## City of Dallas Public/Private Partnership Programs

It is the purpose of the following programs to provide assistance only for projects where such assistance is necessary to stimulate private investment and job creation. Accordingly, these programs are available when agreements between the City and private parties that are not tax• exempt are approved by City Council prior to private investment occurring. Projects seeking economic incentives must provide written assurance that 'but for' the incentives sought, the proposed project will not occur, or would otherwise be substantially altered so that the economic returns or other associated public purpose secured by the City's incentives would be reduced. Projects occurring in Target Areas are provided special consideration.

The information contained herein shall not be construed as implying or suggesting that the City of Dallas is offering or is under any obligation to provide tax abatement or other incentives to any applicant, and all applicants shall be considered on a case-by-case basis. The source of City funding for a particular incentive may require or impose certain limitations on the types of projects for which those funds may be used, which are not described herein. Pawnshops, sexually oriented businesses, bars, truck stops, and truck dealerships are excluded from consideration for incentives provided under this program.

## Eligibility Requirements

The City has established targeted project areas which set minimum project requirements in order to be considered for incentives:

- **Target Areas:** Projects must create/retain 25 jobs or provide $1 million of investment;
- **Non-target Areas:** Projects must create/retain 100 jobs or provide $5 million of investment; and
- **Non-Conforming Projects:** Projects not meeting these requirements that nevertheless significantly advance the public purpose of economic development will be considered on a case- by-case basis.

## Tax Abatement

Temporary abatement of either real estate or personal property taxes. Recipient firms must meet primary considerations of capital improvements and job creation/retention. City staff may consider secondary considerations such as Dallas resident employment, efforts to exceed minimum environmental regulations, wage rates, community activities, target industry projects, and M/WBE participation when negotiating this incentive. A firm's tax abatement percentage will be reduced by 25 percent for any single year of the tax abatement term in which secondary considerations included in the agreement are not met unless an alternative method is prescribed by City Council in a project specific resolution. Real property tax abatement is not available in TIF Districts. In limited cases, projects may be considered for a combination of both real and personal property tax abatement when the combined amount does not exceed 90 percent of the City taxes on total new improvement value. All tax abatements must begin by January 1 of the second calendar year following City Council authorization unless otherwise specified.

### Abatement Benefits:

- **Target Areas:** Real property tax abatement up to 90 percent for 10 years and/or a business personal property tax abatement of up to 50 percent for five years;
- **Non-Target Areas:** Real property tax abatement up to 50 percent for 10 years and/or a business personal property tax abatement of up to 50 percent for five years;
- **Non-Conforming Projects:** Projects not meeting these requirements that nevertheless significantly advance the public purpose of economic development will be considered on a case-by-case basis.

## Economic Development Chapter 380 Grant Program

Companies considering a relocation/expansion or new commercial development may be eligible for an

economic development grant. Grants will be considered on a case-by-case basis based on specifics such as project type, location, design, and fiscal impact to the City. Companies will be required to meet eligibility requirements of the Public/Private Partnership Program. Pursuant to this program the City may administer and accept resources from other political subdivision of the state to support this program and may administer and accept resources from the Federal government to support developments. Bond funding utilized through the program may be subject to certain limitations in use.

### Economic Development GO Bond Program

General Obligation Bond funding may be used as described in this paragraph for private commercial, industrial, retail, residential, and mixed-use development that promotes economic development. Funding may be provided as a catalyst to promote private economic development and may be used for planning, designing, extending, constructing and acquiring land for public streets, utilities and other related infrastructure facilities or uses consistent with this purpose and the bond proposition approved by the voters.

Private developments may be eligible for economic development grants and loans pursuant to Chapter 380 of the Texas Local Government Code. Grants and loans will be considered for infrastructure improvements and/or land acquisition consistent with the scope of funding and other uses described above. Grants or loans will be considered on a case-by-case basis subject to funding limitations and development agreements approved by City Council, which agreements will contain appropriate conditions, safeguards and benchmarks to ensure that the public purpose of economic development will be carried out.

Funding in support of mixed-use or residential development, including the acquisition of improved and unimproved properties and for the cost of demolition of existing structures for such projects are also subject to the City of Dallas Housing Policy, which requires a portion of residential units to be affordable.

### Target Industry Projects

Target Industry projects are provided special consideration for economic incentives and are generally defined as follows: Brownfields or recycling, information technology, building materials and furnishings, company headquarters, logistics, telecommunications, transportation manufacturing and assembly, film/television/media, advanced instruments and food processing/distribution. The City is also targeting high quality grocery store projects in underserved areas of the City. Due to the temporary nature of film/television production, projects in this industry are not required to meet minimum job or investment eligibility established for the Public/Private Partnership Program. Rather, these projects are considered on a case-by-case basis with consideration given to the positive economic returns projects bring to the City. Target Industry projects must be confirmed in advance by the City in order to receive consideration under this designation.

