awarded if housing redevelopment projects receiving TIF funds are required to meet TIF Mixed Income Housing Guidelines

Appendix A: Detailed Description of TIF *Evaluation Criteria (cont.)*

Policy Benefits

- **Policy 6** – Requires Strong Urban Design – Weight 10 points. Full points if projects receiving TIF funds are required to conform to Peer Review recommendations
- **Policy 7** – Promotes Neighborhood Hiring – Weight 5 points. Full points if projects receiving TIF funds are required to work to promote neighborhood hiring
- **Policy 8** – Promotes Dallas Core Assets – Weight 25 points. Full points awarded if TIF plan enhances core assets of Dallas such as downtown, Fair Park, medical centers, universities, destination shopping areas, White Rock and Bachman Lakes, airports
- **Policy 9** – Enhances public expenditures of over \$10M in the area such as DART light rail system, Trinity River, bond improvements, etc – Weight 20 points. Full points awarded if TIF plan supplements other significant public expenditures
- **Policy 10** – Promotes redevelopment of brownfield areas – Weight 5 points. Full points awarded if TIF district is a brownfields area
- **Policy 11** – Provides direct benefits to distressed areas – Weight 10 points. Full points awarded if TIF district is located in a statistically distressed area
- **Policy 12** – Promotes Fair Share Guidelines – Weight 5 points. Full points awarded if TIF plan promotes M/WBE hiring
- **Policy 13** – Promotes Park and Open Space development – Weight 5 points.
- **Policy 14** – Promotes Educational/Training Efforts – Weight 5 points.

Appendix A: Detailed Description of TIF *Evaluation Criteria (cont.)*

Overall Use of Policy

Financial and Policy Benefits

- Total Financial Points – 100
- Total Policy Points – 100;
- A minimum of 70 points in both categories is needed, at a minimum, for staff to present a positive recommendation on the policy aspects of the proposal
- Meeting minimum requirements does not entitle a project to be designated as a TIF district – TIF authorization is up to City Council

Appendix B:

TIF Districts Created after 2005

- Since 2005, Council authorized creation of 13 new TIF districts:
 - **Design District** – Mixed-use development in previous warehousing/showroom area adjacent to the Trinity River. *Property value is up \$321M (138.1%) since creation*
 - **Vickery Meadow** – Mixed-use development adjacent to Park Lane Light Rail station & planned future redevelopment of Vickery Meadow neighborhood to the east. *Property value is up by \$228M (138.3%) since creation*
 - **Downtown Connection** – Downtown/Uptown redevelopment area. *Property value is up by \$2.015 B since creation (356.6%)*
 - **Southwestern Medical** – Mixed-use development surrounding Parkland Light Rail Station. *Property value is up by \$126M (186.4%) since creation*
 - **Deep Ellum** – Includes all of Deep Ellum/Exposition Park area located east of downtown. *Property value is up by \$126M (86.6%) since creation*
 - **Grand Park South** – Planned redevelopment area west of Fair Park. *Property value is up by \$10M (22.5%) since creation*
 - **Skillman Corridor** – Originally focused on funding development of Lake Highlands Town Center. *Property value is up by \$251M (74.8%) since creation*

Appendix B:

TIF Districts Created after 2005 (cont.)

- **Fort Worth Avenue** – Includes the West Commerce/Fort Worth Avenue corridor west of downtown. *Property value is up by \$88M (101.9%) since creation*
- **Davis Garden** – Includes several vacant sites and aging apartment complexes in the West Davis corridor southwest of downtown and The Canyon. *Property value is up by \$54M (39.0%) since creation*
- **TOD** – Includes several light rail station areas north and south of downtown. *Property value is up by \$190M (94.2%) since creation*
- **Maple Mockingbird** – Includes property situated between Southwestern Medical District and Love Field. *Property value is up by \$196M (106.3%)*
- **Cypress Waters** - Master planned mixed-use community near the LBJ/Beltline interchange near DFW Airport. *Property value is up by \$127M (178,236%) since creation*
- **Mall Area** – Includes property around Valley View and Southwest Center Mall sites. *Created in last 18 months*

Appendix C:

General Fund Revenue From TIF Program

Year	To General Fund
2009	\$5.0M
2010	\$7.0M
2011	\$8.2M
2012	\$9.0M
2013	\$11.9M
2014	\$13.2M

Appendix D:

State Law vs. FMPC definitions

- City's Financial Management Performance Criteria (FMPC) 10% cap on TIF districts as a percentage of City tax base (*both real and business personal property*) also includes tax abatements (TA RZs) that are classified as reinvestment zones under the FMPC and State definitions.
- Based on 2015 certified TIF/TA RZ tax base information, we are currently at 9.0% and are not anticipated to hit the 10% cap within the next 5 years. Given recent economic conditions and the variation in real estate markets, it is difficult to predict tax values over time.
- Beyond the next 5 years, if the FMPC cap is reached the consequence would be the inability to create new TIF districts (existing ones remain), unless Council amends the FMPC to raise the cap, notwithstanding the State limit of 25% (*on real property tax base*).
- State limit on TIFs and TA RZs, as a percentage of the City's *real property* tax base was amended in the last legislature and is 25% (increased from 15%).
- For 2015, the TIF/TA RZ based on the State limit definition is only at 10.2% and is not projected to come close to a 25% limit.

Appendix D:

State Law vs. FMPC definitions (cont.)

- **State Law**
 - **Reinvestment Zones** must be created to form a TIF District
 - No Reinvestment Zone can be created if its total **appraised real property tax value** plus the total appraised value of existing reinvestment zones exceeds 25% of the City's taxable real property tax base
 - Currently the portion of the **City's real property tax value in Reinvestment Zones is 10.2% vs. a 25% cap**
 - No Reinvestment Zone (TIFs and abatement zones) can be created if its total appraised property tax value, plus the total appraised value of existing reinvestment zones (**real and business personal property**) exceeds 10% of City's taxable real property
 - No Reinvestment zone can be created if more than 30% of the property (land mass), excluding publically owned property, is used for residential purposes (five or fewer living units)

Appendix D:

State Law vs. FMPC definitions (cont.)

- **FMPC**
 - No Reinvestment Zone can be created if its total appraised real property tax value and business personal property value plus the total appraised value and BPP value of existing reinvestment zones exceeds 10%
 - Currently the portion of **City real property and business personal property value in Reinvestment Zones is 9.0% vs. 10.0% cap**
 - No Reinvestment zone can be created if more than 30% of the property (land mass), excluding publically owned property, is used for residential proposes (five or fewer living units)

Appendix E:

TIF District Property Value Growth

Certified 2015 TIF District Values compared to Final 2014 & Base Year with City Increment Estimate						
July 29, 2015 - DCAD values						
TIF District	Initial (Base)	Final 2014 Value^	DCAD reported 2015 prelim	DCAD reported 2015 certified	Base vs. 2015 (\$ Change)	Base vs 2015 (% Change)
TIF Districts created between 1988-1998						
State-Thomas	\$47,506,802		n/a	\$567,419,170	\$519,912,368	1094.4%
Cityplace	\$45,065,342	\$691,781,618		\$761,862,672	\$716,797,330	1590.6%
Oak Cliff Gateway (all sub-districts)	\$145,239,702	\$168,554,015	\$237,351,194	\$341,947,744	\$196,708,042	135.4%
Cedars	\$35,300,760	\$85,929,776	\$107,003,362	\$105,112,608	\$69,811,848	197.8%
City Center (all sub-districts)	\$674,751,494	\$1,353,773,717	\$1,696,267,134	\$1,239,414,953	\$564,663,459	83.7%
Farmers Market (all sub-districts)	\$34,814,831	\$173,864,381	\$224,036,067	\$209,378,300	\$174,563,469	501.4%
Sports Arena (all sub-districts)	\$63,730,369	\$563,002,185	\$753,236,726	\$715,929,969	\$652,199,600	1023.4%
Subtotal	\$1,046,409,300	\$2,345,124,074	\$3,017,894,483	\$3,941,065,416	\$2,894,656,116	276.6%
TIF Districts created since 2005						
Design District (all sub-districts)	\$281,873,753	\$539,348,904	\$658,001,189	\$603,320,937	\$321,447,184	114.0%
*Vickery Meadow (all sub-districts)	\$164,779,090	\$352,034,240	\$416,703,190	\$392,667,920	\$227,888,830	138.3%
SW Medical (all sub-districts)	\$67,411,054	\$155,243,322	\$198,694,388	\$193,073,878	\$125,662,824	186.4%
Downtown Connection (all sub-districts)	\$564,917,317	\$2,336,630,090	\$2,760,575,319	\$2,579,538,992	\$2,014,621,675	356.6%
Deep Ellum (all sub-districts)	\$189,162,613	\$251,259,111	\$333,798,945	\$315,062,667	\$125,900,054	66.6%
Grand Park South	\$44,850,019	\$49,031,827	\$55,992,550	\$54,936,261	\$10,086,242	22.5%
Skillman Corridor	\$335,957,311	\$511,426,994	\$648,607,703	\$587,358,744	\$251,401,433	74.8%
Fort Worth Avenue	\$86,133,447	\$126,113,215	\$177,757,664	\$173,893,272	\$87,759,825	101.9%
Davis Garden (all sub-districts)	\$137,834,597	\$183,395,336	\$200,980,037	\$191,565,107	\$53,730,510	39.0%
TOD (all sub-districts)	\$202,074,521	\$330,253,777	\$442,284,176	\$392,330,687	\$190,256,166	94.2%
Maple Mockingbird (all sub-districts)	\$184,005,009	\$305,448,269	\$395,433,597	\$379,680,038	\$195,675,029	106.3%
Cypress Waters	\$71,437	\$59,427,196	\$170,404,460	\$127,397,964	\$127,326,527	178236.1%
Mall Area (all sub-districts)	\$168,357,630	\$168,357,630	\$170,917,150	\$170,084,490	\$1,726,860	1.0%
Subtotal	\$2,427,427,798	\$5,367,969,911	\$6,630,150,368	\$6,160,910,957	\$3,733,483,159	153.8%
Total All Districts	\$3,473,837,098	\$7,713,093,985	\$9,648,044,851	\$10,101,976,373	\$6,628,139,275	190.8%

