

# Memorandum



CITY OF DALLAS

DATE October 29, 2021

TO Honorable Members of the Economic Development Committee:  
Tennell Atkins (Chair), Carolyn King Arnold (Vice-Chair), Adam McGough  
Omar Narvaez, Jaime Resendez, Chad West, and Gay Donnell Willis

SUBJECT **Call for Public Hearing regarding Amendment to the Grand Park South Tax Increment Financing (TIF) District**

On November 10, 2021, staff will seek City Council authorization to:

Authorize a public hearing to be held on December 8, 2021 to receive comments on the proposed amendment to the Project Plan and Reinvestment Zone Financing Plan ("Plan") for Tax Increment Reinvestment Zone Number Thirteen, the Grand Park South Tax Increment Financing ("TIF") District ("the Zone") to: (1) increase the geographic area of the Grand Park South TIF District to add approximately 151 acres to promote development or redevelopment of the District; (2) authorize an amendment to the participation agreement with Dallas County to extend its financial participation in the Grand Park South TIF District from 2026 to the end of the current term in 2035; and (3) make corresponding modifications to the Grand Park South District boundary and Project and Financing Plans; and at the close of the hearing, consideration of an ordinance amending Ordinance No. 26147, as amended, previously approved on October 26, 2005, and Ordinance No. Ordinance No. 26773, previously approved on June 13, 2007, to reflect this amendment - Financing: No cost consideration to the City

Over the past year, Staff has been working with representatives of St. Philip's School & Community Center (St. Philip's) on a proposal for expanding the existing TIF District into the Forest District neighborhood. The proposal is informed by a recent St. Philip's community master plan update along with recommendations from The Real Estate Council (TREC) Community Driven Growth: A Roadmap for Dallas' Equitable Development Plan (December 2019) and an Urban Land Institute (ULI) Technical Assistance Panel Report: St Philip's Forest District Esplanade (December 2020). St Philip's has also collaborated with Cornerstone Community Development Corporation, CitySquare, and private property owners on the proposed expansion of the TIF District.

On September 29, 2021, the Grand Park South TIF District Board of Directors (Board) met to review the proposed amendment. During the meeting representatives from St. Philip's and other area groups explained that the idea for expanding the Grand Park South TIF District was a result of community input during the Community Driven Growth: A Roadmap for Dallas' Equitable Development Plan process.

DATE October 29, 2021

SUBJECT **Call for Public Hearing regarding Amendment to the Grand Park South TIF District**

The Board unanimously recommended City Council approval of the amendment including a finding that the vacant and underutilized property in the proposed expansion area substantially arrests or impairs the sound growth of the City and that development or redevelopment in the proposed expansion area would not occur solely through private investment in the foreseeable future and its inclusion will have an overall benefit to the District.

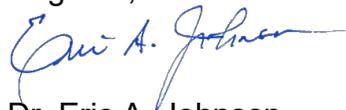
Pursuant to the Tax Increment Financing Act, as amended, VTCA Texas Tax Code, Chapter 311 (the "Act"), a public hearing is required any time the boundary or budget of an existing TIF district is proposed to be expanded or the percentage of a tax increment to be contributed by a taxing unit is proposed to increase or decrease.

This action authorizes a public hearing to be held on December 8, 2021 to hear comments on the proposed amendment to the Plan for the Grand Park South TIF District, including increasing the geographic area of the TIF District by approximately 151 acres in an area contiguous to the current TIF District and bounded by Al Lipscomb Way, South Ervay Street, South Boulevard, Pennsylvania Avenue, and Botham Jean Boulevard.

No changes to the TIF District budget are proposed. Growth in the original TIF District has been slower than anticipated; therefore, ample budget capacity still exists. Inclusion of the proposed expansion area will provide opportunity for additional revenue to be generated towards the \$30.3 million (NPV) budget goal and support for future projects. City staff has had recent discussions with Dallas County staff and anticipates requesting that Dallas County consider extending its financial participation an additional 9 years from tax year 2026 until the end of the current TIF District term tax year 2035.

