

Exhibit G

TIF Increment Allocation Policy City Center TIF District Adopted March 21, 2013 (Amended September 22, 2022)

It is important for the City of Dallas to encourage as many projects as possible in the City Center TIF District (the “City Center TIF” or “District”). After satisfying all obligations related to administrative expenses and district set-asides, City Center TIF funds will be allocated to Developers based on the increment created by the Project (as defined below) and Related Projects/Developers (as defined below) within the District and the distribution of any remaining funds in accordance with the reimbursement queue.

Definitions

Accrued Priority Increment - The unpaid balance of the *Individual Increment* owed to a project.

Administrative Expenses – the City will take a share of the District’s annual TIF revenue to compensate for the amount billed to the District for costs related to the administration of its TIF program. This may include charges from the Office of Economic Development as well as other departments.

Affordable Housing Set-Aside – Funds the Affordable Housing line item in the District’s budget as described in the 2022 Amended and Restated Project Plan and Reinvestment Zone Financing Plan (“2022 Amended Plan”). All cash-on-hand that was initially set-aside from the Affordable Housing Set-Aside and Ground Floor/Retail Activation Initiative Set-Asides collected between 2014 and 2022 (described below) and 20 percent of the 2023 collections (from 2022 increment), with an estimated budget of approximately \$12.4 million.

The 2012 Amended Plan contemplated the following collections and such set asides have created unallocated cash-on-hand to be committed to the Affordable Housing Set-Aside category with passage of the 2022 Amended Plan: 12.55 percent for the first 5 years of the extension and 10 percent for the remaining years or until approximately \$6.5 million has been collected for Affordable Housing and 15 percent for the first 5 years of the extension; 10 percent for the remaining years of the Zone or until approximately \$8.3 million has been collected for Ground Floor/Retail Activation Initiative.

Available Funds – Total Increment less: (1) Administrative Expenses, (2) Affordable Housing Set-Aside, and (3) District Wide Improvements Set-Aside.

Completed Projects – Projects which received City approval for satisfying all of its project obligations and approval of all supporting documentation required by their executed development agreements rendering the project eligible for reimbursement.

Cumulative Individual Increment – Sum of all *Individual Increment* that a Project or Related Project generates in all years since its completion.

Developer/Owner – A person or entity that has completed all the requirements for a TIF-eligible Project as prescribed by the Project's fully executed development agreement.

District-Wide Improvements Initiative Set-Aside – Funds the District-Wide Improvements Initiative in the District's budget as described in the 2022 Amended Plan. All cash-on-hand from the District-Wide Set-Aside and Parking Initiative Set-Asides collected between 2014 and 2022 and 20 percent of the 2023 collections (from 2022 increment), with an estimated budget of approximately \$8.26 million.

Beginning in tax year 2023 (2024 collections), no increment generated from the Zone shall be set aside for District-Wide Improvements. If at any time during the duration of the Zone, the District-Wide funds have been expended and the TIF Board of Directors and City Council find that additional District-Wide funded projects would benefit the Zone, additional District-Wide funds may be dedicated on a case-by-case basis up to 20% of the annual increment generated.

The 2012 Amended Plan contemplated the following collections and such set asides have created unallocated cash-on-hand to be committed to the District Wide Improvement Initiative Set-Aside category with passage of the 2022 Amended Plan: 8 percent for the first 5 years of the extension and 5 percent for the remaining years of the Zone until approximated \$4 million has been collected for District Wide Improvement Initiative and 8 percent for the first 10 years of the extension and 10 percent for the remaining years of the Zone or until approximately \$5.5 million has been collected for the Parking Initiative. Although Parking Initiative funds were spent, an equal amount of funds were generated from revenue sharing to replenish the Parking Initiative Set-Aside and such funds shall be available for District Wide Improvements.

Individual Increment – The annual amount of increment generated by a Project eligible for TIF reimbursement and deposited into the District's TIF fund by its participating jurisdictions. Dallas Central Appraisal District (DCAD) certified values for each tax year is the data source used to determine values for the increment allocation procedure.

Performance Percentage – Percentage of Individual Increments divided by the total Shared Increment.

TIF Project – Development or redevelopment has been approved for TIF funds and increases the taxable value of real property at a particular site or a space or facility of public benefit such as improvements to City parks, open space, trails or cultural facilities.

