

**TIF Increment Allocation Policy  
Farmers Market TIF District  
May 4, 2015**

It is important for the City of Dallas to encourage as many projects as possible and also allocate Farmers Market TIF District funds to Developers, based on the increment created by the Project (as defined below) and Related Projects/Developers (as defined below) within the District rather than on a first come first serve basis.

**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. The 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 Projects may be included in Individual Increment for reimbursement of the TIF-eligible Project expenses. 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 demolished structures.

**Total Increment**– the annual amount of increment deposited into the TIF fund from the participating jurisdictions.

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

**Net Individual Increment** – Individual Increment less the Project's and/or Related Project's portion of Administrative Expenses each year. This portion will be based on the ratio of Individual Increment to Total Increment.

**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** – 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.

**Shared Increment** – the Total Increment less (1) the portion of Administrative Expenses not already deducted from Individual Increment, (2) a set-aside for District-Wide Improvements if applicable, and (3) the sum of the Individual Increments of all eligible Developers.

**Available Cash** - cash in the Farmers Market TIF District 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 fund, the fund will pay or set aside Administrative Expenses. After Administrative Expenses and any District-Wide Improvement allocation have been paid or set aside, Developers approved for TIF funding from the Farmers Market TIF District will be eligible to receive their Net Individual Increment.

In addition to their Net Individual Increment, the Developers of the Dallas Farmers Market site will be eligible to receive all Shared Increment generated from properties located within original Farmers Market TIF District boundaries. Increment from projects NOT included in the Dallas Farmers Market site nor located within the original boundaries of the Farmers Market TIF District may be allocated to projects located outside original TIF boundaries and the Dallas Farmers Market area. If there are no funding requests from projects NOT located within the Dallas Farmers Market site or within the original TIF District boundaries, all funds generated may be used for reimbursement of Dallas Farmers Market incentives.

Dallas Central Appraisal District (DCAD) certified values for each tax year will be the data source used to determine values for the increment allocation procedure. However, no increment allocation will be made unless a total Project or specific phase as defined in a development agreement is completed by May 1<sup>st</sup> of a given year. The City's Director of Economic Development will make the final determination in applying future available revenues in the TIF Fund among Projects.

**District-Wide Improvement Set-Aside**

On October 28, 2008, TIF Board created a set-aside for District-Wide improvements. An allocation of 20% of total increment collections less Administrative Expenses was reserved for this purpose. With the development of a majority of land within the original Farmers Market TIF boundaries and redevelopment of the Dallas Farmers Market, such a large set-aside for District-Wide improvements is no longer needed.

On May 5, 2015, the TIF Board reduced the set-aside for District-Wide improvements to 5% of total TIF collections less Administrative Expenses. Additionally, any revenues from the Shed 3 and Shed 4 parking garage will be directed to the District-Wide Improvement Set-Aside fund.

Accumulated District-Wide Improvement Set-Aside funds may be allocated by the Board for improvements that benefit the Farmers Market TIF District. 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.

If there is future revenue from the parking, those funds will be allocated towards the District-Wide Improvement Set-Aside.

**Farmers Market Redevelopment Project increment set-aside**

After the TIF subsidies due the developers with pre-existing development agreements have been paid, all TIF funds (other than those required to pay administrative expenses) that become available from (1) the Farmers Market Redevelopment Project Individual Increments and (2) those properties located within the boundaries of the Farmers Market TIF District as of March 27, 2013 (the Shared Increment), shall be paid to the Farmers Market Redevelopment Project Developer until said Developer has received the full amount that it is due under the TIF development agreements between said Developer and City and that no other person shall be entitled to receive any of the TIF funds available from such sources unless and until said Developer has received the full amount that it is due under its TIF development agreements with City. Notwithstanding the foregoing, said Developer understands that (1) it will not be entitled to receive any of the TIF funds which may become available from any future development in the Farmers Market TIF District, other than from (a) the Farmers Market Redevelopment Project and (b) those properties located within the boundaries of the Farmers Market TIF District as of the date of March 27, 2013 (Farmers Market Original Boundary and Dallas Farmers Market Redevelopment Project location as shown in the map below), and (2) any future developments in the Farmers Market TIF District, which request TIF funds, will be eligible to receive their own TIF increment generated (after paying administrative expense and District-Wide Improvement set-aside) and proportional increment generated by projects located in remainder of the Farmers Market TIF District (Farmers Market Extended Boundary as shown in the map below) if any, until such time as the Farmers Market Redevelopment Project Developer has received the full amount that it is due under its TIF development agreements with City. In the event that a future development in the Farmers Market Extended Boundary does not request TIF funds, then the TIF increment generated from the Farmers Market Extended Boundary shall be paid to the Farmers Market Redevelopment Project Developer.

#### **City of Dallas Advance to the Farmers Market TIF - Phase IA**

The City of Dallas advanced funding for Phase IA improvements. A development agreement was authorized indicating that these funds would be reimbursed, with a grant in lieu of interest, at the time of the termination of the Farmers Market TIF District. The City's reimbursement has been deferred in hopes of encouraging more private investment in the Farmers Market area. The primary goal of the Farmers Market TIF District is to redevelop, stabilize and improve the area. Once the redevelopment obligations are fulfilled the City advance along with the interest will be reimbursed from the Phase IA budget category.

#### **Notes:**

In general, the assignment of increment will be done annually, after each participating jurisdiction has deposited its annual increment into the TIF fund. 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 TIF 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, there will be no increment payments that year.

At its discretion, the Farmers Market TIF District TIF Board may make modifications or corrections to this Policy to increase its effectiveness.

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