

Exhibit B

TIF Increment Allocation Policy
Oak Cliff Gateway TIF District
Approved by the TIF Board May 14, 2010
Amended September 21, 2012
Amended October 23, 2014
Amended April 26, 2021
Amended December 12, 2022

It is important for the City of Dallas to encourage as many projects as possible in the Oak Cliff Gateway TIF District (the “TIF District” or “District”). In that spirit, Oak Cliff Gateway TIF funds will be allocated to Developers (defined below) proportionately, based on the increment created by the Project (as defined below) and Related Projects/Developers (as defined below) within the District, after repayment of pre-existing development agreements.

Amendments to the Increment Allocation Policy in 2022 relate to tax increment sharing provisions provided in the Oak Cliff Gateway TIF District Project Plan and Reinvestment Zone Financing Plan; as amended November 9, 2022. 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) as described below may begin in 2023.

The amended TIF District includes three sub-districts:

- Oak Cliff Gateway Sub-District (“OCG Sub-District”)
- Bishop/Jefferson Sub-District (“BJ Sub-District”)
- Clarendon/Beckley/Kiest Sub-District (“CBK Sub-District”)

Definitions:

Project (TIF-eligible) - development or redevelopment that adds taxable real property value at a particular site or is a space or facility of public benefit such as open space, trails or cultural facilities. A Project has been approved for TIF funds and all requirements set forth in the development agreement have been completed.

Developer – A person or entity that has completed all requirements for a TIF-eligible Project as set out in the fully executed development agreement for the Project.

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-eligible Project, increment from those Related Project(s) may be included in Individual Increment for reimbursement of the TIF-eligible Project expenses. A Developer of a TIF-eligible 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 TIF District based on the following criteria:

- New development on previously vacant land or demolished structures.
- Redevelopment or major modification of an existing building if this results in an increased taxable value of 50% or more of the original building or any increase in the floor area of an original building if the expansion is over 50% for residential projects, over 65% for mixed-use projects, and over 75% for office/showroom projects.

Total Increment – the annual amount of increment deposited into the Oak Cliff Gateway TIF District fund from the participating jurisdictions.

Administrative Expenses – the City will take a share of TIF revenue from this District for the amount it bills to the District for costs necessary for administration of the TIF District program, which may include charges from other departments, each year.

District-Wide Improvements – 15% of the OCG Sub-District Increment and 15% of the BJ Sub-District Increment will be set aside for District-Wide Improvements, defined as 1) improvements that are not specific to a single development site, such as gateways, trails, open space, public facilities, or utility/streetscape improvements benefiting multiple properties or blocks; 2) utility burial and/or streetscape improvements at any location in the District as approved by the Board; and 3) improvements or Projects that help to spur additional development in an under-served area of the District. District-Wide Improvements may be in any area of the TIF District. At the TIF District Board's discretion, future set aside amounts from the CBK Sub-District may be considered.

Mixed-Income Project Leveraging Non-City Funds – A Project that provides market and affordable housing units and leverages Non-City (state or federal) funds; a Mixed-Income Project Leveraging Non-City Funds is considered a Project, defined herein, where applicable.

Mixed-Income Project Leveraging Non-City Funds Allocation – A Mixed-Income Project Leveraging Non-City Funds, if non-taxable, shall be eligible to receive fifty percent (50%) of all Shared Increment until such Project is paid in full, in accordance with any Mixed-Income Project Leveraging Non-City Funds Development Agreement, if there are other eligible completed Projects.

Sub-District Increment Sharing Arrangements (Increment Transfers):

In accordance with the Oak Cliff Gateway Project and Financing Plan, tax increment sharing among certain sub-districts and budget allocations have been designated as follows (*subject to future adjustments to reflect the needs of the TIF District*):

Oak Cliff Gateway Sub-District (after administration costs):

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

Bishop/Jefferson Sub-District (after administration costs):

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

Individual Increment – the portion of the increment that a Project or Related Project creates each year

Oak Cliff Gateway Sub-District Shared Increment – the OCG Increment less (1) Administrative Expenses, (2) Increment Transfers, (3) a set-aside for District-Wide Improvements if applicable, and (4) the sum of the Individual Increments of all eligible Projects in the OCG Sub-district.

Bishop/Jefferson Sub-District Shared Increment – the BJ Increment less (1) Administrative Expenses, (2) Increment Transfers, (3) a set-aside for District-Wide Improvements if applicable, and the sum of the Individual Increments of all Projects in the BJ Sub-district

Clarendon/Beckley/Kiest Sub-District Shared Increment – the CBK Increment less (1) Administrative Expenses, (2) a set-aside for District-Wide Improvements if applicable, and (3) the sum of the Individual Increments of all Projects in the CBK Sub-district

TIF Subsidy – The total incentive committed to a Project per contract between the City and the developer to be paid from current or future available increment in the TIF fund during the term of the TIF District.