Related Project/Developer – If a Developer or a Developer's affiliates (as defined in a development agreement) has other development or redevelopment projects in addition to a *TIF Project*, increment from those Related Project(s) may be included in *Individual*

Increment for reimbursement of the TIF Project expenses. A Developer of a TIF Project must have at least 50% ownership in any Related Project. These requirements will be further specified in a development agreement where applicable.

Related Projects must create new taxable real property value for the District based on the following criteria:

- New development on previously vacant land or site of demolished structures.
- Redevelopment or major modification of an existing building that exceeds the building's original taxable value by 50% or more, or any increase in a building's original floor area if the expansion exceeds 50% for residential projects, 65% for mixed-use projects, and 75% for office/showroom projects

Remaining Funds – Funds leftover after distribution of all *Accrued Priority Increment* payments and all *Individual Increment* payments to *Completed Projects*.

Completed Projects Increment – the sum of all *Individual Increment* generated by all *Completed Projects* in a given year.

Total Increment – the annual amount of increment deposited into the District's TIF fund by its participating jurisdictions.

Procedure

Annually, after the *Total Increment* has been deposited in the TIF Fund, the funds shall be used to meet the financial obligations of the City Center TIF District in the following order:

1. Administrative Expenses, including all expenses of the City and the City Center TIF District;
2. District Set-Asides

Should for any reason the District fail to meet all of the above financial obligations and requirements, no funds shall be distributed to any projects.

After meeting the above financial obligations, the outstanding funds may be used as *Available Funds* to meet other TIF financial obligations, including but not limited, to reimburse *Completed Projects*.

A *Completed Project* shall be entitled to receive its *Individual Increment* each year if the total amount of *Available Funds* is greater than the *Completed Projects Increment* for all *TIF Projects*. Should the amount of *Available Funds* be less than the total *Completed Projects Increment* in a given year, *Completed Projects* shall be reimbursed based on their *Performance Percentage*. The unpaid balance of the *Individual Increment* owed to

a *Completed Project* shall be deemed as *Accrued Priority Increment* and shall be paid in the following year(s) prior to the distribution of any Individual Increment payments.

Should any *Available Funds* remain after distribution of all *Accrued Priority Increment payments* and all *Individual Increment payments to Completed Projects*, the *Remaining Funds* shall be distributed in accordance with the Reimbursement Queue process detailed in the next section. District set-asides shall follow the procedures above.

THE REIMBURSEMENT QUEUE

The *Reimbursement Queue* shall list all approved City Center TIF District projects in order of priority based upon the earlier date in which the developer submits evidence of an executed construction loan and receipt of a building permit or final receipt of a final Certificate of Occupancy for the *Project*.

Each year, City staff is required to verify the status of all approved City Center TIF District projects as of June 1st. Those projects which have been completed shall be eligible to receive their Individual Increment; and shall be eligible to receive all or a portion of those funds which remain after the distribution of all Individual Increment payments. Payments from *Remaining Funds* shall be made to completed projects in order of their priority ranking.

The amount of *Remaining Funds* distributed to a project shall not exceed the project's Total TIF Award (including interest where applicable) less the amount of *Cumulative Individual Increment* paid to date for a project. After such payment(s) are made, any leftover funds shall be distributed to the next completed project in order of their priority ranking.

Should a *Project* which has not been completed as of June 1st of a given year have a priority ranking higher than a *Project* which has been completed, the uncompleted *Project* shall be deemed "bumped" and shall not receive any payments that year. A *Project* may be "bumped" by more than one *Completed Project* in a given year. However, a "bumped" *Project* shall retain its priority ranking for subsequent years.

As projects are approved by City Council for funding from the City Center TIF Fund, they shall not be given a priority ranking until such time the developer submits evidence of: (1) an executed construction loan and receipt of a building permit or (2) final certificate of occupancy. At which time, the Reimbursement Queue shall be updated to assign the next available priority ranking the *Project*. Once a *Project* has earned a priority ranking, it shall not be subject to change. The City's Director of Economic Development will make the final determination in applying future available revenues in the TIF Fund among *Projects*. District set-asides shall establish individual reimbursement queues and follow the process detailed in this section.