

# Memorandum



CITY OF DALLAS

DATE October 30, 2020

TO Honorable Members of the Economic Development Committee:  
Tennell Atkins (Chair), David Blewett (Vice-Chair), Jennifer Staubach Gates,  
Adam McGough, Omar Narvaez, Jaime Resendez, Chad West

SUBJECT **Upcoming Agenda Item: Board By-Laws and final Plan for the University TIF District**

On December 9, 2020, City Council will consider approval of:

- (1) the By-Laws for the Board of Directors ("Board") of Tax Increment Financing Zone Number Twenty-One, the University TIF District ("District" or "Zone"), and
- (2) the final Project Plan and Reinvestment Zone Financing Plan ("Plan") for the District.

The University TIF District Board unanimously adopted the By-Laws (see Attachment A) on September 10, 2020 and forwarded a recommendation of approval to the City Council.

The University TIF District Board unanimously adopted the final Project Plan and Reinvestment Zone Financing Plan (see Attachment B) on October 6, 2020 and forwarded a recommendation of approval to the City Council.

## **Background: Board By-Laws**

City Council approved the designation of the University TIF District by Ordinance No. 30733 on December 13, 2017.

The District By-Laws spell out the powers and duties of the Board. The by-laws for TIF districts in the City of Dallas have been standardized with little variation among TIF districts.

The District's Board is responsible for advising City Council on development or redevelopment in the District. Implementation of the Plan for the District shall be managed and controlled by the City Council based on the recommendations of the District's Board.

Pursuant to Ordinance No. 30733, the Board consists of nine (9) Board members:

- six (6) to be appointed by the City Council,
- one (1) member to be appointed by the State Senator's Office in whose district the University Hills Sub-District is located,

- one (1) member to be appointed by the State Representative's Office in whose district the University Hills Sub-District is located, and
- one (1) member to be appointed by the Dallas County Commissioners Court (per state law, Dallas County cannot appoint a member until Dallas County formally agrees to participate in the University TIF District).

Over the past 4-6 months, City Council has appointed five (5) members to the Board.

A minimum of five (5) members must be appointed for the Board to be considered a functioning body. A majority of the members currently appointed to the Board shall constitute a quorum.

### **Background: final Project Plan and Reinvestment Zone Financing Plan**

City Council approved the designation of the University TIF District by Ordinance No. 30733 on December 13, 2017.

The District was created to encourage the sustainable development of properties near three major North Texas universities while taking advantage of each area's strategic regional location at the crossroads of key transportation corridors.

As allowed by Chapter 311 of the Texas Tax Code ("TIF Act"), the District comprises two non-contiguous sub-districts: (1) the University Center Sub-District in northern Dallas and (2) the University Hills Sub-District in southern Dallas.

One of the primary objectives in creating a non-contiguous District linking northern and southern Dallas is to allow increment sharing that will provide funding for the provision of public infrastructure in the underserved University Hills area that would not otherwise occur.

With the assistance of the University TIF District, higher quality development along with public open space and transit connections will be greater than without the District. Further, by overseeing the development in the University Hills area, the City can best protect City resources and ensure that public funding is used appropriately.

The University Center Sub-District is generally located east of Coit Road, west of Waterview Parkway, and south of the Dallas Area Rapid Transit ("DART") rail line (future Cotton Belt Silver Line of the DART Rail System). The University Center Sub-District encompasses approximately 161 acres, not including rights-of-way. For the base year (tax year 2017), the appraised value of taxable real property in the University Sub-District was \$44.5 million based on information from the Dallas Central Appraisal District (DCAD) and Collin Central Appraisal District (CCAD). In accordance with the forwardDallas! Comprehensive Plan Vision, the University Center Sub-District will increase opportunities for owner-occupied housing. Based on public research and community workshops, the Dallas community identified an unmet demand for home ownership, including traditional single-family homes that were near mixed-use areas.

The University Hills Sub-District is generally north of Interstate Highway 20 (Lyndon B. Johnson Freeway), west of Lancaster Road, and south of the DART rail line. The University Hills Sub-District encompasses approximately 297 acres, not including rights-of-way. For the base year (tax year 2017), the appraised value of taxable real property in the University Hills Sub-District was \$5,251,337 based on information from the DCAD. Development in the University Hills Sub-District will increase the outcomes anticipated by the forwardDallas! Comprehensive Plan Vision and the UNT – Dallas Area Plan by bringing jobs to the area, offering convenient transportation, and providing diverse housing and recreational activities.

As part of the statutory process for TIF districts, the TIF Act requires that a final Project Plan and Reinvestment Zone Financing Plan ("Plan") be developed for the TIF district and approved by the City Council after it has been prepared and adopted by the board of directors of the district.

The District's final Plan is consistent with the preliminary Plan that was developed for the District prior to the District's creation in 2017. Minor differences between the final Plan and the preliminary Plan reflect extensive review/refinement of development projections by City staff and the District's Board of Directors as well as input from key property owners/stakeholders.

The City's participation is proposed to be 90% from 2018 through 2047. A potential scenario for Dallas County participation (for the University Hills Sub-District only) has been presented in this Plan that forecasts participation at 65% for 20 years in tax years 2025-2044, pending formal approval by the Dallas County Commissioners Court at a later date.

The District's final Plan forecasts planned private development projects and public infrastructure improvement expenditures over its 30-year term. The City of Dallas will contribute approximately \$124.6 million in total dollars (\$52.6 million NPV 2018 dollars) to the District. It is anticipated that Dallas County will contribute approximately \$8.5 million in total dollars (\$3.4 million NPV 2018 dollars) to the District. The District's total budget is approximately \$133.2 million (\$55.9 million NPV 2014 dollars).

Under the authority of the TIF Act, the District's Project Plan Improvements consists of a program of administration and implementation, public infrastructure improvements, economic development grants, affordable housing, and parks/open space/trails, which is intended to stimulate private investment in the District to occur earlier and to a much greater extent than would occur solely through private investment in the reasonably foreseeable future.

It is estimated that, with City and County participation, the cumulative increased real property value is expected to reach approximately \$934.6 million during the life of the District. This includes approximately \$685.5 million in increased taxable real property value attributable to new private investment and \$249.1 million in increased taxable real property value attributable to property appreciation.

Should you have any questions, please contact Kevin Spath, Assistant Director, Office of Economic Development at 214-670-1691.



Dr. Eric Anthony Johnson

Chief of Economic Development & Neighborhood Services

c:      T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
M. Elizabeth Reich, Chief Financial Officer  
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors