



**City of Dallas**

## **Exhibit B**

# **Proposed Amendments to the Project Plan & Finance Plan for the Oak Cliff Gateway TIF District**

**Board of Directors Meeting  
September 26, 2022**

Sue Hounsel, District Manager  
Office of Economic Development

# Presentation Overview



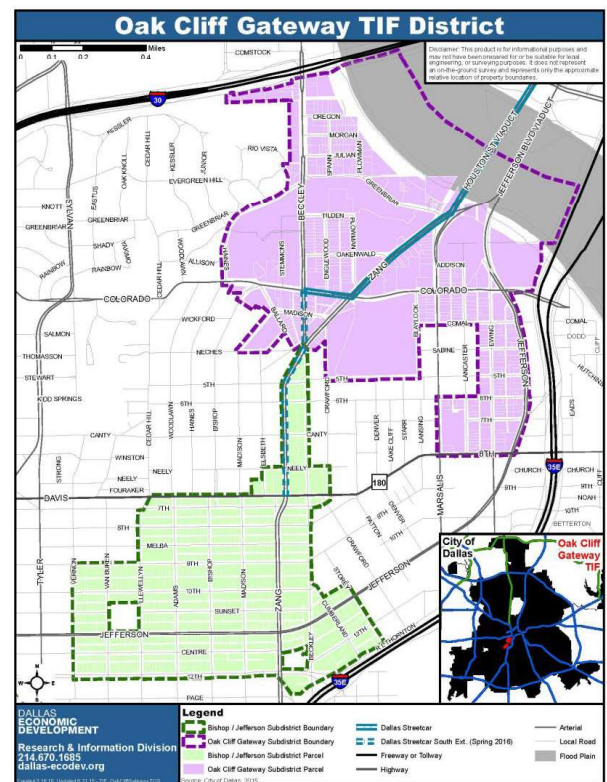
- Background
- Proposed Amendments
- Next Steps





# Oak Cliff Gateway (OCG) TIF District

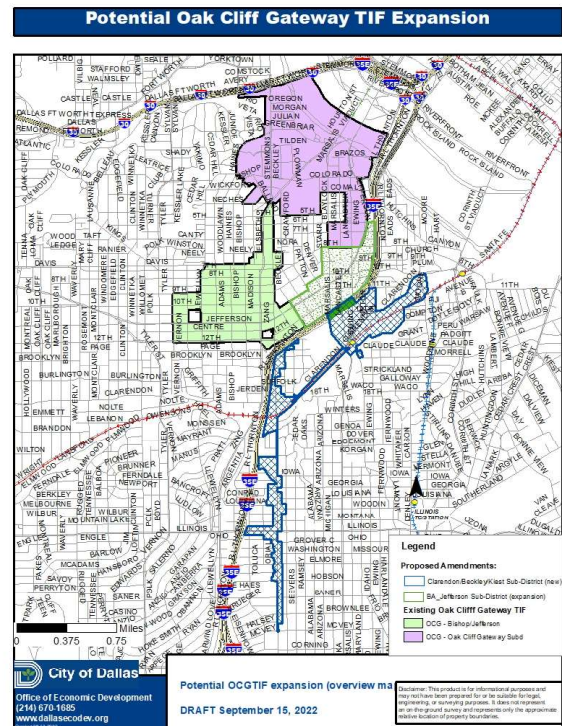
- Created in 1992 to encourage redevelopment in north Oak Cliff area (purple color)
- District was amended in 2014 to:
  - Create Bishop/Jefferson Sub-district (green color)
  - Extend term of original boundary of district (Oak Cliff Gateway Sub-district)
  - Continue City participation in Oak Cliff Gateway Sub-district at 85% (County participation ended in 2016)
  - Establish City participation at 90% and request County participation at 65% in new Bishop/Jefferson Sub-district
- Oak Cliff Gateway Sub-district, as amended, will expire at the end of 2027
- Bishop/Jefferson Sub-district will expire at the end of 2044
- To date, taxable value of real property has increased by \$624 million within the District, an increase of 428% above the base value



# Proposed Expansion of the OCG TIF District



- The proposed expansion includes creation of a new “Clarendon/Beckley/Kiest Sub-District” (blue color) to include the future Southern Gateway Deck Park (SGDP) and vacant/commercial properties with future redevelopment potential.
- Expansion of the Bishop Arts/Jefferson Sub-District (light green color) would include additional properties along the Jefferson Boulevard corridor and encourage linkages to the SGDP.
- Expanding the existing TIF district will allow for tax increment sharing to support the capital needs of the SGDP and redevelopment projects east of IH-35.



## Objectives for Expansion



- Infrastructure support for the Southern Gateway Deck Park (SGDP) such as park capital improvements to supplement other City and private fundraising
- Support for connectivity improvements to the SGDP such as enhanced sidewalks and bike lines on both the east and west side of IH-35.
- Support for redevelopment projects including mixed-income housing, neighborhood commercial revitalization, and enhanced public improvements.
- Funding towards programs addressing homeowner stabilization, home repair, and displacement mitigation.