See the attached **Exhibit A** for more detailed information regarding the proposed amendment to the Grand Park South TIF District. Should you have any questions, please contact Kevin Spath, Assistant Director in the Office of Economic Development, at (214) 670-1691 or [kevin.spath@dallascityhall.com](mailto:kevin.spath@dallascityhall.com)

Regards,



Dr. Eric A. Johnson

Chief of Economic Development & Neighborhood Services

c: Honorable Mayor and City Council  
T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Billierae 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



**City of Dallas**

# Grand Park South TIF District Plan Amendment

Economic Development Committee  
November 1, 2021

Kevin Spath, AICP, EDFP, HDFP  
Assistant Director  
Office of Economic Development

# Presentation Overview



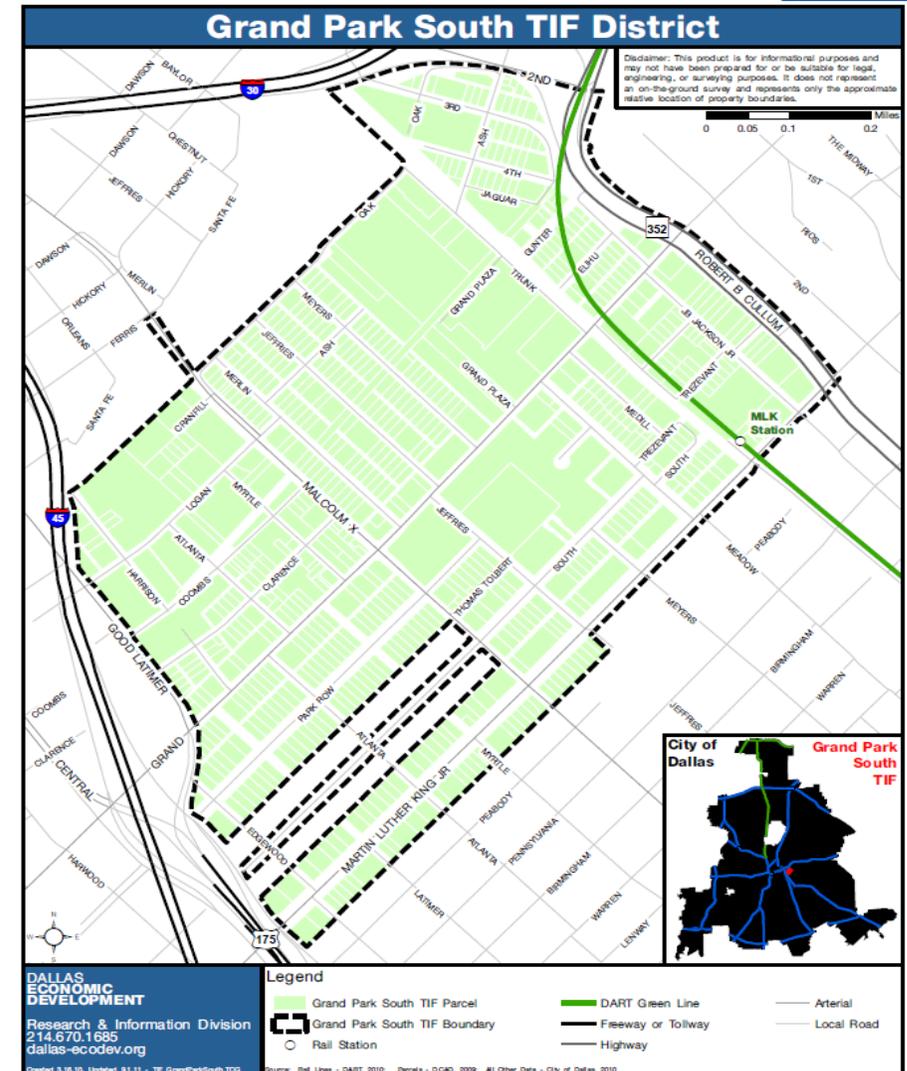
- Background
- Proposed Expansion of Grand Park South TIF District
- Staff Recommendation for Plan Amendment
- TIF District Board Recommendation
- Next Steps
- Appendix



