

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE (1) AMENDING ORDINANCE NO. 25965, AS AMENDED, PREVIOUSLY APPROVED ON APRIL 27, 2005, AND ORDINANCE NO. 26204, AS AMENDED, PREVIOUSLY APPROVED ON JANUARY 11, 2006 TO: (A) CREATE TWO SUB-DISTRICTS WITHIN REINVESTMENT ZONE NUMBER TEN, THE SOUTHWESTERN MEDICAL TAX INCREMENT FINANCING (“TIF”) DISTRICT (the “ZONE”): (i) SOUTHWESTERN MEDICAL SUB-DISTRICT (ORIGINAL ZONE BOUNDARY) AND (ii) MEDICAL CAMPUS SUB-DISTRICT; (B) INCREASE THE GEOGRAPHIC AREA OF THE ZONE TO ADD APPROXIMATELY 118.9 ACRES TO CREATE THE MEDICAL CAMPUS SUB-DISTRICT TO FACILITATE ANTICIPATED REDEVELOPMENT; (C) REDUCE THE PERCENTAGE OF TAX INCREMENT CONTRIBUTED BY THE CITY OF DALLAS DURING THE REMAINING TERM OF THE SOUTHWESTERN MEDICAL SUB-DISTRICT FROM 80% TO 45%; (D) AUTHORIZE AN AMENDMENT TO THE PARTICIPATION AGREEMENT WITH DALLAS COUNTY TO REDUCE THE PERCENTAGE OF TAX INCREMENT CONTRIBUTED BY DALLAS COUNTY DURING THE REMAINING TERM OF THE SOUTHWESTERN MEDICAL SUB-DISTRICT FROM 55% TO 30% AND ESTABLISH THE PERCENTAGE AND DURATION OF TAX INCREMENT CONTRIBUTED BY DALLAS COUNTY DURING THE TERM OF THE MEDICAL CAMPUS SUB-DISTRICT; (E) ESTABLISH A TERMINATION DATE FOR THE MEDICAL CAMPUS SUB-DISTRICT OF DECEMBER 31, 2045; (F) ESTABLISH THE PERCENTAGE OF TAX INCREMENT CONTRIBUTED BY THE CITY OF DALLAS DURING THE TERM OF THE MEDICAL CAMPUS SUB-DISTRICT AT 80%; (G) INCREASE THE ZONE’S TOTAL BUDGET FROM \$27,550,486.00 NET PRESENT VALUE (NPV) (APPROXIMATELY \$46,059,711.00 TOTAL DOLLARS) TO \$92,621,769.00 NPV (APPROXIMATELY \$153,885,868.00 TOTAL DOLLARS), AN INCREASE OF \$65,071,283.00 NPV (APPROXIMATELY \$107,826,157.00 TOTAL DOLLARS); (H) RESTRUCTURE THE ZONE’S BUDGET TO CONSOLIDATE AND BROADEN CATEGORIES OF ELIGIBLE PROJECT COSTS IN THE SOUTHWESTERN MEDICAL SUB-DISTRICT AND ADD NEW BUDGET CATEGORIES FOR THE MEDICAL CAMPUS SUB-DISTRICT; (I) PROVIDE A ONE-TIME TRANSFER OF COLLECTED AND UNOBLIGATED FUNDS IN THE ZONE TO THE MEDICAL CAMPUS SUB-DISTRICT IN AN AMOUNT NOT TO EXCEED \$8 MILLION DOLLARS NO LATER THAN DECEMBER 31, 2022; AND (J) MAKE CORRESPONDING MODIFICATIONS TO THE ZONE’S BOUNDARY, BUDGET AND PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN (“PLAN”) PLAN; ESTABLISHING AN EFFECTIVE DATE; PROVIDING A SEVERABILITY CLAUSE; AND ENACTING OTHER MATTERS RELATED THERETO, AND (2) AUTHORIZING THE DEPOSIT OF ANY GENERAL FUND SAVINGS AND INCREASED REVENUE TO THE GENERAL FUND IN FY 2021 GENERATED BY THE REDUCTION OF CITY PARTICIPATION IN THE SOUTHWESTERN MEDICAL SUB-DISTRICT FOR TAX YEAR 2020 INTO THE CITY’S PUBLIC/PRIVATE PARTNERSHIP FUND IN AN AMOUNT NOT TO EXCEED \$1,000,000.00 TO BE USED FOR ECONOMIC DEVELOPMENT OR HOUSING PROJECTS LOCATED SOUTH OF INTERSTATE 30 AND SOUTH OF THE TRINITY RIVER.