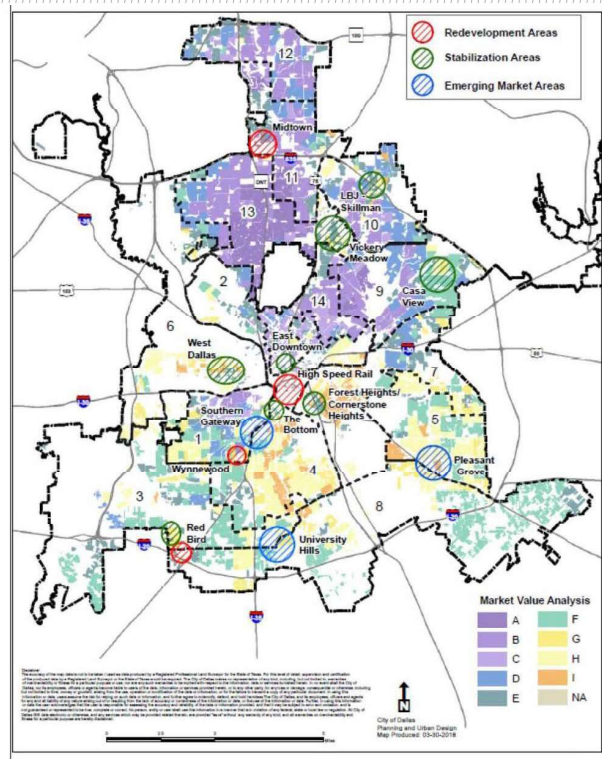




# Southern Gateway – Emerging Market Area



- The Southern Gateway area is identified as an “emerging market area” in the City’s Comprehensive Housing Policy, last amended in May 2022
- Emerging market areas are characterized as areas in need of intensive environmental enhancements, master planning, and formalized neighborhood organization. In order to facilitate mixed-income developments, the City will look at strategies to prepare the area for real estate investments and provide flexibility in the use of funds.



# Southern Gateway Deck Park - Location



# Southern Gateway Deck Park - Vision





## Staff Recommendation



- **Create a new Clarendon/Beckley/Kiest Sub-District.**
- **Increase the geographic area of the District by approximately 244 acres:**
  - **Expand the Bishop Arts/Jefferson Sub-District by 96 acres** to include additional property along the Jefferson corridor connecting to the Southern Gateway Deck Park.
  - **Add the Clarendon/Beckley/Kiest Sub-District with approximately 148 acres** in an area including the future Southern Gateway Deck Park at IH-35 between Marsalis Avenue and Ewing Avenue and generally along Clarendon Drive from Moore Street to Beckley Avenue and along Beckley Avenue from Clarendon Drive to just north of Kiest Boulevard.
- **Establish a termination date for the Clarendon/Beckley/Kiest Sub-District of December 31, 2052.**
- **Establish the percentage of tax increment contributed by the City of Dallas during the term of the Clarendon/Beckley/Kiest Sub-District at 90%. Dallas County participation in the new sub-district is under discussion with a pending request to consider 65% participation for 20 years beginning in tax year 2029.**





## Staff Recommendation

- Create a **new budget category** for the **Clarendon/Beckley/Kiest Sub-District**.
- Create a **new budget category** for the TIF District for **homeowner stabilization, home repair, and displacement mitigation**.
- Increase the budget capacity for the Bishop Arts/Jefferson Sub-district to support additional projects/connectivity improvements and provide for **a portion of future tax increment to be transferred to the Clarendon/Beckley/Kiest Sub-District and to a new budget category for homeowner stabilization, home repair, and displacement mitigation**.
- **Extend the term of the Oak Cliff Gateway Sub-District from 2027 to 2044 but with reduced City participation at 50% during the extended term.** Some budget capacity to be retained to support the redevelopment of the Oak Farms site and **a portion of future tax increment to be transferred to the Clarendon/Beckley/Kiest Sub-District and to a new budget category for homeowner stabilization, home repair, and displacement mitigation**.



## Staff Recommendation



- **Increase the total budget** for the Oak Cliff Gateway TIF District from **\$28,621,027** net present value (approximately **\$76,665,998** in total dollars) to **\$99,381,853** net present value (approximately **\$352,993,541** in total dollars).
- City and County financial participation:
  - **Oak Cliff Gateway Sub-District:** maintain City participation at 85% for the duration of the existing term; reduce to 50% during an extended term 2028-2044. Dallas County ended participation in tax year 2016 and other entities did not participate beyond the original term (through 2012).
  - **Bishop Arts/Jefferson Sub-District:** maintain City participation at 90% for the duration of the existing term through 2044. Dallas County committed to financial participation at 65% for 20 years or up to \$2.3 million (NPV) collections. Current projections anticipate reaching this cap by tax year 2024.
  - **Clarendon/Beckley/Kiest Sub-District:** proposed City participation at 90% for a 30-year term 2023-2052 and request Dallas County participation at 65% for 20 years beginning in tax year 2029
- Make corresponding modifications to the District's boundary, budget, and Plan.