### Non-Conforming Projects

Non-Conforming projects are considered on a case-by-case basis for high impact projects, unique developments, and competitive situations where projects may receive competing offers of incentives. These projects require a simple majority vote of City Council in Target Areas and a 3/4 vote of City Council in Non-Target Areas. High Impact Project - Projects creating/retaining a minimum of 500 jobs with substantial capital investment. In addition, this status may be granted to major projects by Fortune 500, Manufacturers 400, or Global 500 listed firms. A mixed-use or residential development considered for support as a non-conforming project requires special circumstances and must ensure that a minimum of 20% of the residential units in the development meet affordable housing or mixed-income housing requirements for the location. Commercial aspects of predominately residential mixed-use projects providing affordable housing in "areas of opportunity" in collaboration with the Housing Department will be considered.

### Competitive and Retention Projects

In special cases, companies receiving competing offers of incentives or those currently located in the city of Dallas considering a relocation/expansion are eligible to apply for financial incentives with negotiable terms. Existing firms must expand job base by 25 percent to be eligible for consideration. Incentives may be offered in specific cases to 'match other offers.' Companies may be required to demonstrate competing cities, offers, land/lease costs, taxes at current rates, utility rates, relocation costs, other significant costs and 'gap' to be filled, etc.

### Other Sources of Financial Assistance

Public/Private Partnership Program grants and abatements may be used in combination with other sources of federal, state, or City funds where necessary to achieve the public purpose advanced by a project. The City is willing to partner with special entities, such as Local Government Corporations, and special districts to provide an advantageous structure for projects that advance economic development. Such entities and districts may issue revenue bonds as allowed by state law to finance projects.

### Tax Increment Finance Districts

Special districts funding public improvements (not services) with increased tax revenues resulting from new private development. Tax rates are the same as elsewhere in the City and no added cost to private parties is incurred.

### Public Improvement Districts

Special districts created by petition to privately fund public improvements or special supplemental services over and above those provided by City, when such services are supportive of related City investments in capital improvements.

### Neighborhood Commercial/Retail Redevelopment Grant Program

This Program is intended to provide financial assistance to existing retail shopping centers and other retail/commercial facilities within Target Areas that are at least 15 years old for improvements and/or redevelopment which will positively impact surrounding neighborhoods and residents. Contemplated improvements must improve the aesthetics, design, or architectural appeal of the property and may include enhanced landscaping, lighting, pedestrian and/or parking improvements, new signage and facades, and major renovations to the facility among other items. Each project is considered on a case by case basis. City financial participation is on a matching and reimbursement basis. Phasing is permitted. Minimum total project investment is $250,000 and potential grants are subject to funding availability. An agreement must be in place with the City prior to work commencing.

### Small Business & Adaptive Reuse Incentives

The City of Dallas is committed to supporting growth of small businesses and fostering adaptive reuse of commercial buildings. Additional programs can be flexibly developed and linked to this policy as approved by the City Council.

### City of Dallas Regional Center - EB 5

The City of Dallas Regional Center (CDRC) is dedicated to assisting individuals and their families through the EB-5 immigration process via investment into businesses and development projects located within the Dallas city limits. The CDRC offers a variety of investments to foreign investors that meet or exceed requirements and offer investors features unique to the EB-5 community. Minimum foreign investment is $500,000 in Targeted Employment Areas or $1M in other areas. All opportunities supported by the CDRC must provide 10 full-time jobs (directly or indirectly) per investor.

### New Market Tax Credits

The City of Dallas participates in the New Market Tax Credit Program (NMTC), a federal program operated

by the Department of Treasury, that provides opportunities for new development in traditionally underserved areas. The program provides NMTC investors with a 39% federal tax credit payable over seven years. These investments are partnered with additional funds for businesses and real estate development in Low Income Neighborhoods.

## Foreign Trade Zone

Allows duty-free importing of foreign-made components into the Zone, where they may be assembled, manufactured, processed or packaged. Duties are charged only when products are subsequently distributed into the U.S. market - if they are shipped to international markets, no duty is levied.

## State Incentives

The City of Dallas will facilitate applications for assistance from State programs including Enterprise Zone Projects, Texas Enterprise Fund, and the Texas Emerging Technology Fund.

To obtain more detail on these programs, or to inquire regarding other assistance, contact: Office of Economic Development, Dallas City Hall, Room 6DN, Dallas, Texas 75201, Phone: (214) 670-1685, Fax: (214) 670-0158.