*Final 2014 figures based on increment billing using Dallas County payment information (for those districts collecting increment; otherwise DCAD values used). State-Thomas & Cityplace TIFs are no longer collecting increment and have legally expired

Appendix F:

Example of TIF District Evaluation

Criteria	Points (Max)	Points Scored
Mall Area TIF District		
Financial		
Total new taxes generated by the District from all revenue sources exceed amount of taxes foregone - Direct monetary benefits to all taxing jurisdictions exceeds public funds invested during term of TIF District; Cash benefits to the City exceeds City expenditures	50	50
Other taxing units participation	15	5
Comprehensive Review of Project Pro Forma - including rental rates, land costs, site analysis, construction costs, other sources of funds and grants, operating expenses and rate of return for the developer	20	10
A minimum of \$100 million in new private investment will occur within 5 years of adoption of TIF District	15	15
Subtotal	100	80
Policy		
Provides mixed income housing - 10 points max. (5 points for each 10% affordable units). A minimum of 10% affordable housing is required for each TIF District	10	10
Plan provides Urban Design Guidelines and/or historic preservation guidelines, if applicable	10	10
Provides preferential hiring for neighborhood residents for new jobs created	5	5
Enhances public investments over \$10 million made within last 5 years or expected within the next 5 years (i.e. DART Light Rail System, Trinity River, bond improvements)	20	10
Enhances core assets of City	25	15
Provides direct benefits to distressed areas	20	10
Adds park or green space or to City/County Trail system and provides for ongoing maintenance of these amenities	5	5
Complies with Fair Share Guidelines for private investment	5	5
Subtotal	100	70
Grant Total : Financial & Policy	200	150

Example of Evaluation of a Potential New TIF District – Mall Area TIF District

- **Financial –**
 - Analysis shows that new tax revenues will exceed TIF financial incentives
 - Financial participation from Dallas County
 - Redevelopment projects (at an urban scale) not likely without public help
 - Over \$100M of private investment planned
- **Policy**
 - TIF plan requires mixed-income housing, strong urban design, neighborhood hiring preference, significant park and open space improvements and M/WBE hiring
 - Supports critical intersection and investment in LBJ improvements
 - In a statistically distressed area

Appendix G:

TIF funded projects approved in FY 2014-15

TIF Project - 2014-2015						
Project Name	Location	TIF District	Planned Investment	(Additional) Minimum Investment	(Additional) TIF Allocation	Council Date
Oxygen	Beckley/IH 30	OCG	\$38,600,000	\$26,000,000	\$4,600,000	8/26/2015
Trinity Groves II	-	SA	\$51,200,000	\$36,000,000	\$13,950,000	10/22/2014
Alexan Riveredge		DD	\$47,860,953	\$35,000,000	\$7,800,000	11/12/2014
Thanksgiving Tower		CC	\$173,745,558	\$96,000,000	\$6,000,000	11/12/2014
Bishop Arts Project		OCG	\$42,525,887	\$30,000,000	\$5,000,000	12/10/2014
West Love Hotel		MM	\$40,800,000	\$35,000,000	\$3,000,000	2/11/2015
411 N Akard		DC	\$56,109,085	\$39,000,000	\$10,000,000	2/25/2015
Placemaking		SA	\$18,000,000	\$18,000,000	\$5,974,804	4/8/2015
Alamo Draft House		TOD	\$17,774,690	\$11,000,000	\$1,405,000	4/22/2015
Westdale Small Block		DE	\$7,969,679	\$6,500,000	\$1,600,000	4/22/2015
1712 Commerce		DC	\$89,880,025	\$39,000,000	\$10,500,000	5/27/2015
Tower Petroleum/Corrigan Bldg		DC	\$102,402,463	\$72,750,000	\$20,000,000	6/10/2015
Renew DalPark Lease		CC				
TOTAL			\$686,868,340	\$444,250,000	\$89,829,804	

Appendix H:

Example of Calculation of Affordable Housing Subsidy

Unit Number	Rentable Sq Ft	Rentable Square Feet	Rent per Square Foot	Monthly Rent	Monthly Total	Annual Total	2019			2020		
							Studio	One Bed/ One Bath	Two Bed/ Two Bath	Studio	One Bed/ One Bath	Two Bed/ Two Bath
0												
8	364	2,912	2.47	\$ 901	\$ 7,204	\$ 86,450	7	28	7	7	28	7
21	504	10,584	2.40	\$ 1,209	\$ 25,394	\$ 304,731	504	720	1080	504	720	1080
20	630	12,600	2.18	\$ 1,373	\$ 27,463	\$ 329,561						
51	720	36,720	2.18	\$ 1,569	\$ 80,036	\$ 960,436						
15	810	12,150	2.18	\$ 1,766	\$ 26,483	\$ 317,791						
4	730	2,920	2.18	\$ 1,591	\$ 6,365	\$ 76,375						
4	770	3,080	2.18	\$ 1,678	\$ 6,713	\$ 80,559						
2	828	1,656	2.18	\$ 1,805	\$ 3,609	\$ 43,314						
8	860	6,880	2.18	\$ 1,874	\$ 14,996	\$ 179,951						
4	672	2,688	2.18	\$ 1,465	\$ 5,859	\$ 70,306						
4	820	3,280	2.18	\$ 1,787	\$ 7,149	\$ 85,791						
6	1008	6,048	2.01	\$ 2,022	\$ 12,129	\$ 145,551						
10	1080	10,800	2.01	\$ 2,166	\$ 21,659	\$ 259,912						
4	1180	4,720	2.01	\$ 2,366	\$ 9,466	\$ 113,591						
4	1215	4,860	2.01	\$ 2,437	\$ 9,747	\$ 116,960						
2	1260	2,520	2.01	\$ 2,527	\$ 5,054	\$ 60,646						
7	504	3,528	2.40	\$ 1,209	\$ 8,465	\$ 101,577						
28	720	20,160	2.18	\$ 1,569	\$ 43,941	\$ 527,298						
7	1080	7,560	2.01	\$ 2,166	\$ 15,162	\$ 181,938						
					-	-						
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					-	-						
209		155,666			336,895	4,042,738						
	745		\$2.16	\$ 1,612								

Number of Units	7	28	7	7	28	7
Size of Units	504	720	1080	504	720	1080
Affordable Rent Per SF	\$ 1.96	\$ 1.47	\$ 1.17	\$ 1.96	\$ 1.47	\$ 1.17
Affordable Rent Per Unit (including utility allowance)	\$ 986	\$ 1,056	\$ 1,268	\$ 986	\$ 1,056	\$ 1,268
Affordabel Rent All Units Per Month	\$ 6,902	\$ 29,568	\$ 8,876	\$ 6,902	\$ 29,568	\$ 8,876
Affordabel Rent All Units Per Year	\$ 82,824	\$ 354,816	\$ 106,512	\$ 82,824	\$ 354,816	\$ 106,512
Market Rent Per SF	\$ 2.40	\$ 2.18	\$ 2.01	\$ 2.40	\$ 2.18	\$ 2.01
Market Rent Per Unit	\$ 1,209	\$ 1,569	\$ 2,166	\$ 1,209	\$ 1,569	\$ 2,166
Market Rent All Units Per Month	\$ 8,463	\$ 43,932	\$ 15,162	\$ 8,463	\$ 43,932	\$ 15,162
Market Rent All Units Per Year	\$ 101,556	\$ 527,184	\$ 181,944	\$ 101,556	\$ 527,184	\$ 181,944
Lost Income Per Unit Type (Market minus Affordable)	\$ 18,732	\$ 172,368	\$ 75,432	\$ 18,732	\$ 172,368	\$ 75,432
Total Lost Income for Year		266,532			266,532	
Cumulative Lost Income To Date		266,532			533,064	
Market Rate Trend Per Year		3%				
Affordabel Rate Trent Per Year		0%				