# Background: Grand Park South TIF District



- Created in 2005 to redevelop a former cohesive neighborhood that has experienced disinvestment to take full advantage of the expanding DART light rail system:
  - Promote transit-oriented development in the historical context of the neighborhood
  - Implement urban design standards and improve the quality of development south of Downtown
- Despite the TIF District's adjacency to Fair Park, proximity to downtown, and the opening of two DART Light Rail stations, the pace of development has lagged, and challenges with public safety and substandard property conditions remain.
- TIF District is scheduled to expire December 31, 2035



# Background: Grand Park South TIF District



- The District's 2021 certified DCAD value was \$89.9 million, an increase of \$45.1 million (100.6%) from the District's combined base value of \$44.8 million.
- To date, no private developments have applied for TIF funding.
- Development activity that has occurred in the TIF District without TIF funding includes the completion of 84 residential units; 18,288 square feet of commercial space; and a new Billy Earl Dade Middle School.



3221 Flats (built by Urban Mixed-Use, LLC)



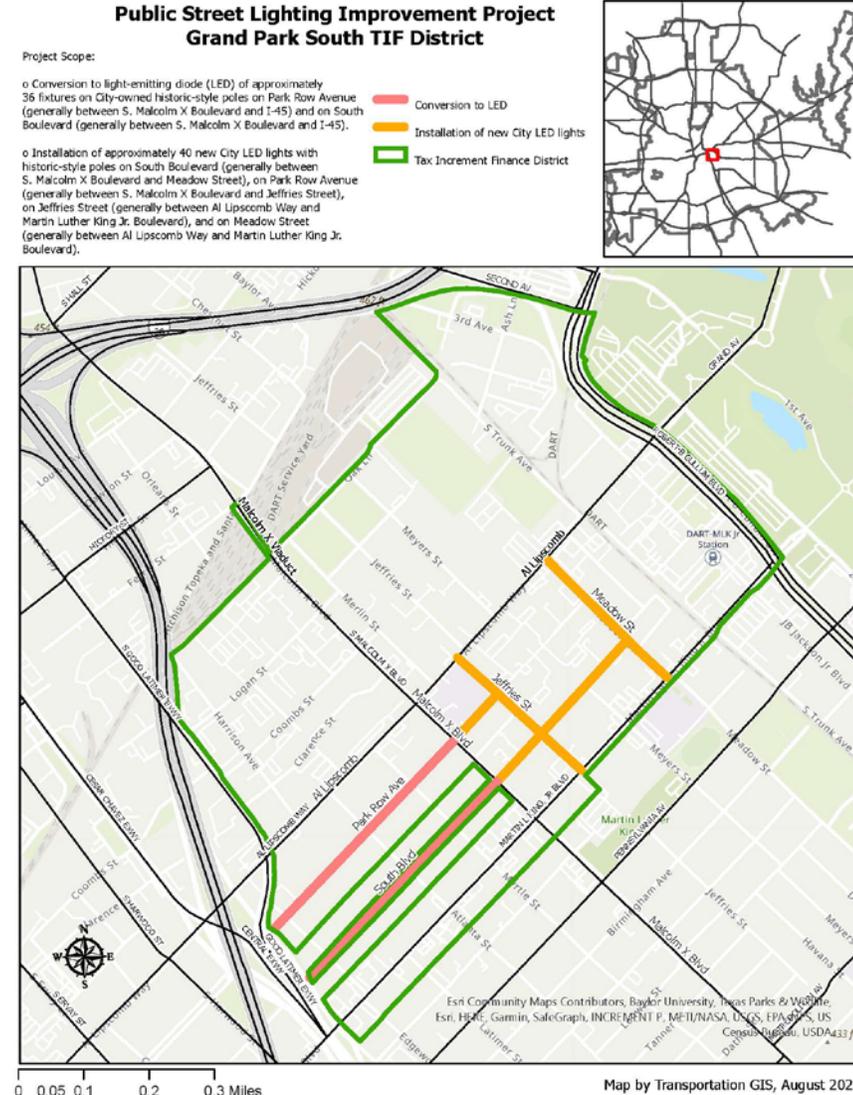
Fair Park Estates single-family homes built by Southfair Community Development Corporation.