**WHEREAS**, on April 27, 2005, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Ten (the Southwestern Medical TIF District) in accordance with the Tax Increment Financing Act, as amended, V.T.C.A. Texas Tax Code, Chapter 311 (the “Act”) to promote development and redevelopment in the District through the use of tax increment financing by Resolution No. 05-1361; Ordinance No. 25965, as amended; and

**WHEREAS**, on January 11, 2006, City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Southwestern Medical TIF District by Resolution No. 06-0129; Ordinance No. 26204, as amended; and

**WHEREAS**, on December 10, 2008, City Council authorized an amendment to the Project Plan and Reinvestment Zone Financing Plan for the Southwestern Medical TIF District by Resolution No. 08-3394; Ordinance No. 27433; and

**WHEREAS**, on October 14, 2009, City Council authorized an amendment to the Southwestern Medical TIF District Project Plan and Reinvestment Zone Financing Plan by Resolution No. 09-2559; Ordinance No. 27704; and

**WHEREAS**, on October 16, 2020, the Southwestern Medical TIF District Board of Directors (the “Board”) passed a motion adopting an amended Project Plan and Reinvestment Zone Financing Plan for the District that: **(1)** creates two sub-districts within Zone: (a) Southwestern Medical Sub-district (original Zone boundary) and (b) Medical Campus Sub-district; **(2)** increases the geographic area of the Zone to add approximately 118.9 acres to create the Medical Campus Sub-district to facilitate anticipated redevelopment; **(3)** reduces the percentage of tax increment contributed by the City of Dallas during the remaining term of the Southwestern Medical Sub-district from 80% to 45%; **(4)** reduces the percentage of tax increment contributed by Dallas County during the remaining term of the Southwestern Medical Sub-district from 55% to 30%; **(5)** establishes a termination date for the Medical Campus Sub-district of December 31, 2045; **(6)** establishes the percentage of tax increment contributed by the City of Dallas during the term of the Medical Campus Sub-district at 80%; **(7)** increases the Zone’s total budget from \$27,550,486.00 NPV (approximately \$46,059,711.00 total dollars) to \$92,621,769.00 NPV (approximately \$153,885,868.00 total dollars), an increase of \$65,071,283.00 NPV (approximately \$107,826,157.00 total dollars); **(8)** restructures the Zone’s budget to consolidate and broaden categories of eligible project costs in the Southwestern Medical Sub-district and add new budget categories for the Medical Campus Sub-district; and **(9)** provides a one-time transfer of collected and unallocated TIF funds in the Zone to the Medical Campus Sub-district in an amount not to exceed \$8 million dollars no later than December 31, 2022.

**WHEREAS**, on October 28, 2020, City Council will consider authorizing a public hearing to be held on November 11, 2020, to hear citizen comments and concerns regarding the proposed amendments to the Zone’s boundary, budget and Plan in accordance with the Tax Increment Financing Act, as amended, V.T.C.A. Texas Tax Code, (Chapter 311). The public hearing will be duly held and closed.