Appendix I:

TIF District Residential and Commercial Development

New Residential and Commercial Development in TIF Districts

Development	City Center & Downtown Connection TIFs	Non-Downtown TIFs	Total All Districts
Residential Units			
Completed	5,511	17,761	23,272
Under Construction	2,000	4,772	6,772
Planned	229	6,559	6,788
Resid. Total	7,740	29,092	36,832
Commercial (<i>retail, office, other com.</i>) Square Footage			
Completed	2,551,533	4,757,396	7,308,929
Under Construction	1,714,399	745,319	2,459,718
Planned	52,176	3,239,521	3,291,697
Com. Total	4,318,108	8,742,236	13,060,344
Hotel Rooms			
Completed	2,741	454	3,195
Under Construction	582	0	582
Planned	0	530	530
Hotel Total	3,323	984	4,307

Through 9-30-2014

Appendix J:

How TIF works as long term investment for City

Tax Year	Actual Taxable Value		TIF Expenditure City	TIF Reimbursement of Expenditure	Added Revenue to General Fund From State-Thomas TIF
1988	\$47,506,802				
1989	\$44,246,920	-6.86%	\$0	\$0	
1990	\$50,988,370	15.24%	\$16,935	\$16,935	
1991	\$49,070,870	-3.76%	\$6,093	\$6,093	
1992	\$35,718,330	-27.21%	\$0	\$0	
1993	\$32,980,227	-7.67%	\$0	\$0	
1994	\$33,494,782	1.56%	\$0	\$0	
1995	\$47,825,632	42.79%	\$2,143	\$0	
1996	\$64,227,678	34.30%	\$112,047	\$0	
1997	\$77,751,632	21.06%	\$197,075	\$0	
1998	\$114,475,880	47.23%	\$434,696	\$0	
1999	\$136,415,677	19.17%	\$593,467	\$0	
2000	\$218,824,552	60.41%	\$1,143,546	\$0	
2001	\$274,975,220	25.66%	\$1,518,352	\$0	
2002	\$259,279,336	-5.71%	\$1,481,984	\$0	
2003	\$260,829,895	0.60%	\$1,492,835	\$0	
2004	\$307,362,621	17.84%	\$373,534	\$1,870,182	
2005	\$337,464,845	9.79%		\$2,150,619	
2006	\$438,293,832	29.88%		\$2,849,619	
2007	\$445,041,047	1.54%		\$479,259	\$2,493,900
2008	\$440,264,911	-1.07%			\$2,937,438 Estimated
2009	\$413,747,603	-6.02%			\$2,739,115 Estimated
2010	\$422,022,555	2.00%			\$2,801,003 Estimated
2011	\$412,491,170	-2.26%			\$2,729,718 Estimated
2012	\$451,881,035	9.55%			\$3,024,315 Estimated
2013	\$489,283,844	8.28%			\$3,304,050 DCAD
2014	\$527,573,397	7.83%			\$3,590,418 DCAD
2015	\$567,419,170	7.55%			\$3,888,425 DCAD
2016	\$595,790,129	5.00%			\$4,100,611 Estimated
2017	\$625,579,635	5.00%			\$4,323,407 Estimated
2018	\$656,858,617	5.00%			\$4,557,342 Estimated
2019	\$689,701,548	5.00%			\$4,802,975 Estimated
2020	\$724,186,625	5.00%			\$5,060,888 Estimated
			(\$7,372,707)	\$7,372,707	\$50,353,604.94

This shows how the City invested \$7.4M in the State-Thomas TIF District between 1988 and 2004.

Within 3 years of the termination of the TIF District, the initial \$7.4M investment was reimbursed to the General Fund (2007) in the form of new property tax revenue.

Staff estimates that increased property value in the State-Thomas TIF District area will generate \$50.4M in new General Fund revenue above the break-even point between 2007 and 2020.