# Background: Grand Park South TIF District



- As of FY 2021, the TIF District has generated a limited amount of increment (approximate cumulative total of \$1.25 million) since 2005.
- Based on recommendation by Mayor’s Task Force of Safe Communities and on data analysis by Transportation Department/Office of Integrated Public Safety Solutions, on October 13, 2021, City Council approved the TIF District’s first project utilizing \$500,000 in TIF District funds for public street lighting improvements.





# Proposed Expansion of Grand Park South TIF District

- St. Philip's School & Community Center (St. Philip's) has proposed expanding the existing TIF District into the Forest District neighborhood.
- Proposal is informed by a **St. Philip's community master plan update** along with recommendations from **The Real Estate Council (TREC) Community Driven Growth: A Roadmap for Dallas' Equitable Development Plan** (December 2019) and an **Urban Land Institute (ULI) Technical Assistance Panel Report: St Philip's Forest District Esplanade** (December 2020).
- St Philip's has collaborated with Cornerstone Community Development Corporation, CitySquare, and private property owners on the proposal.
- The idea for expanding the Grand Park South TIF District was a result of community input during the Community Driven Growth: A Roadmap for Dallas' Equitable Development Plan process.
- The proposed expansion area targets vacant and underutilized property suitable for multi-family, commercial, and mixed-use development and avoids existing residential neighborhoods that are stable or desirable for improvement or preservation with housing related programs.



FOREST MLK District  
A Neighborhood-Focused Revitalization Plan



View of MLK Jr Street Scene

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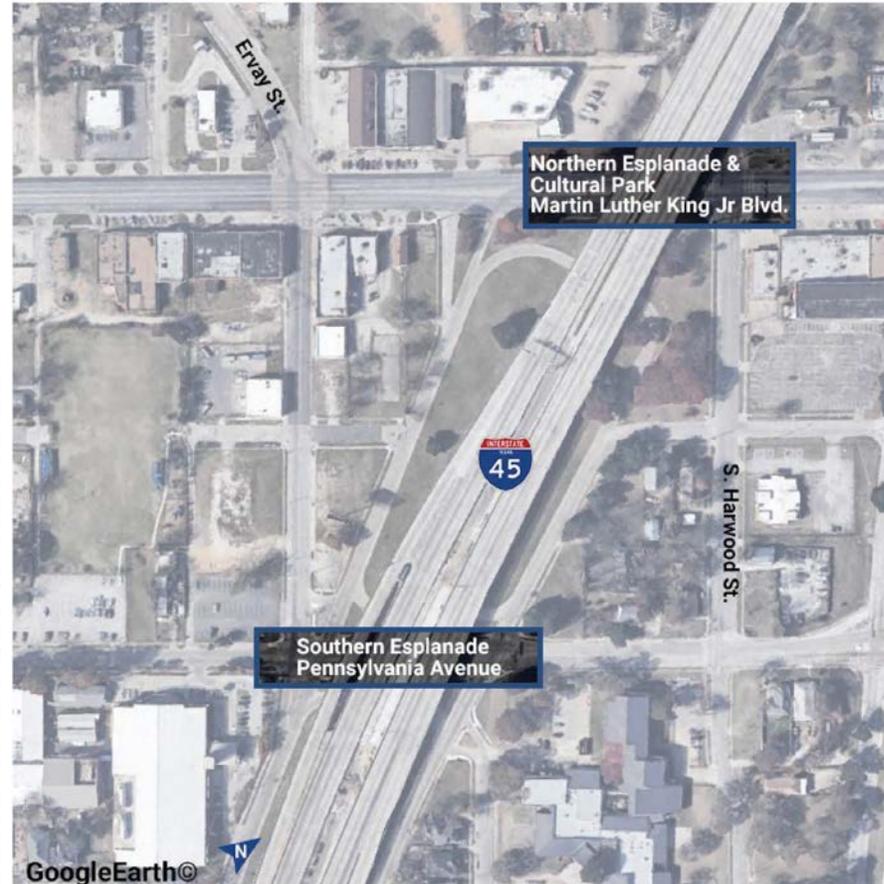




