



Legislation Text

File #: 21-1005, **Version:** 1

STRATEGIC PRIORITY: Economic and Neighborhood Vitality
AGENDA DATE: June 23, 2021
COUNCIL DISTRICT(S): 2, 14
DEPARTMENT: Office of Economic Development
EXECUTIVE: Dr. Eric A. Johnson

SUBJECT

Authorize an ordinance amending the Project Plan and Reinvestment Zone Financing Plan (“Plans”) for the City Center Tax Increment Financing (“TIF”) District (the “Zone”) to approve: **(1)** the TIF Board’s finding that Klyde Warren Park is an area of public assembly and that TIF funds from the District-Wide Improvement budget category may be used for the Phase 2 expansion of Klyde Warren Park (“KWP2”) because it is a project benefitting the Zone and because such expansion is necessary or convenient to the creation of the Zone or to the implementation of the Plans; and **(2)** corresponding modifications to the Plans to reflect these amendments and findings - Financing: No cost consideration to the City

BACKGROUND

In the City Center TIF District Plan, District-Wide Improvement budget category funds may currently be used to support improvements that are not specific to a single development site or project such as gateways, trails, open space, pedestrian connectivity linking the Zone to other downtown destinations, or utility/streetscape improvements benefiting the Zone. The City Center TIF District Plan states that “pedestrian connectivity improvements enhancing the connection between the Lamar Corridor/West End Sub-district and Victory Park area shall be first in priority for expenditure of funds in this category.”

As proposed, the Phase 2 expansion of Klyde Warren Park includes an approximately 1.5 acre extension of Klyde Warren Park over Woodall Rodgers Freeway generally between Saint Paul Street and west of Akard Street adjacent to the City Center TIF District. As necessary and convenient to implement the Project Plan and Reinvestment Zone Financing Plans (“Plans”) and achieve their purposes, the City Center TIF Board of Directors adopted an amendment to the Plans finding that Klyde Warren Park is an eligible project cost even if located outside the TIF District because it is an area of public assembly that benefits the Zone. Further, the amendment specifies that TIF funding from this District-Wide Improvement budget category may be used for an expansion of Klyde Warren Park, as an area of public assembly serving downtown and linking the downtown core, including

West End/Lamar, to Victory Park and to Uptown. KWP2 is defined as a project cost under the Plans because it is an area of public assembly. The TIF Act (Chapter 311 of the Texas Tax Code) allows for the dedication of revenue from the tax increment fund to pay the costs of providing affordable housing or areas of public assembly in or out of the reinvestment zone.

In a separate but related agenda item, City Council will be asked to consider entering into a development agreement with Woodall Rodgers Park Foundation ("Foundation") in an amount not to exceed \$3,000,000.00 which is to be used to leverage a \$30,000,000.00 Surface Transportation Block Grant contribution from the North Central Texas Council of Governments/Regional Transportation Council for the design and construction of KWP2, payable from current and future City Center TIF District funds from the District-Wide Improvement budget category. The TIF funds would be coupled with at least \$7,000,000.00 in private donations secured by the Foundation.

This Plan amendment does not change the \$4,000,000.00 City Center TIF District District-Wide Improvement budget over the life of the TIF District.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 26, 1996, the City Council authorized the establishment of the Zone in accordance with the Tax Increment Financing Act, as amended, V.T.C.A Texas Tax Code, Chapter 311 (the "Act") to promote development and redevelopment in the Zone through the use of tax increment financing by Ordinance No. 22802, as amended.

On February 12, 1997, the City Council approved the Project Plans for the Zone by Ordinance No. 23034, as amended.

On November 14, 2012, City Council in accordance with the Tax Increment Financing Act, as amended, V.T.C.A Texas Tax Code, (Chapter 311), called a public hearing to be held on December 12, 2012, to hear citizen comments and concerns regarding the proposed City Center TIF District amendments and amended Project Plan and Reinvestment Zone Financing Plan for the District by Resolution No. 12-2780. That public hearing was duly held and closed.

On December 12, 2012, City Council authorized amendments to the City Center TIF District and the Project and Reinvestment Zone Financing Plans for the City Center TIF District to: (1) create two sub-districts within the City Center TIF District: (a) City Center Sub-district (original district boundary) and (b) Lamar Corridor/West End Sub-district; (2) Increase the geographic area of the City Center TIF District to add approximately 27.14 acres to create the Lamar Corridor/West End Sub-district; (3) Extend the current termination date of the City Center TIF District from December 31, 2012, to December 31, 2022, for the City Center Sub-district and establish a termination date for the Lamar Corridor/West End Sub-district of December 31, 2037; (4) decrease the percentage of tax increment contributed by the City of Dallas during the extended term of the TIF District and establish other taxing jurisdictions participation percentages; (5) Increase the City Center TIF District's budget from \$87,567,717.00 total dollars to \$151,968,546.00 total dollars, an increase of \$76,272,293.00; and (6) make corresponding modifications to the City Center TIF District boundary, budget and Project and Reinvestment Zone Financing Plans by Ordinance No. 28865.

On August 28, 2013, City Council in accordance with the Tax Increment Financing Act, as amended, V.T.C.A Texas Tax Code, (Chapter 311), called a public hearing to be held on September 11, 2013, to hear citizen comments and concerns regarding the proposed City Center TIF District amendments and amended Project Plan and Reinvestment Zone Financing Plan for the District by Resolution No. 13-1434. That public hearing was duly held and closed.

On September 11, 2013, City Council authorized amendments to the City Center TIF District and the Project and Reinvestment Zone Financing Plans for the City Center TIF District to: (1) amend the City Center Sub-district's boundary to remove a portion of the property addressed as 350 North St. Paul Street, approximately 4,950 square feet; (2) amend the City Center Sub-district's boundary to add the property addressed as 600 South Harwood Street, approximately 19,471 square feet; and (3) make corresponding modifications to the City Center TIF District boundary map, and Project and Reinvestment Zone Financing Plans and any other necessary adjustments to implement the Plan amendments by Ordinance No. 29142.

On November 12, 2014, City Council held a public hearing to receive comments on boundary amendments to the City Center TIF District (the "Zone") to: **(1)** remove certain properties from the City Center Subdistrict of the Zone, thereby reducing the tax increment base of the City Center Subdistrict and increasing city general fund contributions to the Zone over the remaining term; and **(2)** make such other corresponding adjustments to the ordinances creating the zone and approving the project and financing plans, Ordinance Nos. 22802 and 23034, approved on June 26, 1996 and February 17, 1997, respectively, necessary to accommodate the boundary amendments by Ordinance No. 29542.

On December 12, 2018, City Council authorized amending Tax Increment Financing Reinvestment Zone Number Five (City Center TIF District) Project and Reinvestment Zone Financing Plan to: (1) allow an amount not to exceed \$424,528.00 of the Affordable Housing Set-Aside Funds to be used outside of the boundaries of the Zone and the greater downtown area and (2) make corresponding modifications to the City Center TIF District Project and Reinvestment Zone Financing Plan by Ordinance 31060.

On January 12, 2021, the City Center TIF District Board of Directors approved forwarding to City Council an amendment to the City Center TIF District Amended and Restated Project Plan and Reinvestment Zone Financing Plan ("Plan") to clarify that District-Wide Improvement budget category funds may be used to support the Phase 2 expansion of Klyde Warren Park ("KWP2") as an area of public assembly and the City Center TIF District Board of Directors finds that spending Reinvestment Zone Number Five ("Zone") funds outside the Zone for KWP2 as an area of public assembly serving downtown and providing connectivity linking the Zone to other downtown destinations is a benefit to the Zone and is necessary and convenient to implement the Plan.

[The Economic Development Committee was briefed by memorandum regarding this matter on March 1, 2021. <http://cityofdallas.legistar.com/gateway.aspx?M=F&ID=782317bc-0559-4ef1-8442-62e2cbd29a90.pdf>](http://cityofdallas.legistar.com/gateway.aspx?M=F&ID=782317bc-0559-4ef1-8442-62e2cbd29a90.pdf)

FISCAL INFORMATION

No cost consideration to the City.

MAP

Attached