# Staff Recommendation – Amended Budget



Oak Cliff Gateway TIF District						
Category	NPV current (2021 amend)	Estimated TIF Expenditures (Total dollars, 2021 Plan)	Allocated	Balance	Proposed Amend NPV	Proposed Amend Total dollars
<b>Oak Cliff Gateway Sub-district</b> *Public Infrastructure Improvements – Streets, Streetscape, Water, Wastewater, Utility Burial, etc. *Façade Improvements *Environmental Remediation and Demolition *Pedestrian Linkages/Lighting *Economic Development Grants	\$8,859,775	\$33,513,508	\$18,588,695	\$14,924,813	\$15,066,201	\$53,513,508
<b>Bishop/Jefferson Sub-district</b> *Public Infrastructure Improvements – Streets, Streetscape, Water, Wastewater, Utility Burial, etc. *Façade Improvements *Environmental Remediation and Demolition *Pedestrian Linkages/Lighting *Economic Development Grants	\$18,554,050	\$38,611,351	\$12,750,000	\$25,861,351	\$19,316,850	\$68,611,351
<b>Clarendon/Beckley/Kiest Sub-District</b> *Public Infrastructure Improvements – Streets, Streetscape, Water, Wastewater, Utility Burial, etc. *Parks and open space *Façade Improvements *Environmental Remediation and Demolition *Pedestrian Linkages/Lighting *Economic Development Grants					\$59,984,547	\$213,058,590
<b>Educational/Training Facilities</b>	\$200,000	\$756,029	\$756,029	\$0	\$200,000	\$756,029
<b>Streetcar Support</b>	\$257,202	\$950,000	\$950,000	\$0	\$257,202	\$950,000
<b>Homeowner stabilization, home repair, and displacement mitigation</b>					\$2,958,169	\$10,507,096
<b>Administration</b>	\$750,000	\$2,835,110	\$1,211,904	\$1,623,206	\$1,598,885	\$5,596,967
<b>Total Project Costs</b>	<b>\$28,621,027</b>	<b>\$76,665,998</b>	<b>\$34,256,628</b>	<b>\$42,409,370</b>	<b>\$99,381,853</b>	<b>\$352,993,541</b>





# Estimated Increment Generation & Budget



Category	Property Value Increase over term	Increment Generated (Estimated Total Dollars)	Amended TIF Budget Allocation (NPV dollars)	Amended TIF Budget Allocation (Estimated total dollars)
Oak Cliff Sub-District	\$1,421,369,429	\$132,673,883	\$15,066,201	\$53,513,508
Bishop Arts/Jefferson Sub-District	\$1,192,968,893	\$151,302,263	\$19,316,850	\$68,611,351
Clarendon/Beckley/Kiest Sub-District	\$439,021,000	\$67,517,395	\$59,984,547	\$213,058,590
Educational/Training Facilities	--	--	\$200,000	\$756,029
Streetcar Support	--	--	\$257,202	\$950,000
Homeowner stabilization, home repair, and displacement mitigation	--	--	\$2,958,169	\$10,507,096
Administration	--	--	\$1,598,885	\$5,596,967
<b>Total</b>	<b>\$3,053,359,322</b>	<b>\$352,993,541</b>	<b>\$99,381,853</b>	<b>\$352,993,541</b>



## Staff Recommendation – Increment Transfers



- Proposed Plan language for increment transfers:

- The budget allocations over the term of the District reflect that a portion of increment generated by the Oak Cliff Gateway Sub-District and Bishop Arts/Jefferson Sub-District will be transferred to the Clarendon/Beckley/Kiest Sub-District and Homeowner stabilization, home repair, and displacement mitigation budget categories. Following an evaluation of revenue available to meet existing obligations in place prior to this amended Plan, it is anticipated that annual increment transfers (after administration costs) may begin at the following levels in 2023:

- Oak Cliff Gateway Sub-District:

- 30% transfer to Clarendon/Beckley/Kiest Sub-District
    - 20% transfer to Homeowner stabilization, home repair, and displacement mitigation

- Bishop Arts/Jefferson Sub-District:

- 15% transfer to Clarendon/Beckley/Kiest Sub-District
    - 15% transfer to Homeowner stabilization, home repair, and displacement mitigation

- The actual transfer amounts and priorities for payment may be adjusted over time in an Increment Allocation Policy that is periodically updated by the TIF District Board of Directors to reflect the needs of the District as it evolves over time.



## Next Steps



- October 3: Economic Development Committee
- October 26/November 9: City Council to Call for Public Hearing to amend the District boundary and Plan
- November 9/December 14: City Council to Hold Public Hearing and approve Ordinance to amend District boundary and Plan.





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