# Proposed Expansion of Grand Park South TIF District

- The **ULI Technical Assistance Panel Report for the Forest District Esplanade** (December 2020) provided concepts for improving pedestrian and bicycle safety and creative ways to reconnect neighborhoods impacted by I-45.
- The proposed esplanade locations (MLK Jr. Blvd and Pennsylvania Avenue) would provide a linkage between the existing TIF District and the proposed expansion area.
- A variety of funding sources may be considered for funding these improvements, including some portion from future TIF District funds.

Map of TAP Focus Sites.



# Proposed Expansion of Grand Park South TIF District



**Reconfiguration of SH 310 (SM Wright Parkway-Phase II):** anticipated to help spur economic development in the Grand Park South TIF District. Project reconfigures SH 310 with parkway improvements including the intersections with MLK Jr. Boulevard and Pennsylvania Avenue. The TXDOT project is transforming the existing S.M. Wright Freeway into a six-lane, street-level boulevard with traffic signals. Freeway overpasses will be removed, and the boulevard will include landscaping, pedestrian improvements, sidewalks, shared bike lanes, and enhanced community gateways. Completion in Fall 2023.





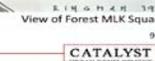
# Proposed Expansion of Grand Park South TIF District

## Anticipated Private Development in the expansion area

- 108 residential units (rehab and new construction)
  - 205,245 square feet of retail/commercial space (rehab and new construction)
  - potential adaptive reuse or redevelopment of the Dallas Independent School District (DISD) W.H. Cotton Service Center
- 
- Estimated total private investment \$144 million for infill/neighborhood scale development projects. Projection of new taxable value and increment is available in **Appendix A**



FOREST MLK District  
A Neighborhood-Focused Revitalization Plan



# Staff Recommendation for Plan Amendment



## Boundary Expansion

- existing TIF District is 238 acres
- proposal to add 151 acres contiguous to the existing TIF District and generally bounded by Al Lipscomb Way, South Ervay Street, South Boulevard, Pennsylvania Avenue, and Botham Jean Boulevard)
- 2021 estimated DCAD taxable value of the expansion area: \$34.2 million (base value), which generates \$264,096 annually in City real property taxes (and will continue to flow to the City's general fund after expansion area is added into the TIF District).

## One Cohesive District

- growth in the original TIF District has been slower than anticipated; therefore, ample budget capacity still exists. Inclusion of the proposed expansion area will provide opportunity for additional revenue to be generated towards the \$30.3 million (NPV) budget goal and support for future projects.



Proposed Grand Park South TIF District Boundary Expansion

■ Proposed TIF Expansion  
■ Grand Park South TIF District (existing)



City of Dallas  
Office of Economic Development  
September 2021



# Staff Recommendation for Plan Amendment



## TIF District Budget

- TIF District's total maximum budget will remain at \$30.3 million NPV (approximately \$101.7 million in total dollars).

