

**WHEREAS**, the City Council of the City recognizes the importance of its role in local economic development; and

**WHEREAS**, Chapter 311 of the Texas Tax Code, as amended, gives the City the power to extend the termination date of existing TIF Districts; and

**WHEREAS**, the use of economic development incentives is a necessary tool in attracting residential and commercial activity to areas of the City that have impaired growth and are in need of enhanced public infrastructure; and

**WHEREAS**, on February 23, 2005, the City Council authorized the adoption of the City of Dallas Tax Increment Financing (TIF) Policy for the evaluation of proposed TIF Districts by Resolution No. 05-0745; and

**WHEREAS**, on October 20, 2009, the Economic Development Committee was briefed on the proposed amended TIF Policy and recommend the item to the City Council for consideration and approval on November 9, 2009.

**NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**Section 1.** That Resolution No. 05-0745, previously approved by the City Council on February 23, 2005, is hereby amended to: (1) include the ability to extend the term of existing TIF Districts and establish the criteria under which term extension requests will be evaluated; and (2) clarify the minimum new investment criteria for the creation of new TIF districts.

**Section 2.** That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

**Section 3.** That the amended City of Dallas Tax Increment Financing (TIF) Policy, as presented in **Exhibit A**, be adopted as a policy guideline for the Area Redevelopment Program and is hereby established and approved.

Distribution: Office of Economic Development – Tenna Kirk, 5CS  
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APPROVED BY  
CITY COUNCIL

NOV 09 2009

*Rebecca Williams*  
City Secretary

**EXHIBIT A – Part 1**  
**CRITERIA FOR EVALUATING PROPOSED TIF DISTRICTS**

<u>Criteria</u>	<u>Rating Factor</u>
<b>A. Financial Benefits</b>	
1. 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 points max. (full points if within the term of the TIF; 10 fewer points for each 3 years without City payback)
2. Other taxing units participation	15 points max. (5 points for Dallas County and DISD and 5 points for either DCCCD or Dallas County Hospital District)
3. 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 points max.
4. A minimum of \$100 million in new investment is planned within 5 years of adoption of TIF District	15 points max.
<b>Total Financial Points</b>	<b>100 points max.</b>
<b>B. Policy Benefits</b>	
1. Provides affordable housing	10 points max. (5 points for each 10% affordable units). <i>A minimum of 10% affordable housing is required for each TIF District</i>
2. Plan provides Urban Design Guidelines and/or historic preservation guidelines, if applicable	10 points max.
3. Provides preferential hiring for neighborhood residents for new jobs created	5 points max.
4. 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 points max.
5. Enhances core assets of City	25 points max.
6. Provides direct benefits to distressed areas	20 points max.
7. Adds park or green space or to City/County Trail system and provides for ongoing maintenance of these amenities	5 points max.
8. Complies with Fair Share Guidelines for private investment.	5 points max.
<b>Total Policy Points</b>	<b>100 points max.</b>
<b>C. Overall Benefits</b>	
<b><i>Staff will not move forward on a proposed TIF District unless both the financial and policy benefit categories qualify for a minimum of 70 points each (140 points total)</i></b>	

## **EXHIBIT A – Part 2**

### **CRITERIA FOR EVALUATING TIF TERM EXTENSION REQUESTS**

The District proposed for term extension should satisfy the following:

1. **The District proposed for term extension is in compliance with the existing TIF Policy and within the Financial Management Performance Criteria (FMPC) financial policy for TIF Districts.**
2. **Changing market conditions (not present when the zone was originally established) within the District exist:**
  - Allowing pending redevelopment to occur immediately; or
  - Supporting the expansion of a major employer; or
  - Supporting significant public investment and publically funded initiatives
3. **Extension of the District's term financial benefits:**
  - Attract substantial redevelopment projects, with a private investment of \$100 million or more over the first 5 years of the extended term;
  - Generate satisfactory TIF increment to meet specific infrastructure and development needs;
  - Reduce the City's TIF contribution to allow greater general fund cash flow and meet District 'pay back' goals (time after TIF closes for new revenue generated within the District to reimburse the General Fund for total City TIF contributions); and
  - Generate new investment from other taxing entities
4. **The District has any of the following pre-conditions:**
  - Low housing values;
  - Low income population;
  - High vacancy rates for commercial buildings;
  - An abundance of undeveloped or underdeveloped land; or
  - Substandard infrastructure
5. **Term extension limit**
  - Maximum one 10-year extension
    - i. Necessary infrastructure will be funded within the 10 year time frame; and
    - ii. Sufficient time to generate increment for project TIF reimbursement