Available Cash - cash in the Oak Cliff Gateway TIF fund that is not already allocated, encumbered, or otherwise set aside for other purposes.

Procedure:

Annually, after the Total Increment has been deposited in the TIF District fund, the fund will pay or set aside Administrative Expenses based on the ratio of Individual Increments to Total Increment for each sub-district.

After (1) Administrative Expenses, (2) any required increment transfers, and (3) any District-Wide Improvement set asides, Developers approved for funding from the TIF District will be eligible to receive their Net Individual Increment.

In addition to their Individual Increment, Developers will be eligible to receive a portion of any Shared Increment from within their sub-district. The Shared Increment allotted to an eligible Developer shall be a ratio of an eligible Developer's Individual Increment to the sum of the Individual Increments for all Projects eligible for reimbursement in that sub-district for that year.

For the OCG and BJ sub-districts, generally each is to create and reimburse developers from its own increment. Therefore, a Project in the Oak Cliff Gateway Sub-district will be eligible for reimbursement from funds created within the Oak Cliff Gateway Sub-district, and a Project in the Bishop/Jefferson Sub-district will be eligible for reimbursement from funds created within the Bishop/Jefferson Sub-district. However, available cash may be used from increment generated in either the OCG or BJ sub-districts if there are no other eligible projects.

For the CBK Sub-District, it will be eligible to retain its own increment (after administrative expenses) along with receiving increment transfers for eligible Projects.

Dallas Central Appraisal District (DCAD) certified values for each tax year, including the base year for the TIF District, will be the data source used to determine values for the increment allocation procedure. Shared Increment will be allocated only to Projects that have been completed by May 1st of a given year, as evidenced by City approval of all supporting documents required in the development agreement. The City's Director of Economic Development will make the final determination in applying future available revenues in the TIF Fund among Projects.

Any Mixed-Income Project Leveraging Non-City Funds may be eligible for all Available Cash accrued and collected as of the approval date of this Allocation Policy, as amended, but such Available Cash shall not be held for any Mixed-Income Project Leveraging Non-City Funds until any pre-existing agreement obligations have been fulfilled.

Projects completed after May 1 will be eligible for TIF funding upon completion of all supporting documents provided that 1) unallocated increment revenue (Cash Available) is available in the

TIF District fund and 2) no other projects are complete. Available cash may be used from increment generated in either the OCG or BJ sub-districts if there are no other eligible projects.

District-Wide Improvement Set-Aside

The TIF Board will set aside 15% of the OCG Sub-District and BJ Sub-District Increment for District-Wide Improvements after administrative expenses and increment transfers have been satisfied. Specific improvement projects are to be determined and the amount of this set aside will be reviewed annually based on updated financial projections and District needs.

To date projects approved for District-Wide Improvement Set-Aside funds include a portion (\$42,631) of the TIF funding for Hogg Elementary School streetscape improvements, \$950,000 in funds in support of the Dallas Streetcar, and \$1.5 million for the Zang Plaza Project.

If the annual *unallocated* balance in the District-Wide Improvement Set-Aside exceeds \$1 million; the TIF Board may evaluate whether to reduce the percentage set-aside in any given year. Specific improvement projects will be evaluated based on District-Wide Improvement Funding Guidelines adopted by the TIF District Board in 2021. The TIF District Board shall also have the discretion to release all or part of district wide set aside funds towards payments of one or more TIF eligible development projects.

Notes:

In general, the assignment of increment will be done annually, after each participating jurisdiction has deposited its annual increment into the TIF fund. However, upon completion of a Project, developers are eligible to be reimbursed for TIF eligible expenditures from Available Cash currently in the TIF fund, if any.

If the appraised value of the remaining property in the District decreases in value despite new development and as additional TIF Projects are approved and completed, the TIF subsidy for Projects that year may be reduced or unpaid. Similarly, if the sum of (1) Administrative Expenses, (2) District-Wide Improvements, and (3) the sum of the Individual Increments is greater than the Total Increment, then the Individual Increments shall be allotted on a proportional basis based on the ratio of each Developer's Individual Increment to the sum of the Individual Increments for that year. If there is no revenue available after Administrative Expenses and the District Wide Set Aside, there will be no increment payments that year.

At its discretion, the Oak Cliff Gateway TIF Board may make modifications or corrections to this Policy to increase its effectiveness.