<b>Grand Park South TIF District Project Plan Budget (NPV Values)</b>	
<b>Category</b>	<b>TIF Budget (NPV)</b>
Infrastructure Improvements	\$15,219,872
Environmental Remediation	\$7,192,554
Façade Restoration	\$2,226,746
Parks, Open Space, and Signature Entries	\$2,412,308
Grant or Loan Programs	\$1,670,060
Administration and Implementation	\$1,577,279
<b>Total Project Costs (excluding interest)</b>	<b>\$30,298,818</b>
<i>All values discounted to 2006 dollars at 5% annually. Actual expenditure value will depend on timing of the project costs</i>	



# Staff Recommendation for Plan Amendment



## Summary

- Increase geographic area of the TIF District by 151 acres (i. e. expand boundary)
- No changes to the TIF District's term or budget
- Make corresponding modifications to TIF District Plan
- Anticipate requesting that Dallas County consider extending its financial participation (same participation rate and maximum collection) an additional 9 years from tax year 2026 until the end of the current TIF District term tax year 2035



# TIF District Board Recommendation



On September 29, 2021, the Grand Park South TIF District Board of Directors reviewed and recommended City Council approval of the proposed amendment as recommended by staff.



# Next Steps



- **November 10, 2021:** City Council to call a public hearing to be held on December 8, 2021 to consider the proposed amendment
- **December 8, 2021:** City Council to conduct a public hearing to receive public comments on the proposed amendment and, at the close of the public hearing, consider approval of the proposed amendment to the Grand Park South TIF District Project Plan and Reinvestment Zone Financing Plan



# Appendices



**Appendix A:** Tax Increment Projection: Amended TIF District

**Appendix B:** State TIF Law and City's Financial Management Performance Criteria (FMPC)



# Appendix A

## Tax Increment Projection: Amended TIF District



**Assumptions:**

City of Dallas participation begins in 2007 at a rate of 90%.

Dallas County participation for a period of 20 years begins in 2007 at a rate of 65%, unless an extension is approved.

Tax rates updated through 2021. Actual rate will vary annually.

Tax appraisals are for Jan. 1 of the year. Levies occur by Sept. 30 of the year. Tax receipts generally occur 12-13 months after appraisal.