**Now, Therefore**

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

**SECTION 1.** That Ordinance No. 25965, as amended, previously approved on April 27, 2005, and Ordinance No. 26204, as amended, previously approved on January 11, 2006 are hereby amended to: **(1)** create two sub-districts within the Zone: **(a)** Southwestern Medical Sub-district (original Zone boundary) and **(b)** Medical Campus Sub-district; **(2)** increase the geographic area of the Zone to add approximately 118.9 acres to create the Medical Campus Sub-district to facilitate anticipated redevelopment; **(3)** reduce the percentage of tax increment contributed by the City of Dallas during the remaining term of the Southwestern Medical Sub-district from 80% to 45%; **(4)** authorize an amendment to the participation agreement with Dallas County to reduce the percentage of tax increment contributed by Dallas County during the remaining term of the Southwestern Medical Sub-district from 55% to 30% and establish the percentage and duration of tax increment contributed by Dallas County during the term of the Medical Campus Sub-district; **(5)** establish a termination date for the Medical Campus Sub-district of December 31, 2045; **(6)** establish the percentage of tax increment contributed by the City of Dallas during the term of the Medical Campus Sub-district at 80%; **(7)** increase the Zone's total budget from \$27,550,486.00 NPV (approximately \$46,059,711.00 total dollars) to \$92,621,769.00 NPV (approximately \$153,885,868.00 total dollars), an increase of \$65,071,283.00 NPV (approximately \$107,826,157.00 total dollars); **(8)** restructure the Zone's budget to consolidate and broaden categories of eligible project costs in the Southwestern Medical Sub-district and add new budget categories for the Medical Campus Sub-district; **(9)** provide a one-time transfer of collected and unobligated funds in the Zone to the Medical Campus Sub-district in an amount not to exceed \$8 million dollars no later than December 31, 2022; and **(10)** make corresponding modifications to the Zone boundary, budget, and Plan attached hereto as **Exhibit A**.

**SECTION 2.** That as a consideration for expanding the Zone, EBA Acquisitions, LLC or affiliate shall record deed restrictions in the Official Real Property Records of Dallas County, TX within thirty (30) calendar days following the closing of the purchase of approximately 38.3 acres of land in the Medical Campus Sub-district and prior to the sale of any of the 38.3 acres of property to another developer to ensure that any residential projects developed on the 38.3 acres within the Medical Campus Sub-district will be required to lease twenty percent (20%) of the rental multi-family units to households earning at or below eighty percent (80%) of Area Median Family Income ("AMFI").

**SECTION 3.** That the City's General Fund will realize estimated savings in fiscal year 2021 as a result of the decrease in the City's participation rate in the Southwestern Medical Sub-district of the Zone from 80% to 45% for tax year 2020.

**SECTION 4.** That the City's General Fund will receive an anticipated increase in new revenue in fiscal year 2021 as a result of the decrease in the City's participation rate in the Southwestern Medical Sub-district of the Zone from 80% to 45% for tax year 2020.

**SECTION 5.** That the combined estimated savings and anticipated increase in new revenue to the General Fund as a result of the decrease in the City's participation rate in the Southwestern Medical Sub-district of the Zone will be transferred to the Public Private Partnership Fund in the fiscal year 2021 in an amount not to exceed \$1,000,000.00.

**SECTION 6.** That pursuant to Sections 3, 4 and 5, the Chief Financial Officer is hereby authorized to transfer an amount not to exceed \$1,000,000.00 in fiscal year 2021 resulting from the decrease in the City's participation rate in the Southwestern Medical Sub-district of the Zone from the General Fund, Fund 0001, Department BMS, Unit 2769, Object Code 3690, to the Public/Private Partnership Fund, Fund 0352, Department ECO, Unit P151, Revenue Code 9201.

**SECTION 7.** That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct.

**SECTION 8.** That amendments to the budget of the Southwestern Medical TIF District will result in benefits to the City and the property included in the TIF District.

**SECTION 9.** That this action is necessary to complete the public improvements surrounding the potential development projects in the District.

**SECTION 10.** That this action expands the Economic Development Grant Program for the Southwestern Medical TIF District to allow for grants or loans to support: **(1)** job creation in the Bio-Medical industry; **(2)** offsetting the cost of affordable housing requirements; **(3)** attracting retail or medical office development; and **(4)** offsetting the cost of parking for mixed-use and transit-oriented development, including development that provides additional linkages to existing transit service.

**SECTION 11.** That improvement in the Southwestern Medical TIF District will significantly enhance the value of all taxable real property in the Southwestern Medical TIF District.

**SECTION 12.** That Ordinance Nos. 25965, 26204 will remain in full force and effect, save and except as amended by this ordinance.

**SECTION 13.** That if any section, paragraph, clause or provision of this ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or un-enforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

**SECTION 14.** That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:  
CHRISTOPHER J. CASO, City Attorney

BY:  \_\_\_\_\_

Passed: \_\_\_\_\_