GRAND PARK SOUTH - PROJECTED TIF INCREMENT SCHEDULE								
Tax Year		Property Value Estimate	Cumulative Prop. Value Growth	Anticipated Captured Value	Anticipated Increment Revenue	Anticipated Accumulated Revenue (NPV)	Tax Increment Revenue into TIF CITY @ 90%	Tax Increment Revenue into TIF COUNTY @ 65%
Base	2005	\$44,850,019						
Adj Base	2021	\$79,001,896						
1	2006	\$50,906,780	13.50%	\$6,056,761	\$0	\$0	\$0	\$0
2	2007	\$53,312,126	18.87%	\$8,462,107	\$47,053	\$42,678	\$39,315	\$7,738
3	2008	\$55,283,844	23.26%	\$10,433,825	\$73,708	\$106,350	\$61,819	\$11,889
4	2009	\$53,016,806	18.21%	\$8,166,787	\$46,793	\$144,847	\$40,774	\$6,019
5	2010	\$49,532,489	10.44%	\$4,682,470	\$39,688	\$175,943	\$34,991	\$4,697
6	2011	\$44,832,415	-0.04%	(\$17,604)	\$0	\$175,943	\$0	\$0
7	2012	\$42,878,702	-4.40%	(\$1,971,317)	\$0	\$175,943	\$0	\$0
8	2013	\$44,580,824	-0.60%	(\$269,195)	\$0	\$175,943	\$0	\$0
9	2014	\$49,031,827	9.32%	\$4,181,808	\$35,793	\$175,943	\$29,232	\$6,560
10	2015	\$54,971,515	22.57%	\$10,121,496	\$86,682	\$199,016	\$70,752	\$15,930
11	2016	\$58,737,564	30.96%	\$13,887,545	\$119,023	\$321,821	\$97,078	\$21,944
12	2017	\$68,780,676	53.36%	\$23,930,657	\$153,781	\$407,452	\$125,428	\$28,353
13	2018	\$68,780,676	53.36%	\$23,930,657	\$205,096	\$516,219	\$167,282	\$37,814
14	2019	\$69,143,005	54.16%	\$24,292,986	\$208,180	\$621,364	\$169,793	\$38,387
15	2020	\$79,772,536	77.87%	\$34,922,517	\$298,413	\$764,906	\$243,993	\$54,420
16	2021	\$124,098,888	176.70%	\$79,248,869	\$384,137	\$940,884	\$313,862	\$70,275
17	2022	\$194,278,267	333.17%	\$149,428,248	\$981,925	\$1,369,294	\$802,289	\$179,636
18	2023	\$349,538,517	679.35%	\$304,688,498	\$2,304,434	\$2,326,834	\$1,882,854	\$421,580
19	2024	\$460,344,775	926.41%	\$415,494,756	\$3,248,282	\$3,612,290	\$2,654,032	\$594,250
20	2025	\$566,120,060	1162.25%	\$521,270,041	\$4,149,277	\$5,176,109	\$3,390,196	\$759,081
21	2026	\$667,151,141	1387.52%	\$622,301,122	\$5,009,861	\$6,974,360	\$4,093,342	\$916,519
22	2027	\$772,001,705	1621.30%	\$727,151,686	\$5,902,979	\$8,992,293	\$4,823,071	\$1,079,909
23	2028	\$883,031,013	1868.85%	\$838,180,994	\$6,848,728	\$11,222,042	\$5,595,801	\$1,252,927
24	2029	\$993,530,710	2115.23%	\$948,680,691	\$7,789,966	\$13,637,461	\$6,364,846	\$1,425,119
25	2030	\$1,195,636,840	2565.86%	\$1,150,786,821	\$9,511,508	\$16,446,235	\$7,771,444	\$1,740,063
26	2031	\$1,288,571,392	2773.07%	\$1,243,721,373	\$10,303,125	\$19,343,894	\$8,418,241	\$1,884,884
27	2032	\$1,412,899,963	3050.28%	\$1,368,049,944	\$11,206,840	\$22,345,627	\$9,283,530	\$1,923,310
28	2033	\$1,622,793,463	3518.27%	\$1,577,943,444	\$10,744,326	\$25,086,436	\$10,744,326	\$0
29	2034	\$1,647,135,365	3572.54%	\$1,602,285,346	\$10,913,739	\$27,737,889	\$10,913,739	\$0
30	2035	\$1,671,842,395	3627.63%	\$1,626,992,376	\$11,068,188	\$30,298,818	\$11,068,188	\$0
<b>Total (2006 - 2035)</b>					<b>\$101,681,525</b>		<b>\$89,200,220</b>	<b>\$12,481,305</b>
<b>2006 NPV @ 5%</b>					<b>\$30,298,818</b>	<b>\$30,298,818</b>	<b>\$26,250,601</b>	<b>\$4,048,217</b>





**State Law:** the total value of taxable real property in all TIF districts cannot exceed 25% of the total value of taxable real property in entire City

- With proposed expansion of Grand Park South TIF District, would be 14.1%

**City FMPC:** the total value of taxable real property in all TIF districts plus the total value of taxable real property and business personal property in all active tax abatement reinvestment zones cannot exceed 15% of the total value of taxable real property and business personal property in entire City

- With proposed expansion of Grand Park South TIF District, would be 12.8%





# Grand Park South TIF District Plan Amendment

Economic Development Committee  
November 1, 2021

Kevin Spath, AICP, EDFP, HDFP  
Assistant Director  
Office of Economic Development

